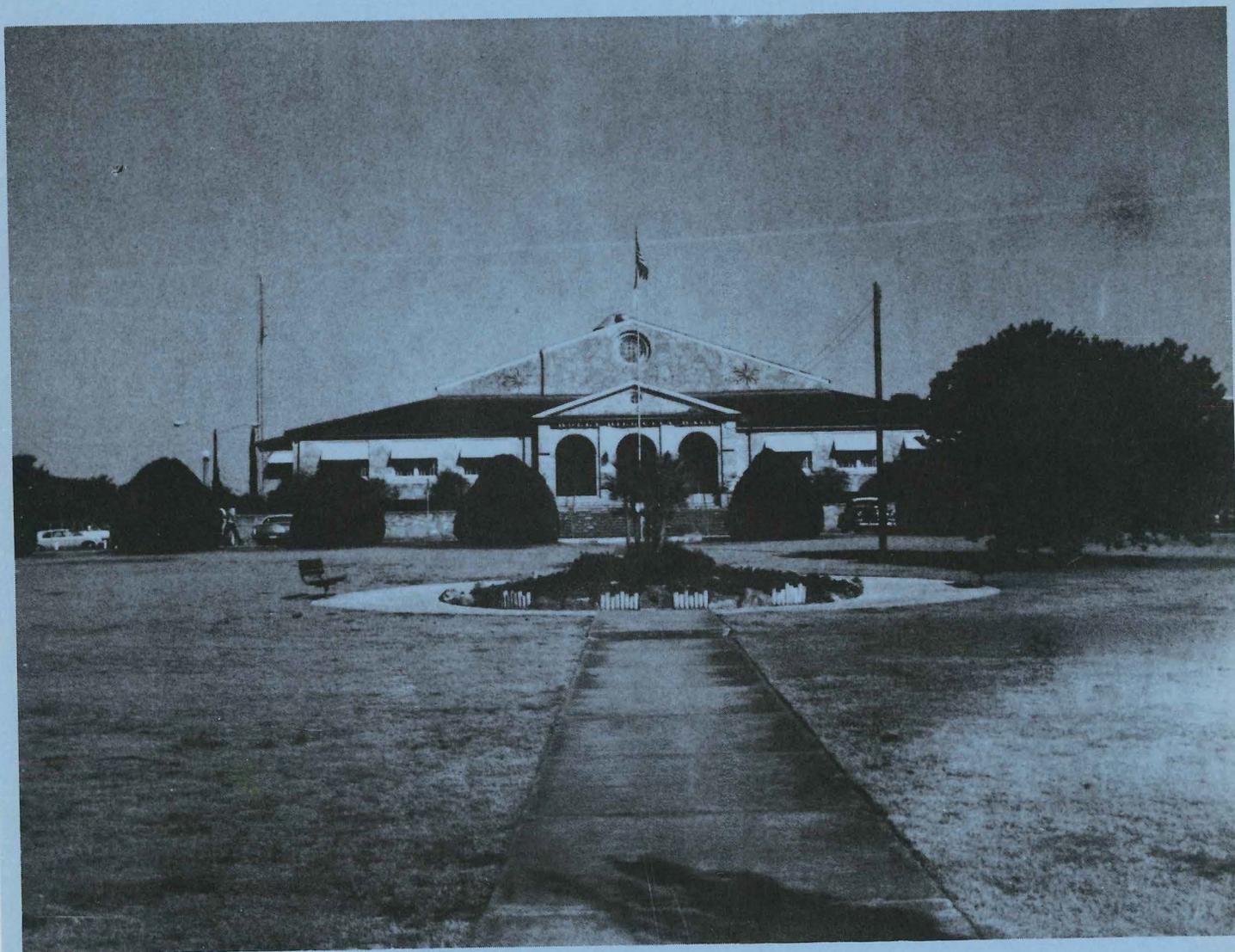
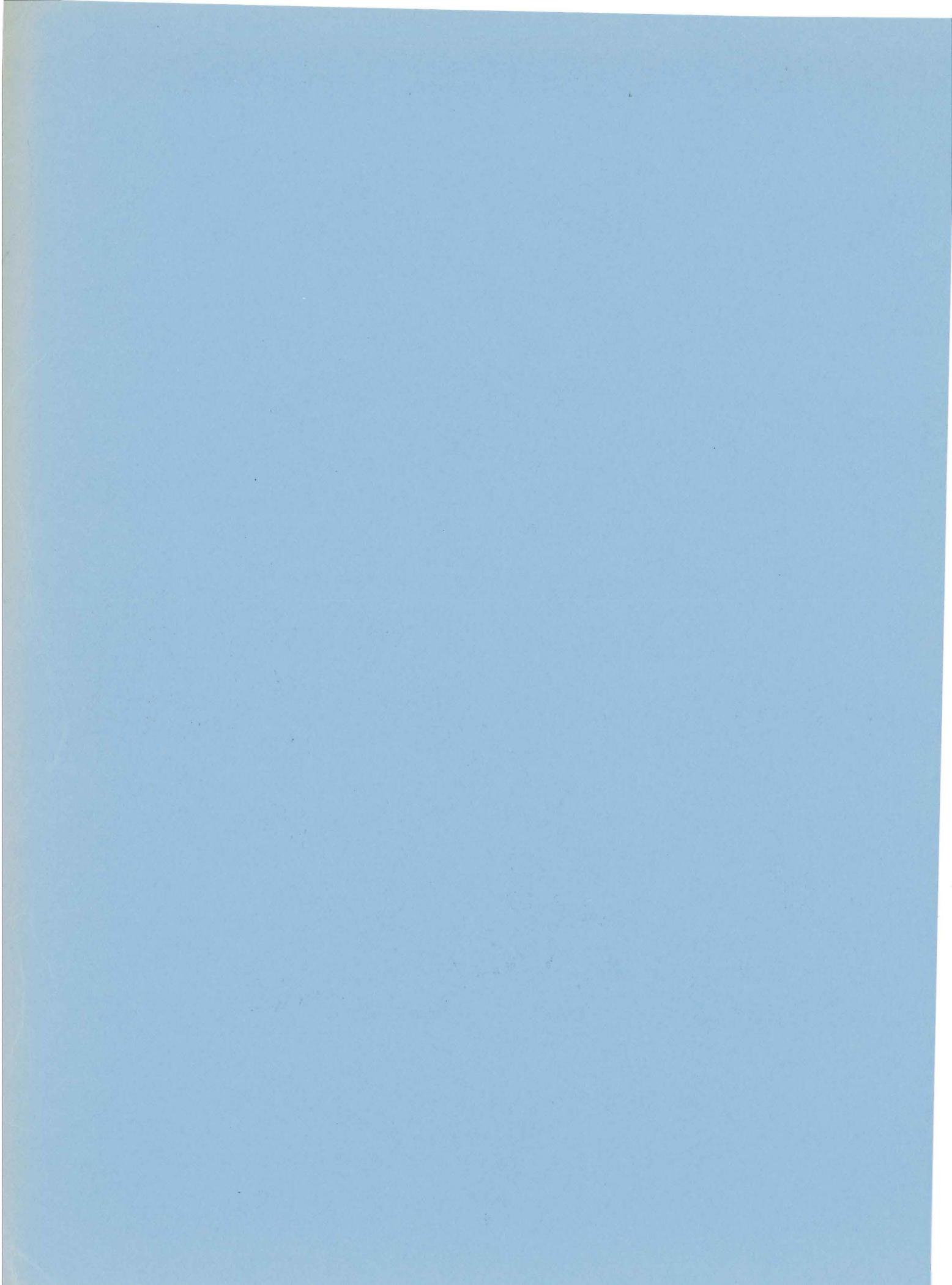


# CITY OF HOLLY HILL, FLORIDA ANNUAL FINANCIAL REPORT

*J. V. V. V.*



FISCAL YEAR ENDING SEPTEMBER 30, 1981



INTRODUCTORY SECTION



CITY OF HOLLY HILL, FLORIDA  
ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 1981

MAYOR

Ruth N. Starr

MAYOR PRO-TEM

Harry N. Mostert

COUNCIL

John E. Farmer

James E. Massfeller

Clifford E. Whaley

CITY MANAGER/CLERK

Charles W. McCool

CITY ATTORNEY

Edward F. Simpson, Jr.

FINANCE DIRECTOR

Virginia Wine

CITY ENGINEERS

Russell and Axon, Consulting Engineers

CITY AUDITORS

May, Zima & Co.

CITY OF HOLLY HILL, FLORIDA  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 1981

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LETTER OF TRANSMITTAL

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# CITY OF HOLLY HILL

TEN SIXTY-FIVE RIDGEWOOD AVENUE

HOLLY HILL, FLORIDA 32017

February 9, 1982

Mr. Charles W. McCool, City Manager/Clerk  
City of Holly Hill  
Holly Hill, Florida

Dear Mr. McCool:

The Annual Financial Report of the City of Holly Hill, Florida, for the year ended September 30, 1981, is submitted herewith pursuant to Article I, Section 52, of the City Charter, Florida Statutes, Chapter 166.241 (4) and Chapter 10.500 of the Rules of the Auditor General of the State of Florida.

The City's Finance Department has prepared and is responsible for the contents of this financial report and it is the official report of the City. City management believes this report does represent a fair presentation of the City's financial operation and condition at September 30, 1981.

This report has been extensively revised from prior year reports to reflect the new financial reporting practices being promulgated by "Statement Number 1, Governmental Accounting and Financial Reporting Principles, (GAFR)," issued by the National Council on Governmental Accounting (NCGA).

This report consists of three sections. The Introductory Section contains names of the principal officials of the City, organizational structure, highlighted financial information, and the Certificate of Conformance for the fiscal year ended September 30, 1980.

The Financial Section contains the auditors' report, the general purpose financial statements and detailed schedules for all funds and balanced account groups, which disclose the financial position and results of operations for the fiscal year. The presentation of these financial statements are being made in accordance with generally accepted accounting principles of state and local governments.

The Statistical Section contains various statistical tables, which reflect social and economic data, financial trends, and the fiscal capacity of the government.

The Municipal Finance Officers Association of the United States and Canada (MFOA) awarded a Certificate of Conformance in Financial Reporting to the City of Holly Hill for its Annual Financial Report for the fiscal year ended September 30, 1980.

**AN EQUAL OPPORTUNITY EMPLOYER**

Mr. Charles W. McCool, City Manager/Clerk  
February 9, 1982  
Page Two

In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized, comprehensive Annual Financial Report, whose contents conform to industry standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Conformance is valid for a period of one year only. We believe our current report continues to conform to Certificate of Conformance Program requirements, and we are submitting it to MFOA to determine its eligibility for another certificate.

#### ACCOUNTING SYSTEM

The City's accounting records for the governmental fund types (General Fund and Special Revenue Funds) are maintained on a modified accrual basis, with revenues being recorded when measurable and available and expenditures being recorded when incurred. Accounting records for the Water and Sewer System Fund and Pension Trust Funds are maintained on an accrual method.

Budgetary control is maintained by a constant review of revenues and expenditures by the City Manager/Clerk and Finance Director. This budgetary control is communicated to the department heads and available to the City Council in the form of a quarterly budget status report and the Council's approval of accounts payable on a monthly basis.

#### GENERAL GOVERNMENT

Revenues and transfers for the General Fund functions totaled \$2,658,680 for the fiscal year ended September 30, 1981, an increase of 15.15% over the previous year. Actual revenues and transfers for the General Fund exceeded the estimated revenues and transfers by \$113,834. The amount of revenue from the various sources and the increase (decrease) over the previous year are shown in the following tabulation:

<u>SOURCE</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>INCREASE (DECREASE) OVER 1980 (THOUSANDS)</u>
Taxes (all sources)	\$ 579,330	21.79 %	\$ 131
Licenses and permits	113,533	4.27	(4)
Intergovernmental revenues	394,059	14.82	31
Charges for services	606,389	22.81	52
Fines and forfeitures	42,310	1.59	(17)
Miscellaneous	127,008	4.78	52
Operating transfers in	796,051	29.94	103
<u>TOTALS</u>	<u>\$ 2,658,680</u>	<u>100.00 %</u>	<u>\$ 348</u>

Mr. Charles W. McCool, City Manager/Clerk  
 February 9, 1982  
 Page Three

The total nonexempt valuation for ad valorem taxes amounts to \$96 million, an increase of 6.93% over the preceding year. The total nonexempt value for ad valorem taxes increased \$6,223,340 over the preceding year.

Florida Statute, Chapter 192, controls the assessments and collections of ad valorem taxes. The County of Volusia, Florida is responsible for billing and collecting city ad valorem taxes in accordance with Florida law.

Current property tax collections were 96.586% of the current tax levy.

Allocations of the property tax levy were as follows:

	<u>1980/81</u>	<u>1979/80</u>
General Fund	<u>6.222 mills</u>	<u>5.135 mills</u>

Operating transfers in are made up from transfers from the Excise Taxes Fund. During the year, the operating transfers in represented 29.94% of the City's total General Fund revenues and other operating sources. The Excise Taxes transfer is by far the largest single source of operating cash for the General Fund.

Expenditures and transfers for the General Fund amounted to \$2,544,846 for the fiscal year, an increase of 17.89% over the preceding year. The expenditures for the major functions of the City are shown in the following tabulation:

<u>FUNCTION</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>INCREASE (DECREASE) OVER 1980 (THOUSANDS)</u>
General Government	\$ 532,202	20.91 %	\$ 94
Public Safety	855,165	33.61	127
Physical Environment	326,034	12.81	24
Transportation	372,395	14.63	82
Culture and Recreation	228,865	8.99	29
Operating transfers out	230,185	9.05	29
<b>TOTALS</b>	<u>\$ 2,544,846</u>	<u>100.00 %</u>	<u>\$ 385</u>

Capital improvements are included in each of the above functions. Expenditures for capital improvements amounted to \$140,215 for the fiscal year, an increase of 54.14% over the previous year.

Expenditures for General Government functions increased 21.46% over the previous year and accounted for 20.91% of total General Fund expenditures.

Public Safety, which includes the Police, Fire and Protective Inspection Departments, accounted for 33.61% of the General Fund expenditures, as compared to 33.73% for the preceding fiscal year.

INTEREST EARNINGS

This has been an interesting year for interest earnings because of the market. The following is a summary of interest earnings for the past two fiscal years:

INTEREST EARNINGS		FUND
1981	1980	
98,298.2	67,381	General Fund
18,312	14,395	Federal Reserve Sharing
10,998	73,410	Water and Sewer System Fund
<hr/>		
127,608.2	155,186	TOTAL INTEREST EARNINGS FOR THE CITY

The above amounts do not reflect certain Trust Funds interest earnings because the earnings are not available for general City use.

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A comprehensive financial report of this nature could not have been compiled without the dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to its preparation. I would also like to thank your office and the members of the City Council for their interest and support in planning and conducting the fiscal operations of the City in a responsible and progressive manner.

Respectfully submitted,



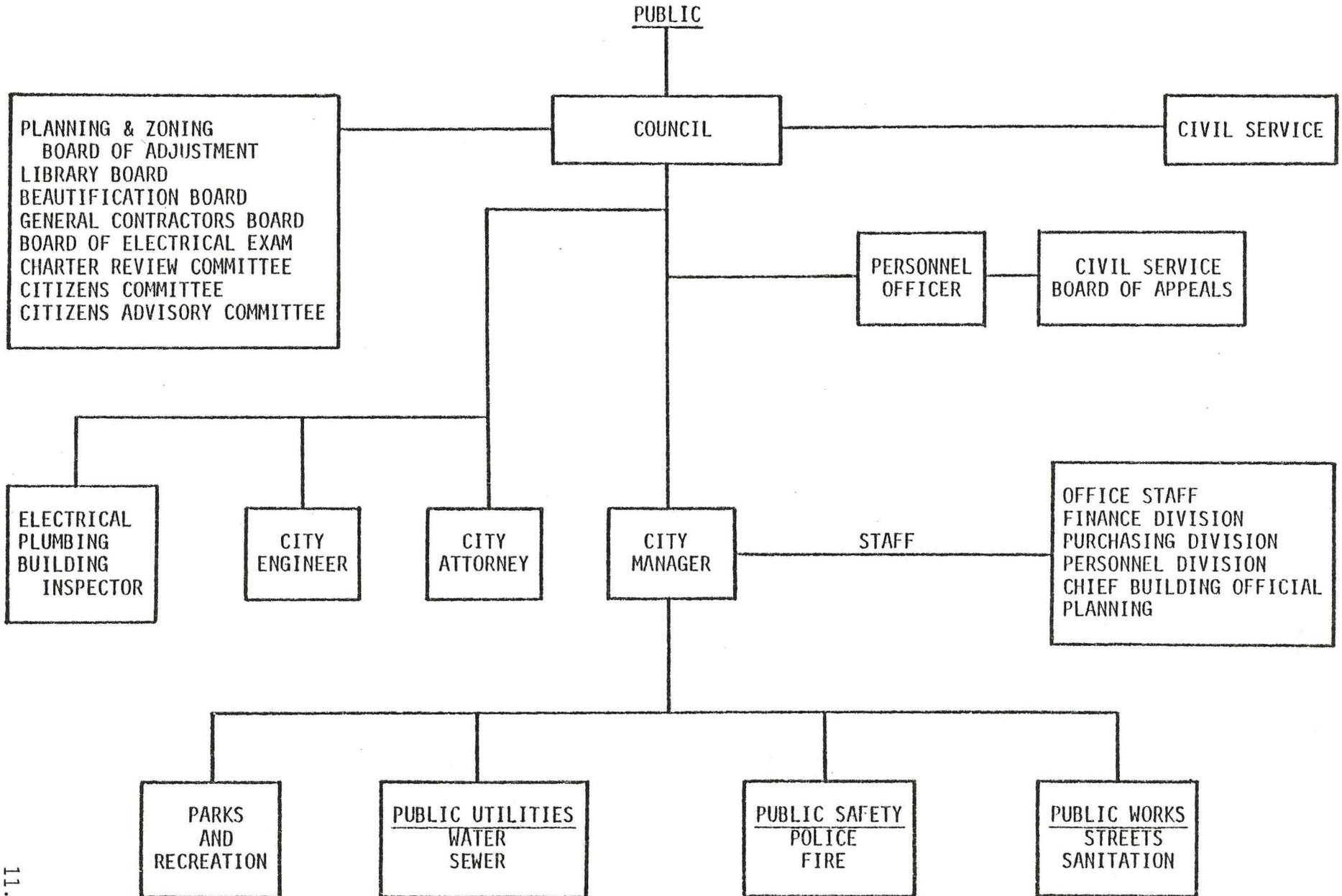
Virginia Wine, Finance Director

ORGANIZATION CHART

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CITY OF HOLLY HILL, FLORIDA

ORGANIZATION CHART



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CERTIFICATE OF CONFORMANCE

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Certificate  
of  
Conformance  
in Financial  
Reporting

Presented to

City of  
Holly Hill, Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 1980

A Certificate of Conformance in Financial Reporting is presented by the Municipal Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

