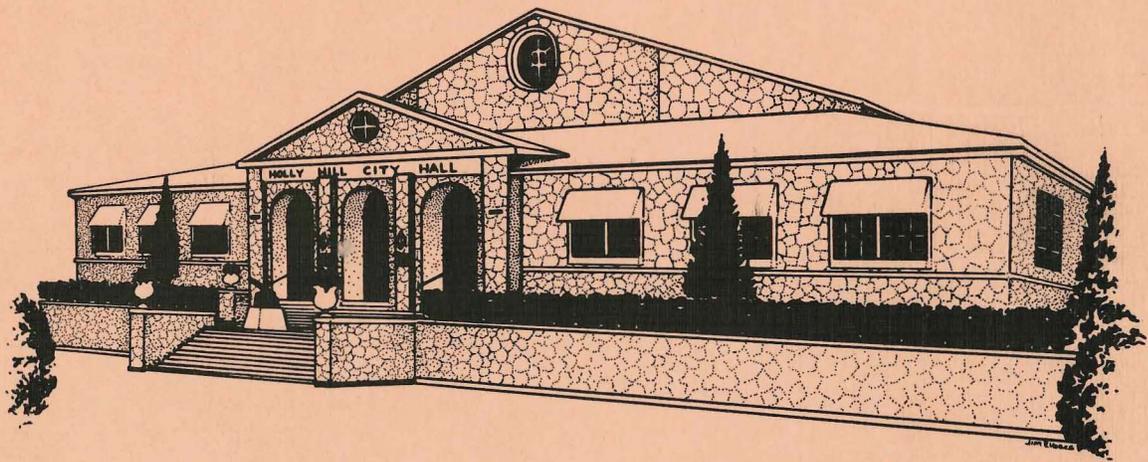


# CITY OF HOLLY HILL, FLORIDA

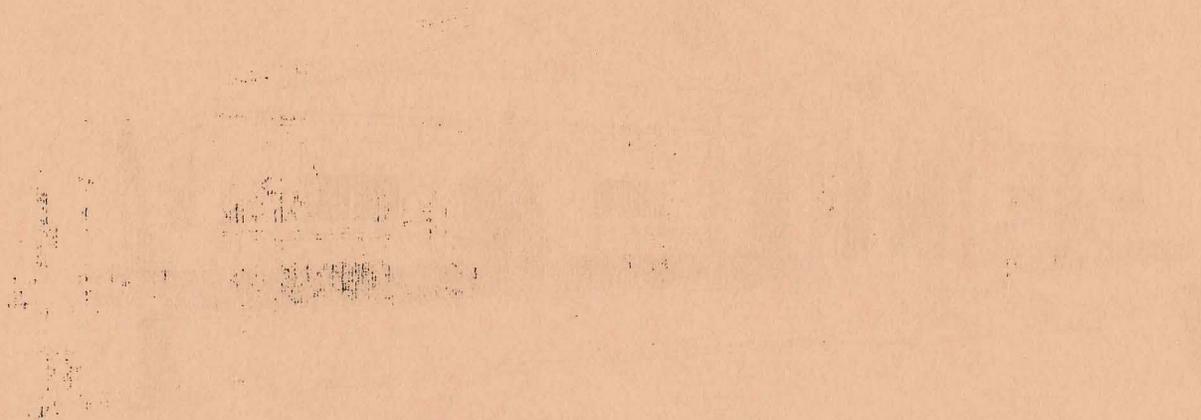
## COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDING SEPTEMBER 30, 1985

THE HISTORY OF THE

INDIAN TRADING COMPANY



CITY OF HOLLY HILL, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1985

Prepared by:  
Finance Department

Virginia Wine  
Finance Director



# INTRODUCTORY SECTION



CITY OF HOLLY HILL, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 1985

MAYOR

B. Donald Wiggins

MAYOR PRO-TEM

John E. Farmer

COUNCIL

Harry N. Mostert

William S. Walker

Clifford E. Whaley

CITY MANAGER

Russell C. Smith

CITY ATTORNEY

Edward F. Simpson, Jr.

FINANCE DIRECTOR

Virginia Wine

CITY ENGINEERS

Russell & Axon, Consulting Engineers

CITY AUDITORS

May Zima & Co.

CITY OF HOLLY HILL, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

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**LETTER OF TRANSMITTAL**

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# CITY OF HOLLY HILL

TEN SIXTY-FIVE RIDGEWOOD AVENUE

HOLLY HILL, FLORIDA 32017

December 10, 1985

Mr. Russell C. Smith, City Manager  
City of Holly Hill  
Holly Hill, Florida

Dear Mr. Smith:

The Comprehensive Annual Financial Report of the City of Holly Hill, Florida, for the year ended September 30, 1985, 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 funds and entities related to the City included in our Comprehensive Annual Financial Report are considered to be within the oversight responsibility of the City Commission. The criteria used in determining the reporting entity are consistent with the National Council on Government Accounting (NCGA) Statement No. 3, "Definition of a Reporting Entity." Based on these criteria, the various funds and account groups (being all the funds and account groups of the City) shown in the table of contents are included in this report.

The City's Finance Department has prepared and is responsible for the content 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 results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The City's independent auditors, May Zima & Co., Certified Public Accountants, have issued an unqualified opinion on the financial statements presented.

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, 1984.

The Financial Section contains the accountants' 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.

**AN EQUAL OPPORTUNITY EMPLOYER**

Mr. Russell C. Smith, City Manager  
December 10, 1985  
Page Two

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Conformance in Financial Reporting to the City of Holly Hill for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 1984.

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 program 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 GFOA to determine its eligibility for another certificate.

#### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized user disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived; and that the evaluation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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.

Mr. Russell C. Smith, City Manager  
 December 10, 1985  
 Page Three

GENERAL GOVERNMENT

Revenues and transfers for the General Fund functions totaled \$3,395,374 for the fiscal year ended September 30, 1985, an increase of 3.34% from the previous year. Actual revenues and transfers for the General Fund exceeded the budgeted revenues and transfers by \$2,349. 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 1984 (THOUSANDS)</u>
Taxes (all sources)	\$ 1,422,922	41.91 %	\$ 55
Licenses and permits	148,109	4.36	(55)
Intergovernmental revenues	796,409	23.46	38
Charges for services	767,780	22.61	71
Fines and forfeitures	37,429	1.10	(12)
Miscellaneous	222,725	6.56	48
Operating transfers in	-	-	(35)
<b>TOTALS</b>	<b>\$ 3,395,374</b>	<b>100.00 %</b>	<b>\$ 110</b>

The total nonexempt valuation for ad valorem taxes amounts to \$170 million, an increase of 12.58% over the preceding year. The total nonexempt value for ad valorem taxes increased \$18,980,995 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 99.38% of the current tax levy.

Allocations of the property tax levy were as follows:

	<u>1984/85</u>	<u>1983/84</u>
General Fund	<u>3.500 mills</u>	<u>4.068 mills</u>

Expenditures and other uses for the General Fund amounted to \$3,370,293 for the fiscal year, an increase of 6.14% 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 1984 (THOUSANDS)</u>
General Government	\$ 820,504	24.35 %	\$ 81
Public Safety	1,130,186	33.53	(31)
Physical Environment	515,432	15.29	56
Transportation	594,222	17.63	74
Culture and Recreation	274,949	8.16	15
Operating transfers out	35,000	1.04	-
<b>TOTALS</b>	<b>\$ 3,370,293</b>	<b>100.00 %</b>	<b>\$ 195</b>

Capital improvements are included in each of the above functions. Expenditures for capital improvements amounted to \$243,427 for the fiscal year, an increase of 10.81% over the previous year.

Expenditures for General Government functions increased 10.89% over the previous year and accounted for 24.35% of total General Fund expenditures.

Public Safety, which includes the Police, Fire and Protective Inspection Departments, accounted for 33.53% of the General Fund expenditures, as compared to 36.57% for the preceding fiscal year.

Public Works operations include Transportation/Road and Street Facilities and Physical Environment/Sanitation Services. These operations represented 17.63% of the General Fund expenditures, as compared to 30.86% for the previous year.

All other functions of the General Fund accounted for 24.49% of the expenditures, as compared to 9.27% for the prior year.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are comprised of the Federal Revenue Sharing Fund and the Consolidation Defense Fund.

Federal Revenue Sharing entitlements amounted to \$151,777 during the year. This was an increase of 13.27% over the previous year entitlement of \$133,998. The City expended \$101,864 in the Federal Revenue Sharing Fund during the current year in the following manner:

Professional services	\$ 3,011
Materials and supplies	1,747
Land	125
Buildings	1,142
Improvements other than buildings	89,022
Machinery and equipment	6,817
<b>TOTALS</b>	<b>\$ 101,864</b>

Mr. Russell C. Smith, City Manager  
 December 10, 1985  
 Page Five

WATER AND SEWER OPERATIONS

The City negotiated a loan agreement with Sun Bank in 1984 for \$3,500,000 to fund improvements to the Water and Sewer System. The interest is computed at 68% of the prime interest rate as of July 1 each year. Actual interest will be adjusted to 6.46% for the upcoming fiscal year. This program is a part of a plan to increase the plant capacity of the Sewer Treatment Plant for Phase I to approximately 1.6 million gallons per day (MGD), thereby allowing additional construction within the City's collections system. It is also anticipated that the City's raw water supply will be expanded to new wells west of I-95 and thus avoid reliance on existing well fields which, by its proximity to the coastline, is vulnerable to salt water intrusion.

City wells associated with this project went on line September 7 of this year.

The City's Water and Sewer System Fund has increased gross revenues and the number of customers served over the past year. Gross revenue (excluding connection and impact fees) increases 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 1984 (THOUSANDS)</u>
Water sales	\$ 784,578	43.74 %	\$ 102
Sewer charges	819,114	45.66	110
Other income	42,348	2.36	6
Operating transfers in	35,000 <sup>1</sup>	1.95	-
Interest revenue	112,923 <sup>1</sup>	6.29	6
<b>TOTALS</b>	<b>\$ 1,793,963</b>	<b>100.00 %</b>	<b>\$ 224</b>

<sup>1</sup> Does not include interest income earned before recording capitalized interest.

The City does not include connection charges and impact fees as part of gross revenues, but instead as part of contributed capital, in accordance with generally accepted accounting principles. During the year, connection charges and impact fees amounted to \$182,899, a decrease of 34.54% from the previous year.

Mr. Russell C. Smith, City Manager  
 December 10, 1985  
 Page Six

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 1984 (THOUSANDS)</u>
Administrative charges and services	\$ 255,421	19.18 %	\$ 4
Water service	416,558	31.28	54
Sewer service	349,774	26.27	15
Depreciation expense	151,875	11.41	8
Debt service and fees	157,911	11.86	(7)
Operating transfers out	-	-	(35)
<b>TOTALS</b>	<b>\$ 1,331,539</b>	<b>100.00 %</b>	<b>\$ 39</b>

This year, the City had net income of \$458,406 in the Water and Sewer System Fund.

During the year, \$375,000 in maturing revenue bonds were redeemed and bond interest expense amounted to \$153,033 (which does not include capitalized interest).

The Sinking Fund requirements were met on a timely basis and reserve accounts were 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>1984/85</u>
Gross revenue (includes connection charges)	\$ 1,976,862
Income available for debt service	\$ 955,109
Annual debt service requirement	\$ 778,133
Coverage (income available for debt service divided by maximum debt service requirement)	1.23 X

Revenue bonds outstanding at September 30, 1985 amounted to \$6,395,000. Interest payable in future years on the revenue bonds outstanding amounts to \$2,827,241. Principal on the revenue bonds becomes due on April 1 and interest falls due on October 1 and April 1 of each year.

Mr. Russell C. Smith, City Manager  
December 10, 1985  
Page Seven

The maximum debt service requirement occurs in the fiscal year 1993-1994, in the amount of \$2,298,977, of which \$2,155,000 is principal and \$143,977 is interest.

It should be noted that the City is not technically 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 and in the Florida State Board of Administration Investment Pool since this provides the best rate of interest earnings for our taxpayers.

#### TRUST FUNDS

The Firefighters' Retirement System and the Police Officers' Retirement Trust Fund are governed by two separate Boards of Trustees responsible for the administration of each fund. The City is responsible for funding any actuarial deficiency which may arise. The two pension funds are included in the financial statements of the City as a result of this financial interdependency.

During the year, the Firefighters' Retirement System revenues were derived from State of Florida contributions of \$13,334, employee contributions of \$21,743, City contributions of \$7,559 and interest and dividends earned on investments of \$30,528. Fund balance at the end of the year is \$383,785, as compared to \$319,394 for the preceding year. For the Police Officers' Retirement Trust Fund, the revenues were derived from State of Florida contributions of \$26,778, City contributions of \$21,060, and interest and dividends earned on investments of \$60,465. Fund balance at the end of the year is \$712,758, as compared to \$632,759 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, 1985 amounted to \$5,221,886, as compared to \$5,009,298 for the preceding year, an increase of 4.24%.

Mr. Russell C. Smith, City Manager  
December 10, 1985  
Page Eight

#### INTEREST EARNINGS

The following is a summary of interest earnings for the past two fiscal years:

<u>FUND</u>	<u>INTEREST EARNED</u>	
	<u>1985</u>	<u>1984</u>
General Fund	\$ 135,387	\$ 135,488
Special Revenue Funds	6,604	3,594
Water and Sewer System Fund <sup>1</sup>	<u>277,322</u>	<u>254,321</u>
TOTAL INTEREST EARNINGS FOR THE CITY	<u>\$ 419,313</u>	<u>\$ 393,403</u>

<sup>1</sup>Interest earned before recording  
capitalized interest on construction.

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

#### SIGNIFICANT ACTIVITIES OF 1985

The City Manager started preparing for the planned acquisition of the Bellemead Property known as Sandy Point (or Beacon Point) to be used as a recreational area. Two appraisals were authorized and initial contact was made with the property owner, the Bellemead Development Corporation.

Data was also collected to make a beginning on our Five-Year Capital Improvement Program. This will be one of our goals for 1985-86.

Proposals were also solicited and received in an effort to update in-house telephone equipment. The project was turned over to Russell & Axon for technical study and recommendations.

#### BUILDING AND ZONING DEPARTMENT

During the 1984-85 fiscal year, the Building and Zoning Department issued a total of 774 permits for a construction value of \$7,123,860. This produced \$43,673 in revenues. There were 165 impact fees processed for a total of \$147,130 in revenues. In addition to the above activities, the department processed 275 new occupational licenses, made 4,608 building inspections, 304 code and zoning violation inspections and 160 housing (building safety) inspections. There were eight (8) major development and site plan reviews.

Mr. Russell C. Smith, City Manager  
December 10, 1985  
Page Nine

#### FINANCE DEPARTMENT

The Finance Department, for the seventh (7th) year in a row, was awarded the Certificate of Conformance from the Government Finance Officers Association of the United States and Canada. They also updated and got Council approval for a new pay plan, the first since 1982. In addition, a plan was developed and implemented for paying the balloon payment of \$1,837,500 due on the Series 1984 Water and Sewer debt in 1994.

#### PARKS AND RECREATION DEPARTMENT

The Parks and Recreation Department completed the first phase in the development of Riverside Park. The improvements consisted of a fishing pier and a boat launching ramp. They also re-submitted our request for a grant of \$50,000 from the Florida Recreational Development Assistance Program to complete the project. Other major accomplishments were the City Hall fountain and the installation of sprinkler systems on five (5) ball fields.

#### POLICE DEPARTMENT

In the Police Department, overtime was brought under control through a team effort involving the Department, the Council and the City Manager. Weekly reports are provided to help insure that the improvement continues.

The Department also moved forward in the area of Community Relations, concentrating on the implementation of the Neighborhood Watch Program in various areas around the City.

#### PUBLIC UTILITIES DEPARTMENT

The Water Pollution Control Plant was increased in capacity from 1.25 MGD to 1.60 MGD to accommodate recent additional growth within the City. Additional equipment such as a Dissolved Air Flotation Unit was also added, along with flow equalization tanks, to improve solids handling in the sludge control process.

Seven new deep wells were constructed west of I-95 near 11th Street to insure a water supply to the citizens of Holly Hill for many years to come. This is excellent water with a very low salt content.