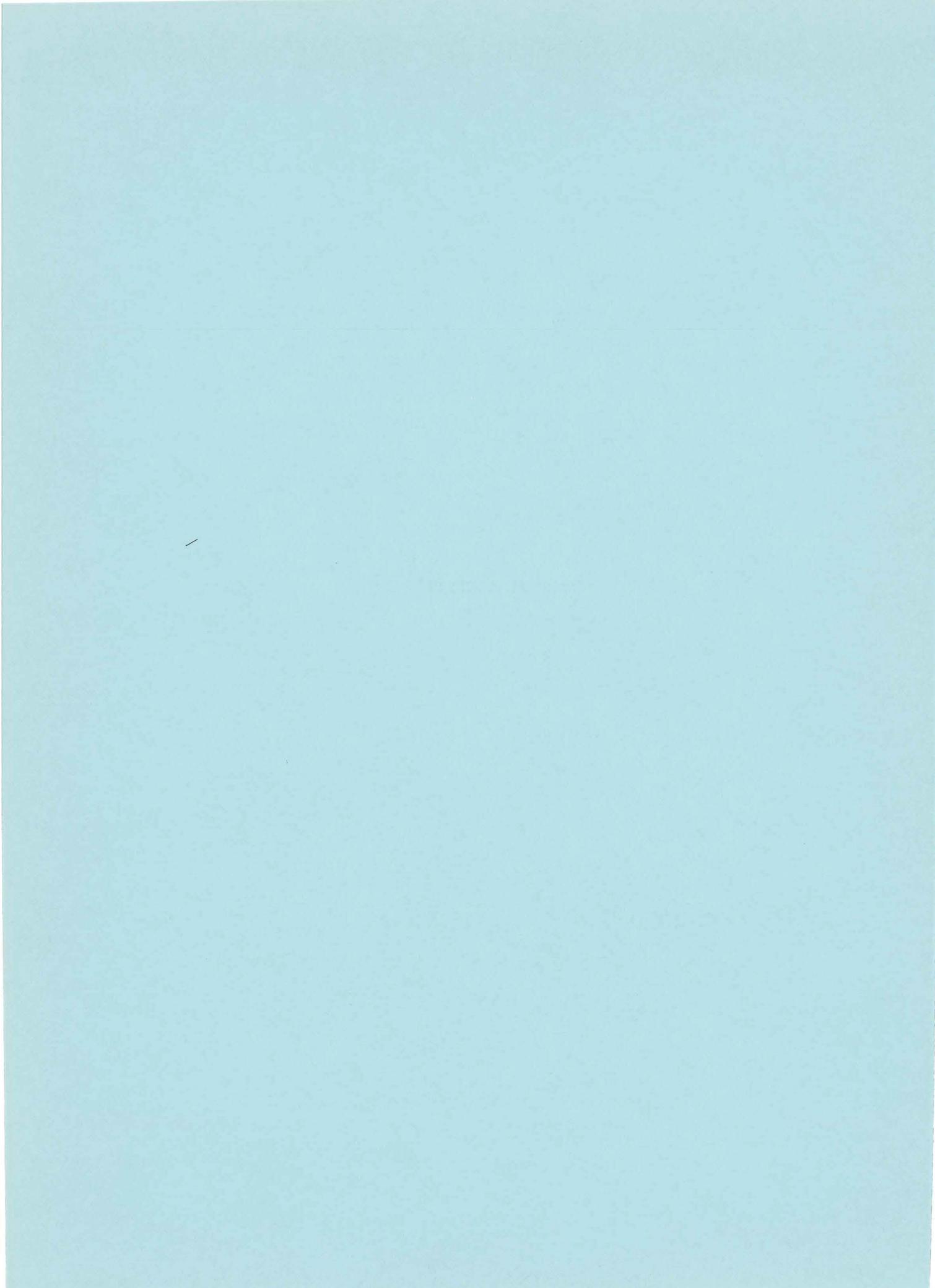


*[Signature]*  
President

*[Signature]*  
Executive Director

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FINANCIAL SECTION



AUDITORS' REPORT

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# **MayZima & Co.**

*Certified Public Accountants*

To the Honorable Mayor, City  
Council and City Manager/Clerk  
City of Holly Hill, Florida

## AUDITORS' REPORT

We have examined the combined financial statements of the City of Holly Hill, Florida and the combining and individual fund financial statements of the City as of and for the year ended September 30, 1981, as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 3 to the financial statements, contributions from customers for line extensions and connections for years prior to the 1977/78 fiscal year have not been separately recorded in the Water and Sewer System Fund. The amount by which contributions and retained earnings of the Water and Sewer System Fund might change, if they were separately recorded, is not reasonably determinable.

In our opinion, except for the effects of such adjustments, if any, as might have been required if the prior years' contributions from customers of the Water and Sewer System Fund were recorded, as discussed in the preceding paragraph, the combined financial statements referred to above present fairly the financial position of the City of Holly Hill, Florida at September 30, 1981, and the results of its operations and the changes in financial position of its Proprietary Fund Type and Pension Trust Fund Types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, except for the effects of such



adjustments, if any, as might have been required if the prior years' contributions from customers of the Water and Sewer System Fund were recorded, as discussed in the preceding paragraph, the combining and individual fund financial statements referred to above present fairly the financial position of those individual funds of the City of Holly Hill, Florida at September 30, 1981, and the results of operations of such funds and the changes in financial position of the Proprietary Fund and Pension Trust Funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information listed as supporting schedules and statistical tables in the table of contents is presented for purposes of additional analysis and is not a required part of the combined financial statements of the City of Holly Hill, Florida. The information has been subjected to the auditing procedures applied in the examination of the combined, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

*May Zinna & Co.*

Daytona Beach, Florida  
December 2, 1981

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GENERAL PURPOSE FINANCIAL STATEMENTS

(COMBINED STATEMENTS - OVERVIEW)

CITY OF HOLLY HILL, FLORIDA  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 1981

	GOVERNMENTAL FUND TYPES		PROPRIETARY	FIDUCIARY	ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	FUND TYPE	FUND TYPE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY)	
			ENTERPRISE	PENSION TRUST			1981	1980
<u>ASSETS</u>								
Cash	\$ 96,696	\$ 790	\$ 30,327	\$ 11,583	\$ -	\$ -	\$ 139,396	\$ 182,428
Investments - at cost	650,000	152,000	215,000	510,858	-	-	1,527,858	1,219,677
Accounts receivable - net (Note 2)	8,332	-	51,062	-	-	-	59,394	53,272
Taxes receivable	5,713	-	-	-	-	-	5,713	6,691
Other receivables	34,415	4,089	3,100	954	-	-	42,558	23,470
Due from other funds (Note 11)	807	-	-	17,860	-	-	18,667	21,399
Due from other governments	2,775	29,821	-	-	-	-	32,596	37,547
Refundable deposits	90	-	1,660	-	-	-	1,750	1,660
Prepaid insurance	-	-	5,688	-	-	-	5,688	-
Restricted assets:								
Cash	-	-	6,401	-	-	-	6,401	8,629
Investments - at cost	-	-	470,686	-	-	-	470,686	478,406
Interest receivable on investments	-	-	8,526	-	-	-	8,526	4,381
Land	-	-	25,298	-	158,971	-	184,269	184,269
Buildings	-	-	3,838,086	-	526,911	-	4,364,997	4,354,469
Improvements other than buildings	-	-	2,328,330	-	2,222,189	-	4,550,519	4,440,676
Machinery and equipment	-	-	119,038	-	1,083,115	-	1,202,153	1,056,806
Accumulated depreciation	-	-	(1,376,408)	-	-	-	(1,376,408)	(1,256,404)
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	51,910	51,910	67,709
<b>TOTAL ASSETS</b>	<b>\$ 798,828</b>	<b>\$ 186,700</b>	<b>\$ 5,726,794</b>	<b>\$ 541,255</b>	<b>\$ 3,991,186</b>	<b>\$ 51,910</b>	<b>\$ 11,296,673</b>	<b>\$ 10,885,085</b>

LIABILITIES AND FUND EQUITY

<u>LIABILITIES</u>								
Accounts payable	\$ 37,328	\$ 3,750	\$ 23,613	\$ -	\$ -	\$ -	\$ 64,691	\$ 80,195
Accrued liabilities	63,608	-	15,499	-	-	-	79,107	52,770
Payable from restricted assets:								
Revenue bonds (Notes 5 & 6)	-	-	130,000	-	-	-	130,000	120,000
Customers' security deposits	-	-	148,235	-	-	-	148,235	141,496
Due to other funds (Note 11)	17,860	-	807	-	-	-	18,667	21,399
Due to certificate holders	722	-	-	-	-	-	722	722
Deposits	6,345	-	-	-	-	-	6,345	4,690
Refundable line extensions	-	-	-	-	-	-	-	509
Deferred revenues	5,713	-	-	-	-	-	5,713	6,691
Contracts payable	-	-	1,669	-	-	-	1,669	-

Revenue bonds payable (Notes 5 & 6)	-	-	3,505,000	-	-	-	3,505,000	3,635,000
Notes payable - pension backfunding (Notes 4 & 9)	-	-	-	-	-	51,910	51,910	56,065
Notes payable - Sun Bank of Volusia County (Note 9)	-	-	-	-	-	-	-	11,644
<b>TOTAL LIABILITIES</b>	<b>\$ 131,576</b>	<b>\$ 3,750</b>	<b>\$ 3,824,823</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,910</b>	<b>\$ 4,012,059</b>	<b>\$ 4,131,181</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 10)</b>								
<b>FUND EQUITY</b>								
Contributed capital	\$ -	\$ -	\$ 1,101,858	\$ -	\$ -	\$ -	\$ 1,101,858	\$ 1,077,982
Investment in general fixed assets	-	-	-	-	3,991,186	-	3,991,186	3,775,745
Retained earnings:								
Reserved for revenue bond retirement	-	-	361,100	-	-	-	361,100	358,600
Unreserved	-	-	439,013	-	-	-	439,013	394,507
Fund balances:								
Reserved for encumbrances	1,258	-	-	-	-	-	1,258	2,252
Unreserved -								
Designated for Police and Fire Pensions	-	-	-	541,255	-	-	541,255	454,518
Designated for subsequent payments	410	-	-	-	-	-	410	410
Designated for employer contribution - actuarial deficiency (Note 4)	-	-	-	125,777	-	-	125,777	122,531
Undesignated - (deficit)	665,584	182,950	-	(125,777)	-	-	722,757	567,359
<b>TOTAL FUND EQUITY</b>	<b>\$ 667,252</b>	<b>\$ 182,950</b>	<b>\$ 1,901,971</b>	<b>\$ 541,255</b>	<b>\$ 3,991,186</b>	<b>\$ -</b>	<b>\$ 7,284,614</b>	<b>\$ 6,753,904</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 798,828</b>	<b>\$ 186,700</b>	<b>\$ 5,726,794</b>	<b>\$ 541,255</b>	<b>\$ 3,991,186</b>	<b>\$ 51,910</b>	<b>\$ 11,296,673</b>	<b>\$ 10,885,085</b>

See accompanying notes to financial statements.

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CITY OF HOLLY HILL, FLORIDA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 1981

	GOVERNMENTAL FUND TYPES		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	1981	1980
<u>REVENUES</u>				
Taxes	\$ 579,330	\$ 555,285	\$ 1,134,615	\$ 931,084
Licenses and permits	113,533	-	113,533	117,440
Intergovernmental revenues	394,059	164,856	558,915	520,805
Charges for service	606,389	-	606,389	553,917
Fines and forfeitures	42,310	-	42,310	59,552
Miscellaneous revenues	127,008	18,277	145,285	89,043
<u>TOTAL REVENUES</u>	<u>\$ 1,862,629</u>	<u>\$ 738,418</u>	<u>\$ 2,601,047</u>	<u>\$ 2,271,841</u>
<u>EXPENDITURES</u>				
General Government	\$ 532,202	\$ 10,302	\$ 542,504	\$ 440,428
Public Safety	855,165	26,743	881,908	728,039
Physical Environment	326,034	11,585	337,619	319,426
Transportation	372,395	45,106	417,501	364,839
Culture and Recreation	228,865	-	228,865	214,563
<u>TOTAL EXPENDITURES</u>	<u>\$ 2,314,661</u>	<u>\$ 93,736</u>	<u>\$ 2,408,397</u>	<u>\$ 2,067,295</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>\$ (452,032)</u>	<u>\$ 644,682</u>	<u>\$ 192,650</u>	<u>\$ 204,546</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	\$ 796,051	\$ 230,185	\$ 1,026,236	\$ 893,396
Operating transfers out	(230,185)	(831,051)	(1,061,236)	(928,396)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>\$ 565,866</u>	<u>\$ (600,866)</u>	<u>\$ (35,000)</u>	<u>\$ (35,000)</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>\$ 113,834</u>	<u>\$ 43,816</u>	<u>\$ 157,650</u>	<u>\$ 169,546</u>
<u>FUND BALANCES AT BEGINNING OF YEAR</u>	<u>553,418</u>	<u>139,134</u>	<u>692,552</u>	<u>523,006</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 667,252</u>	<u>\$ 182,950</u>	<u>\$ 850,202</u>	<u>\$ 692,552</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL AND SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1981

	GENERAL		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
<u>REVENUES</u>			
Taxes	\$ 568,940	\$ 579,330	\$ 10,390
Licenses and permits	112,100	113,533	1,433
Intergovernmental revenues	340,500	394,059	53,559
Charges for services	603,800	606,389	2,589
Fines and forfeitures	42,900	42,310	(590)
Miscellaneous revenues	81,300	127,008	45,708
<b>TOTAL REVENUES</b>	<b>\$ 1,749,540</b>	<b>\$ 1,862,629</b>	<b>\$ 113,089</b>
<u>EXPENDITURES</u>			
General Government	\$ 541,980	\$ 532,202	\$ 9,778
Public Safety	812,515	855,165	(42,650)
Physical Environment	329,250	326,034	3,216
Transportation	409,240	372,395	36,845
Culture and Recreation	225,845	228,865	(3,020)
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,318,830</b>	<b>\$ 2,314,661</b>	<b>\$ 4,169</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (569,290)</b>	<b>\$ (452,032)</b>	<b>\$ 117,258</b>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	\$ 751,350	\$ 796,051	\$ 44,701
Operating transfers out	(192,000)	(230,185)	(38,185)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 559,350</b>	<b>\$ 565,866</b>	<b>\$ 6,516</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ (9,940)</b>	<b>\$ 113,834</b>	<b>\$ 123,774</b>
<u>FUND BALANCES AT BEGINNING OF YEAR</u>	<u>553,418</u>	<u>553,418</u>	<u>-</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 543,478</u>	<u>\$ 667,252</u>	<u>\$ 123,774</u>

See accompanying notes to financial statements.

SPECIAL REVENUE			1981 TOTALS (MEMORANDUM ONLY)			TOTALS (MEMORANDUM ONLY) 1980
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
\$ 550,350	\$ 555,285	\$ 4,935	\$ 1,119,290	\$ 1,134,615	\$ 15,325	\$ 931,084
-	-	-	112,100	113,533	1,433	117,440
158,968	164,856	5,888	499,468	558,915	59,447	520,805
-	-	-	603,800	606,389	2,589	553,917
-	-	-	42,900	42,310	(590)	59,552
6,000	18,277	12,277	87,300	145,285	57,985	89,043
<u>\$ 715,318</u>	<u>\$ 738,418</u>	<u>\$ 23,100</u>	<u>\$ 2,464,858</u>	<u>\$ 2,601,047</u>	<u>\$ 136,189</u>	<u>\$ 2,271,841</u>
\$ 73,968	\$ 10,302	\$ 63,666	\$ 615,948	\$ 542,504	\$ 73,444	\$ 440,428
24,500	26,743	(2,243)	837,015	881,908	(44,893)	728,039
22,500	11,585	10,915	351,750	337,619	14,131	319,426
83,000	45,106	37,894	492,240	417,501	74,739	364,839
-	-	-	225,845	228,865	(3,020)	214,563
<u>\$ 203,968</u>	<u>\$ 93,736</u>	<u>\$ 110,232</u>	<u>\$ 2,522,798</u>	<u>\$ 2,408,397</u>	<u>\$ 114,401</u>	<u>\$ 2,067,295</u>
\$ 511,350	\$ 644,682	\$ 133,332	\$ (57,940)	\$ 192,650	\$ 250,590	\$ 204,546
\$ 192,000	\$ 230,185	\$ 38,185	\$ 943,350	\$ 1,026,236	\$ 82,886	\$ 893,396
(786,350)	(831,051)	(44,701)	(978,350)	(1,061,236)	(82,886)	(928,396)
<u>\$ (594,350)</u>	<u>\$ (600,866)</u>	<u>\$ (6,516)</u>	<u>\$ (35,000)</u>	<u>\$ (35,000)</u>	<u>\$ -</u>	<u>\$ (35,000)</u>
\$ (83,000)	\$ 43,816	\$ 126,816	\$ (92,940)	\$ 157,650	\$ 250,590	\$ 169,546
139,134	139,134	-	692,552	692,552	-	523,006
<u>\$ 56,134</u>	<u>\$ 182,950</u>	<u>\$ 126,816</u>	<u>\$ 599,612</u>	<u>\$ 850,202</u>	<u>\$ 250,590</u>	<u>\$ 692,552</u>

CITY OF HOLLY HILL, FLORIDA  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS/FUND BALANCES  
 ALL PROPRIETARY FUND TYPE AND PENSION TRUST FUNDS

	FOR THE YEAR ENDED SEPTEMBER 30, 1981			
	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	PENSION TRUST	1981	1980
<u>OPERATING REVENUES</u>				
Charges for services	\$ 1,015,359	\$ -	\$ 1,015,359	\$ 793,233
Miscellaneous revenues	9,956	118,863	128,819	105,858
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 1,025,315</b>	<b>\$ 118,863</b>	<b>\$ 1,144,178</b>	<b>\$ 899,091</b>
<u>OPERATING EXPENSES</u>				
Personal services	\$ 276,872	\$ -	\$ 276,872	\$ 245,154
Contractual services	153,520	-	153,520	127,228
Materials and supplies	207,910	-	207,910	111,421
Other charges and services	156,889	-	156,889	143,662
Depreciation	125,956	-	125,956	124,525
Benefit payments	-	18,478	18,478	13,507
Refunds	-	13,635	13,635	4,607
Miscellaneous expenses	-	13	13	310
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 921,147</b>	<b>\$ 32,126</b>	<b>\$ 953,273</b>	<b>\$ 770,414</b>
<b>OPERATING INCOME</b>	<b>\$ 104,168</b>	<b>\$ 86,737</b>	<b>\$ 190,905</b>	<b>\$ 128,677</b>
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Payment from General Fund - rental	\$ 13,000	\$ -	\$ 13,000	\$ 13,000
Interest income	76,999	-	76,999	73,410
Other income	2,214	-	2,214	7,545
Interest expense	(180,257)	-	(180,257)	(186,300)
Fiscal agent's fees	(4,118)	-	(4,118)	(4,367)
Miscellaneous expenses	-	-	-	(6,353)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>\$ (92,162)</b>	<b>\$ -</b>	<b>\$ (92,162)</b>	<b>\$ (103,065)</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>\$ 12,006</b>	<b>\$ 86,737</b>	<b>\$ 98,743</b>	<b>\$ 25,612</b>
<u>OPERATING TRANSFERS</u>				
Operating transfers in	35,000	-	35,000	35,000
<b>NET INCOME</b>	<b>\$ 47,006</b>	<b>\$ 86,737</b>	<b>\$ 133,743</b>	<b>\$ 60,612</b>
<u>RETAINED EARNINGS/FUND BALANCES AT BEGINNING OF YEAR</u>				
	753,107	454,518	1,207,625	1,147,013
<u>RETAINED EARNINGS/FUND BALANCES AT END OF YEAR</u>				
	<u>\$ 800,113</u>	<u>\$ 541,255</u>	<u>\$ 1,341,368</u>	<u>\$ 1,207,625</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

ALL PROPRIETARY FUND TYPE AND PENSION TRUST FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1981

	PROPRIETARY	FIDUCIARY	TOTALS	
	FUND TYPE	FUND TYPE	(MEMORANDUM ONLY)	
	ENTERPRISE	PENSION TRUST	1981	1980
<u>SOURCES OF WORKING CAPITAL</u>				
Operations:				
Net income	\$ 47,006	\$ 86,737	\$ 133,743	\$ 60,612
Items not requiring working capital - depreciation	125,956	-	125,956	124,525
	<u>\$ 172,962</u>	<u>\$ 86,737</u>	<u>\$ 259,699</u>	<u>\$ 185,137</u>
Increase in contributions	23,876	-	23,876	59,818
Net increase in current liabilities payable from restricted assets	16,739	-	16,739	22,174
Disposal of plant and equipment net of accumulated depreciation	6,813	-	6,813	360
Net decrease in restricted assets	<u>5,803</u>	<u>-</u>	<u>5,803</u>	<u>-</u>
TOTAL SOURCES OF WORKING CAPITAL	<u>\$ 226,193</u>	<u>\$ 86,737</u>	<u>\$ 312,930</u>	<u>\$ 267,489</u>
<u>USES OF WORKING CAPITAL</u>				
Net increase in restricted assets	\$ -	\$ -	\$ -	\$ 22,861
Acquisition of plant and equipment	63,042	-	63,042	75,954
Net decrease in other liabilities	<u>130,509</u>	<u>-</u>	<u>130,509</u>	<u>122,502</u>
TOTAL USES OF WORKING CAPITAL	<u>\$ 193,551</u>	<u>\$ -</u>	<u>\$ 193,551</u>	<u>\$ 221,317</u>
NET INCREASE IN WORKING CAPITAL	<u>\$ 32,642</u>	<u>\$ 86,737</u>	<u>\$ 119,379</u>	<u>\$ 46,172</u>

ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL

Cash	\$ (98,899)	\$ 4,754	\$ (94,145)	\$ 74,033
Investments	80,000	63,681	143,681	14,549
Accounts receivable - net	8,440	-	8,440	2,634
Due from other funds	(210)	17,860	17,650	(1,431)
Other receivables	(292)	(779)	(1,071)	5,125
Prepaid insurance	5,688	-	5,688	-
Accounts payable	30,763	-	30,763	(28,044)
Accrued liabilities	(6,354)	-	(6,354)	(3,491)
Due to other funds	15,175	1,221	16,396	(17,203)
Contracts payable	<u>(1,669)</u>	<u>-</u>	<u>(1,669)</u>	<u>-</u>
NET INCREASE IN WORKING CAPITAL	<u>\$ 32,642</u>	<u>\$ 86,737</u>	<u>\$ 119,379</u>	<u>\$ 46,172</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1981

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Holly Hill, Florida conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

A. Fund Accounting:

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purpose of the City's various funds and account groups are as follows -

Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Fund Type:

Enterprise Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to a private business enterprise - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Type:

Pension Trust Funds - to account for assets held by a governmental unit in a trustee capacity for qualifying city employees.

Account Groups:

General Fixed Assets - to account for all fixed assets of the city, except those fixed assets of the Proprietary Fund.

General Long-Term Debt - to account for outstanding principal balances on any long-term liabilities not accounted for in the Proprietary Fund.

B. Measurement Focus:

Governmental Fund Types - General and Special Revenue Funds are accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. Accordingly, the reported undesignated fund balances (net current assets) is considered a measure of available, spendable or appropriate resources. Governmental Fund Type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary Fund Type - The City's Enterprise Fund is accounted for on an "income determination" measurement focus. Accordingly, all assets and liabilities are included on the balance sheet, and the reported fund equity (total reported assets less total reported liabilities) provides an indication of the economic net worth of the fund. The operating statement for a Proprietary Fund Type (on an income determination measurement focus) reports increases (revenues) and decreases (expenses) in total economic net worth.

Fiduciary Fund Type - Pension Trust Funds are accounted for like Proprietary Fund Type.

Account Groups - The General Long-Term Debt and General Fixed Assets Account Groups are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations. Long-term debts, which are not intended to be financed through the Proprietary Fund, are accounted for in the General Long-Term Debt Account Group. Fixed assets, which are not used in Proprietary Fund operations, are accounted for in the General Fixed Assets Account Group.

C. Basis of Accounting:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. Revenues which are susceptible to accrual are as follows: (1) Federal Revenue Sharing; (2) Comprehensive Employment and Training Act Grant; (3) interest income; and (4) fines and forfeitures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt which is recognized when due; and (2) accumulated unpaid vacation and sick pay amounts which are not accrued.

The Proprietary Fund and Pension Trust Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

D. Budgets and Budgetary Accounting:

The City follows these procedures in establishing the budgetary data reflected in the financial statements -

- (1) On or before the first day of August of each year the City Manager submits to the City Commission a budget for the ensuing fiscal year, along with an accompanying budget message.
- (2) Budget workshop sessions are scheduled by the City Manager as needed.
- (3) The general summary of the budget and notice of public hearing is published in the local newspaper.
- (4) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (5) The City Council, by ordinance, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated.
- (6) The City Manager is authorized to transfer part or all of an unencumbered appropriation balance among programs within a department and upon written request by the City Manager, the City Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one department to another.
- (7) Every appropriation lapses at the close of the fiscal year to the extent that it has not been expended or encumbered.
- (8) The budgets for all governmental, proprietary, and fiduciary funds that were either adopted or amended during the year by the City Council were prepared on the same basis of accounting utilized by those specific fund types.

E. Receivables:

Utility - Water, sewer, trash and refuse operating revenues are generally recognized on the basis of cycle billings rendered monthly. The cycle with the meter reading date closest to September 30 is selected as the cut-off for accrual purposes. The City does not accrue revenues for services delivered during the next fiscal year that have not been read or billed by September 30.

Taxes - Property taxes are collected by the Volusia County Tax Collector and remitted to the City. At year-end, uncollected taxes are measurable, but not available as of the end of the fiscal year and, thus, are shown as deferred revenue. The deferred revenues will be recognized as revenue in the fiscal year that it becomes available.

F. Investments:

Investments are comprised of Certificates of Deposit, U. S. Government Obligations and Repurchase Agreements stated at cost. Cost is equal to market value for the City's investments.

G. Fixed Assets:

Fixed assets purchased in the Governmental Fund Types are recorded as expenditures at the time of purchase. Such assets are capitalized at cost in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets, consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. Donated fixed assets are recorded in the General Fixed Assets Account Group at their fair market value at the time received. No depreciation has been provided on general fixed assets.

The fixed assets of the Enterprise Fund are capitalized at cost when purchased. Depreciation is computed using the straight-line method over the assets estimated useful lives. The estimated useful lives of the various classes of depreciable assets are as follows:

<u>ASSETS</u>	<u>YEARS</u>
Buildings	50
Improvements other than buildings	10 - 50
Machinery and equipment	3 - 10

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1981

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- H. Reserves:  
 Reserves indicate that portion of fund balance/retained earnings that is not available for appropriation or which is legally segregated for a specific future use. The description of each reserve indicates the purpose for which each was intended.
- I. Encumbrances:  
 Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result, if unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities, but rather reservations of fund balance for subsequent years' appropriation.
- J. Contributions:  
 Proprietary Fund contributions represent outside contributions from other funds, governmental entities or individuals. The contributions were collected to finance fixed asset additions or other specific expenses.
- K. Memorandum Columns:  
 The columns captioned "Totals - Memorandum Only" are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data. This data does not present consolidated financial information.
- L. Reclassifications:  
 Certain September 30, 1980 account balances have been reclassified in this report to conform with the financial statement presentation used in 1981.

2. ACCOUNTS RECEIVABLE - NET

The accounts receivable - net amount at September 30, 1981 consists of the following:

	GENERAL FUND	WATER AND SEWER SYSTEM FUND
Accounts receivable	\$ 8,793	\$ 52,692
Less: Allowance for doubtful accounts	461	1,630
ACCOUNTS RECEIVABLE - NET	<u>\$ 8,332</u>	<u>\$ 51,062</u>

3. CONTRIBUTIONS

In prior years, the City has accounted for contributions from outside governmental agencies. During the fiscal year ended September 30, 1978, the City instituted accounting for contributions from customers. The contributions represent the amount of permanent fund capital contributed to the Water and Sewer System Fund by customers in the form of line extensions and connection charges. Prior to the change, the contributions were recorded as revenue. The retained earnings has not been adjusted to reflect prior year contributions from customers. The amounts by which the prior years' contributions and retained earnings of the Water and Sewer System Fund might change, if they were recorded, cannot be determined.

4. PENSION PLANS

A. The Municipal Police Officers' Pension Trust Fund and the Municipal Firemen's Pension Trust Fund contain the assets of the police and fire pension plans. The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, which created the funds, including subsequent amendments thereto. These statutes provide, in general, that funds are to be accumulated from employee contributions, state appropriations and income from investment of accumulated funds. The act also provides that, should the accumulated funds in either fund at any time be insufficient to meet and pay the benefits due, the City shall supplement the funds by an appropriation from current funds, or from any revenues which may lawfully be used for said purposes, in an amount sufficient to make up the deficiency.

Actuarial liabilities are determined by consulting actuaries through the state annually at January 1. The unfunded actuarial liabilities at January 1, 1980 (last valuation date) is as follows:

Municipal Police Officers'	
Pension Trust Fund	\$ 112,649
Municipal Firemen's Pension	
Trust Fund	<u>13,128</u>
 TOTAL UNFUNDED ACTUARIAL LIABILITY	 <u>\$ 125,777</u>

The City's contribution to the plans for the fiscal year ended September 30, 1981 were as follows:

Municipal Police Officers'	
Pension Trust Fund	\$ 14,952
Municipal Firemen's Pension	
Trust Fund	<u>5,604</u>
 TOTAL CITY CONTRIBUTIONS	 <u>\$ 20,556</u>

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1981

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The actuarial present value of accumulated plan benefits is as follows:

	MUNICIPAL POLICE OFFICERS' PENSION TRUST FUND	MUNICIPAL FIREMEN'S PENSION TRUST FUND
Vested	\$ 252,106	\$ 44,419
Nonvested	578,622	299,785
	<u>\$ 830,728</u>	<u>\$ 344,204</u>

- B. The Employees' Pension Plan includes all City employees, except policemen and firemen, and the assets of the plan are included in the Florida Retirement System of the State of Florida. The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, which created the fund, including subsequent amendments thereto. These acts provide, in general, that funds are to be accumulated from employee contributions, city contributions, state appropriations and income from investment of accumulated funds. The act also provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the fund by an appropriation from current funds, or from any revenues which may lawfully be used for said purposes, in an amount sufficient to make up the deficiency. For the year ended September 30, 1981, the City contributed \$79,090 to the Employees' Pension Plan administered by the State of Florida.

On September 10, 1974, the City Council adopted an ordinance to fund a portion of the past service cost, totaling \$81,330, of certain eligible employees. The City made an initial payment of \$8,000, with the balance amortized over 15 years at a 6.5% interest rate. The balance at September 30, 1981 is \$51,910.

5. WATER AND SEWER REVENUE BOND ORDINANCES PROVIDE

- A. Establishment and maintenance of various funds:
- (1) Revenue Fund records all the operating revenues of the system;
  - (2) Operating Fund records the cost of operations and maintenance of the system;
  - (3) Improvement Fund records all the improvements, extensions and replacements to the water and sewer system;
  - (4) Sinking Fund records all the debt service requirements of the water and sewer system;
  - (5) Construction Fund records the cost of major additions to the water and sewer system;

- (6) Excise Taxes Fund records all the proceeds of the excise taxes; and
- (7) Renewal and Replacement Fund records the cost of extensions, enlargements or additions to, or the replacement of capital assets of the system and emergency repairs.

B. Restrictions on the use of cash from operations:

- (1) Deposits are made to the Revenue Fund to meet current operations according to existing bond ordinances;
- (2) Deposits to the Sinking Fund are required on or before the 15th day of each month equal to one-sixth (1/6) of the interest coming due on the next interest payment date and one-sixth (1/6) or one-twelfth (1/12) of the principal coming due on the next principal interest date;
- (3) Deposits to the reserve account are to be -
  - (a) \$2,000 per month until the reserve requirement (maximum principal and interest in any insuing year) is met for Series "A" Bonds only
  - (b) \$100,000 out of proceeds of the bond issue for 1970 Series "B" Bonds only
  - (c) \$65,000 out of proceeds of the bond issue and, if any, unapplied proceeds from the Construction Fund after completion of project for 1972 Series "B" Bonds only;
- (4) On or before the 15th day of October, January, April and July in each fiscal year, a deposit shall be made from the Revenue Fund to the Improvement Fund equaling \$2,500 for ten years and the sum of \$1,250, thereafter; and
- (5) After the retirement of Series "A" Bonds, deposits are to be made to the Renewal and Replacement Fund for one-twelfth (1/12) of four per centum (4%) of the gross revenues of the water and sewer system for the previous fiscal year.

C. Early redemption:

The bond ordinances provide for early redemption of outstanding bonds at call rates varying from 100% to 106% of the instruments' face value.

D. Investment restrictions:

All monies deposited shall be continuously secured by the following -

- (1) By lodging with the custodian, as collateral security, direct obligations of or obligations the principal of and the interest on which are unconditionally guaranteed by the United States Government, or other marketable securities eligible as security under regulations of the Board of Governors of the Federal Reserve System, having a market value (exclusive of accrued interest) not less than the amount of such deposits;
- (2) Bonds of a surety company meeting the ordinance requirements;
- (3) Other applicable state or federal laws pertaining to the security for the deposit of trust funds;
- (4) Series "A" only -  
Money on deposit of the Reserve Account in the Sinking Fund, the Improvement Fund and the Water and Sewer Advance Deposit Account shall be invested and reinvested in direct obligations of the United States of America.
- (5) Series "B" only -
  - (a) Money on deposit in the Sinking Fund (except the Reserve Account) and in the Excise Taxes Fund may be invested and reinvested only in direct obligations of the United States of America maturing not later than ten (10) days prior to the date on which the moneys therein will be needed.
  - (b) Moneys in the Reserve Account in the Sinking Fund and the Renewal and Replacement Fund may be invested and reinvested in direct obligations of the United States of America or in Time Deposits in banks or trust companies represented by Certificates of Deposit and continuously secured maturing not later than five (5) years from the date of purchase or must otherwise be maintained in cash.
  - (c) Moneys in the Series "B" Bonds Revenue Fund, and the Operation and Maintenance Fund shall not be invested at any time.

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1981

E. The revenue bonds consist of the following serial bonds:

<u>DESCRIPTION</u>	<u>INTEREST RATES AND DATES</u>	<u>FINAL MATURITY</u>	<u>ANNUAL SERIAL PAYMENTS</u> (in thousands)
Water and Sewer:			
Series "A"	4.00-4.50% 4/1;10/1	10/1/99	\$120-\$160
Series "B" - 1970	6.75-7.50% 4/1;10/1	4/1/90	\$ 15-\$ 85
Series "B" - 1972	5.70-5.90% 4/1;10/1	4/1/99	\$ 70-\$130

<u>DESCRIPTION</u>	<u>ORIGINAL AMOUNTS ISSUED</u> (in thousands)	<u>AMOUNTS OUTSTANDING AT SEPTEMBER 30, 1981</u> (in thousands)
Water and Sewer:		
Series "A"	\$ 2,800	\$ 2,065
Series "B" - 1970	\$ 900	\$ 570
Series "B" - 1972	\$ 1,000	\$ 1,000

The annual requirements to amortize all debt outstanding as of September 30, 1981, including interest payments of \$1,806,250, are as follows:

WATER AND SEWER  
 ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT  
 SEPTEMBER 30, 1981

<u>FISCAL YEAR ENDING SEPTEMBER 30,</u>	<u>SERIES "A"</u>	<u>SERIES "B" 1970</u>	<u>SERIES "B" 1972</u>	<u>TOTAL</u>
1982	\$ 75,000	\$ 55,000	\$ -	\$ 130,000
1983	80,000	55,000	-	135,000
1984	85,000	60,000	-	145,000
1985	85,000	70,000	-	155,000
1986	90,000	75,000	-	165,000
1987	95,000	75,000	-	170,000
1988	100,000	80,000	-	180,000
1989	105,000	85,000	-	190,000
1990	110,000	15,000	70,000	195,000
1991	115,000	-	80,000	195,000
1992	120,000	-	85,000	205,000
1993	125,000	-	90,000	215,000
1994	130,000	-	100,000	230,000
1995	140,000	-	100,000	240,000
1996	145,000	-	110,000	255,000
1997	150,000	-	115,000	265,000
1998	155,000	-	120,000	275,000
1999	160,000	-	130,000	290,000
<b>TOTALS</b>	<b>\$ 2,065,000</b>	<b>\$ 570,000</b>	<b>\$ 1,000,000</b>	<b>\$ 3,635,000</b>

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1981

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Revenue is pledged to the extent of the maximum debt service requirement, which is \$309,726.

6. COMPLIANCE WITH BOND ORDINANCES

During the year, the City was not in compliance with the Water and Sewer Bond Ordinance's provision which prohibits investments other than obligations of the United States of America in the Improvement Fund, Series "B" Sinking Fund and Water and Sewer System Advance Deposit Account. The City invested in Certificates of Deposit to obtain higher earning yields.

7. The City maintains one Enterprise Fund which provides water and sewer services. Segment information for the year ended September 30, 1981 was as follows:

	<u>WATER &amp; SEWER FUND</u>	<u>TOTAL ENTERPRISE FUND</u>
<u>OPERATING EXPENSES</u>	\$ 795,191	\$ 795,191
<u>EXPENSES</u>		
Depreciation	125,956	125,956
<u>OPERATING INCOME</u>	104,168	104,168
<u>TRANSFERS OUT</u>		
Net increase (decrease) in retained earnings during the year	47,006	47,006
<u>CURRENT CAPITAL</u>		
Contributions - net	23,876	23,876
<u>FIXED ASSETS</u>		
Additions	63,042	63,042
Deletions	12,315	12,315
<u>NET WORKING CAPITAL</u>	263,589	263,589
<u>TOTAL ASSETS</u>	5,726,794	5,726,794
<u>BONDS AND OTHER LONG-TERM LIABILITIES PAYABLE FROM REVENUES</u>	3,505,000	3,505,000
<u>TOTAL EQUITY</u>	1,901,971	1,901,971

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1981

8. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	BALANCE		DELETIONS	BALANCE	
	OCTOBER 1, 1980	ADDITIONS		SEPTEMBER 30, 1981	
Land	\$ 158,971	\$ -	\$ -	\$ 158,971	
Buildings	516,383	10,528	-	526,911	
Improvements other than buildings	2,154,789	67,400	-	2,222,189	
Machinery and equipment	945,602	161,866	24,353	1,083,115	
TOTAL GENERAL FIXED ASSETS	<u>\$ 3,775,745</u>	<u>\$ 239,794</u>	<u>\$ 24,353</u>	<u>\$ 3,991,186</u>	

	BALANCE		DELETIONS	BALANCE	
	OCTOBER 1, 1980	ADDITIONS		SEPTEMBER 30, 1981	
<u>INVESTMENT IN GENERAL FIXED ASSETS</u>					
General Fund	\$ 2,847,191	\$ 146,628	\$ 17,061	\$ 2,976,758	
Special Revenue	425,172	93,166	7,292	511,046	
Federal grant	486,163	-	-	486,163	
State grant	224	-	-	224	
Gifts	9,595	-	-	9,595	
Water and Sewer System Fund	7,400	-	-	7,400	
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 3,775,745</u>	<u>\$ 239,794</u>	<u>\$ 24,353</u>	<u>\$ 3,991,186</u>	

9. CHANGES IN GENERAL LONG-TERM DEBT

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

	BALANCE		NOTES PAYABLE		BALANCE	
	OCTOBER 1, 1980		ISSUED	RETIRE	SEPTEMBER 30, 1981	
Amount available for retirement of general long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	
Amount to be provided for retirement of general long-term debt	67,709	-	15,799		51,910	
TOTAL AVAILABLE AND TO BE PROVIDED	<u>\$ 67,709</u>	<u>\$ -</u>	<u>\$ 15,799</u>		<u>\$ 51,910</u>	

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1981

	BALANCE	NOTES PAYABLE		BALANCE
	OCTOBER 1, 1980	ISSUED	RETIRED	SEPTEMBER 30, 1981
Note payable - pension backfunding	\$ 56,065	\$ -	\$ 4,155	\$ 51,910
Note payable - Sun Bank of Volusia County - fire truck	6,744	-	6,744	-
Note payable - Sun Bank of Volusia County - fire truck equipment	4,900	-	4,900	-
<b>TOTAL GENERAL LONG-TERM DEBT</b>	<b>\$ 67,709</b>	<b>\$ -</b>	<b>\$ 15,799</b>	<b>\$ 51,910</b>

<u>LENDOR/PURPOSE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>BALANCE 9/30/81</u>	<u>SECURITY PLEDGED</u>
Florida Retirement System/ pension backfunding	6/30/90	6.50 %	\$51,910	Unsecured
<b>TOTAL NOTES PAYABLE</b>			<b>\$51,910</b>	

10. COMMITMENTS AND CONTINGENCIES

A. Vacation and Sick Leave:

It is the City's policy to grant employees vacation leave, based upon the number of years of employment with the City. Vacation leave can be used as time off and/or accrued up to a maximum of 90 days, after which time the employee will be reimbursed for the excess time over 90 days. On termination, the employee shall also receive a cash benefit equal to the number of days accrued, based on the employee's current wage rate.