#### PUBLIC WORKS DEPARTMENT

The Public Works Department contracted the resurfacing of many streets and virtually completed installation of storm drainage on Alabama Avenue with City forces. They also cooperated with the East Volusia Mosquito Control District in an extensive project to clean out the Grove Street Canal. In addition, specifications were prepared for a new garbage truck and bids were taken. The order was placed and delivery is expected early in 1985-86.

Mr. Russell C. Smith, City Manager  
December 10, 1985  
Page Ten

#### FIRE DEPARTMENT

The Fire Prevention Bureau's staffing level increased to three with the addition of Johnny Newton. We now have a State of Florida certified inspector on each shift. The Bureau's inspection total was 799. All Holly Hill schools, including private schools, were given fire prevention materials for all students as an ongoing educational and public relations effort.

We negotiated for properties near Center Avenue and Fifteenth Street for building a new fire station to serve the areas west of the F.E.C. Railroad.

#### PROSPECTS FOR THE FUTURE

At September 30, 1985, the unobligated funds in the Series 1984 Water and Sewer Construction Fund for future projects were \$525,000. These funds will be used for a THM Facility and the start of Phase Two of the Wastewater Treatment Plant expansion.

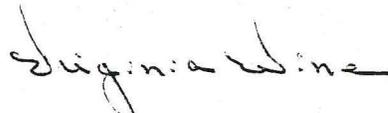
The THM Facility will be comprised of storage and feeding equipment that will prevent the formation of trihalomethane compounds in the water supply. The construction on this project is expected to begin on January 15, 1986 with a projected completion date of mid-April, 1986. Estimated cost for this project is \$84,000.

Phase Two of the Wastewater Treatment Plant expansion will expand the plant capacity from 1.6 million gallons per day to 2.4 million gallons per day. Studies are now being conducted in the Halifax River to determine the degree of treatment required for the facility. It is estimated that construction will begin in early summer of 1986 and will be completed in February, 1987. Total cost for this expansion is estimated at \$775,000, and will be funded with the remaining funds in the Series 1984 Water and Sewer Construction Fund and current revenues.

#### ACKNOWLEDGMENTS

A Comprehensive Annual Financial Report of this nature could not have been accomplished 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,



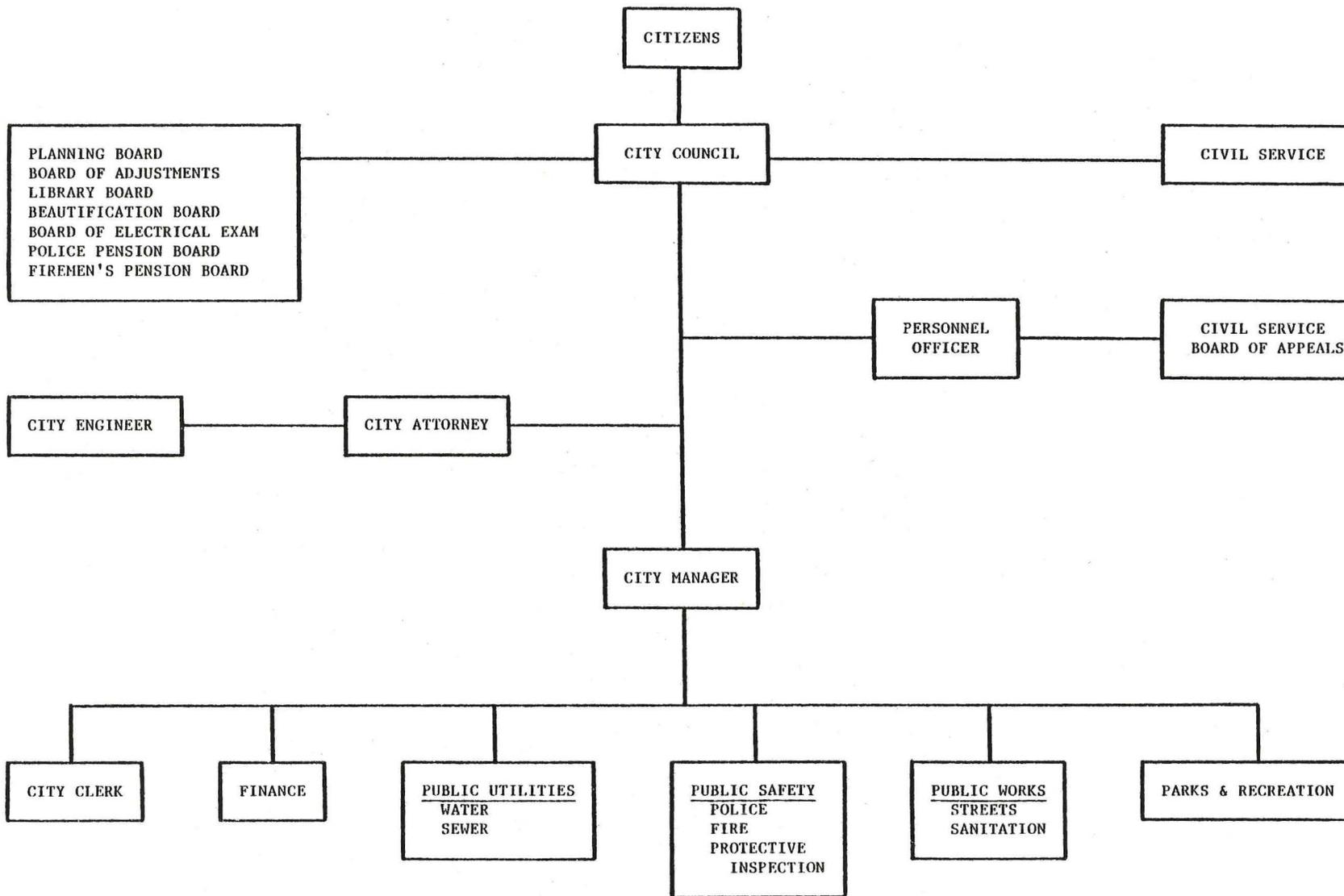
Virginia Wine, Finance Director

## 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, 1984

A Certificate of Conformance in Financial Reporting is presented by the Government 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.



*John T. Walsh*  
President

*Jeffrey L. Esser*  
Executive Director

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# FINANCIAL SECTION



**ACCOUNTANTS' REPORT**

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

#### ACCOUNTANTS' 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, 1985, 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.

In our opinion, the combined financial statements referred to above present fairly the financial position of the City of Holly Hill, Florida at September 30, 1985, 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, 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, 1985, and the results of operations of such funds and the changes in financial position of the Proprietary Fund Type 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 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. The statistical tables have not been subjected to the auditing procedures applied in the examination of the combined financial statements and, accordingly, we express no opinion.

In connection with our examination, we also (1) performed tests of compliance with the Revenue Sharing Act and regulations as detailed in the Commentary on the Audit Requirements of the Local Government Fiscal Assistance Amendments of 1983 issued by the Office of Revenue Sharing, U. S. Department of the Treasury, and (2) compared the data on the appropriate Bureau of Census form with the audited records of the City of Holly Hill.

In our opinion, for the items tested, the City of Holly Hill complied with the aforementioned provisions of the Revenue Sharing Act and regulations. Further, based on our examination and the procedures referred to above, nothing came to our attention to indicate that the City of Holly Hill had not complied with the aforementioned provisions of the Revenue Sharing Act and regulations, except for the following matters as disclosed in Note 13.

*May Zima & Co.*

Daytona Beach, Florida  
November 8, 1985

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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, 1985

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE
	GENERAL	SPECIAL REVENUE	ENTERPRISE
<u>ASSETS</u>			
Cash	\$ 48,294	\$ 2,160	\$ 2,929
Investments - at cost	1,262,413	73,366	113,299
Accounts receivable - net (Note 2)	40,038	-	89,923
Taxes receivable	24,467	-	-
Other receivables	4,729	-	1,832
Due from other funds (Note 10)	11,621	-	39,849
Due from other governments	20,751	37,316	-
Prepaid insurance	-	-	7,789
Restricted assets:			
Sinking Funds -			
Cash with paying agent	-	-	-
Cash and investments	-	-	941,979
Interest receivable on investments	-	-	7,746
Construction Fund -			
Cash and investments	-	-	765,159
Interest receivable on investments	-	-	15,672
Improvement Fund -			
Cash and investments	-	-	21,556
Customer deposits -			
Cash and investments	-	-	238,418
Impact fee -			
Cash and investments	-	-	59,585
Land	-	-	25,298
Buildings	-	-	3,839,660
Improvements other than buildings	-	-	2,682,861
Machinery and equipment	-	-	176,475
Accumulated depreciation	-	-	(1,884,404)
Construction in progress (Note 11)	-	-	3,313,586
Amount to be provided for retirement of general long-term debt	-	-	-
Refundable deposits	90	-	1,660
Bond issue costs (Note 3)	-	-	19,100
<b>TOTAL ASSETS</b>	<b>\$ 1,412,403</b>	<b>\$ 112,842</b>	<b>\$ 10,479,972</b>

LIABILITIES AND FUND EQUITY

<b>LIABILITIES</b>			
Accounts payable	\$ 40,811	\$ 1,770	\$ 11,601
Accrued liabilities	40,866	-	6,802
Due to other funds (Note 10)	39,849	-	11,621
Due to certificate holders	151	-	-
Deposits	23,631	-	-
Deferred revenues	24,467	-	-
Payable from restricted assets:			
Customer security deposits	-	-	238,418
Revenue bonds (Notes 5 & 6)	-	-	340,000
Accounts payable	-	-	135,692
Contracts payable - retentions	-	-	78,086
Accrued interest payable	-	-	144,745

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPE	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY)	
	PENSION TRUST	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1985	1984
\$ 37,637	\$ -	\$ -	\$ 91,020	\$ 169,952	
1,032,128	-	-	2,481,206	2,221,876	
-	-	-	129,961	143,623	
-	-	-	24,467	7,145	
-	-	-	6,561	8,893	
-	-	-	51,470	52,591	
26,778	-	-	84,845	66,911	
-	-	-	7,789	8,106	
-	-	-	-	81,840	
-	-	-	941,979	628,520	
-	-	-	7,746	7,335	
-	-	-	765,159	2,786,729	
-	-	-	15,672	19,503	
-	-	-	21,556	150,000	
-	-	-	238,418	195,201	
-	-	-	59,585	188,163	
-	159,098	-	184,396	184,271	
-	600,279	-	4,439,939	4,426,452	
-	2,889,910	-	5,572,771	5,200,107	
-	1,572,599	-	1,749,074	1,803,821	
-	-	-	(1,884,404)	(1,742,754)	
-	-	-	3,313,586	950,507	
-	-	214,988	214,988	234,084	
-	-	-	1,750	1,750	
-	-	-	19,100	21,223	
<u>\$ 1,096,543</u>	<u>\$ 5,221,886</u>	<u>\$ 214,988</u>	<u>\$ 18,538,634</u>	<u>\$ 17,815,849</u>	

\$ -	\$ -	\$ -	\$ 54,182	\$ 70,354
-	-	-	47,668	39,340
-	-	-	51,470	52,591
-	-	-	151	722
-	-	-	23,631	79,355
-	-	-	24,467	7,145
-	-	-	238,418	195,201
-	-	-	340,000	375,000
-	-	-	135,692	96,033
-	-	-	78,086	74,683
-	-	-	144,745	146,086

CITY OF HOLLY HILL, FLORIDA  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 SEPTEMBER 30, 1985

	GOVERNMENTAL FUND TYPES		PROPRIETARY
	GENERAL	SPECIAL REVENUE	FUND TYPE ENTERPRISE
LIABILITIES - (continued)			
Revenue bonds payable (Notes 5 & 6)	-	-	6,055,000
Notes payable - pension backfunding (Notes 4 & 9)	-	-	-
Notes payable - Sun Bank of Volusia County (Note 9)	-	-	-
Obligation for compensated absences (Note 9)	-	-	17,192
<b>TOTAL LIABILITIES</b>	<b>\$ 169,775</b>	<b>\$ 1,770</b>	<b>\$ 7,039,157</b>
COMMITMENTS AND CONTINGENCIES (Note 14)			
FUND EQUITY			
Contributed capital	\$ -	\$ -	\$ 1,902,716
Investment in general fixed assets	-	-	-
Retained earnings:			
Reserved for Improvement Fund	-	-	21,556
Reserved for revenue bond retirement	-	-	464,981
Unreserved	-	-	1,051,562
Fund balances:			
Reserved for encumbrances	7,454	-	-
Reserved for City Hall fountain	-	-	-
Reserved for police and fire pensions (Note 4)	-	-	-
Reserved for police education	3,710	-	-
Unreserved - Undesignated	1,231,464	111,072	-
<b>TOTAL FUND EQUITY</b>	<b>\$ 1,242,628</b>	<b>\$ 111,072</b>	<b>\$ 3,440,815</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,412,403</b>	<b>\$ 112,842</b>	<b>\$ 10,479,972</b>

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPE	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY)	
	PENSION TRUST	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1985	1984
-	-	-	-	6,055,000	6,395,000
-	-	32,409	-	32,409	37,754
-	-	41,000	-	41,000	66,000
-	-	141,579	-	158,771	147,522
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,988</u>		<u>\$ 7,425,690</u>	<u>\$ 7,782,786</u>
\$ -	\$ -	\$ -		\$ 1,902,716	\$ 1,719,817
-	5,221,886	-		5,221,886	5,009,298
-	-	-		21,556	150,000
-	-	-		464,981	571,609
-	-	-		1,051,562	358,084
-	-	-		7,454	13,244
-	-	-		-	2,454
1,096,543	-	-		1,096,543	952,153
-	-	-		3,710	3,926
-	-	-		1,342,536	1,252,478
<u>\$ 1,096,543</u>	<u>\$ 5,221,886</u>	<u>\$ -</u>		<u>\$ 11,112,944</u>	<u>\$ 10,033,063</u>
<u>\$ 1,096,543</u>	<u>\$ 5,221,886</u>	<u>\$ 214,988</u>		<u>\$ 18,538,634</u>	<u>\$ 17,815,849</u>

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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, 1985

	GOVERNMENTAL FUND TYPES		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	1985	1984
<b>REVENUES</b>				
Taxes	\$ 1,422,922	\$ -	\$ 1,422,922	\$ 1,368,337
Licenses and permits	148,109	-	148,109	203,570
Intergovernmental revenues	796,409	151,777	948,186	892,172
Charges for services	767,780	-	767,780	696,862
Fines and forfeitures	37,429	-	37,429	48,959
Miscellaneous revenues	222,725	6,604	229,329	178,452
<b>TOTAL REVENUES</b>	<b>\$ 3,395,374</b>	<b>\$ 158,381</b>	<b>\$ 3,553,755</b>	<b>\$ 3,388,352</b>
<b>EXPENDITURES</b>				
General Government	\$ 820,504	\$ 11,544	\$ 832,048	\$ 753,973
Public Safety	1,130,186	903	1,131,089	1,184,418
Physical Environment	515,432	-	515,432	469,426
Transportation	594,222	89,022	683,244	617,776
Culture and Recreation	274,949	395	275,344	269,256
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,335,293</b>	<b>\$ 101,864</b>	<b>\$ 3,437,157</b>	<b>\$ 3,294,849</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 60,081</b>	<b>\$ 56,517</b>	<b>\$ 116,598</b>	<b>\$ 93,503</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$ -	\$ -	\$ -	\$ 35,000
Operating transfers out	(35,000)	-	(35,000)	(35,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (35,000)</b>	<b>\$ -</b>	<b>\$ (35,000)</b>	<b>\$ -</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ 25,081</b>	<b>\$ 56,517</b>	<b>\$ 81,598</b>	<b>\$ 93,503</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>1,217,547</b>	<b>54,555</b>	<b>1,272,102</b>	<b>1,178,599</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,242,628</b>	<b>\$ 111,072</b>	<b>\$ 1,353,700</b>	<b>\$ 1,272,102</b>

The accompanying notes are an integral part of the 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, 1985