Sick leave is accumulated at a rate of one day per month per employee and can be accrued up to a maximum of 90 days. Upon retirement or death, employees will be paid 50 percent of their accumulated sick leave.

Accrued estimated liabilities not recorded in the accounts of the City or presented in the financial statements, for vacation and sick leave benefits to which the employees are entitled, are as follows:

Vacation leave	\$ 71,536
Sick leave	141,840
<b>TOTAL</b>	<b>\$ 213,376</b>

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1981

B. Proposed Bond Issue:

The City is currently considering a Farmers Home Administration loan of \$1,660,000 to construct well fields west of the City. This loan will take the effect of a bond issue that can be repaid over a period not exceeding 40 years from the date of the loan closing.

11. Individual fund interfund receivables and payables at September 30, 1981 consist of the following:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$ 807	\$ 17,860
Municipal Police Officers' Pension Trust	12,592	-
Municipal Firemen's Pension Trust	5,268	-
Water and Sewer System Fund	-	807
	<u>\$ 18,667</u>	<u>\$ 18,667</u>

12. ACTUAL EXPENDITURES EXCEEDED APPROPRIATIONS

During the year ended September 30, 1981, the following actual expenditures/expenses exceed the appropriations in violation of Section 74 of the City Charter, which requires that expenditures/expenses may not exceed appropriations, as adopted by the City Council, at the fund, function and activity levels.

<u>FUND, FUNCTION AND ACTIVITY</u>	<u>APPROPRIATION (REVISED)</u>	<u>ACTUAL</u>	<u>ACTUAL OVER APPROPRIATION</u>
General Fund:			
Public Safety -			
Law Enforcement	\$ 517,340	\$ 559,834	\$ (42,494)
Protective Inspection	47,855	48,170	(315)
Culture and Recreation -			
Parks and Recreation	183,490	194,307	(10,817)
Transfer to other funds	192,000	230,185	(38,185)
Enterprise Fund:			
Sewer service	191,865	193,407	(1,542)
Administrative expense	154,000	156,889	(2,889)
Special Revenue Funds:			
Public Safety	24,500	26,743	(2,243)
Transfer to other funds	786,350	831,051	(44,701)

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COMBINING STATEMENTS - BY FUND TYPE

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GOVERNMENTAL FUND TYPES

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## CITY OF HOLLY HILL, FLORIDA

## COMBINING BALANCE SHEET

## SPECIAL REVENUE FUNDS

SEPTEMBER 30, 1981

	FEDERAL REVENUE SHARING	EXCISE TAXES	TOTALS 1981	1980
<u>ASSETS</u>				
Cash	\$ 790	\$ -	\$ 790	\$ 20,390
Investments	152,000	-	152,000	87,500
Other receivables	4,089	-	4,089	1,951
Due from other governments	29,821	-	29,821	33,279
TOTAL ASSETS	<u>\$ 186,700</u>	<u>\$ -</u>	<u>\$ 186,700</u>	<u>\$ 143,120</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ 3,750	\$ -	\$ 3,750	\$ -
Due to other funds	-	-	-	3,986
TOTAL LIABILITIES	\$ 3,750	\$ -	\$ 3,750	\$ 3,986
<u>COMMITMENTS AND CONTINGENCIES (Note 10)</u>				
<u>FUND EQUITY</u>				
Fund balances:				
Unreserved -				
Undesignated	182,950	-	182,950	139,134
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 186,700</u>	<u>\$ -</u>	<u>\$ 186,700</u>	<u>\$ 143,120</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1981

	FEDERAL REVENUE SHARING			BUDGET (REVISED)
	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ 550,350
Intergovernmental revenues	114,968	119,275	4,307	44,000
Miscellaneous revenues	6,000	18,277	12,277	-
<b>TOTAL REVENUES</b>	<u>\$ 120,968</u>	<u>\$ 137,552</u>	<u>\$ 16,584</u>	<u>\$ 594,350</u>
<u>EXPENDITURES</u>				
General Government	\$ 73,968	\$ 10,302	\$ 63,666	\$ -
Public Safety	24,500	26,743	(2,243)	-
Physical Environment	22,500	11,585	10,915	-
Transportation	83,000	45,106	37,894	-
Culture and Recreation	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 203,968</u>	<u>\$ 93,736</u>	<u>\$ 110,232</u>	<u>\$ -</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (83,000)</u>	<u>\$ 43,816</u>	<u>\$ 126,816</u>	<u>\$ 594,350</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	\$ -	\$ -	\$ -	\$ 192,000
Operating transfers out	-	-	-	(786,350)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (594,350)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (83,000)</u>	<u>\$ 43,816</u>	<u>\$ 126,816</u>	<u>\$ -</u>
<u>FUND BALANCES AT BEGINNING OF YEAR</u>				
	139,134	139,134	-	-
<u>FUND BALANCES AT END OF YEAR</u>				
	<u>\$ 56,134</u>	<u>\$ 182,950</u>	<u>\$ 126,816</u>	<u>\$ -</u>

See accompanying notes to financial statements.

EXCISE TAXES			1981 TOTALS		
ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	TOTALS 1980 ACTUAL
\$ 555,285	\$ 4,935	\$ 550,350	\$ 555,285	\$ 4,935	\$ 483,184
45,581	1,581	158,968	164,856	5,888	158,083
-	-	6,000	18,277	12,277	14,395
<u>\$ 600,866</u>	<u>\$ 6,516</u>	<u>\$ 715,318</u>	<u>\$ 738,418</u>	<u>\$ 23,100</u>	<u>\$ 655,662</u>
\$ -	\$ -	\$ 73,968	\$ 10,302	\$ 63,666	\$ 2,282
-	-	24,500	26,743	(2,243)	-
-	-	22,500	11,585	10,915	17,175
-	-	83,000	45,106	37,894	74,877
-	-	-	-	-	15,002
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,968</u>	<u>\$ 93,736</u>	<u>\$ 110,232</u>	<u>\$ 109,336</u>
<u>\$ 600,866</u>	<u>\$ 6,516</u>	<u>\$ 511,350</u>	<u>\$ 644,682</u>	<u>\$ 133,332</u>	<u>\$ 546,326</u>
\$ 230,185	\$ 38,185	\$ 192,000	\$ 230,185	\$ 38,185	\$ 200,763
<u>(831,051)</u>	<u>(44,701)</u>	<u>(786,350)</u>	<u>(831,051)</u>	<u>(44,701)</u>	<u>(727,633)</u>
<u>\$ (600,866)</u>	<u>\$ (6,516)</u>	<u>\$ (594,350)</u>	<u>\$ (600,866)</u>	<u>\$ (6,516)</u>	<u>\$ (526,870)</u>
\$ -	\$ -	\$ (83,000)	\$ 43,816	\$ 126,816	\$ 19,456
-	-	139,134	139,134	-	119,678
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,134</u>	<u>\$ 182,950</u>	<u>\$ 126,816</u>	<u>\$ 139,134</u>

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PROPRIETARY FUND TYPE

## CITY OF HOLLY HILL, FLORIDA

## WATER AND SEWER SYSTEM FUND

## BALANCE SHEET

SEPTEMBER 30, 1981

## A S S E T S

	<u>1981</u>	<u>1980</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 30,327	\$ 129,226
Investments	215,000	135,000
Accounts receivable - net (Note 2)	51,062	42,622
Other receivables	3,100	3,392
Due from other funds (Note 11)	-	210
Prepaid insurance	5,688	-
	<u>\$ 305,177</u>	<u>\$ 310,450</u>
 <u>RESTRICTED ASSETS</u>		
Sinking Funds:		
Cash	\$ 6,401	\$ 8,629
Investments	370,686	413,406
Interest receivable on investments	8,526	4,026
Customer deposits:		
Investments	100,000	65,000
Interest receivable on investments	-	355
	<u>\$ 485,613</u>	<u>\$ 491,416</u>
 <u>PLANT AND EQUIPMENT</u>		
Land	\$ 25,298	\$ 25,298
Buildings	3,838,086	3,838,086
Improvements other than buildings	2,328,330	2,285,887
Machinery and equipment	119,038	111,204
	<u>\$ 6,310,752</u>	<u>\$ 6,260,475</u>
less: accumulated depreciation	1,376,408	1,256,404
	<u>\$ 4,934,344</u>	<u>\$ 5,004,071</u>
 <u>OTHER ASSETS</u>		
Refundable deposits	\$ 1,660	\$ 1,660
	<u>\$ 1,660</u>	<u>\$ 1,660</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 5,726,794</u>	 <u>\$ 5,807,597</u>

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L I A B I L I T I E S   A N D   F U N D   E Q U I T Y

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	<u>1981</u>	<u>1980</u>
<u>CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)</u>		
Accounts payable	\$ 23,613	\$ 54,376
Accrued liabilities	15,499	9,145
Due to other funds	807	15,982
Contracts payable	<u>1,669</u>	<u>-</u>
TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)	<u>\$ 41,588</u>	<u>\$ 79,503</u>
<u>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)</u>		
Customer deposits	\$ 148,235	\$ 141,496
Current maturity of revenue bonds payable (Notes 5 & 6)	<u>130,000</u>	<u>120,000</u>
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	<u>\$ 278,235</u>	<u>\$ 261,496</u>
<u>OTHER LIABILITIES</u>		
Revenue bonds payable (Notes 5 & 6)	\$ 3,505,000	\$ 3,635,000
Refundable line extensions	-	509
	<u>\$ 3,505,000</u>	<u>\$ 3,635,509</u>
<u>COMMITMENTS AND CONTINGENCIES (Note 10)</u>		
<u>FUND EQUITY</u>		
Contributed capital (Note 3):		
Contributions from federal government	\$ 919,421	\$ 919,421
Contributions from customers	182,437	158,561
Retained earnings:		
Reserved for retirement of revenue bonds	361,100	358,600
Unreserved	<u>439,013</u>	<u>394,507</u>
TOTAL FUND EQUITY	<u>\$ 1,901,971</u>	<u>\$ 1,831,089</u>
<hr/>		
TOTAL LIABILITIES AND FUND EQUITY	\$ 5,726,794	\$ 5,807,597

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## CITY OF HOLLY HILL, FLORIDA

## WATER AND SEWER SYSTEM FUND

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED SEPTEMBER 30, 1981

	<u>1981</u>	<u>1980</u>
<u>OPERATING REVENUES</u>		
Water sales	\$ 501,530	\$ 386,575
Service charges	1,086	1,094
Cut-off charges	5,080	5,354
Hydrant rental	7,599	7,711
Sewer charges	500,064	392,499
Other income	9,956	18,122
TOTAL OPERATING REVENUES	<u>\$ 1,025,315</u>	<u>\$ 811,355</u>
<u>LESS: OPERATING EXPENSES</u>		
Water service	\$ 442,394	\$ 318,113
Sewer service	195,908	165,690
Administrative charges and services	156,889	143,662
	<u>\$ 795,191</u>	<u>\$ 627,465</u>
OPERATING INCOME BEFORE DEPRECIATION	\$ 230,124	\$ 183,890
<u>LESS: DEPRECIATION EXPENSE</u>	<u>125,956</u>	<u>124,525</u>
OPERATING INCOME	<u>\$ 104,168</u>	<u>\$ 59,365</u>
<u>ADD: NONOPERATING REVENUE</u>		
Payment from General Fund - Public		
Works building rental	\$ 13,000	\$ 13,000
Interest revenue	76,999	73,410
Other income	2,214	7,545
TOTAL NONOPERATING REVENUE	<u>\$ 92,213</u>	<u>\$ 93,955</u>
	<u>\$ 196,381</u>	<u>\$ 153,320</u>
<u>LESS: NONOPERATING EXPENSES</u>		
Interest expense - revenue bonds	\$ 180,257	\$ 186,300
Fiscal agent's fees	4,118	4,367
Miscellaneous	-	6,353
TOTAL NONOPERATING EXPENSES	<u>\$ 184,375</u>	<u>\$ 197,020</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ 12,006	\$ (43,700)
<u>OPERATING TRANSFERS</u>		
Operating transfers in	<u>35,000</u>	<u>35,000</u>
<u>NET INCOME (LOSS)</u>	<u>\$ 47,006</u>	<u>\$ (8,700)</u>
<u>RETAINED EARNINGS AT BEGINNING OF YEAR</u>	<u>753,107</u>	<u>761,807</u>
<u>RETAINED EARNINGS AT END OF YEAR</u>	<u>\$ 800,113</u>	<u>\$ 753,107</u>

CITY OF HOLLY HILL, FLORIDA

WATER AND SEWER SYSTEM FUND

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 1981

	<u>1981</u>	<u>1980</u>
<u>SOURCES OF WORKING CAPITAL</u>		
Operations:		
Net income (loss)	\$ 47,006	\$ (8,700)
Add: Expenses not creating current liabilities or using current assets - depreciation	125,956	124,525
	<u>\$ 172,962</u>	<u>\$ 115,825</u>
Net increase in current liabilities payable from restricted assets	16,739	22,174
Increase in contributions	23,876	59,818
Disposal of plant and equipment net of accumulated depreciation	6,813	360
Net decrease in restricted assets	<u>5,803</u>	<u>-</u>
 TOTAL SOURCES OF WORKING CAPITAL	 <u>\$ 226,193</u>	 <u>\$ 198,177</u>
<u>USES OF WORKING CAPITAL</u>		
Net increase in restricted assets	\$ -	\$ 22,861
Acquisition of plant and equipment	63,042	75,954
Decrease in other liabilities	<u>130,509</u>	<u>122,502</u>
 TOTAL USES OF WORKING CAPITAL	 <u>\$ 193,551</u>	 <u>\$ 221,317</u>
 NET INCREASE (DECREASE) IN WORKING CAPITAL	 <u>\$ 32,642</u>	 <u>\$ (23,140)</u>
 <u>ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL</u>		
Cash	\$ (98,899)	\$ 67,204
Investments	80,000	(47,500)
Accounts receivable - net	8,440	2,634
Due from other funds	(210)	(1,353)
Other receivables	(292)	3,392
Prepaid insurance	5,688	-
Accounts payable	30,763	(28,044)
Accrued liabilities	(6,354)	(3,491)
Due to other funds	15,175	(15,982)
Contracts payable	<u>(1,669)</u>	<u>-</u>
 NET INCREASE (DECREASE) WORKING CAPITAL	 <u>\$ 32,642</u>	 <u>\$ (23,140)</u>

See accompanying notes to financial statements.

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FIDUCIARY FUND TYPE

CITY OF HOLLY HILL, FLORIDA

COMBINING BALANCE SHEET

PENSION TRUST FUNDS

SEPTEMBER 30, 1981

	MUNICIPAL POLICE OFFICERS' PENSION TRUST	MUNICIPAL FIREMEN'S PENSION TRUST	TOTALS	
			1981	1980
<u>ASSETS</u>				
Cash	\$ 10,328	\$ 1,255	\$ 11,583	\$ 6,829
Investments	359,230	151,628	510,858	447,177
Due from General Fund (Note 11)	12,592	5,268	17,860	-
Other receivables	954	-	954	1,733
<b>TOTAL ASSETS</b>	<u>\$ 383,104</u>	<u>\$ 158,151</u>	<u>\$ 541,255</u>	<u>\$ 455,739</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Due to General Fund	\$ -	\$ -	\$ -	\$ 1,221
<u>FUND EQUITY</u>				
Fund balances:				
Unreserved -				
Designated for Police and Fire Pensions	383,104	158,151	541,255	454,518
Designated for employer contributions - actuarial deficiency (Note 4)	112,649	13,128	125,777	122,531
Undesignated - (deficit)	(112,649)	(13,128)	(125,777)	(122,531)
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 383,104</u>	<u>\$ 158,151</u>	<u>\$ 541,255</u>	<u>\$ 455,739</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND BALANCES  
 PENSION TRUST FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1981

	MUNICIPAL		TOTALS	
	POLICE OFFICERS' PENSION TRUST	MUNICIPAL FIREMEN'S PENSION TRUST	1981	1980
<u>OPERATING REVENUES</u>				
Contributions	\$ 48,068	\$ 20,438	\$ 68,506	\$ 48,045
Interest	34,916	15,441	50,357	39,691
<u>TOTAL OPERATING REVENUES</u>	<u>\$ 82,984</u>	<u>\$ 35,879</u>	<u>\$ 118,863</u>	<u>\$ 87,736</u>
<u>OPERATING EXPENSES</u>				
Benefit payments	\$ 8,572	\$ 9,906	\$ 18,478	\$ 13,507
Refunds	11,622	2,013	13,635	4,607
Miscellaneous	-	13	13	310
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 20,194</u>	<u>\$ 11,932</u>	<u>\$ 32,126</u>	<u>\$ 18,424</u>
<u>NET INCOME</u>	<u>\$ 62,790</u>	<u>\$ 23,947</u>	<u>\$ 86,737</u>	<u>\$ 69,312</u>
<u>FUND BALANCES AT BEGINNING OF YEAR</u>	<u>320,314</u>	<u>134,204</u>	<u>454,518</u>	<u>385,206</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 383,104</u>	<u>\$ 158,151</u>	<u>\$ 541,255</u>	<u>\$ 454,518</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION  
 PENSION TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1981

	MUNICIPAL POLICE OFFICERS' PENSION TRUST	MUNICIPAL FIREMEN'S PENSION TRUST	TOTALS 1981	TOTALS 1980
<u>SOURCES OF WORKING CAPITAL</u>				
Operations:				
Net income	\$ 62,790	\$ 23,947	\$ 86,737	\$ 69,312
<u>USES OF WORKING CAPITAL</u>				
	-	-	-	-
NET INCREASE IN WORKING CAPITAL	<u>\$ 62,790</u>	<u>\$ 23,947</u>	<u>\$ 86,737</u>	<u>\$ 69,312</u>
<u>ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL</u>				
Cash	\$ 4,810	\$ (56)	\$ 4,754	\$ 6,829
Investments	46,167	17,514	63,681	62,049
Due from other funds	12,592	5,268	17,860	(78)
Accrued interest receivable	(779)	-	(779)	1,733
Due to other funds	-	1,221	1,221	(1,221)
NET INCREASE IN WORKING CAPITAL	<u>\$ 62,790</u>	<u>\$ 23,947</u>	<u>\$ 86,737</u>	<u>\$ 69,312</u>

See accompanying notes to financial statements.

INDIVIDUAL FUND FINANCIAL STATEMENTS

## GENERAL FUND

## SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1981

	1981		VARIANCE FAVORABLE (UNFAVORABLE)	1980 ACTUAL
	BUDGET (REVISED)	ACTUAL		
<u>TAXES</u>				
Ad valorem taxes	\$ 567,740	\$ 578,494	\$ 10,754	\$ 446,788
Delinquent ad valorem taxes	1,200	836	(364)	1,112
TOTAL TAXES	\$ 568,940	\$ 579,330	\$ 10,390	\$ 447,900
<u>LICENSES AND PERMITS</u>				
Professional and occupational licenses	\$ 65,000	\$ 65,123	\$ 123	\$ 46,254
City share/County licenses	18,500	19,981	1,481	10,802
Building permits	25,000	23,728	(1,272)	58,749
Other licenses and permits	3,600	4,701	1,101	1,635
TOTAL LICENSES AND PERMITS	\$ 112,100	\$ 113,533	\$ 1,433	\$ 117,440
<u>INTERGOVERNMENTAL REVENUE</u>				
Other General Government (701 Grant)	\$ -	\$ -	\$ -	\$ 787
Economic Environment - CETA Program	24,400	24,415	15	23,328
State shared revenues:				
General Government -				
State Revenue Sharing	262,800	317,660	54,860	285,990
Mobile home licenses	9,000	8,332	(668)	8,980
Alcoholic beverage licenses	10,000	9,153	(847)	9,794
Local government additional homestead exemption	28,000	27,912	(88)	27,033
Transportation -				
Rebate on municipal vehicles	2,800	2,872	72	3,113
Shared revenues from other local units -				
County road and bridge tax	3,500	3,715	215	3,697
TOTAL INTERGOVERNMENTAL REVENUE	\$ 340,500	\$ 394,059	\$ 53,559	\$ 362,722
<u>CHARGES FOR SERVICES</u>				
General Government charges:				
Zoning fees	\$ 1,150	\$ 1,071	\$ (79)	\$ 2,112
Sale of maps and publications	150	109	(41)	355
Certifications - Xerox copies	2,500	3,089	589	2,585
Public Safety charges -				
Police services	2,000	1,629	(371)	2,464
Physical Environment charges:				
Trash sales	200,000	200,745	745	194,812
Refuse sales	180,000	185,443	5,443	165,221
Culture and Recreation charges:				
Other special events (Farmers' Market)	6,000	3,654	(2,346)	-
Program activity fees	45,000	46,773	1,773	25,734
Civic Center (Sica Hall)	13,000	9,876	(3,124)	18,983
Other charges for services -				
Transfer from Enterprise operations	154,000	154,000	-	141,651
TOTAL CHARGES FOR SERVICES	\$ 603,800	\$ 606,389	\$ 2,589	\$ 553,917

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1981

PAGE 2 OF 2

	1981		VARIANCE FAVORABLE (UNFAVORABLE)	1980 ACTUAL
	BUDGET (REVISED)	ACTUAL		
<u>FINES AND FORFEITURES</u>				
Court fines	\$ 42,000	\$ 41,542	\$ (458)	\$ 58,272
Police education	900	768	(132)	1,280
TOTAL FINES AND FORFEITURES	\$ 42,900	\$ 42,310	\$ (590)	\$ 59,552
<u>MISCELLANEOUS REVENUES</u>				
Miscellaneous revenue	\$ 11,000	\$ 10,135	\$ (865)	\$ 8,857
Interest earnings	55,000	98,298	43,298	62,281
Surplus sales, equipment, etc.	-	75	75	3,483
Contributions and donations from private sources	14,300	8,050	(6,250)	(87)
Insurance proceeds - loss of equipment	1,000	10,332	9,332	-
Check write-offs	-	118	118	114
TOTAL MISCELLANEOUS REVENUES	\$ 81,300	\$ 127,008	\$ 45,708	\$ 74,648
TOTAL REVENUES	\$ 1,749,540	\$ 1,862,629	\$ 113,089	\$ 1,616,179
<u>OPERATING TRANSFER IN</u>				
Transfer from Excise Taxes Fund	751,350	796,051	44,701	692,633
TOTAL REVENUES AND TRANSFERS	\$ 2,500,890	\$ 2,658,680	\$ 157,790	\$ 2,308,812

See accompanying notes to financial statements.

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1981

	1981		VARIANCE FAVORABLE (UNFAVORABLE)	1980 ACTUAL
	BUDGET (REVISED)	ACTUAL		
<u>GENERAL GOVERNMENT</u>				
City Council:				
Personal services -				
Executive salaries	\$ 13,200	\$ 13,200	\$ -	\$ 13,000
FICA taxes	865	928	(63)	809
Retirement contributions	1,205	1,201	4	1,338
Health insurance contributions	1,382	737	645	-
Life insurance contributions	315	288	27	-
	<u>\$ 16,967</u>	<u>\$ 16,354</u>	<u>\$ 613</u>	<u>\$ 15,147</u>
Operating expenses -				
Travel and per diem	\$ 7,000	\$ 6,214	\$ 786	\$ 2,805
Other charges and obligations	1,900	1,305	595	1,352
Subscriptions and memberships	800	655	145	602
	<u>\$ 9,700</u>	<u>\$ 8,174</u>	<u>\$ 1,526</u>	<u>\$ 4,760</u>
TOTAL CITY COUNCIL	<u>\$ 26,667</u>	<u>\$ 24,528</u>	<u>\$ 2,139</u>	<u>\$ 19,907</u>
City Manager:				
Personal services -				
Executive salaries	\$ 22,840	\$ 21,776	\$ 1,064	\$ 19,142
Regular salaries and wages	43,280	43,647	(367)	32,031
Other salaries	500	563	(63)	2,855
Overtime - regular employees	200	124	76	-
Physicals	100	20	80	40
Uniforms	400	430	(30)	364
FICA taxes	4,390	4,683	(293)	3,189
Retirement contributions	5,000	6,106	(1,106)	4,887
Health insurance contributions	2,300	2,218	82	1,297
Life insurance contributions	290	238	52	310
Training	800	750	50	280
Other personal services	100	-	100	-
	<u>\$ 80,200</u>	<u>\$ 80,555</u>	<u>\$ (355)</u>	<u>\$ 64,395</u>
Operating expenses -				
Travel and per diem	\$ 1,000	\$ 837	\$ 163	\$ 321
Telephone/communication services	800	474	326	594
Repair and maintenance services	600	639	(39)	479
Other charges and obligations	10,000	6,205	3,795	1,661
Office supplies	700	1,015	(315)	365
Subscriptions and memberships	750	980	(230)	565
Vehicle expenses	1,800	2,597	(797)	1,352
	<u>\$ 15,650</u>	<u>\$ 12,747</u>	<u>\$ 2,903</u>	<u>\$ 5,337</u>
TOTAL CITY MANAGER	<u>\$ 95,850</u>	<u>\$ 93,302</u>	<u>\$ 2,548</u>	<u>\$ 69,732</u>
Finance and Administration:				
Personal services -				
Executive salaries	\$ 35,750	\$ 35,636	\$ 114	\$ 28,742
Regular salaries and wages	76,390	69,359	7,031	60,553
Other salaries	3,100	2,902	198	3,529
Overtime - regular employees	2,000	1,791	209	1,276
CETA salaries and wages	368	368	-	4,166
Physicals	100	40	60	100
FICA taxes	7,575	7,704	(129)	5,927
Retirement contributions	10,670	10,109	561	8,884
Health insurance contributions	4,040	3,554	486	3,302
Life insurance contributions	530	423	107	675
Training	950	800	150	667
	<u>\$ 141,473</u>	<u>\$ 132,686</u>	<u>\$ 8,787</u>	<u>\$ 117,821</u>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1981

	1981		VARIANCE	1980
	BUDGET (REVISED)	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
<b>GENERAL GOVERNMENT - (continued)</b>				
Finance and administration - (continued):				
Operating expenses -				
Professional services	\$ 25,000	\$ 23,403	\$ 1,597	\$ 20,730
Accounting and auditing services	39,000	35,396	3,604	31,031
Travel and per diem	1,500	1,565	(65)	841
Telephone/communication services	2,800	2,961	(161)	2,434
Postage, freight and express	9,000	9,325	(325)	7,536
Rentals and leases	4,500	4,365	135	3,073
Repair and maintenance services	4,600	3,909	691	3,614
Other charges and obligations	1,500	3,677	(2,177)	751
Office supplies	6,500	7,275	(775)	8,563
Subscriptions and memberships	200	168	32	183
	<u>\$ 94,600</u>	<u>\$ 92,044</u>	<u>\$ 2,556</u>	<u>\$ 78,756</u>
TOTAL FINANCE AND ADMINISTRATION	\$ 236,073	\$ 224,730	\$ 11,343	\$ 196,577
Civil Services:				
Personal services -				
Salaries and wages - part-time	\$ 3,950	\$ 4,373	\$ (423)	\$ 4,077
FICA taxes	260	313	(53)	240
Retirement contributions	360	413	(53)	444
	<u>\$ 4,570</u>	<u>\$ 5,099</u>	<u>\$ (529)</u>	<u>\$ 4,761</u>
Operating expenses -				
Professional services	\$ 1,000	\$ -	\$ 1,000	\$ -
Travel and per diem	200	-	200	-
Telephone/communication services	500	313	187	310
Utility services	900	759	141	715
Repair and maintenance services	1,000	512	488	106
Other charges and obligations	795	485	310	108
Advertising	1,000	436	564	570
Office supplies	400	394	6	72
	<u>\$ 5,795</u>	<u>\$ 2,899</u>	<u>\$ 2,896</u>	<u>\$ 1,881</u>
TOTAL CIVIL SERVICES	\$ 10,365	\$ 7,998	\$ 2,367	\$ 6,642
Other Services:				
Personal services -				
Retirement buy-back plan	\$ 7,800	\$ 7,799	\$ 1	\$ 7,942
Workers' Compensation	68,000	81,689	(13,689)	54,686
Unemployment insurance	5,500	4,123	1,377	1,795
Other personal services	2,225	2,221	4	1,441
	<u>\$ 83,525</u>	<u>\$ 95,832</u>	<u>\$ (12,307)</u>	<u>\$ 65,864</u>
Operating expenses -				
Other contractual services	\$ 2,500	\$ 2,731	\$ (231)	\$ 1,699
Utility services	10,000	10,929	(929)	9,418
Nonemployee insurance	54,000	47,523	6,477	44,308
Repair and maintenance services	1,000	397	603	895
Other charges and obligations	500	76	424	35
Advertising	7,000	7,886	(886)	6,855
Operating supplies	4,000	4,005	(5)	2,574
Vehicle expenses	-	-	-	353
Election expenses	-	-	-	4,115
Grants and aids	4,000	4,000	-	3,500
	<u>\$ 83,000</u>	<u>\$ 77,547</u>	<u>\$ 5,453</u>	<u>\$ 73,752</u>
TOTAL OTHER SERVICES	\$ 166,525	\$ 173,379	\$ (6,854)	\$ 139,616
Capital outlay -				
Machinery and equipment	\$ 6,500	\$ 8,265	\$ (1,765)	\$ 5,672
TOTAL GENERAL GOVERNMENT	\$ 541,980	\$ 532,202	\$ 9,778	\$ 438,146

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1981

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	1981		VARIANCE FAVORABLE (UNFAVORABLE)	1980 ACTUAL
	BUDGET (REVISED)	ACTUAL		
<u>PUBLIC SAFETY</u>				
Law Enforcement:				
Personal services -				
Executive salaries	\$ 23,000	\$ 22,936	\$ 64	\$ 19,331
Regular salaries and wages	307,060	313,484	(6,424)	279,229
Other salaries and wages	4,000	3,107	893	3,018
Overtime - regular employees	44,000	45,569	(1,569)	35,655
Incentive pay and award	15,550	14,375	1,175	15,712
CETA salaries and wages	5,390	4,814	576	5,820
Physicals	200	270	(70)	90
Uniforms	5,000	6,155	(1,155)	5,344
FICA taxes	24,830	28,929	(4,099)	21,124
Retirement contributions	3,960	17,370	(13,410)	4,747
Health insurance contributions	8,700	9,143	(443)	8,000
Life insurance contributions	1,400	1,200	200	1,879
Training	1,500	1,630	(130)	407
	<u>\$ 444,590</u>	<u>\$ 468,982</u>	<u>\$ (24,392)</u>	<u>\$ 400,356</u>
Operating expenses -				
Contractual services/animal control	\$ 2,600	\$ 2,574	\$ 26	\$ 2,438
Travel and per diem	600	380	220	581
Telephone/communication services	4,000	4,258	(258)	3,397
Postage, freight and express	500	585	(85)	457
Utility services	4,500	4,841	(341)	3,767
Rentals and leases	1,500	1,599	(99)	546
Repair and maintenance services	3,800	3,348	452	3,549
Other charges and obligations	500	659	(159)	441
Office supplies	3,000	2,517	483	2,722
Operating supplies	5,000	5,594	(594)	3,911
Subscriptions and memberships	400	285	115	359
Vehicle expenses	35,000	44,122	(9,122)	36,383
Program expense/Police Explorers	650	685	(35)	750
Detention and/or correction	700	828	(128)	1,119
	<u>\$ 62,750</u>	<u>\$ 72,275</u>	<u>\$ (9,525)</u>	<u>\$ 60,420</u>
Capital outlay -				
Buildings	\$ 2,500	\$ 2,396	\$ 104	\$ 2,425
Machinery and equipment	7,500	16,181	(8,681)	17,562
	<u>\$ 10,000</u>	<u>\$ 18,577</u>	<u>\$ (8,577)</u>	<u>\$ 19,987</u>
TOTAL LAW ENFORCEMENT				
	<u>\$ 517,340</u>	<u>\$ 559,834</u>	<u>\$ (42,494)</u>	<u>\$ 480,763</u>
Fire Control:				
Personal services -				
Executive salaries	\$ 19,490	\$ 19,474	\$ 16	\$ 16,570
Regular salaries and wages	116,210	116,138	72	95,178
Other salaries and wages	13,000	12,182	818	13,637
Overtime - regular employees	1,500	1,513	(13)	1,275
Physicals	200	50	150	200
Uniforms	2,000	1,628	372	1,732
FICA taxes	8,515	9,984	(1,469)	6,769
Retirement contributions	340	5,604	(5,264)	-
Health insurance contributions	3,400	2,946	454	4,496
Life insurance contributions	545	425	120	842
Training	1,500	1,042	458	506
	<u>\$ 166,700</u>	<u>\$ 170,986</u>	<u>\$ (4,286)</u>	<u>\$ 141,205</u>
Operating expenses -				
Travel and per diem	\$ 1,350	\$ 797	\$ 553	\$ 148
Telephone/communication services	1,800	1,701	99	1,701
Postage, freight and express	100	66	34	31
Utility services	1,500	1,711	(211)	1,431
Rentals and leases	7,600	7,599	1	7,296
Repair and maintenance services	2,500	2,180	320	2,298

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1981

	1981		VARIANCE	1980
	BUDGET (REVISED)	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
<u>PUBLIC SAFETY - (continued)</u>				
Fire Control - (continued):				
Operating expenses - (continued) -				
Other charges and obligations	1,200	1,104	96	1,455
Office supplies	250	218	32	199
Operating supplies	5,000	5,425	(425)	3,832
Subscriptions and memberships	200	93	107	165
Vehicle expenses	5,000	4,739	261	3,592
Other public safety/fire prevention	600	362	238	-
	<u>\$ 27,100</u>	<u>\$ 25,995</u>	<u>\$ 1,105</u>	<u>\$ 22,148</u>
Capital outlay -				
Buildings	\$ 700	\$ 595	\$ 105	\$ -
Machinery and equipment	41,175	37,941	3,234	4,982
	<u>\$ 41,875</u>	<u>\$ 38,536</u>	<u>\$ 3,339</u>	<u>\$ 4,982</u>
Debt service -				
Principal - fire vehicle note	\$ 11,645	\$ 11,644	\$ 1	\$ 11,000
	<u>\$ 11,645</u>	<u>\$ 11,644</u>	<u>\$ 1</u>	<u>\$ 11,000</u>
TOTAL FIRE CONTROL	<u>\$ 247,320</u>	<u>\$ 247,161</u>	<u>\$ 159</u>	<u>\$ 179,335</u>
Protective Inspection:				
Personal services -				
Regular salaries and wages	\$ 31,000	\$ 31,648	\$ (648)	\$ 14,428
Other salaries and wages	-	-	-	42,898
FICA taxes	2,065	2,731	(666)	3,641
Retirement contributions	2,765	2,811	(46)	5,685
Health insurance contributions	1,050	600	450	-
Life insurance contributions	225	103	122	73
Training	300	125	175	130
	<u>\$ 37,405</u>	<u>\$ 38,018</u>	<u>\$ (613)</u>	<u>\$ 66,855</u>
Operating expenses -				
Professional services	\$ 7,000	\$ 7,563	\$ (563)	\$ -
Travel and per diem	900	554	346	921
Telephone/communication services	1,000	795	205	-
Other charges and obligations	500	537	(37)	49
Office supplies	350	338	12	-
Subscriptions and memberships	200	105	95	116
Vehicle expenses	500	260	240	-
	<u>\$ 10,450</u>	<u>\$ 10,152</u>	<u>\$ 298</u>	<u>\$ 1,086</u>
TOTAL PROTECTIVE INSPECTION	<u>\$ 47,855</u>	<u>\$ 48,170</u>	<u>\$ (315)</u>	<u>\$ 67,941</u>
TOTAL PUBLIC SAFETY	<u>\$ 812,515</u>	<u>\$ 855,165</u>	<u>\$ (42,650)</u>	<u>\$ 728,039</u>
<u>PHYSICAL ENVIRONMENT</u>				
Solid Waste Control Services:				
Personal services -				
Executive salaries	\$ 10,935	\$ 10,932	\$ 3	\$ 9,763
Regular salaries and wages	136,750	133,656	3,094	120,341
Overtime - regular employees	4,000	3,875	125	3,482
Physicals	200	120	80	120
Uniforms	2,700	2,707	(7)	2,658
FICA taxes	9,500	10,614	(1,114)	7,837
Retirement contributions	13,985	14,016	(31)	12,894
Health insurance contributions	5,500	5,259	241	5,479
Life insurance contributions	630	548	82	876
Training	200	75	125	-
	<u>\$ 184,400</u>	<u>\$ 181,802</u>	<u>\$ 2,598</u>	<u>\$ 163,450</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1981