	GENERAL		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
<b>REVENUES</b>			
Taxes	\$ 1,415,725	\$ 1,422,922	\$ 7,197
Licenses and permits	156,000	148,109	(7,891)
Intergovernmental revenues	789,200	796,409	7,209
Charges for services	765,200	767,780	2,580
Fines and forfeitures	37,000	37,429	429
Miscellaneous revenues	229,900	222,725	(7,175)
<b>TOTAL REVENUES</b>	<b>\$ 3,393,025</b>	<b>\$ 3,395,374</b>	<b>\$ 2,349</b>
<b>EXPENDITURES</b>			
General Government	\$ 863,750	\$ 820,504	\$ 43,246
Public Safety	1,178,870	1,130,186	48,684
Physical Environment (Note 12)	511,900	515,432	(3,532)
Transportation	706,950	594,222	112,728
Culture and Recreation	289,300	274,949	14,351
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,550,770</b>	<b>\$ 3,335,293</b>	<b>\$ 215,477</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (157,745)</b>	<b>\$ 60,081</b>	<b>\$ 217,826</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	(35,000)	(35,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (35,000)</b>	<b>\$ (35,000)</b>	<b>\$ -</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ (192,745)</b>	<b>\$ 25,081</b>	<b>\$ 217,826</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>1,217,547</b>	<b>1,217,547</b>	<b>-</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,024,802</b>	<b>\$ 1,242,628</b>	<b>\$ 217,826</b>

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE			TOTALS (MEMORANDUM ONLY)			TOTALS (MEMORANDUM ONLY) 1984
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
\$ -	\$ -	\$ -	\$ 1,415,725	\$ 1,422,922	\$ 7,197	\$ 1,368,337
-	-	-	156,000	148,109	(7,891)	203,570
153,600	151,777	(1,823)	942,800	948,186	5,386	892,172
-	-	-	765,200	767,780	2,580	696,862
-	-	-	37,000	37,429	429	48,959
7,000	6,604	(396)	236,900	229,329	(7,571)	178,452
<u>\$ 160,600</u>	<u>\$ 158,381</u>	<u>\$ (2,219)</u>	<u>\$ 3,553,625</u>	<u>\$ 3,553,755</u>	<u>\$ 130</u>	<u>\$ 3,388,352</u>
\$ 29,100	\$ 11,544	\$ 17,556	\$ 892,850	\$ 832,048	\$ 60,802	\$ 753,973
90,000	903	89,097	1,268,870	1,131,089	137,781	1,184,418
-	-	-	511,900	515,432	(3,532)	469,426
95,600	89,022	6,578	802,550	683,244	119,306	617,776
400	395	5	289,700	275,344	14,356	269,256
<u>\$ 215,100</u>	<u>\$ 101,864</u>	<u>\$ 113,236</u>	<u>\$ 3,765,870</u>	<u>\$ 3,437,157</u>	<u>\$ 328,713</u>	<u>\$ 3,294,849</u>
<u>\$ (54,500)</u>	<u>\$ 56,517</u>	<u>\$ 111,017</u>	<u>\$ (212,245)</u>	<u>\$ 116,598</u>	<u>\$ 328,843</u>	<u>\$ 93,503</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
-	-	-	(35,000)	(35,000)	-	(35,000)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,000)</u>	<u>\$ (35,000)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ (54,500)	\$ 56,517	\$ 111,017	\$ (247,245)	\$ 81,598	\$ 328,843	\$ 93,503
54,555	54,555	-	1,272,102	1,272,102	-	1,178,599
<u>\$ 55</u>	<u>\$ 111,072</u>	<u>\$ 111,017</u>	<u>\$ 1,024,857</u>	<u>\$ 1,353,700</u>	<u>\$ 328,843</u>	<u>\$ 1,272,102</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, 1985				
	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	PENSION FUND	1985	1984
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,619,057	\$ -	\$ 1,619,057	\$ 1,407,024
Contributions	-	90,474	90,474	89,700
Interest and dividends	-	90,993	90,993	112,098
Miscellaneous revenue	3,720	-	3,720	12,541
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 1,622,777</b>	<b>\$ 181,467</b>	<b>\$ 1,804,244</b>	<b>\$ 1,621,363</b>
<b>OPERATING EXPENSES</b>				
Personal services	\$ 414,040	\$ -	\$ 414,040	\$ 374,790
Contractual services	218,686	-	218,686	187,654
Materials and supplies	133,606	-	133,606	146,213
Other charges and services	255,421	-	255,421	240,891
Depreciation	151,875	-	151,875	144,321
Benefit payments	-	22,781	22,781	22,781
Refunds	-	12,917	12,917	1,315
Miscellaneous expenses	-	1,379	1,379	3,213
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,173,628</b>	<b>\$ 37,077</b>	<b>\$ 1,210,705</b>	<b>\$ 1,121,178</b>
<b>OPERATING INCOME</b>	<b>\$ 449,149</b>	<b>\$ 144,390</b>	<b>\$ 593,539</b>	<b>\$ 500,185</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Payment from General Fund - rental	\$ 13,000	\$ -	\$ 13,000	\$ 13,000
Interest income	112,923	-	112,923	107,361
Other income	10,263	-	10,263	8,593
Interest expense	(153,033)	-	(153,033)	(160,660)
Fiscal agent's fees	(4,018)	-	(4,018)	(4,515)
Miscellaneous expenses	(4,878)	-	(4,878)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>\$ (25,743)</b>	<b>\$ -</b>	<b>\$ (25,743)</b>	<b>\$ (36,221)</b>
<b>INCOME BEFORE OPERATING TRANSFERS</b>	<b>\$ 423,406</b>	<b>\$ 144,390</b>	<b>\$ 567,796</b>	<b>\$ 463,964</b>
<b>OPERATING TRANSFERS</b>				
Operating transfers in	\$ 35,000	\$ -	\$ 35,000	\$ 35,000
Operating transfers out	-	-	-	(35,000)
<b>OPERATING TRANSFERS IN (OUT)</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>
<b>NET INCOME</b>	<b>\$ 458,406</b>	<b>\$ 144,390</b>	<b>\$ 602,796</b>	<b>\$ 463,964</b>
<b>RETAINED EARNINGS/FUND BALANCES AT BEGINNING OF YEAR</b>	<b>1,079,693</b>	<b>952,153</b>	<b>2,031,846</b>	<b>1,567,882</b>
<b>RETAINED EARNINGS/FUND BALANCES AT END OF YEAR</b>	<b>\$ 1,538,099</b>	<b>\$ 1,096,543</b>	<b>\$ 2,634,642</b>	<b>\$ 2,031,846</b>

The accompanying notes are an integral part of the 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, 1985

	PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE		TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE		PENSION FUND		1985	1984
<b>SOURCES OF WORKING CAPITAL</b>						
Operations:						
Net income	\$	458,406	\$	144,390	\$	602,796
Add: Expenses not creating current liabilities or using current assets - depreciation and amortization		153,998		-		153,998
	\$	612,404	\$	144,390	\$	756,794
Net increase in current liabilities payable from restricted assets		49,938		-		49,938
Increase in contributions		182,899		-		182,899
Disposal of plant and equipment net of accumulated depreciation		3,148		-		3,148
Net decrease in restricted assets		2,007,176		-		2,007,176
Proceeds from bond issue		-		-		-
Increase in compensated absences		-		-		-
<b>TOTAL SOURCES OF WORKING CAPITAL</b>	\$	2,855,565	\$	144,390	\$	2,999,955
					\$	5,038,940
<b>USES OF WORKING CAPITAL</b>						
Net increase in restricted assets	\$	-	\$	-	\$	-
Acquisition of plant and equipment		2,495,393		-		2,495,393
Net decrease in other liabilities		340,000		-		340,000
Increase in other assets		-		-		-
<b>TOTAL USES OF WORKING CAPITAL</b>	\$	2,835,393	\$	-	\$	2,835,393
					\$	4,797,267
<b>NET INCREASE IN WORKING CAPITAL</b>	\$	20,172	\$	144,390	\$	164,562
					\$	241,673
<b>ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL</b>						
Cash	\$	(1,321)	\$	(70,608)	\$	(71,929)
Investments		32,865		204,714		237,579
Accounts receivable - net		(15,658)		-		(15,658)
Other receivables		1,832		-		1,832
Due from other funds		2,999		(5,353)		(2,354)
Due from other governments		-		15,637		15,637
Prepaid insurance		(317)		-		(317)
Accounts payable		2,316		-		2,316
Accrued liabilities		(1,311)		-		(1,311)
Due to other funds		(1,233)		-		(1,233)
<b>NET INCREASE IN WORKING CAPITAL</b>	\$	20,172	\$	144,390	\$	164,562
					\$	241,673

The accompanying notes are an integral part of the financial statements.

CITY OF HOLLY HILL, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1985

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Holly Hill, Florida include all those separately administered organizations that are controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board in accordance with National Council on Governmental Accounting (NCGA) Statement No. 3, Defining the Governmental Reporting Entity and NCGA Interpretation 7, which clarifies the application of Statement No. 3.

No agencies met any of the reporting entity inclusion criteria established by the statement.

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 appropriable 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) interest income; and (3) refuse charges. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exception to this general rule includes principal and interest on general long-term debt which is recognized when due.

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 Council 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) The level of classification detail at which expenditures may not legally exceed appropriations is within a department or division by fund.

- (8) Every appropriation lapses at the close of the fiscal year to the extent that it has not been expended or encumbered.
- (9) The budgets for all governmental 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. The General Fund, Special Revenue Fund, Water and Sewer Revenue Fund, Water and Sewer Improvement Fund and the Water and Sewer Construction Fund are required to have legally adopted annual budgets.

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.

Property Taxes - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method state-wide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The current millage rate assessed by the City is 3.500.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Volusia County Property Appraiser incorporates the City millages into the total tax levy, which includes the county, school board and other taxing districts.

All property is reassessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of state statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the county.

Delinquent taxes on personal property bear a maximum interest rate of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

Taxes receivable are generally 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 State Board of Administration Accounts stated at cost. Cost is equal to market value for the City's investments. Certain mutual fund and limited partnership investments are held by the Firefighters' Retirement System and the Police Officers' Retirement Trust Fund, which are stated at cost.

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 also 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. Donated fixed assets are recorded at their estimated fair market value at time received and classified as contributions. 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

The costs of normal maintenance and repairs are charged to operations as incurred.

H. Bond issue cost is being amortized using a straight-line method over a ten year period.

I. 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 100 percent of their accumulated sick leave.

The City records compensated absences in the Governmental Fund Types as an expenditure for the amount accrued during the year that would normally be liquidated with expendable available financial resources. The remainder of the liability is reported in the General Long-Term Debt Account Group. Proprietary Fund Types accrue compensated absences in the period they are earned.

J. 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.

CITY OF HOLLY HILL, FLORIDA  
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- K. Reserve for 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.
- L. 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.
- M. Long-Term Debt:  
 Debt recorded in the General Long-Term Debt Account Group is paid from General Fund assets.  
  
 Debt recorded in the Enterprise Fund is paid from the Enterprise Fund assets.
- N. Combined Statements "Memorandum Only" Total Columns:  
 Total columns on the Combined Statements - All Fund Types and Account Groups are noted "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the summarization of this data.
- O. Reclassifications:  
 Certain September 30, 1984 account balances have been reclassified in this report to conform with the financial statement presentation used in 1985.

2. ACCOUNTS RECEIVABLE - NET

The accounts receivable - net amount at September 30, 1985 consists of the following:

	GENERAL FUND	WATER AND SEWER SYSTEM FUND
	<u>          </u>	<u>          </u>
Accounts receivable	\$ 41,634	\$ 96,075
Less: Allowance for doubtful accounts	<u>1,596</u>	<u>6,152</u>
ACCOUNTS RECEIVABLE - NET	<u>\$ 40,038</u>	<u>\$ 89,923</u>

3. BOND ISSUE COSTS

Bond issue costs as of September 30, 1985 consist of the following:

Original costs	\$ 21,223
Less: Accumulated amortization	<u>2,123</u>
	<u>\$ 19,100</u>

4. PENSION PLANS

A. The Police Officers' Retirement Trust Fund and the Firefighters' Retirement System 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.

Police Officers' Retirement Trust Fund:

The valuation method used is the aggregate cost method. The aggregate cost method is a method under which the excess of the actuarial present value of projected benefits of the group included in an actuarial valuation over the actuarial value of assets is allocated on a level basis over the earnings of the group between the valuation date and assumed exit.

The funding of pension costs for plan year dated January 1, 1984 is as follows:

	<u>COSTS</u>	<u>% OF PAYROLL</u>
Normal costs	\$ 42,443	11.4 %
Payment required to amortize unfunded actuarial accrued liability	<u>-</u>	<u>-</u>
 TOTAL CONTRIBUTION REQUIRED FOR THE PLAN YEAR	 <u>\$ 42,443</u>	 <u>11.4 %</u>

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Firefighters' Retirement System:

The valuation method used is the Entry Age Normal method with Frozen Initial Liability. The method divides the cost of funding benefits into two parts; normal cost and past service liability. Normal cost is the level annual payment that would be required to fund the pension if paid from the date each employee was hired to the date of his retirement. Past service liability is the accumulated value of normal cost for each employee from date of hire to the date the plan was established.

The funding of pension costs for plan year beginning January 1, 1984 is as follows:

	<u>COSTS</u>	<u>% OF PAYROLL</u>
Normal cost	\$ 11,524	5.8 %
Amortization of unfunded accrued liability as of January 1, 1983 -		
(i) Initial unfunded - 40-year funding	1,078	.5
(ii) Additional unfunded - 30-year funding - January 1, 1983	<u>4,590</u>	<u>2.3</u>
 TOTAL CONTRIBUTION REQUIRED FOR THE PLAN YEAR		
(i) Beginning of plan year	<u>\$ 17,192</u>	<u>8.6 %</u>
(ii) End of plan year (7% interest)	<u>\$ 18,395</u>	<u>9.3 %</u>

Actuarial liabilities are determined by consulting actuaries through the state annually at January 1. The unfunded actuarial liabilities at January 1, 1984 (last valuation date) are as follows:

Police Officers' Retirement Trust Fund	\$ -
Firefighters' Retirement System	<u>74,130</u>
 TOTAL UNFUNDED ACTUARIAL LIABILITY	 <u>\$ 74,130</u>

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The City's contribution to the plans for the fiscal year ended September 30, 1985 was as follows:

Police Officers' Retirement Trust Fund	\$ 21,060
Firefighters' Retirement System	<u>7,559</u>
<b>TOTAL CITY CONTRIBUTIONS</b>	<b><u>\$ 28,619</u></b>

The actuarial present value of accumulated plan benefits according to the latest data available is as follows:

	POLICE OFFICERS' RETIREMENT TRUST FUND	FIRE- FIGHTERS' RETIREMENT SYSTEM
Vested	\$ 267,721	\$ 236,601
Nonvested	<u>921,748</u>	<u>50,222</u>
	<b><u>\$ 1,189,469</u></b>	<b><u>\$ 286,823</u></b>

B. The State of Florida established and manages the Florida Retirement System for the state, county and municipal employees. 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. The act provides that employers, such as the City, are obligated to contribute 12.24% of covered general employees' gross wages and 5.71% of gross wages of the City Manager beginning July 1, 1985. The act also provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the employer shall supplement the funds by an appropriation from current funds, or from any revenue which may lawfully be used for said purposes in an amount to make up the deficiency. For the year ended September 30, 1985, the City contributed \$157,861 to the plan.

In 1983, Florida Retirement System officials reported that state-wide, the Florida Retirement System had an unfunded liability of approximately \$6.5 billion. They estimate that if certain actuarial assumptions are realized, based on current contributions, it will take approximately 30 years to liquidate this unfunded liability. The next scheduled valuation date is July 1, 1987.

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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, 1985 is \$32,409.

- C. The Board of Trustees of the Firefighters' Retirement System invested a portion of its assets in a portfolio of marketable equity and debt securities managed by Investors Diversified Services, Inc.

At September 30, 1985, the investments of the Firefighters' Retirement System in marketable equity securities are as follows:

<u>SECURITIES DESCRIPTION</u>	<u>COST</u>	<u>MARKET</u>	<u>UNREALIZED GAIN (LOSS)</u>
Investors Diversified Services, Inc.:			
Selective	\$ 85,715	\$ 96,312	\$ 10,597
Stock	59,887	56,110	(3,777)
Discovery	22,240	22,109	(131)
Bond Fund	42,522	40,831	(1,691)
Mutual	30,458	31,746	1,288
New dimensions	18,731	18,694	(37)
 TOTAL OF PORTFOLIO	 <u>\$ 259,553</u>	 <u>\$ 265,802</u>	 <u>\$ 6,249</u>

At September 30, 1985, gross unrealized gains pertaining to marketable equity securities in the fund's portfolio were \$6,249.

At September 30, 1985, there were no realized gains or losses to be included in the determination of net income.

During the fiscal year ended September 30, 1985, no securities were sold from the portfolio of investments held by the Firefighters' Retirement System.

Investments of the Firefighters' Retirement System include limited partnership interests in Balcor Equity Pension Investors II and Balcor Pension Investors VI. These investments are stated at cost. The investments noted above are not authorized by State Statutes or by local ordinance.

The Board of Trustees of the Police Officers' Retirement Trust Fund invested a portion of its assets in a portfolio of marketable equity and debt securities managed by Investors Diversified Services, Inc.

CITY OF HOLLY HILL, FLORIDA  
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At September 30, 1985, the portfolio of marketable equity securities for the Police Officers' Retirement Trust Fund is as follows:

<u>SECURITIES DESCRIPTION</u>	<u>COST</u>	<u>MARKET</u>	<u>UNREALIZED GAIN (LOSS)</u>
Investors Diversified Services, Inc.:			
Selective	\$ 112,347	\$ 115,765	\$ 3,418
Stock	70,687	69,760	(927)
Discovery	25,486	23,075	(2,411)
Bond Fund	110,980	110,640	(340)
Mutual	79,482	83,956	4,474
New dimensions	28,932	30,537	1,605
Growth	22,189	22,812	623
Extra income	29,347	30,082	735
TOTAL OF PORTFOLIO	<u>\$ 479,450</u>	<u>\$ 486,627</u>	<u>\$ 7,177</u>

At September 30, 1985, gross unrealized gains pertaining to marketable equity securities in the fund's portfolio were \$7,177.

At September 30, 1985, there were no realized gains or losses to be included in the determination of net income.

During the fiscal year ended September 30, 1985, no securities were sold from the portfolio of investments held by the Police Officers' Retirement Trust Fund.



Investments of the Police Officers' Retirement Trust Fund include limited partnership interests in JMB Mortgage Partners, Ltd. II, Balcor Equity Pension Investors II and Balcor Pension Investors VI. These investments are stated at cost. The investments noted above are not authorized by State Statutes or by local ordinance.

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-twelfth (1/12) of the principal coming due on the next principal payment 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; and
    - (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;
  - (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; and
  - (6) No additional restrictions were established for the Series 1984 Bonds which are subordinate to all pre-existing bond issues. Interest on the 1984 bonds is paid semiannually on October 1 and April 1 at the rate of 68% of the prime lending rate for Sun Bank, National Association with said rate to be adjusted on July 1 of each year. The rate of interest cannot exceed 11.43%.

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) Monies 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) Monies 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  
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(6) The Series 1984 Water and Sewer Construction Fund money can be invested in authorized investments which are permitted by the laws of the State of Florida and are legal investments of municipal funds.

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
Series - 1984	7.14-11.43% 4/1;10/1	4/1/95	\$175-\$1,837.5

<u>DESCRIPTION</u>	<u>ORIGINAL AMOUNTS ISSUED</u> (in thousands)	<u>AMOUNTS OUTSTANDING AT SEPTEMBER 30, 1985</u> (in thousands)
Water and Sewer:		
Series "A"	\$ 2,800	\$ 1,740
Series "B" - 1970	\$ 900	\$ 330
Series "B" - 1972	\$ 1,000	\$ 1,000
Series - 1984	\$ 3,500	\$ 3,325

The annual principal and interest requirements to amortize all debt outstanding as of September 30, 1985, including interest of \$2,827,241, are as follows:

WATER AND SEWER  
 ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT  
 SEPTEMBER 30, 1985

<u>FISCAL YEAR ENDING SEPTEMBER 30,</u>	<u>SERIES "A"</u>	<u>SERIES "B" 1970</u>	<u>SERIES "B" 1972</u>	<u>SERIES 1984 (1)</u>	<u>TOTAL</u>
1986	\$ 157,732	\$ 93,944	\$ 58,050	\$ 381,316	\$ 691,042
1987	159,223	88,881	58,050	416,500	722,654
1988	160,420	89,050	58,050	402,500	710,020
1989	161,520	88,881	58,050	388,500	696,951
1990	162,328	15,506	126,055	374,500	678,389
1991	163,037	-	131,780	360,500	655,317
1992	163,455	-	132,078	346,500	642,033
1993	163,775	-	132,090	332,500	628,365
1994	163,802	-	136,675	1,998,500	2,298,977
1995	168,600	-	130,925	-	299,525
1996	168,000	-	134,780	-	302,780
1997	167,100	-	133,143	-	300,243
1998	166,100	-	131,210	-	297,310
1999	164,800	-	133,835	-	298,635
<b>TOTALS</b>	<b>\$ 2,289,892</b>	<b>\$ 376,262</b>	<b>\$ 1,554,771</b>	<b>\$ 5,001,316</b>	<b>\$ 9,222,241</b>

(1) The interest rate is adjusted annually on July 1 of each year to be effective for the next fiscal year. The interest rate is estimated at 8% for the fiscal years 1987-1994.

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
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6. COMPLIANCE WITH BOND ORDINANCES

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, 1985 is as follows:

	<u>WATER AND SEWER SYSTEM FUND</u>
<u>OPERATING REVENUES</u>	
Water sales	\$ 784,578
Service charges	384
Cut-off charges	6,863
Hydrant rental	8,118
Sewer charges	819,114
Miscellaneous	3,720
	<u>\$ 1,622,777</u>
<u>OPERATING EXPENSES BEFORE DEPRECIATION</u>	<u>\$ 1,021,753</u>
<u>EXPENSES</u>	
Depreciation	151,875
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 1,173,628</u>
<u>OPERATING INCOME</u>	<u>\$ 449,149</u>
<u>NET INCREASE (DECREASE) IN RETAINED EARNINGS DURING THE YEAR</u>	<u>\$ 458,406</u>
<u>CURRENT CAPITAL</u>	
Contributions - net	<u>\$ 182,899</u>
<u>FIXED ASSETS</u>	
Additions	<u>\$ 2,495,393</u>
Deletions	<u>\$ 3,148</u>
<u>NET WORKING CAPITAL</u>	<u>\$ 225,597</u>
<u>TOTAL ASSETS</u>	<u>\$ 10,479,972</u>
<u>BONDS AND OTHER LONG-TERM LIABILITIES PAYABLE FROM REVENUES</u>	<u>\$ 6,055,000</u>
<u>TOTAL EQUITY</u>	<u>\$ 3,440,815</u>

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
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8. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	BALANCE OCTOBER 1, 1984	ADDITIONS	DELETIONS	BALANCE SEPTEMBER 30, 1985
Land	\$ 158,973	\$ 125	\$ -	\$ 159,098
Buildings	588,366	11,913	-	600,279
Improvements other than buildings	2,639,429	250,481	-	2,889,910
Machinery and equipment	1,622,530	104,886	154,817	1,572,599
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$ 5,009,298</b>	<b>\$ 367,405</b>	<b>\$ 154,817</b>	<b>\$ 5,221,886</b>

	BALANCE OCTOBER 1, 1984	ADDITIONS	DELETIONS	BALANCE SEPTEMBER 30, 1985
<b>INVESTMENT IN GENERAL FIXED ASSETS</b>				
General Fund	\$ 3,431,534	\$ 270,235	\$ 138,910	\$ 3,562,859
Special Revenue	1,065,555	97,170	12,107	1,150,618
Federal grant	486,163	-	-	486,163
State grant	76	-	-	76
Gifts	18,570	-	3,800	14,770
Water and Sewer System Fund	7,400	-	-	7,400
<b>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</b>	<b>\$ 5,009,298</b>	<b>\$ 367,405</b>	<b>\$ 154,817</b>	<b>\$ 5,221,886</b>

9. CHANGES IN GENERAL LONG-TERM DEBT

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

	BALANCE OCTOBER 1, 1984	NOTES PAYABLE		OBLIGATION FOR COMPENSATED ABSENCES		BALANCE SEPTEMBER 30, 1985
		ISSUED	RETIRED	EARNED	USED	
Amount available for retirement of general long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount to be provided for retire- ment of general long-term debt	234,084	-	30,345	74,901	63,652	214,988
<b>TOTAL AVAILABLE AND TO BE PROVIDED</b>	<b>\$ 234,084</b>	<b>\$ -</b>	<b>\$ 30,345</b>	<b>\$ 74,901</b>	<b>\$ 63,652</b>	<b>\$ 214,988</b>

CITY OF HOLLY HILL, FLORIDA  
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 SEPTEMBER 30, 1985

	BALANCE OCTOBER 1, 1984	NOTES PAYABLE		OBLIGATION FOR COMPENSATED ABSENCES		BALANCE SEPTEMBER 30, 1985
		ISSUED	RETIRED	EARNED	USED	
Note payable - pension backfunding	\$ 37,754	\$ -	\$ 5,345	\$ -	\$ -	\$ 32,409
Note payable - Sun Bank of Volusia County - garbage trucks	66,000	-	25,000	-	-	41,000
Obligation for compensated absences	130,330	-	-	74,901	63,652	141,579
TOTAL GENERAL LONG-TERM DEBT	<u>\$ 234,084</u>	<u>\$ -</u>	<u>\$ 30,345</u>	<u>\$ 74,901</u>	<u>\$ 63,652</u>	<u>\$ 214,988</u>

Note payable data is summarized as follows:

<u>LENDOR/PURPOSE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>BALANCE 9/30/85</u>	<u>SECURITY PLEDGED</u>
Florida Retirement System/ pension backfunding	6/30/90	6.50 %	\$ 32,409	Unsecured
Sun Bank of Volusia County - 3 sanitation trucks	1/15/87	12.00 %	<u>41,000</u>	3 sanitation trucks
TOTAL NOTES PAYABLE			<u>\$ 73,409</u>	

Compensated absences are accrued as liability in the General Long-Term Debt Account Group at pay rates effective September 30, 1985 for employees paid from Governmental Fund Types. The compensated absence liability is composed of accrued vacation time (up to 90 days) and 100% of accumulated sick leave for employees eligible for retirement.

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT  
 SEPTEMBER 30, 1985

<u>FISCAL YEAR ENDED</u>	<u>WATER AND SEWER REVENUE BONDS</u>	<u>NOTES PAYABLE</u>	<u>TOTALS</u>
1986	\$ 340,000	\$ 30,692	\$ 370,692
1987	345,000	22,062	367,062
1988	355,000	6,456	361,456
1989	365,000	6,876	371,876
1990	370,000	7,323	377,323
1991	370,000	-	370,000
1992	380,000	-	380,000
1993	390,000	-	390,000
1994	2,155,000	-	2,155,000
1995	240,000	-	240,000
1996	255,000	-	255,000
1997	265,000	-	265,000
1998	275,000	-	275,000
1999	290,000	-	290,000
	<u>\$ 6,395,000</u>	<u>\$ 73,409</u>	<u>\$ 6,468,409</u>

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1985

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10. Individual fund interfund receivables and payables at September 30, 1985 consist of the following:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$ 11,621	\$ 39,849
Water and Sewer System Fund	39,849	11,621
	<u>\$ 51,470</u>	<u>\$ 51,470</u>

11. CONSTRUCTION IN PROGRESS

- A. Construction in progress for the water and sewer system at September 30, 1985 consisted of improvements started in prior years, and new improvements to the wastewater treatment plant begun in the current year. The following major projects are included in construction in progress:

Wastewater treatment plant expansion	\$ 1,521,319
Raw water lines	999,413
Western wellfield	683,698
THM Reduction Facility	16,200
Capitalized interest	92,956
	<u>\$ 3,313,586</u>

B. Capitalization of Interest:

In accordance with the Statements of Financial Accounting Standards (SFAS) 34 and 62, issued by the Financial Accounting Standards Board (FASB), the City of Holly Hill has adopted the policy of capitalizing net interest costs during the period of project construction (interest expense less any interest earned on the investments of the bond proceeds).

Interest capitalized during construction in the current year is as follows:

Interest earned	\$ 164,400
Interest expense	295,100
NET INTEREST CAPITALIZED	<u>\$ (130,700)</u>

12. The budget for the Sanitation Department was overspent by \$3,532 for the fiscal year ended September 30, 1985 in violation of the City's budget ordinance. The overspending resulted from unanticipated major repairs to equipment and additional landfill charges.

13. The City did not contact the Department of Labor in reference to their street paving contract for wage and hour determination and, thus, were unable to monitor the wages paid to individuals in accordance with Section 51.40 (a) and (b) of the Regulations.

14. COMMITMENTS AND CONTINGENCIES

A. Litigation:

The City is currently involved in several cases that cover false arrest prior to August 7, 1985 and personal injury. The personal injury claims and false arrest suits are not anticipated to exceed either the liability insurance limits in effect at the time the claims arose.

B. Disputed Claim:

The City of Ormond Beach has filed suit against the City of Holly Hill for additional landfill costs incurred by the City of Ormond Beach. It is probable that the City of Holly Hill will settle with the City of Ormond Beach; however, the amount is undeterminable, but will not exceed \$35,000.

C. False Arrest, Malicious Prosecution Insurance Coverage:

The false arrest, malicious prosecution insurance carrier for the City declined to cover claims arising after August 7, 1985. The City is self-insured with respect to such claims. Although several claims have been made since then, the amount and likelihood of unfavorable settlement of such claims is undeterminable.

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**COMBINING STATEMENTS - BY FUND TYPE**

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## GOVERNMENTAL FUND TYPES

### *Special Revenue Funds*

*Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government.*

### *Federal Revenue Sharing Fund*

*The Federal Revenue Sharing Fund accounts for the proceeds from the "State and Local Fiscal Assistance Act of 1972, as Amended."*

### *Consolidation Defense Fund*

*The Consolidation Defense Fund accounts for contributions from local municipalities which are to be used to fund legal fees associated with preventing consolidation of local municipalities.*

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CITY OF HOLLY HILL, FLORIDA

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

SEPTEMBER 30, 1985

	FEDERAL REVENUE SHARING	CONSOLIDATION DEFENSE	1985	TOTALS 1984
<u>ASSETS</u>				
Cash	\$ 515	\$ 1,645	\$ 2,160	\$ 3,617
Investments	73,366	-	73,366	23,062
Due from other governments	37,316	-	37,316	33,501
<b>TOTAL ASSETS</b>	<b>\$ 111,197</b>	<b>\$ 1,645</b>	<b>\$ 112,842</b>	<b>\$ 60,180</b>
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES				
Accounts payable	\$ 1,770	\$ -	\$ 1,770	\$ 5,625
<b>TOTAL LIABILITIES</b>	<b>\$ 1,770</b>	<b>\$ -</b>	<b>\$ 1,770</b>	<b>\$ 5,625</b>
COMMITMENTS AND CONTINGENCIES (Note 14)				
FUND EQUITY				
Fund balances:				
Unreserved -				
Undesignated	\$ 109,427	\$ 1,645	\$ 111,072	\$ 54,555
<b>TOTAL FUND EQUITY</b>	<b>\$ 109,427</b>	<b>\$ 1,645</b>	<b>\$ 111,072</b>	<b>\$ 54,555</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 111,197</b>	<b>\$ 1,645</b>	<b>\$ 112,842</b>	<b>\$ 60,180</b>

The accompanying notes are an integral part of the 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, 1985

	FEDERAL REVENUE SHARING		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Intergovernmental revenues	\$ 153,600	\$ 151,777	\$ (1,823)
Miscellaneous	7,000	6,604	(396)
<b>TOTAL REVENUES</b>	<b>\$ 160,600</b>	<b>\$ 158,381</b>	<b>\$ (2,219)</b>
<b>EXPENDITURES</b>			
General Government	\$ 29,100	\$ 11,544	\$ 17,556
Public Safety	90,000	903	89,097
Physical Environment	-	-	-
Transportation	95,600	89,022	6,578
Culture and Recreation	400	395	5
<b>TOTAL EXPENDITURES</b>	<b>\$ 215,100</b>	<b>\$ 101,864</b>	<b>\$ 113,236</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (54,500)</b>	<b>\$ 56,517</b>	<b>\$ 111,017</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>52,910</b>	<b>52,910</b>	<b>-</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ (1,590)</b>	<b>\$ 109,427</b>	<b>\$ 111,017</b>

The accompanying notes are an integral part of the financial statements.