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	1981		VARIANCE FAVORABLE (UNFAVORABLE)	1980 ACTUAL
	BUDGET (REVISED)	ACTUAL		
<u>PHYSICAL ENVIRONMENT - (continued)</u>				
Solid Waste Control Services - (continued):				
Operating expenses -				
Travel and per diem	\$ 250	\$ 237	\$ 13	\$ 45
Telephone/communication services	750	528	222	486
Postage, freight and express	300	265	35	274
Rentals and leases	62,500	71,187	(8,687)	61,659
Repair and maintenance services	4,000	2,003	1,997	689
Other charges and obligations	200	222	(22)	23
Office supplies	150	40	110	72
Operating supplies	17,000	10,279	6,721	12,047
Subscriptions and memberships	100	67	33	-
Vehicle expenses	33,100	37,261	(4,161)	31,653
Bad debt expense	-	461	(461)	472
	<u>\$ 118,350</u>	<u>\$ 122,550</u>	<u>\$ (4,200)</u>	<u>\$ 107,420</u>
Capital outlay -				
Buildings	\$ -	\$ -	\$ -	\$ 1,432
Machinery and equipment	26,500	21,682	4,818	29,949
	<u>\$ 26,500</u>	<u>\$ 21,682</u>	<u>\$ 4,818</u>	<u>\$ 31,381</u>
TOTAL PHYSICAL ENVIRONMENT	<u>\$ 329,250</u>	<u>\$ 326,034</u>	<u>\$ 3,216</u>	<u>\$ 302,251</u>
<u>TRANSPORTATION</u>				
Road and Street Facilities:				
Personal services -				
Executive salaries	\$ 24,860	\$ 23,865	\$ 995	\$ 21,024
Regular salaries and wages	118,330	118,722	(392)	98,469
Overtime - regular employees	2,000	1,342	658	1,414
CETA salaries and wages	16,970	16,940	30	1,374
Physicals	300	260	40	120
Uniforms	3,875	3,407	468	2,618
FICA taxes	12,030	11,223	807	7,330
Retirement contributions	13,575	13,523	52	11,643
Health insurance contributions	10,000	7,991	2,009	6,389
Life insurance contributions	1,100	823	277	1,040
Training	300	257	43	-
	<u>\$ 203,340</u>	<u>\$ 198,353</u>	<u>\$ 4,987</u>	<u>\$ 151,421</u>
Operating expenses -				
Street lighting	\$ 77,000	\$ 79,499	\$ (2,499)	\$ 69,618
Traffic lights	6,000	6,451	(451)	6,153
Travel and per diem	600	461	139	53
Telephone/communication services	700	534	166	572
Postage, freight and express	200	80	120	51
Utility services	600	439	161	396
Rental and leases	6,500	6,500	-	6,500
Repair and maintenance services	2,000	1,269	731	854
Other charges and obligations	3,200	3,530	(330)	414
Office supplies	200	143	57	121
Operating supplies	13,500	7,500	6,000	9,108
Road materials and supplies	8,000	7,796	204	3,343
Subscriptions and memberships	200	52	148	90
Vehicle expenses	15,500	11,768	3,732	21,156
	<u>\$ 134,200</u>	<u>\$ 126,022</u>	<u>\$ 8,178</u>	<u>\$ 118,429</u>
Capital outlay -				
Improvements other than buildings	\$ 63,000	\$ 39,400	\$ 23,600	\$ 18,822
Machinery and equipment	8,700	8,620	80	1,290
	<u>\$ 71,700</u>	<u>\$ 48,020</u>	<u>\$ 23,680</u>	<u>\$ 20,112</u>
TOTAL TRANSPORTATION	<u>\$ 409,240</u>	<u>\$ 372,395</u>	<u>\$ 36,845</u>	<u>\$ 289,962</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1981

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	1981		VARIANCE	1980
	BUDGET (REVISED)	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
<u>CULTURE AND RECREATION</u>				
Parks and Recreation:				
Personal services -				
Executive salaries	\$ 15,170	\$ 15,575	\$ (405)	\$ 15,148
Regular salaries and wages	71,970	70,494	1,476	64,807
Other salaries and wages	5,300	3,693	1,607	3,270
Overtime - regular employees	500	-	500	581
Physicals	100	60	40	140
Uniforms	1,200	1,108	92	1,101
FICA taxes	5,600	6,383	(783)	5,142
Retirement contributions	7,000	8,020	(1,020)	7,744
Health insurance contributions	2,800	2,615	185	2,670
Life insurance contributions	400	359	41	511
Training	100	45	55	47
	<u>\$ 110,140</u>	<u>\$ 108,352</u>	<u>\$ 1,788</u>	<u>\$ 101,161</u>
Operating expenses -				
Travel and per diem	\$ 200	\$ 146	\$ 54	\$ 8
Telephone/communication services	1,500	1,445	55	1,175
Postage, freight and express	300	264	36	289
Utility services	5,000	4,746	254	4,274
Repair and maintenance services	1,000	1,071	(71)	597
Promotional activities	150	136	14	-
Other charges and obligations	100	49	51	18
Office supplies	500	463	37	270
Operating supplies	8,350	8,307	43	7,568
Subscriptions and memberships	150	110	40	155
Vehicle expenses	5,000	4,517	483	4,558
Program expenses	45,000	57,645	(12,645)	30,554
Beautification	1,000	1,921	(921)	662
	<u>\$ 68,250</u>	<u>\$ 80,820</u>	<u>\$ (12,570)</u>	<u>\$ 50,128</u>
Capital outlay -				
Improvements other than buildings	\$ 1,000	\$ 553	\$ 447	\$ -
Machinery and equipment	4,100	4,582	(482)	6,445
	<u>\$ 5,100</u>	<u>\$ 5,135</u>	<u>\$ (35)</u>	<u>\$ 6,445</u>
TOTAL PARKS AND RECREATION	<u>\$ 183,490</u>	<u>\$ 194,307</u>	<u>\$ (10,817)</u>	<u>\$ 157,734</u>
Special Recreation Facilities (Sica Hall):				
Personal services -				
Regular salaries	\$ 11,000	\$ 11,073	\$ (73)	\$ 14,977
Part-time salaries	3,400	3,340	60	3,871
Overtime - regular employees	200	-	200	348
Physicals	100	-	100	-
Uniforms	235	255	(20)	143
FICA taxes	1,400	1,087	313	1,114
Retirement contributions	2,200	1,371	829	1,866
Health insurance contributions	270	216	54	288
Life insurance contributions	100	54	46	146
Training	100	45	55	47
	<u>\$ 19,005</u>	<u>\$ 17,441</u>	<u>\$ 1,564</u>	<u>\$ 22,800</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1981

	1981		VARIANCE FAVORABLE (UNFAVORABLE)	1980 ACTUAL
	BUDGET (REVISED)	ACTUAL		
<u>CULTURE AND RECREATION - (continued)</u>				
Special Recreation Facilities (Sica Hall) - (continued):				
Operating expenses -				
Travel and per diem	\$ 100	\$ 5	\$ 95	\$ 20
Telephone/communication services	550	353	197	338
Postage, freight and express	100	27	73	47
Utility services	7,700	8,953	(1,253)	7,397
Repair and maintenance services	3,300	2,500	800	809
Printing and binding	100	24	76	-
Promotional activities	500	455	45	299
Other charges and obligations	500	420	80	-
Office supplies	300	281	19	170
Operating supplies	3,000	1,923	1,077	2,591
Subscriptions and memberships	100	(2)	102	57
Program expense	4,000	2,178	1,822	4,842
Beautification	100	-	100	40
	<u>\$ 20,350</u>	<u>\$ 17,117</u>	<u>\$ 3,233</u>	<u>\$ 16,610</u>
Capital outlay -				
Buildings	\$ 1,000	\$ -	\$ 1,000	\$ -
Improvements other than buildings	1,000	-	1,000	-
Machinery and equipment	1,000	-	1,000	2,417
	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 2,417</u>
TOTAL SPECIAL RECREATION FACILITIES (SICA HALL)	<u>\$ 42,355</u>	<u>\$ 34,558</u>	<u>\$ 7,797</u>	<u>\$ 41,827</u>
TOTAL CULTURE AND RECREATION	<u>\$ 225,845</u>	<u>\$ 228,865</u>	<u>\$ (3,020)</u>	<u>\$ 199,561</u>
TOTAL EXPENDITURES	<u>\$ 2,318,830</u>	<u>\$ 2,314,661</u>	<u>\$ 4,169</u>	<u>\$ 1,957,959</u>
<u>TRANSFERS</u>				
Transfer to Excise Taxes Fund	192,000	230,185	(38,185)	200,763
TOTAL EXPENDITURES AND TRANSFERS	<u>\$ 2,510,830</u>	<u>\$ 2,544,846</u>	<u>\$ (34,016)</u>	<u>\$ 2,158,722</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
WATER AND SEWER REVENUE AND OPERATING FUND  
SCHEDULE OF REVENUES, TRANSFERS AND CONTRIBUTIONS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1981

	1981			
	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1980 ACTUAL
<u>OPERATING REVENUES</u>				
Charges for services:				
Water sales	\$ 494,000	\$ 501,530	\$ 7,530	\$ 386,575
Service charges	1,000	1,086	86	1,094
Cut-off charges	5,000	5,080	80	5,354
Hydrant rental	7,500	7,599	99	7,711
Sewer charges	496,000	500,064	4,064	392,499
	<u>\$ 1,003,500</u>	<u>\$ 1,015,359</u>	<u>\$ 11,859</u>	<u>\$ 793,233</u>
Miscellaneous - other income	11,000	9,956	(1,044)	18,122
TOTAL OPERATING REVENUES	<u>\$ 1,014,500</u>	<u>\$ 1,025,315</u>	<u>\$ 10,815</u>	<u>\$ 811,355</u>
<u>NONOPERATING REVENUES</u>				
Building rental	\$ 13,000	\$ 13,000	\$ -	\$ 13,000
Interest revenue*	20,000	28,030	8,030	32,223
Other income:				
EPA Grant	-	-	-	6,353
Insurance proceeds	7,200	1,267	(5,933)	639
Miscellaneous	-	945	945	553
	<u>\$ 40,200</u>	<u>\$ 43,242</u>	<u>\$ 3,042</u>	<u>\$ 52,768</u>
<u>OPERATING TRANSFERS</u>				
Transfer from Excise Taxes Fund	\$ 35,000	\$ 35,000	\$ -	\$ 35,000
TOTAL REVENUES AND TRANSFERS	<u>\$ 1,089,700</u>	<u>\$ 1,103,557</u>	<u>\$ 13,857</u>	<u>\$ 899,123</u>
<u>CUSTOMER CONTRIBUTIONS</u>				
Connection charges:				
Water	\$ 29,000	\$ 21,126	\$ (7,874)	\$ 38,625
Sewer	3,000	2,750	(250)	15,725
TOTAL CUSTOMER CONTRIBUTIONS	<u>\$ 32,000</u>	<u>\$ 23,876</u>	<u>\$ (8,124)</u>	<u>\$ 54,350</u>
<u>INTRAFUND TRANSFERS</u>				
Transfer from Water Revenue Series "A" Reserve	\$ 10,000	\$ 16,640	\$ 6,640	\$ 19,021
<u>APPROPRIATED RETAINED EARNINGS</u>				
TOTAL REVENUES, TRANSFERS AND CONTRIBUTIONS	<u>\$ 1,166,606</u>	<u>\$ 1,144,073</u>	<u>\$ (22,533)</u>	<u>\$ 972,494</u>

\* Interest revenue includes interest earned in the Water and Sewer Revenue and Operating Fund only.

See accompanying notes to financial statements.

## WATER AND SEWER REVENUE AND OPERATING FUND

## SCHEDULE OF EXPENSES AND TRANSFERS - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1981

	1981		VARIANCE FAVORABLE (UNFAVORABLE)	1980 ACTUAL
	BUDGET (REVISED)	ACTUAL		
<u>WATER SERVICE</u>				
Water Plant:				
Personal services -				
Executive salaries	\$ 10,775	\$ 10,773	\$ 2	\$ 10,206
Regular salaries and wages	123,980	123,047	933	112,572
Part-time salaries	1,000	537	463	-
Overtime - regular employees	6,500	6,000	500	7,228
Physicals	100	40	60	40
Uniforms	2,300	2,186	114	2,370
FICA taxes	8,735	10,085	(1,350)	7,551
Retirement contributions	11,330	13,308	(1,978)	12,346
Health insurance contributions	4,400	4,336	64	3,772
Life insurance contributions	625	510	115	796
Training	200	158	42	45
	<u>\$ 169,945</u>	<u>\$ 170,980</u>	<u>\$ (1,035)</u>	<u>\$ 156,926</u>
Operating expenses -				
Professional services	\$ 4,300	\$ 8,857	\$ (4,557)	\$ 11,229
Other contractual services	600	599	1	1,079
Travel and per diem	550	420	130	70
Telephone/communication services	1,600	1,266	334	1,195
Utility services	30,600	35,572	(4,972)	31,583
Nonemployee insurance	7,000	3,208	3,792	6,994
Repair and maintenance services	40,000	36,002	3,998	17,703
Other charges and obligations	850	1,005	(155)	267
Office supplies	100	98	2	94
Operating supplies	200,000	167,471	32,529	80,120
Subscriptions and memberships	200	192	8	186
Vehicle expenses	8,500	8,279	221	10,667
	<u>\$ 294,300</u>	<u>\$ 262,969</u>	<u>\$ 31,331</u>	<u>\$ 161,187</u>
TOTAL WATER SERVICE	<u>\$ 464,245</u>	<u>\$ 433,949</u>	<u>\$ 30,296</u>	<u>\$ 318,113</u>
<u>SEWER SERVICE</u>				
Water Pollution Control Plant:				
Personal services -				
Executive salaries	\$ 10,475	\$ 10,433	\$ 42	\$ 9,085
Regular salaries and wages	69,625	73,474	(3,849)	60,638
Overtime - regular employees	3,800	3,746	54	2,990
Physicals	100	40	60	40
Uniforms	1,640	1,494	146	1,526
FICA taxes	5,530	6,249	(719)	4,269
Retirement contributions	7,380	8,212	(832)	7,094
Health insurance contributions	1,900	1,584	316	1,947
Life insurance contributions	365	306	59	505
Training	350	354	(4)	134
	<u>\$ 101,165</u>	<u>\$ 105,892</u>	<u>\$ (4,727)</u>	<u>\$ 88,228</u>

See accompanying notes to financial statements.

CITY OF HOLLY HILL, FLORIDA  
 WATER AND SEWER REVENUE AND OPERATING FUND  
 SCHEDULE OF EXPENSES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1981

PAGE 2 OF 2

	1981		VARIANCE FAVORABLE (UNFAVORABLE)	1980 ACTUAL
	BUDGET (REVISED)	ACTUAL		
<u>SEWER SERVICE - (continued)</u>				
Water Pollution Control Plant - (continued):				
Operating expenses -				
Professional services	\$ 700	\$ 40	\$ 660	\$ 479
Travel and per diem	450	342	108	63
Telephone/communication services	1,000	1,031	(31)	816
Utility services	46,500	50,354	(3,854)	43,527
Nonemployee insurance	3,500	1,604	1,896	3,479
Repair and maintenance services	11,000	2,094	8,906	8,650
Other charges and obligations	2,400	2,681	(281)	94
Office supplies	150	61	89	90
Operating supplies	19,800	24,484	(4,684)	16,831
Subscriptions and memberships	200	88	112	142
Vehicle expenses	5,000	4,736	264	3,291
	<u>\$ 90,700</u>	<u>\$ 87,515</u>	<u>\$ 3,185</u>	<u>\$ 77,462</u>
TOTAL SEWER SERVICE	<u>\$ 191,865</u>	<u>\$ 193,407</u>	<u>\$ (1,542)</u>	<u>\$ 165,690</u>
<u>ADMINISTRATIVE</u>				
Transfer to General Fund	\$ 154,000	\$ 154,000	\$ -	\$ 141,651
Bad debt expense	-	2,880	(2,880)	1,851
Cash short	-	9	(9)	10
Loss on sale of fixed assets	-	-	-	150
TOTAL ADMINISTRATIVE	<u>\$ 154,000</u>	<u>\$ 156,889</u>	<u>\$ (2,889)</u>	<u>\$ 143,662</u>
TOTAL OPERATING EXPENSES	<u>\$ 810,110</u>	<u>\$ 784,245</u>	<u>\$ 25,865</u>	<u>\$ 627,465</u>
<u>NONOPERATING EXPENSES</u>				
Trustee expenses	\$ -	\$ 3,618	\$ (3,618)	\$ 3,693
EPA Grant	-	-	-	6,353
TOTAL NONOPERATING EXPENSES	<u>\$ -</u>	<u>\$ 3,618</u>	<u>\$ (3,618)</u>	<u>\$ 10,046</u>
<u>INTRAFUND TRANSFERS</u>				
Improvement Fund	\$ 125,550	\$ 125,550	\$ -	\$ 55,018
Bond Interest and Sinking - Series "A"	157,133	150,623	6,510	153,921
Bond Interest and Sinking - Series "B"	73,813	73,813	-	142,076
TOTAL INTRAFUND TRANSFERS	<u>\$ 356,496</u>	<u>\$ 349,986</u>	<u>\$ 6,510</u>	<u>\$ 351,015</u>
TOTAL EXPENSES AND TRANSFERS	<u>\$ 1,166,606</u>	<u>\$ 1,137,349</u>	<u>\$ 28,757</u>	<u>\$ 988,526</u>

See accompanying notes to financial statements.

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STATISTICAL SECTION



STATISTICAL TABLES

CITY OF HOLLY HILL, FLORIDA

COMMENTS RELATIVE TO STATISTICAL SECTION

SEPTEMBER 30, 1981

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The following statistical tables that are recommended for inclusion by the National Council on Governmental Accounting Statement 1 (GAFR) are not included for the reasons stated below:

- A. Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita - Last Ten Fiscal Years. (City has not had any general bonded debt since 1972.)
- B. Ratio of Annual Debt Service for General Bonded Debt to Total General Expenditures - Last Ten Fiscal Years. (City has not had any general bonded debt since 1972.)

TABLE I  
CITY OF HOLLY HILL, FLORIDA  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 1981

FISCAL YEAR ENDED	TOTAL GENERAL FUND	GENERAL GOVERNMENT	PUBLIC SAFETY	PHYSICAL ENVIRONMENT	TRANSPORTATION	CULTURE AND RECREATION	CAPITAL IMPROVEMENTS*	OPERATING TRANSFERS OUT
1972	\$ 677,569	\$ 163,764 24%	\$ 203,071 30%	\$ 98,392 14%	\$ 147,057 22%	\$ 65,285 10%	\$ -	\$ -
1973	1,238,612	237,895 19%	250,321 20%	100,533 8%	117,678 10%	61,195 5%	276,124 22%	194,866 16%
1974	1,442,194	281,079 19%	332,158 23%	132,307 9%	136,970 10%	79,217 5%	266,693 19%	213,770 15%
1975	1,650,921	384,242 23%	413,075 25%	136,849 8%	175,807 11%	120,038 7%	195,678 12%	225,232 14%
1976	1,705,974	423,148 25%	453,163 26%	166,806 10%	151,721 9%	125,999 7%	179,799 11%	205,338 12%
1977	1,848,310	401,861 22%	546,937 29%	238,153 13%	293,723 16%	160,908 9%	-	206,728 11%
1978	2,091,746	408,033 20%	671,841 32%	267,449 13%	323,264 15%	228,895 11%	-	192,264 9%
1979	2,047,225	438,630 21%	666,531 33%	265,956 13%	274,120 13%	182,039 9%	-	219,949 11%
1980	2,158,722	438,146 20%	728,039 34%	302,251 14%	289,962 13%	199,561 9%	-	200,763 10%
1981	2,544,846	532,202 21%	855,165 33%	326,034 13%	372,395 15%	228,865 9%	-	230,185 9%

\* Capital Improvements were shown as a separate function.

TABLE II  
CITY OF HOLLY HILL, FLORIDA  
GENERAL REVENUES BY SOURCES  
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED	TOTAL	SEPTEMBER 30, 1981		LICENSES AND PERMITS	INTER- GOVERNMENTAL REVENUES
		TAXES REAL AND PERSONAL			
1972	\$ 911,483	\$ 224,780	25%	\$ 55,818	6% \$ 43,886 5%
1973	1,207,307	226,220	19%	67,275	6% 272,374 22%
1974	1,482,070	234,734	16%	70,685	5% 311,452 21%
1975	1,687,607	248,248	15%	66,610	4% 408,944 24%
1976	1,704,868	265,592	16%	75,893	4% 384,005 22%
1977	1,850,263	348,533	19%	87,938	5% 394,048 21%
1978	2,111,324	397,719	19%	88,177	4% 483,716 23%
1979	2,153,042	420,257	20%	96,139	5% 457,667 21%
1980	2,308,812	447,900	19%	117,440	5% 362,722 16%
1981	2,658,680	579,330	22%	113,533	4% 394,059 15%

- (1) This source is a change in prior years' terminology, Recreation Fees, Sanitation and Refuse Collection Fees and Other Fees because of the incorporation of the Uniform Accounting System for Units of Local Governments in the State of Florida.
- (2) Miscellaneous encompasses miscellaneous revenues and interest on investments per the incorporation of the Uniform Accounting System for Units of Local Governments in the State of Florida.

CHARGES FOR SERVICES (1)		FINES AND FORFEITURES		MISCELLANEOUS REVENUE (2)		OPERATING TRANSFERS IN	
\$ 211,208	23%	\$ 38,733	4%	\$ 20,755	2%	\$ 316,303	35%
248,767	21%	42,236	3%	39,343	3%	311,092	26%
266,421	18%	41,912	3%	52,412	3%	504,454	34%
320,425	19%	39,466	2%	35,555	2%	568,359	34%
350,832	21%	44,425	3%	30,408	2%	553,713	32%
367,084	20%	28,326	1%	32,436	2%	591,898	32%
366,893	17%	34,745	2%	77,013	4%	663,061	31%
442,624	20%	43,878	2%	51,403	2%	641,074	30%
553,917	24%	59,552	3%	74,648	3%	692,633	30%
606,389	23%	42,310	1%	127,008	5%	796,051	30%

TABLE III

## CITY OF HOLLY HILL, FLORIDA

## ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTIES: PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

SEPTEMBER 30, 1981

FISCAL YEAR ENDED	ASSESSED VALUE	ESTIMATED ACTUAL VALUE		TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED
1972	\$ 42,640,671	\$ 55,377,495	77%	\$ 232,084	\$ 224,780	96.852 %
1973	48,495,590	68,303,648	71%	232,780	226,220	97.181
1974	53,063,552	81,636,234	65%	243,015	234,734	96.592
1975	78,265,656	101,643,709	77%	253,648	248,248	97.871
1976	89,257,366	115,918,657	77%	273,099	265,592	97.251
1977	96,215,073	123,352,658	78%	360,416	348,533	96.702
1978	107,549,540	137,884,026	78%	411,203	397,719	96.720
1979	113,203,687	148,952,220	76%	434,507	420,257	96.720
1980	120,373,511	150,466,889	80%	461,251	447,900	97.105
1981	143,823,306	173,281,092	83%	599,807	579,330	96.586

TABLE IV  
CITY OF HOLLY HILL, FLORIDA  
PROPERTY TAX RATES AND TAX LEVIES - ALL OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 1981

FISCAL YEAR ENDED	HOLLY HILL	SCHOOL DISTRICT	VOLUSIA COUNTY	ADVER- TISING DISTRICT	MOSQUITO CONTROL	INLET AND PORT AUTHORITY	EAST VOLUSIA TRANSIT	HALIFAX HOSPITAL*	ST. JOHNS WATER MANAGE- MENT DISTRICT
<u>TAX RATES</u>									
1972	7.900	10.890	7.960	.743	.790	.680		2.120	-
1973	7.200	11.420	6.820	.700	.790	1.360		2.120	-
1974	6.600	10.730	5.214	.635	.748	.200	.451	2.896	-
1975	4.387	9.000	3.967	.481	.477	.220	.101	1.939	-
1976	4.065	8.750	4.931	.357	.442	.215	.263	1.873	-
1977	5.193	8.730	4.973	.356	.443	.490	.262	1.874	-
1978	5.166	8.650	4.934	.346	.432	.482	.254	1.851	.138
1979	5.166	8.480	5.088	.315	.589	.480	.400	2.537	.130
1980	5.135	6.990	4.979	.295	.574	.452	.390	2.480	.139
1981	6.222	8.477	5.368	.246	.546	.399	.388	2.613	.088
<u>CITY'S SHARE OF TAX LEVIES</u>									
1972	\$ 232,084	\$ 319,924	\$ 233,847	\$ 21,827	\$ 23,208	\$ 19,976	\$ -	\$ 62,280	\$ -
1973	232,780	369,216	220,495	22,631	25,541	43,969	-	68,541	-
1974	243,015	395,084	191,982	23,381	27,541	7,364	16,606	106,632	-
1975	253,648	520,364	229,365	27,810	27,579	12,720	5,839	112,109	-
1976	273,099	587,850	331,279	23,984	29,694	14,444	17,669	125,833	-
1977	360,416	605,899	345,147	24,707	30,746	34,008	18,183	130,063	-
1978	411,203	688,522	392,736	27,541	34,386	38,366	20,218	147,336	10,985
1979	434,507	713,245	427,947	26,494	49,540	40,372	33,644	213,385	10,934
1980	461,251	627,877	447,239	26,498	51,559	40,601	35,032	222,766	12,486
1981	597,613	814,202	515,588	23,628	54,442	38,323	37,267	250,974	8,452

\* Tax levy based on homestead exemption and nonexempt values.

TABLE V  
 CITY OF HOLLY HILL, FLORIDA  
 COMPUTATION OF LEGAL DEBT MARGIN

SEPTEMBER 30, 1981

Assessed value		<u>\$143,823,306</u>
Debt limit 10% of assessed taxable value		\$ 14,382,331
Amount of debt applicable to debt limit:		
Total bonded debt	\$ 3,635,000	
Other debt	<u>51,910</u>	
	\$ 3,686,910	
Less:		
Water and Sewer Revenue Bonds:		
Series "A"	2,065,000	
1970 Series "B"	570,000	
1972 Series "B"	<u>1,000,000</u>	
TOTAL AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT		<u>51,910</u>
LEGAL DEBT MARGIN		<u>\$ 14,330,421</u>

TABLE VI

CITY OF HOLLY HILL, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

END OF FISCAL YEAR

SEPTEMBER 30, 1981

NAME OF GOVERNMENTAL UNIT	NET DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO THE GOVERNMENTAL UNIT	CITY OF HOLLY HILL - SHARE OF DEBT
School District	\$ 66,900,000	2.91 %	\$ 1,946,790
Ponce DeLeon Inlet and Port Authority	<u>330,000</u>	3.61 %	<u>11,913</u>
TOTAL	<u>\$ 67,230,000</u>		<u>\$ 1,958,703</u>

TABLE VII  
CITY OF HOLLY HILL, FLORIDA  
SCHEDULE OF REVENUE BOND COVERAGE  
WATER AND SEWER SYSTEM FUND  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 1981

FISCAL YEAR ENDED	GROSS REVENUES (1)	OPERATING EXPENSE	NET REVENUES	DEBT SERVICE REQUIREMENTS			DEBT SERVICE COVERAGE		
				PRINCIPAL	INTEREST	TOTAL			
1972	\$ 389,418	\$ 201,069	52%	\$ 188,349	\$ 40,000	\$ 166,105	\$ 206,105	53%	.91
1973	436,416	223,765	51%	212,651	70,000	163,168	233,168	53%	.91
1974	526,869	261,377	50%	265,492	80,000	216,780	296,780	56%	.89
1975	671,442	340,744	51%	330,698	80,000	212,092	292,092	44%	1.13
1976	729,955	403,080	55%	326,875	90,000	207,480	297,480	41%	1.10
1977	790,779	462,035	58%	328,744	95,000	202,613	297,613	38%	1.10
1978	(2)817,295	456,747	56%	360,548	100,000	197,460	297,460	36%	1.21
1979	(2)870,755	(3)539,985	62%	330,770	105,000	192,120	297,120	34%	1.11
1980	(2)953,307	(3)627,465	66%	325,842	115,000	186,300	301,300	32%	1.08
1981	(2)1,141,404	795,191	70%	346,213	120,000	180,258	300,258	26%	1.15

- (1) Not included in gross revenues are \$35,000 from cigarette taxes which have been pledged as additional security for payment of said outstanding Water and Sewer Revenue Bonds, Series "A," until the net revenues shall have equaled at least 150% of the maximum annual debt service of such outstanding Series "A" Bonds for a period of two fiscal years per Ordinance No. 599 enacted on March 12, 1968.
- (2) Included in gross revenues for debt coverage are water and sewer connection charges which are reclassified as contributions from customers for financial statement presentation at September 30, 1978 through September 30, 1981.
- (3) Excluded in operating expense is a grant from federal government which the revenue is also excluded from gross revenues.

TABLE VIII

CITY OF HOLLY HILL, FLORIDA

DEBT SERVICE REQUIREMENTS TO MATURITY

OTHER DEBT

SEPTEMBER 30, 1981

FISCAL YEAR ENDED	NOTE PAYABLE		TOTAL REQUIREMENTS
	FLORIDA RETIREMENT SYSTEM		
	PRINCIPAL	INTEREST	
1982	\$ 4,425	\$ 3,374	\$ 7,799
1983	4,712	3,087	7,799
1984	5,019	2,780	7,799
1985	5,345	2,454	7,799
1986	5,692	2,107	7,799
1987	6,062	1,737	7,799
1988	6,456	1,343	7,799
1989	6,876	923	7,799
1990	7,323	476	7,799
TOTALS	<u>\$ 51,910</u>	<u>\$ 18,281</u>	<u>\$ 70,191</u>

TABLE IX

## CITY OF HOLLY HILL, FLORIDA

## DEBT SERVICE REQUIREMENTS TO MATURITY

## WATER AND SEWER REVENUE BONDS

FISCAL YEAR ENDED	SEPTEMBER 30, 1981						TOTALS
	SERIES "A" BONDS		1970 SERIES "B" BONDS		1972 SERIES "B" BONDS		
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
1981/82	\$ 75,000	\$ 80,602	\$ 55,000	\$ 35,463	\$ -	\$ 58,050	\$ 304,115
1982/83	80,000	77,580	55,000	31,887	-	58,050	302,517
1983/84	85,000	74,460	60,000	28,150	-	58,050	305,660
1984/85	85,000	71,145	70,000	23,838	-	58,050	308,033
1985/86	90,000	67,732	75,000	18,944	-	58,050	309,726
1986/87	95,000	64,223	75,000	13,881	-	58,050	306,154
1987/88	100,000	60,420	80,000	9,050	-	58,050	307,520
1988/89	105,000	56,520	85,000	3,881	-	58,050	308,451
1989/90	110,000	52,328	15,000	506	70,000	56,055	303,889
1990/91	115,000	48,037	-	-	80,000	51,780	294,817
1991/92	120,000	43,455	-	-	85,000	47,078	295,533
1992/93	125,000	38,775	-	-	90,000	42,090	295,865
1993/94	130,000	33,802	-	-	100,000	36,675	300,477
1994/95	140,000	28,600	-	-	100,000	30,925	299,525
1995/96	145,000	23,000	-	-	110,000	24,780	302,780
1996/97	150,000	17,100	-	-	115,000	18,143	300,243
1997/98	155,000	11,100	-	-	120,000	11,210	297,310
1998/99	160,000	4,800	-	-	130,000	3,835	298,635
TOTALS	<u>\$ 2,065,000</u>	<u>\$ 853,679</u>	<u>\$ 570,000</u>	<u>\$ 165,600</u>	<u>\$ 1,000,000</u>	<u>\$ 786,971</u>	<u>\$ 5,441,250</u>

TABLE X

CITY OF HOLLY HILL, FLORIDA

SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

SEPTEMBER 30, 1981

FISCAL YEAR ENDED	<u>ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS</u>		
	WATER AND SEWER REVENUE BONDS	OTHER DEBT	TOTALS
1982	\$ 304,115	\$ 7,799	\$ 311,914
1983	302,517	7,799	310,316
1984	305,660	7,799	313,459
1985	308,033	7,799	315,832
1986	309,726	7,799	317,525
1987	306,154	7,799	313,953
1988	307,520	7,799	315,319
1989	308,451	7,799	316,250
1990	303,889	7,799	311,688
1991	294,817	-	294,817
1992	295,533	-	295,533
1993	295,865	-	295,865
1994	300,477	-	300,477
1995	299,525	-	299,525
1996	302,780	-	302,780
1997	300,243	-	300,243
1998	297,310	-	297,310
1999	298,635	-	298,635
	<u>\$ 5,441,250</u>	<u>\$ 70,191</u>	<u>\$ 5,511,441</u>

TABLE XI  
CITY OF HOLLY HILL, FLORIDA  
VOLUSIA COUNTY CONSTRUCTION  
LAST FIVE FISCAL YEARS  
SEPTEMBER 30, 1981

	FISCAL 1981	FISCAL 1980	FISCAL 1979	FISCAL 1978	FISCAL 1977
<u>COUNTY BUILDING PERMITS</u>					
Districts 1 & 5	\$ 76,676,681	\$ 60,422,638	\$ 54,785,082	\$ 55,599,506	\$ 35,194,910
Districts 2, 3 & 4	24,637,490	15,771,176	15,631,967	14,214,130	10,496,023
S. Peninsula	*	*	*	*	*
N. Peninsula	*	*	*	*	2,839,200
<b>TOTAL FOR UNINCORPORATED AREA</b>	<b>\$ 101,314,171</b>	<b>\$ 76,193,814</b>	<b>\$ 70,417,049</b>	<b>\$ 69,813,636</b>	<b>\$ 48,530,133</b>
<u>CITY BUILDING PERMITS</u>					
Daytona Beach	\$ 60,152,529	\$ 57,773,407	\$ 21,685,399	\$ 28,946,439	\$ 15,020,271
Daytona Beach Shores (1)	25,310,589	-	-	-	-
New Smyrna Beach	21,438,382	22,099,110	14,800,834	9,749,887	10,765,750
Ormond Beach	27,127,225	29,959,216	29,233,808	19,451,930	16,440,060
DeLand	6,943,999	4,823,233	8,097,535	5,096,606	3,905,080
South Daytona	6,456,215	6,254,080	5,386,506	2,763,663	1,721,160
Port Orange	27,668,724	22,472,273	28,078,001	26,633,997	14,794,006
HOLLY HILL	2,517,399	6,201,362	4,573,372	3,969,810	2,439,671
Edgewater	11,521,479	11,908,619	11,090,237	6,983,114	5,190,856
Orange City	2,007,062	2,931,123	1,545,022	1,281,528	1,348,136
Lake Helen	913,612	702,004	963,289	1,171,902	526,065
Oak Hill (1)	209,355	-	-	-	-
Ponce Inlet (1)	864,720	-	-	-	-
<b>TOTAL FOR CITIES</b>	<b>\$ 193,131,290</b>	<b>\$ 165,124,427</b>	<b>\$ 125,454,003</b>	<b>\$ 106,048,876</b>	<b>\$ 72,151,055</b>
<b>TOTAL FOR ALL OF COUNTY</b>	<b>\$ 294,445,461</b>	<b>\$ 241,318,241</b>	<b>\$ 195,871,052</b>	<b>\$ 175,862,512</b>	<b>\$ 120,681,188</b>

\* Combined with Districts 2, 3 and 4 in Volusia County Records.

(1) Information not available prior to September 30, 1981.

TABLE XII

CITY OF HOLLY HILL, FLORIDA

SCHEDULE OF INSURANCE IN FORCE

SEPTEMBER 30, 1981

TYPE OF COVERAGE, NAME OF COMPANY AND POLICY NUMBER	POLICY PERIOD FROM TO	DETAILS OF COVERAGE	LIABILITY LIMITS	ANNUAL PREMIUM (GROSS)
<u>COMPREHENSIVE LIABILITY</u>				
Aetna Casualty and Surety - #35GL196348 CCS	4/15/81 - 4/15/82	General Liability	\$300,000/\$300,000 BI \$100,000/\$100,000 PD	\$13,797
#35FJ211440 CCA		Automobile Liability	\$250,000/\$300,000 BI \$50,000 PD	\$21,256
<u>FIRE, EXTENDED COVERAGE, VANDALISM AND MALICIOUS MISCHIEF</u>				
Aetna Casualty and Surety - #23 FP 378800	4/15/80 - 4/15/83	Building and contents - sewage plant and lift stations	\$3,801,794	\$ 9,575 (gross)
<u>FIRE, EXTENDED COVERAGE, VANDALISM AND MALICIOUS MISCHIEF</u>				
Aetna Casualty and Surety - #23 FP 183579	7/27/80 - 7/27/83	Office contents of City Hall	\$33,000	\$ 327 (gross)
<u>ACCIDENTAL DEATH AND DISABILITY</u>				
Continental Insurance Co. - #DVF 379857	10/1/80 - 10/1/81	Volunteer Fire Dept.	Loss of life \$5,000 Disability \$150/week Partial disability \$50/week	\$ 667
<u>AMBULANCE DRIVERS AND ATTENDANTS MALPRACTICE</u>				
Northfield Insurance Co. - #FGL 06171	4/17/81 - 4/17/82	EMT of Fire Dept.	\$100,000 any one claim \$300,000 annual aggregate	\$ 569
<u>WORKERS' COMPENSATION</u>				
Aetna Casualty and Surety - #35 C 224690 CCA	4/15/81 - 4/15/82	Statutory	Statutory, employer's liability \$100,000	\$77,035
<u>MONEY AND SECURITIES BROAD FORM POLICY</u>				
Aetna Casualty and Surety - #35 MS 1138 FCA	4/15/81 - 4/15/82	For losses inside and outside the premises	\$2,000 inside and outside the premises	\$ 308
<u>PUBLIC EMPLOYEES BLANKET BOND</u>				
Continental Insurance Co. - #BND 2251031	4/15/81 - 4/15/82	Blanket bond	\$50,000 blanket on all positions	\$ 962
<u>POLICE</u>				
Monticello Insurance Co. - #ML 9305	10/1/80 - 10/1/81	False arrest	\$250,000 each person \$500,000 each incident \$500,000 aggregate	\$ 3,348
<u>EQUIPMENT FLOATER</u>				
Aetna Casualty and Surety - #35 IMC 42129 FCA	4/15/81 - 4/15/82	Equipment floater	\$49,965 limit to any one disaster	\$ 749

TABLE XIII  
 CITY OF HOLLY HILL, FLORIDA  
 SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS  
 SEPTEMBER 30, 1981

TITLE OF OFFICIAL	ANNUAL SALARY	YEARS OF SERVICE	AMOUNT OF SURETY BOND
Mayor	\$ 3,600	5 1/2 years	\$50,000 blanket amount on all positions
Mayor Pro-Tem	2,400	1 1/2 years	
City Commissioners (3)	2,400	1 1/2 to 2 1/2 years	
City Manager	21,746	1 1/2 years	
City Attorney	5,200	5 1/2 years	
Deputy Clerk	16,731	2 1/2 years	
Finance Director	19,208	16 1/2 years	
Police Chief	23,109	33 years	
Public Works Director	22,360	10 1/2 years	
Public Utility Director	21,424	16 years	
Recreation Director	14,373	3 months	
Fire Chief	19,698	14 years	

TABLE XIV  
 CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF MAJOR TAXPAYERS

SEPTEMBER 30, 1981

NAME	TYPE OF BUSINESS	ASSESSED VALUES	PERCENT OF TOTAL ASSESSED VALUE
Life Insurance Co. of Georgia Publix Super Markets, Inc.	Shopping Center	\$ 3,033,719	2.11 %
Holly Point Apartments	Apartment Complex	\$ 2,309,215	1.61 %
Polyver, Ltd.	Apartment Complex	\$ 2,177,711	1.51 %
Daytona Beach General Hospital	Hospital	\$ 1,900,673	1.32 %
Dentdrite Enterprise	Business Park	\$ 1,074,854	.75 %
Holiday Lodge	Motel	\$ 967,262	.67 %
Unatin	Apartment Complex	\$ 964,213	.67 %
Sun Bank of Volusia County	Commercial Bank	\$ 822,380	.57 %
Glennon and Randall Hendrix	Mobile Home Park	\$ 718,000	.50 %
Southern Linen Supply & Laundry Co., Inc.	Commercial Laundry	\$ 522,846	.36 %

TABLE XV  
CITY OF HOLLY HILL, FLORIDA  
CLIMATOLOGICAL SUMMARY  
SEPTEMBER 30, 1981

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Holly Hill is approximately 3.75 square miles, located on the Halifax River, north of Daytona Beach. Terrain in the area is rolling; soil is mostly sandy, and elevations in the area range to 22 feet above sea level.