CONSOLIDATION DEFENSE			1985			
			TOTALS			
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	TOTALS 1984 ACTUAL
\$ -	\$ -	\$ -	\$ 153,600	\$ 151,777	\$ (1,823)	\$ 133,998
-	-	-	7,000	6,604	(396)	3,594
\$ -	\$ -	\$ -	\$ 160,600	\$ 158,381	\$ (2,219)	\$ 137,592
\$ -	\$ -	\$ -	\$ 29,100	\$ 11,544	\$ 17,556	\$ 14,033
-	-	-	90,000	903	89,097	23,250
-	-	-	-	-	-	9,584
-	-	-	95,600	89,022	6,578	97,751
-	-	-	400	395	5	9,783
\$ -	\$ -	\$ -	\$ 215,100	\$ 101,864	\$ 113,236	\$ 154,401
\$ -	\$ -	\$ -	\$ (54,500)	\$ 56,517	\$ 111,017	\$ (16,809)
1,645	1,645	-	54,555	54,555	-	71,364
\$ 1,645	\$ 1,645	\$ -	\$ 55	\$ 111,072	\$ 111,017	\$ 54,555

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## PROPRIETARY FUND TYPE

### *Enterprise Funds*

*Enterprise Funds account for operations that are financed and operated in a manner similar to private enterprise, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.*

### *Water and Sewer System Fund*

*The Water and Sewer System Fund accounts for the fiscal activities of the City's water and sewer treatment and distribution operations as well as the funding and payment of related debt.*

## CITY OF HOLLY HILL, FLORIDA

## WATER AND SEWER SYSTEM FUND

## BALANCE SHEET

SEPTEMBER 30, 1985

## A S S E T S

	<u>1985</u>	<u>1984</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 2,929	\$ 4,250
Investments	113,299	80,434
Accounts receivable (Note 2)	89,923	105,581
Other receivables	1,832	-
Due from other funds (Note 10)	39,849	36,850
Prepaid insurance	7,789	8,106
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 255,621</b>	<b>\$ 235,221</b>
<b>RESTRICTED ASSETS</b>		
Sinking Funds:		
Cash with paying agent	\$ -	\$ 81,840
Cash and investments	941,979	628,520
Interest receivable on investments	7,746	7,335
Construction Fund:		
Cash and investments	765,159	2,786,729
Interest receivable on investments	15,672	19,503
Improvement Fund -		
Cash and investments	21,556	150,000
Customer deposits -		
Cash and investments	238,418	195,201
Impact fee -		
Cash and investments	59,585	188,163
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 2,050,115</b>	<b>\$ 4,057,291</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	\$ 25,298	\$ 25,298
Buildings	3,839,660	3,838,086
Improvements other than buildings	2,682,861	2,560,678
Machinery and equipment	176,475	181,291
Construction in progress (Note 11)	3,313,586	950,507
	<b>\$ 10,037,880</b>	<b>\$ 7,555,860</b>
less: accumulated depreciation	1,884,404	1,742,754
	<b>\$ 8,153,476</b>	<b>\$ 5,813,106</b>
<b>OTHER ASSETS</b>		
Refundable deposits	\$ 1,660	\$ 1,660
Bond issue costs (Note 3)	19,100	21,223
	<b>\$ 20,760</b>	<b>\$ 22,883</b>
<b>TOTAL ASSETS</b>	<b>\$ 10,479,972</b>	<b>\$ 10,128,501</b>

66. The accompanying notes are an integral part of the financial statements.

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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>1985</u>	<u>1984</u>
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)		
Accounts payable	\$ 11,601	\$ 13,917
Accrued liabilities	6,802	5,491
Due to other funds (Note 10)	<u>11,621</u>	<u>10,388</u>
TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)	<u>\$ 30,024</u>	<u>\$ 29,796</u>
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)		
Customer deposits	\$ 238,418	\$ 195,201
Current maturity of revenue bonds payable (Notes 5 & 6)	340,000	375,000
Accounts payable	135,692	96,033
Contracts payable - retentions	78,086	74,683
Accrued interest payable	<u>144,745</u>	<u>146,086</u>
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	<u>\$ 936,941</u>	<u>\$ 887,003</u>
OTHER LIABILITIES		
Revenue bonds payable (Notes 5 & 6)	\$ 6,055,000	\$ 6,395,000
Compensated absences	17,192	17,192
	<u>\$ 6,072,192</u>	<u>\$ 6,412,192</u>
TOTAL LIABILITIES	<u>\$ 7,039,157</u>	<u>\$ 7,328,991</u>
COMMITMENTS AND CONTINGENCIES (Note 14)		
FUND EQUITY		
Contributed capital:		
Contributions from federal government	\$ 919,421	\$ 919,421
Contributions from customers	983,295	800,396
Retained earnings:		
Reserved for Improvement Fund	21,556	150,000
Reserved for retirement of revenue bonds	464,981	571,609
Unreserved	<u>1,051,562</u>	<u>358,084</u>
TOTAL FUND EQUITY	<u>\$ 3,440,815</u>	<u>\$ 2,799,510</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 10,479,972</u>	<u>\$ 10,128,501</u>

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## WATER AND SEWER SYSTEM FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 1985

	<u>1985</u>	<u>1984</u>
OPERATING REVENUES		
Water sales	\$ 784,578	\$ 682,927
Service charges	384	354
Cut-off charges	6,863	5,951
Hydrant rental	8,118	8,238
Sewer charges	819,114	709,554
Other income	3,720	12,541
	<u>1,622,777</u>	<u>1,419,565</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES		
Water service	\$ 416,558	\$ 412,526
Sewer service	349,774	296,131
Administrative charges and services	255,421	240,891
	<u>1,021,753</u>	<u>949,548</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME BEFORE DEPRECIATION		
	\$ 601,024	\$ 470,017
LESS: DEPRECIATION EXPENSE		
	<u>151,875</u>	<u>144,321</u>
OPERATING INCOME		
	<u>\$ 449,149</u>	<u>\$ 325,696</u>
NONOPERATING REVENUE		
Payment from General Fund - Public		
Works building rental	\$ 13,000	\$ 13,000
Interest revenue	112,923	107,361
Other income	10,263	8,593
	<u>136,186</u>	<u>128,954</u>
TOTAL NONOPERATING REVENUE		
NONOPERATING EXPENSES		
Interest expense - revenue bonds	\$ 153,033	\$ 160,660
Fiscal agent's fees	4,018	4,515
Miscellaneous	4,878	-
	<u>161,929</u>	<u>165,175</u>
TOTAL NONOPERATING EXPENSES		
INCOME BEFORE OPERATING TRANSFERS		
	<u>\$ 423,406</u>	<u>\$ 289,475</u>

The accompanying notes are an integral part of the financial statements.

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, 1985

	<u>1985</u>	<u>1984</u>
OPERATING TRANSFERS		
Operating transfers in	\$ 35,000	\$ 35,000
Operating transfers out	<u>          -</u>	<u>(35,000)</u>
OPERATING TRANSFERS IN (OUT)	<u>\$ 35,000</u>	<u>\$ -</u>
NET INCOME	\$ 458,406	\$ 289,475
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>1,079,693</u>	<u>790,218</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$ 1,538,099</u></u>	<u><u>\$ 1,079,693</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF HOLLY HILL, FLORIDA

WATER AND SEWER SYSTEM FUND

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 1985

	<u>1985</u>	<u>1984</u>
<b>SOURCES OF WORKING CAPITAL</b>		
Operations:		
Net income	\$ 458,406	\$ 289,475
Add: Expenses not creating current liabilities or using current assets - depreciation and amortization	153,998	144,321
	<u>\$ 612,404</u>	<u>\$ 433,796</u>
Net increase in current liabilities payable from restricted assets	49,938	570,792
Increase in contributions	182,899	279,424
Disposal of plant and equipment net of accumulated depreciation	3,148	79,950
Net decrease in restricted assets	2,007,176	-
Proceeds from bond issue	-	3,500,000
Increase in compensated absences	-	489
	<u>\$ 2,855,565</u>	<u>\$ 4,864,451</u>
<b>TOTAL SOURCES OF WORKING CAPITAL</b>		
<b>USES OF WORKING CAPITAL</b>		
Net increase in restricted assets	\$ -	\$ 3,295,031
Acquisition of plant and equipment	2,495,393	1,151,013
Decrease in revenue bonds payable	340,000	330,000
Increase in other assets	-	21,223
	<u>\$ 2,835,393</u>	<u>\$ 4,797,267</u>
<b>TOTAL USES OF WORKING CAPITAL</b>		
<b>NET INCREASE IN WORKING CAPITAL</b>		
	<u>\$ 20,172</u>	<u>\$ 67,184</u>
<b>ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL</b>		
Cash	\$ (1,321)	\$ 1,374
Investments	32,865	11,774
Accounts receivable - net	(15,658)	43,821
Other receivables	1,832	(2,295)
Due from other funds	2,999	428
Prepaid insurance	(317)	755
Accounts payable	2,316	12,046
Accrued liabilities	(1,311)	108
Due to other funds	(1,233)	(827)
	<u>\$ 20,172</u>	<u>\$ 67,184</u>
<b>NET INCREASE IN WORKING CAPITAL</b>		

The accompanying notes are an integral part of the financial statements.

## FIDUCIARY FUND TYPE

*These funds account for assets held by a governmental unit in a trustee capacity or as an agent for individual private organizations, other governmental units, and/or other funds.*

### *Police Officers' Retirement Trust*

*The Police Officers' Retirement Trust is used to account for the fiscal activities of the Holly Hill Police Pension Board which accumulates assets and pays benefits to qualified retirees of the Holly Hill Police Department.*

### *Firefighters' Retirement System*

*The Firefighters' Retirement System Fund is used to account for the fiscal activities of the Board of Trustees for the City of Holly Hill Firefighters' Retirement System, which accumulates assets and pays benefits to qualified retirees of the Holly Hill Fire Department.*

CITY OF HOLLY HILL, FLORIDA

COMBINING BALANCE SHEET

PENSION TRUST FUNDS

SEPTEMBER 30, 1985

	POLICE OFFICERS' RETIREMENT TRUST	FIRE- FIGHTERS' RETIREMENT SYSTEM	TOTALS	
			1985	1984
<u>ASSETS</u>				
Cash	\$ 29,226	\$ 8,411	\$ 37,637	\$ 108,245
Investments (Note 4)	656,754	375,374	1,032,128	827,414
Due from other funds (Note 10)	-	-	-	5,353
Due from other governments	26,778		26,778	11,141
<b>TOTAL ASSETS</b>	<b>\$ 712,758</b>	<b>\$ 383,785</b>	<b>\$ 1,096,543</b>	<b>\$ 952,153</b>
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES	\$ -	\$ -	\$ -	\$ -
FUND EQUITY				
Fund balances:				
Reserved -				
Reserved for police and fire pensions (Note 4)	712,758	383,785	1,096,543	952,153
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 712,758</b>	<b>\$ 383,785</b>	<b>\$ 1,096,543</b>	<b>\$ 952,153</b>

The accompanying notes are an integral part of the 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, 1985

	POLICE OFFICERS' RETIREMENT TRUST		FIRE- FIGHTERS' RETIREMENT SYSTEM		TOTALS	
					1985	1984
OPERATING REVENUES						
Contributions	\$	47,838	\$	42,636	\$	90,474
Interest and dividends		60,465		30,528		90,993
TOTAL OPERATING REVENUES	\$	108,303	\$	73,164	\$	181,467
OPERATING EXPENSES						
Benefit payments	\$	21,461	\$	1,320	\$	22,781
Refunds		6,359		6,558		12,917
Miscellaneous		484		895		1,379
TOTAL OPERATING EXPENSES	\$	28,304	\$	8,773	\$	37,077
NET INCOME	\$	79,999	\$	64,391	\$	144,390
FUND BALANCES AT BEGINNING OF YEAR		632,759		319,394		952,153
FUND BALANCES AT END OF YEAR	\$	712,758	\$	383,785	\$	1,096,543

The accompanying notes are an integral part of the financial statements.

CITY OF HOLLY HILL, FLORIDA

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

PENSION TRUST FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 1985

	POLICE OFFICERS' RETIREMENT TRUST	FIRE- FIGHTERS' RETIREMENT SYSTEM	TOTALS	
			1985	1984
<b>SOURCES OF WORKING CAPITAL</b>				
Operations:				
Net income	\$ 79,999	\$ 64,391	\$ 144,390	\$ 174,489
<b>USES OF WORKING CAPITAL</b>				
	-	-	-	-
NET INCREASE IN WORKING CAPITAL	<u>\$ 79,999</u>	<u>\$ 64,391</u>	<u>\$ 144,390</u>	<u>\$ 174,489</u>
<b>ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL</b>				
Cash	\$ (69,891)	\$ (717)	\$ (70,608)	\$ 69,709
Investments	123,112	81,602	204,714	101,549
Due from other funds	-	(5,353)	(5,353)	(8,133)
Due from other governments	26,778	(11,141)	15,637	11,141
Due to other funds	-	-	-	223
NET INCREASE IN WORKING CAPITAL	<u>\$ 79,999</u>	<u>\$ 64,391</u>	<u>\$ 144,390</u>	<u>\$ 174,489</u>

The accompanying notes are an integral part of the financial statements.

**SUPPORTING SCHEDULES**

## GENERAL FUND

## SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
<b>TAXES</b>				
Ad valorem taxes	\$ 573,825	\$ 573,837	\$ 12	\$ 590,328
Delinquent ad valorem taxes	1,000	3,891	2,891	-
Utility taxes	403,000	405,004	2,004	382,355
Utility franchise fees	437,900	440,190	2,290	395,654
<b>TOTAL TAXES</b>	<b>\$ 1,415,725</b>	<b>\$ 1,422,922</b>	<b>\$ 7,197</b>	<b>\$ 1,368,337</b>
<b>LICENSES AND PERMITS</b>				
Professional and occupational licenses	\$ 75,000	\$ 77,015	\$ 2,015	\$ 73,884
City share/County licenses	23,000	19,519	(3,481)	18,854
Building permits	25,000	21,059	(3,941)	55,109
Other licenses and permits	33,000	30,516	(2,484)	55,723
<b>TOTAL LICENSES AND PERMITS</b>	<b>\$ 156,000</b>	<b>\$ 148,109</b>	<b>\$ (7,891)</b>	<b>\$ 203,570</b>
<b>INTERGOVERNMENTAL REVENUE</b>				
State shared revenues:				
General Government -				
State Revenue Sharing	\$ 345,000	\$ 344,455	\$ (545)	\$ 332,937
Mobile home licenses	12,000	12,077	77	11,307
Alcoholic beverage licenses	10,000	8,502	(1,498)	8,711
Local government half-cent sales tax	285,000	289,524	4,524	262,751
2-cent cigarette tax	50,000	50,103	103	48,355
Transportation -				
Rebate on municipal vehicles	5,000	5,808	808	2,812
Shared revenues from other local units:				
County road and bridge tax	4,000	4,642	642	4,145
Port Authority	-	-	-	17,020
County two-cent gas tax	78,200	81,298	3,098	70,136
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>\$ 789,200</b>	<b>\$ 796,409</b>	<b>\$ 7,209</b>	<b>\$ 758,174</b>
<b>CHARGES FOR SERVICES</b>				
General Government charges:				
Zoning fees	\$ 1,500	\$ 1,662	\$ 162	\$ 1,027
Sale of maps and publications	1,200	729	(471)	241
Certifications - Xerox copies	4,000	3,353	(647)	2,517
Public Safety charges -				
Police services	3,000	2,423	(577)	2,893
Physical Environment charges:				
Trash sales	231,000	232,809	1,809	215,282
Refuse sales	231,500	232,759	1,259	211,827
Culture and Recreation charges:				
Other special events (Farmers' Market)	-	-	-	40
Program activity fees	36,000	36,330	330	23,726
Promotional sales	-	-	-	2,873
Civic Center (Sica Hall)	8,000	8,715	715	6,436
Other charges for services:				
Transfer from Enterprise operations	249,000	249,000	-	230,000
<b>TOTAL CHARGES FOR SERVICES</b>	<b>\$ 765,200</b>	<b>\$ 767,780</b>	<b>\$ 2,580</b>	<b>\$ 696,862</b>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
<b>FINES AND FORFEITURES</b>				
Court fines	\$ 35,000	\$ 35,779	\$ 779	\$ 46,476
Police education	2,000	1,650	(350)	2,483
<b>TOTAL FINES AND FORFEITURES</b>	<b>\$ 37,000</b>	<b>\$ 37,429</b>	<b>\$ 429</b>	<b>\$ 48,959</b>
<b>MISCELLANEOUS REVENUES</b>				
Miscellaneous revenue	\$ 13,000	\$ 12,630	\$ (370)	\$ 9,310
Interest earnings	132,000	135,387	3,387	135,488
Surplus sales, equipment, etc.	6,000	5,826	(174)	2,543
Insurance proceeds, loss of equipment	2,200	2,173	(27)	3,715
Scrap sales	700	-	(700)	-
Lime and sludge bed cleaning	5,000	10,477	5,477	21,648
County - Alabama Avenue	56,000	55,897	(103)	-
Contributions and donations	15,000	335	(14,665)	2,154
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>\$ 229,900</b>	<b>\$ 222,725</b>	<b>\$ (7,175)</b>	<b>\$ 174,858</b>
<b>TOTAL REVENUES</b>	<b>\$ 3,393,025</b>	<b>\$ 3,395,374</b>	<b>\$ 2,349</b>	<b>\$ 3,250,760</b>
<b>OPERATING TRANSFERS IN</b>				
Transfer from Enterprise operations	-	-	-	35,000
<b>TOTAL REVENUES AND TRANSFERS</b>	<b>\$ 3,393,025</b>	<b>\$ 3,395,374</b>	<b>\$ 2,349</b>	<b>\$ 3,285,760</b>

*Act. new transfers = 3,395,374*  
*Total expend. transfers = 3,370,293*  
*\$ 25,081*  
*+ 2,349*  
*See pp 31+32*  
*\* without any*  
*approp. fund balances*

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
<b>GENERAL GOVERNMENT</b>				
City Council:				
Personal services -				
Executive salaries	\$ 13,200	\$ 13,200	\$ -	\$ 13,200
FICA taxes	950	929	21	914
Retirement contributions	1,650	1,616	34	1,443
Life and health insurance contributions	4,300	4,238	62	4,177
Training and travel	6,400	6,054	346	5,349
	<u>\$ 26,500</u>	<u>\$ 26,037</u>	<u>\$ 463</u>	<u>\$ 25,083</u>
Operating expenses -				
Other charges and obligations	\$ 100	\$ 28	\$ 72	\$ 106
Subscriptions and memberships	1,000	924	76	948
	<u>\$ 1,100</u>	<u>\$ 952</u>	<u>\$ 148</u>	<u>\$ 1,054</u>
<b>TOTAL CITY COUNCIL</b>	<u>\$ 27,600</u>	<u>\$ 26,989</u>	<u>\$ 611</u>	<u>\$ 26,137</u>
City Manager:				
Personal services -				
Executive salaries	\$ 30,000	\$ 29,924	\$ 76	\$ 27,489
Regular salaries and wages	66,850	65,980	870	62,579
Other salaries	4,400	4,122	278	6,147
Overtime - regular employees	500	275	225	512
Uniforms	600	440	160	496
FICA taxes	7,900	7,097	803	6,699
Retirement contributions	13,400	9,791	3,609	9,720
Life and health insurance contributions	4,400	4,025	375	4,253
Training and travel	3,000	1,691	1,309	1,751
	<u>\$ 131,050</u>	<u>\$ 123,345</u>	<u>\$ 7,705</u>	<u>\$ 119,646</u>
Operating expenses -				
Telephone/communication services	\$ 1,000	\$ 645	\$ 355	\$ 538
Repair and maintenance services	2,000	1,215	785	913
Other charges and obligations	15,000	10,733	4,267	8,751
Office supplies	1,500	1,034	466	1,195
Subscriptions and memberships	1,500	1,345	155	1,767
Vehicle expenses	1,000	736	264	1,472
	<u>\$ 22,000</u>	<u>\$ 15,708</u>	<u>\$ 6,292</u>	<u>\$ 14,636</u>
<b>TOTAL CITY MANAGER</b>	<u>\$ 153,050</u>	<u>\$ 139,053</u>	<u>\$ 13,997</u>	<u>\$ 134,282</u>
Finance and Administration:				
Personal services -				
Executive salaries	\$ 52,000	\$ 51,565	\$ 435	\$ 31,418
Regular salaries and wages	107,200	104,741	2,459	95,344
Other salaries	500	-	500	-
Overtime - regular employees	8,000	8,359	(359)	6,342
FICA taxes	12,200	11,592	608	9,209
Retirement contributions	22,000	20,302	1,698	14,886
Life and health insurance contributions	6,600	6,103	497	6,514
Training and travel	4,000	3,418	582	3,664
	<u>\$ 212,500</u>	<u>\$ 206,080</u>	<u>\$ 6,420</u>	<u>\$ 167,377</u>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

PAGE 2 OF 7

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
GENERAL GOVERNMENT - (continued)				
Finance and Administration - (continued):				
Operating expenses -				
Professional services	\$ 38,000	\$ 36,359	\$ 1,641	\$ 43,882
Engineering services	18,000	15,638	2,362	-
Accounting and auditing services	23,000	23,928	(928)	33,721
Telephone/communication services	7,500	7,035	465	6,675
Postage, freight and express	15,000	13,648	1,352	11,759
Rentals and leases	2,500	2,061	439	5,375
Repair and maintenance service	12,000	12,016	(16)	10,215
Other charges and obligations	600	326	274	576
Office supplies	8,500	8,433	67	6,989
Subscriptions and memberships	500	283	217	315
Printing and binding	4,500	4,030	470	1,305
	<u>\$ 130,100</u>	<u>\$ 123,757</u>	<u>\$ 6,343</u>	<u>\$ 120,812</u>
TOTAL FINANCE AND ADMINISTRATION	\$ 342,600	\$ 329,837	\$ 12,763	\$ 288,189
Civil Services:				
Personal services -				
Salaries and wages - part-time	\$ 5,000	\$ 4,669	\$ 331	\$ 4,400
FICA taxes	400	328	72	305
Retirement contributions	600	569	31	483
Training and travel	500	-	500	-
	<u>\$ 6,500</u>	<u>\$ 5,566</u>	<u>\$ 934</u>	<u>\$ 5,188</u>
Operating expenses -				
Professional services	\$ 1,000	\$ -	\$ 1,000	\$ -
Telephone/communication services	900	360	540	321
Utility services	1,200	999	201	973
Repair and maintenance services	1,000	132	868	61
Other charges and obligations	900	77	823	541
Advertising	2,000	312	1,688	828
Office supplies	500	280	220	391
	<u>\$ 7,500</u>	<u>\$ 2,160</u>	<u>\$ 5,340</u>	<u>\$ 3,115</u>
Capital outlay -				
Equipment	\$ 1,000	\$ -	\$ 1,000	\$ 479
TOTAL CIVIL SERVICES	\$ 15,000	\$ 7,726	\$ 7,274	\$ 8,782
Other Services:				
Personal services -				
Retirement buy-back plan	\$ 7,800	\$ 7,799	\$ 1	\$ 7,799
Workers' compensation	130,000	128,400	1,600	111,660
Unemployment insurance	2,300	1,841	459	5,236
Other personal services	16,700	16,616	84	16,538
	<u>\$ 156,800</u>	<u>\$ 154,656</u>	<u>\$ 2,144</u>	<u>\$ 141,233</u>
Operating expenses -				
Utility services	\$ 10,000	\$ 8,941	\$ 1,059	\$ 9,073
Nonemployee insurance	127,500	125,505	1,995	80,522
Repair and maintenance services	3,200	1,410	1,790	819
Advertising	5,500	4,941	559	6,230
Operating supplies	4,000	2,925	1,075	5,855
Election expenses	-	-	-	6,280
Grants and aids	3,500	3,500	-	4,550
	<u>\$ 153,700</u>	<u>\$ 147,222</u>	<u>\$ 6,478</u>	<u>\$ 113,329</u>
TOTAL OTHER SERVICES	\$ 310,500	\$ 301,878	\$ 8,622	\$ 254,562

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
<b>GENERAL GOVERNMENT - (continued)</b>				
Capital outlay:				
Buildings	\$ -	\$ 65	\$(65)	1,860
Machinery and equipment	15,000	14,956	44	25,428
Improvements other than buildings	-	-	-	700
	<u>\$ 15,000</u>	<u>\$ 15,021</u>	<u>\$(21)</u>	<u>\$ 27,988</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 863,750</b>	<b>\$ 820,504</b>	<b>\$ 43,246</b>	<b>\$ 739,940</b>
<b>PUBLIC SAFETY</b>				
Law Enforcement:				
Personal services -				
Executive salaries	\$ 30,200	\$ 29,688	\$ 512	\$ 27,322
Regular salaries and wages	457,000	451,499	5,501	427,760
Other salaries and wages	10,000	9,678	322	14,630
Overtime - regular employees	30,000	25,831	4,169	63,137
Incentive pay and award	12,700	12,615	85	11,920
Uniforms	8,800	6,944	1,856	7,094
FICA taxes	39,000	37,413	1,587	37,959
Retirement contributions	50,000	34,774	15,226	36,173
Life and health insurance contributions	18,000	17,807	193	17,739
Training and travel	4,000	2,793	1,207	4,322
Training and travel/2nd \$ Fund	3,000	1,866	1,134	3,300
	<u>\$ 662,700</u>	<u>\$ 630,908</u>	<u>\$ 31,792</u>	<u>\$ 651,356</u>
Operating expenses -				
Professional services	\$ -	\$ -	\$ -	\$ -
Contractual services/animal control	7,200	7,588	(388)	5,952
Telephone/communication services	8,000	7,495	505	7,017
Postage, freight and express	1,000	689	311	685
Utility services	8,500	8,141	359	7,838
Rentals and leases	2,700	2,348	352	2,515
Repair and maintenance service	9,000	7,779	1,221	10,305
Other charges and obligations	1,200	1,012	188	4,642
Office supplies	5,000	4,413	587	3,306
Operating supplies	8,000	6,498	1,502	7,434
Subscriptions and memberships	550	293	257	392
Vehicle expenses	38,000	36,713	1,287	38,362
Program expense/Police Explorers	1,500	1,182	318	572
Detention and/or correction	-	-	-	364
	<u>\$ 90,650</u>	<u>\$ 84,151</u>	<u>\$ 6,499</u>	<u>\$ 89,384</u>
Capital outlay -				
Buildings	\$ 5,300	\$ 5,222	\$ 78	\$ 1,824
Machinery and equipment	26,100	25,703	397	74,159
	<u>\$ 31,400</u>	<u>\$ 30,925</u>	<u>\$ 475</u>	<u>\$ 75,983</u>
<b>TOTAL LAW ENFORCEMENT</b>	<b>\$ 784,750</b>	<b>\$ 745,984</b>	<b>\$ 38,766</b>	<b>\$ 816,723</b>
Fire Control:				
Personal services -				
Executive salaries	\$ 29,500	\$ 29,095	\$ 405	\$ 27,213
Regular salaries and wages	189,900	187,812	2,088	174,982
Other salaries and wages	18,600	18,553	47	15,440
Overtime - regular employees	5,100	5,363	(263)	899
Uniforms	2,500	2,272	228	1,668
FICA taxes	15,600	15,644	(44)	14,066
Retirement contributions	8,000	7,658	342	8,018
Life and health insurance contributions	8,000	7,673	327	7,186
Training and travel	2,000	1,798	202	1,345
	<u>\$ 279,200</u>	<u>\$ 275,868</u>	<u>\$ 3,332</u>	<u>\$ 250,817</u>

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1985

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	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
PUBLIC SAFETY - (continued)				
Fire Control - (continued):				
Operating expenses -				
Telephone/communication services	\$ 4,500	\$ 4,119	\$ 381	\$ 3,257
Postage, freight and express	100	89	11	75
Utility services	2,500	1,997	503	1,947
Rentals and leases	7,500	7,443	57	7,968
Repair and maintenance services	3,500	2,873	627	3,276
Other charges and obligations	300	299	1	107
Office supplies	300	290	10	267
Operating supplies	5,800	5,808	(8)	4,995
Subscriptions and memberships	170	148	22	169
Vehicle expenses	6,000	4,551	1,449	5,655
Other public safety/fire prevention	1,400	1,247	153	522
	<u>\$ 32,070</u>	<u>\$ 28,864</u>	<u>\$ 3,206</u>	<u>\$ 28,238</u>
Capital outlay -				
Buildings	\$ 1,200	\$ 922	\$ 278	\$ -
Machinery and equipment	3,900	3,881	19	604
	<u>\$ 5,100</u>	<u>\$ 4,803</u>	<u>\$ 297</u>	<u>\$ 604</u>
TOTAL FIRE CONTROL	<u>\$ 316,370</u>	<u>\$ 309,535</u>	<u>\$ 6,835</u>	<u>\$ 279,659</u>
Protective Inspection:				
Personal services -				
Executive salaries	\$ 26,700	\$ 26,530	\$ 170	\$ 23,604
Regular salaries and wages	27,900	27,136	764	17,649
Other salaries and wages	-	-	-	2,924
Overtime - regular employees	800	495	305	754
FICA taxes	4,000	3,812	188	3,127
Retirement contributions	7,000	6,589	411	4,983
Life and health insurance contributions	3,400	3,254	146	1,956
Training and travel	950	903	47	397
	<u>\$ 70,750</u>	<u>\$ 68,719</u>	<u>\$ 2,031</u>	<u>\$ 55,394</u>
Operating expenses -				
Telephone/communication services	\$ 700	\$ 515	\$ 185	\$ 790
Other charges and obligations	400	225	175	588
Office supplies	1,500	1,586	(86)	1,439
Subscriptions and memberships	300	140	160	120
Repairs and maintenance	700	579	121	340
Vehicle expenses	1,600	1,468	132	1,605
Utility services	1,100	999	101	973
Operating supplies	500	258	242	3,537
	<u>\$ 6,800</u>	<u>\$ 5,770</u>	<u>\$ 1,030</u>	<u>\$ 9,392</u>
Capital outlay -				
Machinery and equipment	\$ 200	\$ 178	\$ 22	\$ -
TOTAL PROTECTIVE INSPECTION	<u>\$ 77,750</u>	<u>\$ 74,667</u>	<u>\$ 3,083</u>	<u>\$ 64,786</u>
TOTAL PUBLIC SAFETY	<u>\$ 1,178,870</u>	<u>\$ 1,130,186</u>	<u>\$ 48,684</u>	<u>\$ 1,161,168</u>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
<b>PHYSICAL ENVIRONMENT</b>				
Solid Waste Control Services:				
Personal services -				
Executive salaries	\$ 12,200	\$ 11,996	\$ 204	\$ 11,987
Regular salaries and wages	220,000	213,217	6,783	187,417
Overtime - regular employees	3,100	3,084	16	5,789
Uniforms	3,200	2,724	476	2,919
FICA taxes	16,600	16,069	531	14,218
Retirement contributions	30,500	31,800	(1,300)	25,772
Life and health insurance contributions	12,000	12,010	(10)	11,377
Training and travel	500	275	225	562
	<u>\$ 298,100</u>	<u>\$ 291,175</u>	<u>\$ 6,925</u>	<u>\$ 260,041</u>
Operating expenses -				
Interest	\$ 8,000	\$ 5,750	\$ 2,250	\$ 9,296
Telephone/communication services	1,000	767	233	765
Postage, freight and express	500	318	182	388
Rentals and leases	87,000	92,207	(5,207)	98,931
Repair and maintenance services	2,000	1,260	740	1,345
Other charges and obligations	400	347	53	362
Office supplies	450	358	92	241
Operating supplies	23,700	23,406	294	7,859
Subscriptions and memberships	100	86	14	106
Vehicle expenses	45,000	54,754	(9,754)	54,627
Bad debt expense	800	1,275	(475)	321
	<u>\$ 168,950</u>	<u>\$ 180,528</u>	<u>\$ (11,578)</u>	<u>\$ 174,241</u>
Capital outlay -				
Buildings	\$ 4,350	\$ 4,009	\$ 341	\$ -
Machinery and equipment	15,500	14,720	780	560
	<u>\$ 19,850</u>	<u>\$ 18,729</u>	<u>\$ 1,121</u>	<u>\$ 560</u>
Debt service -				
Principal - sanitation trucks note	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
<b>TOTAL PHYSICAL ENVIRONMENT</b>	<u>\$ 511,900</u>	<u>\$ 515,432</u>	<u>\$ (3,532)</u>	<u>\$ 459,842</u>
<b>TRANSPORTATION</b>				
Road and Street Facilities:				
Personal services -				
Executive salaries	\$ 30,100	\$ 29,928	\$ 172	\$ 33,252
Regular salaries and wages	188,550	163,642	24,908	160,858
Overtime - regular employees	4,000	3,252	748	4,782
Uniforms	4,000	3,454	546	3,349
FICA taxes	17,800	16,672	1,128	14,966
Retirement contributions	26,900	23,975	2,925	19,240
Life and health insurance contributions	13,500	13,007	493	13,421
Training and travel	1,000	897	103	1,260
Other salaries and wages	23,000	20,041	2,959	17,751
	<u>\$ 308,850</u>	<u>\$ 274,868</u>	<u>\$ 33,982</u>	<u>\$ 268,879</u>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
<b>TRANSPORTATION - (continued)</b>				
<b>Road and Street Facilities - (continued):</b>				
<b>Operating expenses -</b>				
Street lighting	\$ 86,000	\$ 85,611	\$ 389	\$ 83,793
Traffic lights	12,000	11,602	398	9,466
Telephone/communication services	1,000	888	112	967
Postage, freight and express	200	138	62	155
Utility services	1,000	764	236	543
Rental and leases	6,500	6,500	-	6,500
Repair and maintenance services	3,700	3,426	274	2,629
Other charges and obligations	3,000	2,553	447	2,753
Office supplies	350	312	38	253
Operating supplies	14,500	13,354	1,146	13,274
Signs and materials	6,000	6,173	(173)	-
Road materials and supplies	7,000	5,963	1,037	7,830
Subscriptions and memberships	250	138	112	196
Vehicle expenses	25,000	24,783	217	23,771
	<u>\$ 166,500</u>	<u>\$ 162,205</u>	<u>\$ 4,295</u>	<u>\$ 152,130</u>
<b>Capital outlay -</b>				
Buildings	\$ 1,000	\$ 554	\$ 446	\$ 541
Improvements other than buildings	221,700	147,812	73,888	58,010
Machinery and equipment	8,900	8,783	117	40,465
	<u>\$ 231,600</u>	<u>\$ 157,149</u>	<u>\$ 74,451</u>	<u>\$ 99,016</u>
<b>TOTAL TRANSPORTATION</b>	<u>\$ 706,950</u>	<u>\$ 594,222</u>	<u>\$ 112,728</u>	<u>\$ 520,025</u>
<b>CULTURE AND RECREATION</b>				
<b>Parks and Recreation:</b>				
<b>Personal services -</b>				
Executive salaries	\$ 17,000	\$ 16,543	\$ 457	\$ 11,016
Regular salaries and wages	90,500	89,291	1,209	86,059
Other salaries and wages	9,000	8,488	512	11,413
Overtime - regular employees	500	249	251	420
Uniforms	1,200	1,140	60	1,200
FICA taxes	8,500	8,068	432	7,576
Retirement contributions	13,500	13,052	448	11,005
Life and health insurance contributions	5,300	5,299	1	5,630
Training and travel	500	337	163	42
	<u>\$ 146,000</u>	<u>\$ 142,467</u>	<u>\$ 3,533</u>	<u>\$ 134,361</u>
<b>Operating expenses -</b>				
Telephone/communication services	\$ 2,300	\$ 2,116	\$ 184	\$ 2,074
Postage, freight and express	500	388	112	533
Utility services	12,500	12,777	(277)	10,736
Repair and maintenance services	10,500	4,455	6,045	1,048
Promotional activities	1,300	1,276	24	1,297
Other charges and obligations	500	683	(183)	1,675
Office supplies	900	869	31	840
Operating supplies	15,000	15,032	(32)	17,553
Subscriptions and memberships	250	117	133	169
Vehicle expenses	7,900	7,225	675	7,781
Program expenses	31,000	30,414	586	35,604
Beautification	9,100	9,145	(45)	630
	<u>\$ 91,750</u>	<u>\$ 84,497</u>	<u>\$ 7,253</u>	<u>\$ 79,940</u>