Nearness to the ocean results in a climate tempered by the effect of land and sea breezes. In the summer, while maximum temperatures reach 90 degrees or above during the late morning or early afternoon, the number of hours of 90 degree or above is relatively small due to the beginning of the sea breeze near midday and the occurrence of local afternoon convective thundershowers which lower the temperature to the comfortable eighties. Winters, although subject to invasions of cold air, are relatively mild due to the nearness of the ocean and latitudinal location.

The "rainy season" from June through mid-October produces 60 percent of the annual rainfall. The major portion of the summer rainfall occurs in the form of local convective thundershowers. These showers are occasionally heavy and produce as much as two or three inches of rain. The more severe showers may be attended by strong, gusty winds. Almost all rainfall during the winter months is associated with frontal passages.

Long periods of cloudiness and rain are infrequent, usually not lasting over two or three days. These periods are usually associated with a stationary front, with waves, a so-called "northeaster," or a tropical disturbance.

Tropical disturbances or hurricanes are not considered a great threat to this area of the state. While not outside the hurricane belt, past history indicates the chance of having hurricane force winds in any given year to be about one in thirty. Generally, hurricanes in this latitude tend to pass well offshore or lose much of their intensity while crossing the state before reaching this area. Only in gusts have hurricane force winds ever been recorded at this station.

Heavy fog occurs mostly during the winter and early spring. These fogs usually form by radiational cooling at night and dissipate soon after sunrise. On rare occasions, sea fog moves in from the ocean and persists for two or three days.

There is no significant source in the area for air pollution.

U. S. Department of Commerce  
National Oceanic & Atmospheric  
Administration  
Environmental Data Service

TABLE XVI

CITY OF HOLLY HILL, FLORIDA

MISCELLANEOUS STATISTICAL DATA

SEPTEMBER 30, 1981

Date of Incorporation: Under the General Laws of Florida as the Town of Holly Hill - July 1, 1901	Education: Volusia County Schools - Elementary 1 Secondary 1
Present Charter incorporating the City of Holly Hill adopted - 1941	Students: Kindergarten - Grade 6 = 812 Grades 7 - 9 920
Form of Government: Council/Manager	Personnel: Instructional 106 Noninstructional 38
Area: 3.75 square miles	Street Lights: <u>Overhead Bracket</u> 1,000 lumen - 1 2,500 " - 1 4,500 " - 552 7,000 " - 47 11,000 " - 48 20,500 " - 108
49.5 miles paved streets 2.3 miles unpaved streets 16.7 miles sidewalks 26.2 miles storm sewers 50.0 miles sanitary sewers	<u>White Way Underground</u> 1,000 lumen - 6
211 fire hydrants	Employees as of 9/30/81: 104 Civil Service <u>9 Exempt</u> <u>113 Total</u>
Fire Protection: 1 Fire Station 10 Full-time Firefighters 12 Volunteer Firefighters	Water Treatment Plant: Design Capacity - 2.3 MGD Current Production Rate - .860 MGD No. of Consumers - 4,532
Police Protection: 1 Police Station 1 Jail - facilities for 8 male prisoners and 2 female prisoners 9 Vehicular patrol units 1 Animal Control unit 1 Police Explorer unit	Water Pollution Control Plant: Capacity - 1.25 MGD Current Production Rate - 1.1 GPD Collection System Users - 4,053
Recreation: 4 Parks total 37.5 acres 2 Playgrounds 1 Gym 5 Recreation Buildings 1 Tennis Court 11 Shuffleboard Courts 4 Ballfields 1 Community Center	

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CITY OF HOLLY HILL, FLORIDA

REPORT ON INTERNAL CONTROL

AND

MANAGEMENT COMMENTS

SEPTEMBER 30, 1981



To the Honorable Mayor, City  
Council and City Manager/Clerk  
City of Holly Hill, Florida

REPORT ON INTERNAL CONTROL AND MANAGEMENT COMMENTS

It is the policy of our firm, and in accordance with the rules of the State Auditor General and the rules of the Department of Banking and Finance, to submit our Report on Internal Control and Management Comments on the operations of the City upon completion of our audit of your financial statements.

It should be noted that this report, by its nature, contains only our comments and recommendations on deficiencies observed in the system of internal control. It does not include our observations of the many strong features of the City's system of internal control, also observed.

This report is divided into the following:

- . Report on Internal Control
- . Management Comments

The Report on Internal Control is required by generally accepted auditing standards (SAS #20) to report what we believe to be material weaknesses in the system of internal control. These contain items which require management's immediate attention. The Management Comments section of this report contains matters which we believe will be helpful and of interest to management. All items referred to in this report have been discussed with City staff.

The chief executive officer's written statement of explanation or rebuttal concerning our comments in both sections of this report, including corrective action to be taken, must be filed with the governing body of the City and with the State Auditor General within 20 days of the delivery of this report.

REPORT ON INTERNAL CONTROL

We have examined the financial statements of the City of Holly Hill, Florida for the year ended September 30, 1981, and have issued our report thereon dated December 2, 1981. As part of our examination, we made a study and evaluation of the City's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purposes

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of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements, and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived, and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness or other personal factors. Control procedures, whose effectiveness depends upon segregation of duties, can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution or judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with the procedures may deteriorate.

Our examination of the financial statements made in accordance with generally accepted auditing standards, including the study and evaluation of the City's system of internal accounting control for the year ended September 30, 1981, that was made for the purposes set forth in the first paragraph of this report entitled "Report on Internal Control," would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data. However, such study and evaluation disclosed the following conditions that we believe to be material weaknesses.

#### SEGREGATION OF ACCOUNTING DUTIES

As noted in the previous year's Report on Internal Control and Management Comments, one or more employees in the Finance Department performed each of the following duties:

- A. Cash disbursements and accounts payable function -
  - 1. Processed invoices for payment;
  - 2. Prepared checks for payment;
  - 3. Signed checks with the use of the check signer; and
  - 4. Recorded transactions in the proper journal.

- B. Payroll function -
1. Collected time cards from departments;
  2. Processed time cards for payment;
  3. Prepared checks for payment;
  4. Signed checks with the use of the check signer; and
  5. Recorded transactions in the proper journal.
- C. Bank Reconciliations -  
In addition to recording the transactions, these employees also performed the related bank reconciliations.

After reviewing the above duties, it is apparent that each employee should not have the responsibility of initiating, recording and reviewing the same transaction. It should be noted that the City has employed a part-time person, thus helping to eliminate the above conditions.

We continue to recommend that the Finance Director review the duties of each accounting clerk and establish procedures that improve the segregation of responsibility for accounting functions on a continuing basis.

The foregoing conditions were considered in determining the nature, timing and extent of audit tests to be applied in our examination of the financial statements and this report of such conditions does not modify our report, dated December 2, 1981, on such financial statements.

#### MANAGEMENT COMMENTS

REPORTED IN PRIOR YEAR'S REPORT ON INTERNAL CONTROL AND  
MANAGEMENT COMMENTS, NOT IMPLEMENTED AS OF  
SEPTEMBER 30, 1981

During the course of our examination of the financial statements of the City, we noticed appropriate action had been taken upon recommendations and suggested accounting procedures as outlined in the Management Comments section of the Report on Internal Control and Management Comments for the year ended September 30, 1980, except for the following:

#### CASH DISBURSEMENTS

During our examination, we noted the following:

- . Certain invoices were being dated and paid prior to the preparation of a purchase order and/or requisition;

- . Available discounts were occasionally lost;
- . Purchase orders were not always prepared for items in excess of ordinance guidelines; and
- . Purchase orders were not controlled numerically. During our examination, we noted certain purchase orders could not be located.

We recommend that the City establish a more stringent procedure for purchasing, i.e., no purchases will be made until a requisition and purchase order is completed and authorized.

We also recommend that a log be maintained for purchase orders issued so that all purchase orders could be accounted for at all times.

#### PAYROLL

During our examination of the City's payroll system, we noted the following conditions:

##### Compensatory and Sick Time -

It was noted that the Parks and Recreation Department is maintaining records for compensatory and sick time. This information is not communicated to the Finance Department. Other departments communicate this information to the Finance Department for record keeping and accounting purposes.

We recommend that the Parks and Recreation Department employee compensatory and sick time record keeping be maintained by the Finance Department. This will improve control and monitoring of such time on a City-wide basis. In addition, the Finance Department should periodically communicate to all applicable departments and/or employees the number of hours for compensatory and sick time per individual employee on a predetermined, regular basis.

#### OCCUPATIONAL LICENSES

It was noted that descriptions used on the face of licenses are occasionally difficult to trace to applicable fee schedules. Furthermore, we noted that occupational licenses were not validated through the cash register as in prior years. This is a potential weakness since cash may be received outside the system and still produce an occupational license valid to an inspector.

We recommend that the description on the face of the licenses be the same as used on applicable fee schedules or that the fee schedule be assigned numbers which are indicated on the applicable license. Either procedure will facilitate charging the proper fee for the given type of occupational license.

We further recommend that the occupational licenses issued be validated through the cash register before issuance.

#### TAXPAYER DEPOSITS AND DUE TO CERTIFICATE HOLDERS

We have noted over the years that the City has expended staff time accounting for the following liabilities:

- . Taxpayer deposits; and
- . Due to Certificate Holders

We recommend that the City eliminate these liabilities, which are over seven years old, through Chapter 717 "Disposition of Unclaimed Property" of the Florida Statutes.

#### SICA HALL

During our review of Sica Hall operations, we found the expenses for operations exceeded the revenues generated by \$24,682. In fact, expenses for applicable personal services exceeded the revenues by \$7,565.

We recommend that the City review facility usage plans and applicable fee structures to obtain optimum utilization of the facility. In addition, formal policies should be established for those individuals or groups requesting fee exemptions.

#### CURRENT YEAR FINDINGS

During the course of our examination, certain matters came to our attention which we believe will be of assistance to the City.

#### PROTECTIVE INSPECTIVE DEPARTMENT

During our examination, we noted that the various permit applications are not prenumbered. This system weakness provides the opportunity for the issuance of permits outside the system.

We recommend that permits issued by the Protective Inspective Department be prenumbered and that receipts collected by the department be accounted for through the permit numbers.

#### POLICE DEPARTMENT

Receipting procedures established by the City with regards to the cash receipts were not followed by the Police Department. All transactions were not receipted and unused receipts were not properly voided.

We recommend that the City's cash receipts procedures be strictly followed by the Police Department so that all cash receipts can be accounted for through pre-numbered cash receipts.

#### WATER AND SEWER BILLING DEPARTMENT

During the course of our examination, we noted that fireproofing precautions were not followed by the Water and Sewer Billing Department with respect to water and sewer ledger cards. Since the system does not have any back-up, current records destroyed by fire would be difficult or virtually impossible to reconstruct.

We recommend that fireproofing precautions for the water and sewer ledger cards be followed by the department.

#### PARKS AND RECREATION DEPARTMENT

Cash receipt copies for the first six months of the fiscal year were discarded by the immediate past Parks and Recreation Director. While we were able to satisfy ourselves as to the cash receipts activity, such an event should have not occurred.

We recommend that all new department heads be instructed as to the importance of source document retention.

#### JOURNAL ENTRIES

We noted that journal entries are not prenumbered and, while supported by proper documentation, such documentation is not retained in a centralized location.

For better control over journal entries, we recommend that such entries be numbered and summarized on a monthly basis. Furthermore, we recommend that documentation for the entries be retained in a centralized file and cross-referenced to the individual entries.

#### FIXED ASSETS

Fixed assets are not consistently tagged and controlled by the City. While serial numbers and other identifying numbers are maintained in the accounting records, asset tagging remains the most effective method of control over fixed assets. Furthermore, physical inventory is performed on a periodic rather than annual basis, as required by the Rules of the Auditor General.

We recommend both an annual inventory and consistent asset tagging procedure be implemented.

#### RETENTIONS PAYABLE

Retentions withheld on contract payments are not booked by the City when the obligation is incurred. While the amount of the retention is computed by the City's engineers, no effort to monitor this computation is made. Furthermore, failure to account for these amounts result in the understatement of the City's liabilities and assets related to the contract.

We recommend the City book retentions withheld on contract payments to both enhance the controls the City has over its liability and to fairly state the liabilities of the City.

#### FIREMEN'S PENSION PLAN

- A. Eligibility - The City currently has no system which will monitor the continuing eligibility of the pension plan beneficiaries. The plan is thus exposed to potential payment to ineligible beneficiaries.

We recommend that pension benefit recipients return signed declarations of eligibility to the City on an annual basis.

- B. Accounting records and source documents of the Firemen's Pension Fund investments are currently received and maintained by an officer of the Firemen's Pension Fund Board of Trustees. This procedure takes the detail record keeping outside the established asset control procedures functioning in the City's Finance Department.

We recommend that the system be modified so that asset safeguarding and detail record keeping responsibilities be assumed through the existing system of internal control and that the Finance Department issue reports to the Firemen's Pension Fund Board of Trustees. In this way, the purchase of investments can be authorized by the Board of Trustees and the Board can then rely on the City's internal control structure to record the transaction properly. We believe this procedure would not only help safeguard the assets of the pension fund, but would also free the management of the fund to perform their decision-making responsibilities.

VOLUNTEER FIREMEN'S PAYROLL

Currently, volunteer firemen are paid via a separate checking account maintained in the Fire Department. A check is issued from Finance to a fireman who, in turn, deposits the check and issues the volunteers their individual paychecks.

We recommend that either individual checks be issued from Finance to the volunteers or that, at least, the check be issued to the Holly Hill Fire Department as opposed to an individual fireman.

ACTUAL EXPENDITURES EXCEEDED APPROPRIATIONS

As disclosed in Note 12 of the notes to financial statements, we noted expenditures/expenses for the following department/activity levels had exceeded the appropriation.

- A. Law Enforcement
- B. Protective Inspective
- C. Parks and Recreation
- D. Sewer Service
- E. Water and Sewer Administrative expense
- F. Public Safety
- G. Transfer to other funds

Actual expenditures in excess of appropriations is a violation of City ordinance.

We believe that implementation of the above recommendations will improve the efficiency and effectiveness of your accounting system and operations.

We wish to thank the City Manager/Clerk, Finance Director, department heads and all their staff for their assistance and cooperation during our recent examination. If we can be of any further assistance or service regarding these matters, please do not hesitate to call us.

*May Zirma & Co.*

Daytona Beach, Florida  
December 2, 1981



The City does not include connection charges as part of gross revenues, but instead as part of contributed capital, in accordance with generally accepted accounting principles. During the year, connection charges amounted to \$23,876, a decrease of 60.1% over the previous year as a result of a building moratorium.

The expenses for the Water and Sewer System are reflected in the following tabulation:

<u>EXPENSES</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>INCREASE (DECREASE) OVER 1980 (THOUSANDS)</u>
Administrative charges and services	\$ 156,889	14.19 %	\$ 13
Water service	442,394	40.02	124
Sewer service	195,908	17.72	30
Depreciation expense	125,956	11.39	1
Debt service and fees	184,375	16.68	(6)
Other	-	-	(6)
<b>TOTALS</b>	<b>\$ 1,105,522</b>	<b>100.00 %</b>	<b>\$ 156</b>

This year, the City had an income of \$47,006 in the Water and Sewer System Fund primarily due to the increases in individual water rates.

During the year, \$120,000 in maturing revenue bonds were redeemed and bond interest expense amounted to \$180,257.

The Sinking Fund requirements were met on a timely basis.

The reserve accounts are adequately provided for. Bonded debt coverage from the operations of the system (this computation includes the pledged excise taxes revenue) are shown in the following tabulation:

	<u>1980/81</u>	<u>1979/80</u>
Gross revenue (includes connection charges)	\$ 1,176,404	\$ 959,660
Income available for debt service	\$ 381,213	\$ 360,842
Maximum debt service requirement	\$ 309,726	\$ 309,726
Coverage (income available for debt service divided by maximum debt service requirement)	1.231 X	1.165 X

Mr. Charles W. McCool, City Manager/Clerk  
February 9, 1982  
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Revenue bonds outstanding at September 30, 1981 amounted to \$3,635,000. Interest payable in future years on the revenue bonds outstanding amounts to \$1,806,250. Principal on the revenue bonds becomes due on April 1 and interest falls due on October 1 and April 1 of each year.

The maximum debt service requirement occurs in the fiscal year 1985-1986, in the amount of \$309,726, of which \$165,000 is principal and \$144,726 is interest.

It should be noted that the City is not totally in compliance with the requirements of the ordinances and resolutions providing for the issuance of the Water and Sewer System Revenue Bonds. The area of noncompliance is in the investment restrictions which states that all monies on deposit shall be invested and reinvested in direct obligations of the United States of America (Treasury Notes and Treasury Bills, etc.).

We have found, through experience, that the type of investments called for by the ordinances and resolutions yield a lower interest rate of earnings than the type we are presently using. The City has invested these monies in short-term secured Certificates of Deposit since this provides the best rate of interest earnings for our taxpayers.

#### TRUST FUNDS

The City has been given the responsibility for administering the Municipal Firemen's Pension and Municipal Police Officers' Pension Trust Funds by the respective Board of Trustees. During the year, the Municipal Firemen's Pension Trust Fund revenues were derived from the State of Florida contributions of \$7,572, employee contributions of \$7,262, City contributions of \$5,604 and interest earned on investments of \$15,442. Fund balance at the end of the year is \$158,151, as compared to \$134,204 for the preceding year. For the Municipal Police Officers' Pension Trust Fund, the revenues were derived from State of Florida contributions of \$17,692, employee contributions of \$15,409, City contributions of \$14,952 (for the actuarial deficiency), donations of \$25 and interest earned on investments of \$34,915. Fund balance at the end of the year is \$383,104, as compared to \$320,314 for the preceding year.

#### GENERAL FIXED ASSETS

This group of accounts represents the fixed assets of the General Government operations of the City. These assets have been recorded on the books at cost and bear no relation to the actual value of the assets. The total cost of general fixed assets at September 30, 1981 amounted to \$3,991,186, as compared to \$3,775,745 for the preceding year, an increase of 5.7%.