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
CULTURE AND RECREATION - (continued)				
Parks and Recreation - (continued):				
Capital outlay -				
Improvements other than buildings	\$ 13,800	\$ 13,648	\$ 152	\$ 14,474
Machinery and equipment	3,300	2,974	326	574
	<u>\$ 17,100</u>	<u>\$ 16,622</u>	<u>\$ 478</u>	<u>\$ 15,048</u>
TOTAL PARKS AND RECREATION	<u>\$ 254,850</u>	<u>\$ 243,586</u>	<u>\$ 11,264</u>	<u>\$ 229,349</u>
Special Recreation Facilities (Sica Hall):				
Personal services -				
Regular salaries	\$ 9,750	\$ 9,407	\$ 343	\$ 9,535
Part-time salaries	4,500	4,036	464	3,785
Overtime - regular employees	300	27	273	63
Uniforms	250	198	52	186
FICA taxes	1,100	948	152	923
Retirement contributions	2,000	1,642	358	1,472
Life and health insurance contributions	900	859	41	361
	<u>\$ 18,800</u>	<u>\$ 17,117</u>	<u>\$ 1,683</u>	<u>\$ 16,325</u>
Operating expenses -				
Telephone/communication services	\$ 800	\$ 707	\$ 93	\$ 387
Postage, freight and express	100	26	74	20
Utility services	9,500	9,129	371	9,184
Repair and maintenance services	1,700	1,289	411	479
Promotional services	200	-	200	270
Other charges and obligations	200	115	85	-
Office supplies	250	198	52	247
Operating supplies	1,500	1,482	18	1,834
Program expenses	1,400	1,300	100	1,378
	<u>\$ 15,650</u>	<u>\$ 14,246</u>	<u>\$ 1,404</u>	<u>\$ 13,799</u>
TOTAL SPECIAL RECREATION FACILITIES (SICA HALL)	<u>\$ 34,450</u>	<u>\$ 31,363</u>	<u>\$ 3,087</u>	<u>\$ 30,124</u>
TOTAL CULTURE AND RECREATION	<u>\$ 289,300</u>	<u>\$ 274,949</u>	<u>\$ 14,351</u>	<u>\$ 259,473</u>
TOTAL EXPENDITURES	<u>\$ 3,550,770</u>	<u>\$ 3,335,293</u>	<u>\$ 215,477</u>	<u>\$ 3,140,448</u>
TRANSFERS				
Transfer to Enterprise Fund	35,000	35,000	-	35,000
TOTAL EXPENDITURES AND TRANSFERS	<u>\$ 3,585,770</u>	<u>\$ 3,370,293</u>	<u>\$ 215,477</u>	<u>\$ 3,175,448</u>

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, 1985

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
<b>OPERATING REVENUES</b>				
Charges for services:				
Water sales	\$ 782,000	\$ 784,578	\$ 2,578	\$ 682,927
Service charges	1,000	384	(616)	354
Cut-off charges	8,000	6,863	(1,137)	5,951
Hydrant rental	8,200	8,118	(82)	8,238
Sewer charges	819,000	819,114	114	709,554
	<u>\$ 1,618,200</u>	<u>\$ 1,619,057</u>	<u>\$ 857</u>	<u>\$ 1,407,024</u>
Miscellaneous - other income	5,000	3,720	(1,280)	12,541
<b>TOTAL OPERATING REVENUES</b>	<u>\$ 1,623,200</u>	<u>\$ 1,622,777</u>	<u>\$ (423)</u>	<u>\$ 1,419,565</u>
<b>NONOPERATING REVENUES</b>				
Building rental	\$ 13,000	\$ 13,000	\$ -	\$ 13,000
Interest revenue	47,000	43,412	(3,588)	47,047
Other income:				
Outstanding checks written off	-	29	29	2,798
Insurance proceeds	1,000	-	(1,000)	2,494
Miscellaneous	-	1,156	1,156	3,101
NRG water saver sales	-	-	-	-
Surplus sales/equipment	-	(2,320)	(2,320)	200
	<u>\$ 61,000</u>	<u>\$ 55,277</u>	<u>\$ (5,723)</u>	<u>\$ 68,640</u>
<b>TOTAL NONOPERATING REVENUES</b>	<u>\$ 61,000</u>	<u>\$ 55,277</u>	<u>\$ (5,723)</u>	<u>\$ 68,640</u>
<b>OPERATING TRANSFERS</b>				
Transfer from Excise Taxes Fund	35,000	35,000	-	35,000
	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>
<b>TOTAL REVENUES AND TRANSFERS</b>	<u>\$ 1,719,200</u>	<u>\$ 1,713,054</u>	<u>\$ (6,146)</u>	<u>\$ 1,523,205</u>
<b>CUSTOMER CONTRIBUTIONS</b>				
Connection charges:				
Water	\$ 27,000	\$ 28,919	\$ 1,919	\$ 31,354
Sewer	7,000	6,850	(150)	11,100
	<u>\$ 34,000</u>	<u>\$ 35,769</u>	<u>\$ 1,769</u>	<u>\$ 42,454</u>
<b>TOTAL CUSTOMER CONTRIBUTIONS</b>	<u>\$ 34,000</u>	<u>\$ 35,769</u>	<u>\$ 1,769</u>	<u>\$ 42,454</u>
<b>INTRAFUND TRANSFERS</b>				
Transfer from Water Revenue Series "A" Reserve	\$ 21,000	\$ 18,112	\$ (2,888)	\$ 19,336
Transfer from 1984 Construction Fund	-	-	-	23,223
Appropriated retained earnings	76,500	-	(76,500)	-
	<u>\$ 97,500</u>	<u>\$ 18,112</u>	<u>\$ (79,388)</u>	<u>\$ 42,559</u>
<b>TOTAL INTRAFUND TRANSFERS</b>	<u>\$ 97,500</u>	<u>\$ 18,112</u>	<u>\$ (79,388)</u>	<u>\$ 42,559</u>
<b>TOTAL REVENUES, TRANSFERS AND CONTRIBUTIONS</b>	<u>\$ 1,850,700</u>	<u>\$ 1,766,935</u>	<u>\$ (83,765)</u>	<u>\$ 1,608,218</u>

This schedule is prepared on a budgetary basis and in accordance with bond ordinance and, as such, does not present the results of operations on a basis consistent with generally accepted accounting principles.

## WATER AND SEWER REVENUE AND OPERATING FUND

## SCHEDULE OF EXPENSES AND TRANSFERS - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
<b>WATER SERVICE</b>				
Water Plant:				
Personal services -				
Executive salaries	\$ 15,300	\$ 15,242	\$ 58	\$ 12,711
Regular salaries and wages	187,000	178,250	8,750	157,850
Part-time salaries	1,100	1,077	23	8,970
Overtime - regular employees	9,500	9,419	81	8,288
Uniforms	2,700	2,367	333	2,714
FICA taxes	14,800	14,316	484	12,991
Retirement contributions	24,200	22,544	1,656	18,904
Life and health insurance contributions	10,100	10,021	79	9,480
Training and travel	500	193	307	1,045
	<u>\$ 265,200</u>	<u>\$ 253,429</u>	<u>\$ 11,771</u>	<u>\$ 232,953</u>
Operating expenses -				
Professional services	\$ 6,000	\$ 2,548	\$ 3,452	\$ 2,302
Telephone/communication services	1,600	1,190	410	1,262
Utility services	50,000	49,854	146	40,113
Nonemployee insurance	11,900	11,816	84	8,527
Repair and maintenance services	20,000	17,642	2,358	24,528
Other charges and obligations	500	266	234	944
Office supplies	350	319	31	153
Operating supplies	95,900	70,492	25,408	92,836
Subscriptions and memberships	300	291	9	278
Vehicle expenses	10,000	8,711	1,289	8,630
	<u>\$ 196,550</u>	<u>\$ 163,129</u>	<u>\$ 33,421</u>	<u>\$ 179,573</u>
<b>TOTAL WATER SERVICE</b>	<u>\$ 461,750</u>	<u>\$ 416,558</u>	<u>\$ 45,192</u>	<u>\$ 412,526</u>
<b>SEWER SERVICE</b>				
Water Pollution Control Plant:				
Personal services -				
Executive salaries	\$ 16,000	\$ 15,603	\$ 397	\$ 15,283
Regular salaries and wages	113,300	109,083	4,217	93,486
Overtime - regular employees	5,000	4,000	1,000	5,319
Uniforms	1,800	1,632	168	1,684
FICA taxes	10,100	9,100	1,000	7,894
Retirement contributions	17,200	15,753	1,447	12,438
Life and health insurance contributions	6,000	4,830	1,170	5,226
Training and travel	800	610	190	509
	<u>\$ 170,200</u>	<u>\$ 160,611</u>	<u>\$ 9,589</u>	<u>\$ 141,839</u>

This schedule is prepared on a budgetary basis and in accordance with bond ordinance and, as such, does not present the results of operations on a basis consistent with generally accepted accounting principles.

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, 1985

	1985 BUDGET (REVISED)	1985 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1984 ACTUAL
SEWER SERVICE - (continued)				
Water Pollution Control Plant - (continued):				
Operating expenses -				
Professional services	\$ 8,500	\$ 6,885	\$ 1,615	\$ 2,404
Telephone/communication services	1,500	1,103	397	994
Utility services	86,000	84,441	1,559	69,159
Nonemployee insurance	5,800	5,951	(151)	5,574
Repair and maintenance services	42,000	36,340	5,660	31,508
Other charges and obligations	400	332	68	337
Office supplies	300	293	7	184
Operating supplies	50,000	49,524	476	39,816
Subscriptions and memberships	250	168	82	94
Vehicle expenses	5,000	4,126	874	4,222
	<u>\$ 199,750</u>	<u>\$ 189,163</u>	<u>\$ 10,587</u>	<u>\$ 154,292</u>
TOTAL SEWER SERVICE	<u>\$ 369,950</u>	<u>\$ 349,774</u>	<u>\$ 20,176</u>	<u>\$ 296,131</u>
ADMINISTRATIVE				
Administrative service charge to General Fund	\$ 253,100	\$ 249,000	\$ 4,100	\$ 230,000
Bad debt expense	-	3,729	(3,729)	2,771
Trustee service charge	-	-	-	2,000
Interest on deposits	-	2,692	(2,692)	3,869
Grants and aids	-	-	-	2,251
TOTAL ADMINISTRATIVE	<u>\$ 253,100</u>	<u>\$ 255,421</u>	<u>\$ (2,321)</u>	<u>\$ 240,891</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,084,800</u>	<u>\$ 1,021,753</u>	<u>\$ 63,047</u>	<u>\$ 949,548</u>
INTRAFUND TRANSFERS				
Bond Interest and Sinking - Series "A"	\$ 160,300	\$ 156,715	\$ 3,585	\$ 160,985
Bond Interest and Sinking - Series "B"	152,600	152,600	-	146,900
Sewer plant expansion	403,000	403,000	-	200,000
Series 1984 balloon payment	50,000	50,000	-	-
TOTAL INTRAFUND TRANSFERS	<u>\$ 765,900</u>	<u>\$ 762,315</u>	<u>\$ 3,585</u>	<u>\$ 507,885</u>
INTERFUND TRANSFERS				
General Fund	\$ -	\$ -	\$ -	\$ 35,000
TOTAL INTERFUND TRANSFERS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,000</u>
TOTAL EXPENSES AND TRANSFERS	<u>\$ 1,850,700</u>	<u>\$ 1,784,068</u>	<u>\$ 66,632</u>	<u>\$ 1,492,433</u>

This schedule is prepared on a budgetary basis and in accordance with bond ordinance and, as such, does not present the results of operations on a basis consistent with generally accepted accounting principles.

CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF GENERAL FIXED ASSETS  
 BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED SEPTEMBER 30, 1985

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT
GENERAL GOVERNMENT	\$ 380,999	\$ 23,037	\$ 149,774	\$ -	\$ 208,188
PUBLIC SAFETY					
Police	\$ 295,038	\$ -	\$ 27,948	\$ 400	\$ 266,690
Fire	200,097	125	7,918	-	192,054
TOTAL PUBLIC SAFETY	\$ 495,135	\$ 125	\$ 35,866	\$ 400	\$ 458,744
PUBLIC WORKS					
Streets	\$ 3,024,994	\$ 28,418	\$ 1,095	\$ 2,745,404	\$ 250,077
Sanitation	516,303	-	18,281	-	498,022
TOTAL PUBLIC WORKS	\$ 3,541,297	\$ 28,418	\$ 19,376	\$ 2,745,404	\$ 748,099
CULTURE AND RECREATION					
Parks and Recreation	\$ 371,468	\$ 107,518	\$ 61,928	\$ 121,783	\$ 80,239
Sica Hall	243,087	-	184,886	22,323	35,878
Library	189,900	-	148,449	-	41,451
TOTAL CULTURE AND RECREATION	\$ 804,455	\$ 107,518	\$ 395,263	\$ 144,106	\$ 157,568
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	\$ 5,221,886	\$ 159,098	\$ 600,279	\$ 2,889,910	\$ 1,572,599

CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
 BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED SEPTEMBER 30, 1985

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS OCTOBER 1, 1984	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS SEPTEMBER 30, 1985
GENERAL GOVERNMENT	\$ 362,985	\$ 24,039	\$ 6,025	\$ 380,999
PUBLIC SAFETY				
Police	\$ 270,781	\$ 44,043	\$ 19,786	\$ 295,038
Fire	210,468	7,393	17,764	200,097
TOTAL PUBLIC SAFETY	\$ 481,249	\$ 51,436	\$ 37,550	\$ 495,135
PUBLIC WORKS				
Streets	\$ 2,791,235	\$ 247,352	\$ 13,593	\$ 3,024,994
Sanitation	572,981	25,952	82,630	516,303
TOTAL PUBLIC WORKS	\$ 3,364,216	\$ 273,304	\$ 96,223	\$ 3,541,297
CULTURE AND RECREATION				
Parks and Recreation	\$ 366,530	\$ 18,626	\$ 13,688	\$ 371,468
Sica Hall	244,418	-	1,331	243,087
Library	189,900	-	-	189,900
TOTAL CULTURE AND RECREATION	\$ 800,848	\$ 18,626	\$ 15,019	\$ 804,455
TOTAL GENERAL FIXED ASSETS	\$ 5,009,298	\$ 367,405	\$ 154,817	\$ 5,221,886

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**STATISTICAL SECTION**



**STATISTICAL TABLES**

CITY OF HOLLY HILL, FLORIDA

COMMENTS RELATIVE TO STATISTICAL SECTION

SEPTEMBER 30, 1985

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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 FUND EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

SEPTEMBER 30, 1985

FISCAL YEAR ENDED	TOTAL GENERAL FUND	GENERAL GOVERNMENT	PUBLIC SAFETY	PHYSICAL ENVIRONMENT	TRANSPORTATION	CULTURE AND RECREATION	CAPITAL IMPROVEMENTS*	OPERATING TRANSFERS OUT
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%
1982	2,828,500	575,455 20%	876,960 32%	521,364 18%	351,511 12%	246,383 9%	-	256,827 9%
1983	3,060,426	678,538 22%	1,019,951 33%	416,514 14%	420,174 14%	279,140 9%	-	246,109 8%
1984	3,175,448	739,940 23%	1,161,168 37%	459,842 15%	520,025 16%	259,473 8%	-	35,000 1%
1985	3,320,293	820,504 24%	1,130,186 34%	515,432 15%	594,222 18%	274,949 8%	-	35,000 1%

\* Capital Improvements were shown as a separate function.

Source: Financial Report

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

SEPTEMBER 30, 1985				
FISCAL YEAR ENDED	TOTAL	TAXES REAL AND PERSONAL	LICENSES AND PERMITS	INTER- GOVERNMENTAL REVENUES
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%
1982	3,210,550	640,539 20%	119,921 4%	403,782 13%
1983	3,118,359	585,758 19%	118,634 4%	573,210 18%
1984	3,285,760	1,368,337 42%	203,570 6%	758,174 23%
1985	3,395,374	1,422,922 42%	148,109 4%	796,409 23%

(1) 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.

Source: Financial Report

CHARGES FOR SERVICES		FINES AND FORFEITURES		MISCELLANEOUS REVENUE (1)		OPERATING TRANSFERS IN	
\$ 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%
635,779	20%	45,645	1%	255,991	8%	1,108,893	34%
724,556	23%	56,398	2%	124,159	4%	935,644	30%
696,862	21%	48,959	2%	174,858	5%	35,000	1%
767,780	23%	37,429	1%	222,725	7%	-	-

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, 1985

FISCAL YEAR ENDED	ASSESSED VALUE (1)	ESTIMATED ACTUAL VALUE (2)		TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED
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	136,389,984	83%	434,507	420,257	96.720
1980	120,373,511	154,196,809	78%	461,251	447,900	97.105
1981	143,823,306	159,803,673	90%	599,807	579,330	96.586
1982	185,577,992	201,715,209	92%	662,861	640,539	96.630
1983	196,498,549	209,041,009	94%	598,678	585,758	97.840
1984	222,888,030	216,201,389	97%	613,823	589,735	96.080
1985	243,942,825	243,942,825	100%	577,415	573,837	99.380

(1) Obtained from the County of Volusia Tax Assessor's Office.

(2) Computed base on level of assessment percentage obtained from Florida Department of Revenue.

Source: Volusia County Property Appraiser

TABLE IV  
CITY OF HOLLY HILL, FLORIDA  
PROPERTY TAX RATES AND TAX LEVIES - ALL OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 1985

FISCAL YEAR ENDED	HOLLY HILL	SCHOOL DISTRICT	VOLUSIA COUNTY	ADVERTISING DISTRICT	MOSQUITO CONTROL	INLET AND PORT AUTHORITY	EAST VOLUSIA TRANSIT	HALIFAX HOSPITAL*	ST. JOHNS WATER MANAGEMENT DISTRICT
<u>TAX RATES</u>									
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
1982	5.330	7.670	5.131	.202	.464	.108	.394	2.182	.121
1983	4.476	7.011	4.433	.182	.408	.368	.370	2.042	.290
1984	4.068	7.043	4.458	.168	.340	.354	.355	2.042	.284
1985	3.500	7.911	4.133	.148	.278	.327	.326	2.200	.326
<u>CITY'S SHARE OF TAX LEVIES</u>									
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	599,807	814,202	515,588	23,628	54,442	38,323	37,267	250,974	8,452
1982	662,861	950,585	635,913	25,035	57,506	13,385	48,831	270,427	14,996
1983	598,678	936,437	592,101	24,309	54,495	49,153	49,420	272,743	38,734
1984	613,823	1,062,723	672,670	25,350	51,303	53,415	53,566	308,119	42,853
1985	594,551	1,343,854	702,079	25,141	47,224	55,548	55,378	373,718	55,378

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

Note: Tax levy indicated is for Holly Hill only.

Property tax rates are based upon \$1,000 of assessed taxable value.

Source: Volusia County Property Appraiser

TABLE V

CITY OF HOLLY HILL, FLORIDA

COMPUTATION OF LEGAL DEBT MARGIN

SEPTEMBER 30, 1985

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The Constitution of the State of Florida, Florida Statute 200.181, and the Charter of the City of Holly Hill sets no legal debt margin.

Source: City of Holly Hill Finance Department

TABLE VI  
 CITY OF HOLLY HILL, FLORIDA  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 END OF FISCAL YEAR  
 SEPTEMBER 30, 1985

NAME OF GOVERNMENTAL UNIT	NET DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO THE GOVERNMENTAL UNIT	CITY OF HOLLY HILL - SHARE OF DEBT
School District	<u>\$ 51,639,339</u>	2.70 %	<u>\$ 1,394,262</u>

(1) Volusia County School Board

TABLE VII  
 CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF REVENUE BOND COVERAGE  
 WATER AND SEWER SYSTEM FUND  
 LAST TEN FISCAL YEARS  
 SEPTEMBER 30, 1985

FISCAL YEAR ENDED	GROSS REVENUES (1)	OPERATING EXPENSE	55%	NET REVENUES	DEBT SERVICE REQUIREMENTS			DEBT SERVICE COVERAGE	
					PRINCIPAL	INTEREST	TOTAL		
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
1982	(2)1,299,165	826,682	63%	472,483	130,000	174,115	304,115	23%	1.55
1983	(2)1,311,901	965,911	74%	345,990	135,000	167,517	302,517	23%	1.14
1984	(2)1,974,903	949,548	48%	1,025,355	145,000	269,906	414,906	21%	2.47
1985	(2)1,976,862	1,021,753	52%	955,109	330,000	448,133	778,133	39%	1.23

- (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, 1984.
- (3) Excluded in operating expense is a grant from federal government which the revenue is also excluded from gross revenues.

Source: Financial Report

TABLE VIII

CITY OF HOLLY HILL, FLORIDA

DEBT SERVICE REQUIREMENTS TO MATURITY

OTHER DEBT

SEPTEMBER 30, 1985

FISCAL YEAR ENDED	NOTE PAYABLE SUN BANK OF VOLUSIA COUNTY		NOTE PAYABLE FLORIDA RETIREMENT SYSTEM		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
1986	\$ 25,000	\$ 4,920	\$ 5,692	\$ 2,107	\$ 37,719
1987	16,000	1,920	6,062	1,737	25,719
1988	-	-	6,456	1,343	7,799
1989	-	-	6,876	923	7,799
1990	-	-	7,323	476	7,799
TOTALS	<u>\$ 41,000</u>	<u>\$ 6,840</u>	<u>\$ 32,409</u>	<u>\$ 6,586</u>	<u>\$ 86,835</u>

Source: Financial Report

TABLE IX  
CITY OF HOLLY HILL, FLORIDA  
DEBT SERVICE REQUIREMENTS TO MATURITY  
WATER AND SEWER REVENUE BONDS

FISCAL YEAR ENDED	SEPTEMBER 30, 1985			
	SERIES "A" BONDS		1970 SERIES "B" BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
1985/86	\$ 90,000	\$ 67,732	\$ 75,000	\$ 18,944
1986/87	95,000	64,223	75,000	13,881
1987/88	100,000	60,420	80,000	9,050
1988/89	105,000	56,520	85,000	3,881
1989/90	110,000	52,328	15,000	506
1990/91	115,000	48,037	-	-
1991/92	120,000	43,455	-	-
1992/93	125,000	38,775	-	-
1993/94	130,000	33,802	-	-
1994/95	140,000	28,600	-	-
1995/96	145,000	23,000	-	-
1996/97	150,000	17,100	-	-
1997/98	155,000	11,100	-	-
1998/99	160,000	4,800	-	-
TOTALS	<u>\$ 1,740,000</u>	<u>\$ 549,892</u>	<u>\$ 330,000</u>	<u>\$ 46,262</u>

(1) The interest rate is to be adjusted annually on July 1 of each year to be effective for the next fiscal year. The interest rate was computed on 8% for the fiscal years 1985 through 1994.

Source: Financial Report

1972 SERIES "B" BONDS		1984 SERIES BONDS		TOTALS
PRINCIPAL	INTEREST	PRINCIPAL	INTEREST (1)	
\$ -	\$ 58,050	\$ 175,000	\$ 206,316	\$ 691,042
-	58,050	175,000	241,500	722,654
-	58,050	175,000	227,500	710,020
-	58,050	175,000	213,500	696,951
70,000	56,055	175,000	199,500	678,389
80,000	51,780	175,000	185,500	655,317
85,000	47,078	175,000	171,500	642,033
90,000	42,090	175,000	157,500	628,365
100,000	36,675	1,925,000	73,500	2,298,977
100,000	30,925	-	-	299,525
110,000	24,780	-	-	302,780
115,000	18,143	-	-	300,243
120,000	11,210	-	-	297,310
130,000	3,835	-	-	298,635
<u>\$ 1,000,000</u>	<u>\$ 554,771</u>	<u>\$ 3,325,000</u>	<u>\$ 1,676,316</u>	<u>\$ 9,222,241</u>

TABLE X  
 CITY OF HOLLY HILL, FLORIDA  
 SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY  
 SEPTEMBER 30, 1985

FISCAL YEAR ENDED	<u>ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS</u>		
	WATER AND SEWER REVENUE BONDS	NOTES PAYABLE	TOTALS
1986	\$ 691,042	\$ 37,719	\$ 728,761
1987	722,654	25,719	748,373
1988	710,020	7,799	717,819
1989	696,951	7,799	704,750
1990	678,389	7,799	686,188
1991	655,317	-	655,317
1992	642,033	-	642,033
1993	628,365	-	628,365
1994	2,298,977	-	2,298,977
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>\$ 9,222,241</u>	<u>\$ 86,835</u>	<u>\$ 9,309,076</u>

Source: Financial Report

CITY OF HOLLY HILL, FLORIDA  
SCHEDULE OF INSURANCE IN FORCE

SEPTEMBER 30, 1985

TYPE OF COVERAGE, NAME OF COMPANY AND POLICY NUMBER	POLICY PERIOD FROM TO	DETAILS OF COVERAGE	LIABILITY LIMITS	ANNUAL PREMIUM (GROSS)
<u>MUNICIPAL LIABILITY</u>				
National Union - #S 996-15-93	4/15/85 - 4/15/86	General Liability	\$100,000	\$42,205
<u>FIRE, EXTENDED COVERAGE, VANDALISM AND MALICIOUS MISCHIEF</u>				
Aetna Casualty and Surety - #35 FP 271756	4/15/85 - 4/15/86	Building and contents - sewage plant and lift stations	\$4,016,783	\$ 8,196 (gross)
<u>FIRE, EXTENDED COVERAGE, VANDALISM AND MALICIOUS MISCHIEF</u>				
Aetna Casualty and Surety - #35 FP 756147	4/15/85 - 4/15/86	Office contents of City Hall	\$39,000	\$ 267 (gross)
<u>ACCIDENTAL DEATH AND DISABILITY</u>				
Hartford Insurance Co. - #21VP480328	10/1/84 - 10/1/85	Volunteer Fire Dept.	Loss of life \$5,000	\$ 665
<u>EMERGENCY CARE SERVICE LIABILITY</u>				
Western World - #GLA 216436	4/18/85 - 4/18/86	EMT of Fire Dept.	\$100,000 any one claim \$300,000 annual aggregate	\$ 805
<u>WORKERS' COMPENSATION</u>				
Aetna Casualty and Surety - #335723	4/15/85 - 4/15/86	Statutory	Statutory, employer's liability \$100,000	\$119,643
<u>MONEY AND SECURITIES BROAD FORM POLICY</u>				
Aetna Casualty and Surety - Binder	4/15/85 - 4/15/86	For losses inside and outside the premises	\$2,000 inside and outside the premises	\$ 181
<u>PUBLIC EMPLOYEES BLANKET BOND</u>				
Continental Insurance Co. - #BND 2251031	4/15/85 - 4/15/86	Blanket bond	\$50,000 blanket on all positions	\$ 962

TABLE XI  
 CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF INSURANCE IN FORCE  
 SEPTEMBER 30, 1985

TYPE OF COVERAGE, NAME OF COMPANY AND POLICY NUMBER	POLICY PERIOD FROM TO	DETAILS OF COVERAGE	LIABILITY LIMITS	ANNUAL PREMIUM (GROSS)
<u>PUBLIC OFFICIALS AND EMPLOYEES LIABILITY</u>				
International Surplus Lines Insurance Co. - #524-0636-74-8				
	7/21/85 - 7/21/86	General Liability	\$1,000,000	\$ 6,732
<u>POLICE AND FIREFIGHTERS ACCIDENT POLICY</u>				
Hartford Accident & Indemnity - ETB-12214				
	4/7/85 - 4/7/86	Accidental Death	\$20,000	\$ 495
<u>EQUIPMENT AND RADIOS FLOATER</u>				
U.S. Fire Insurance Co. - #3203741628				
	4/15/85 - 4/15/86	Equipment	\$191,181	\$ 2,417
<u>GLASS POLICY</u>				
Aetna Casualty & Surety - #35 PG 132340				
	1/21/85 - 1/21/86	Liability for Chamber of Commerce glass windows		\$ 149
<u>COMPUTER</u>				
Aetna Casualty & Surety - #35IE66786 FCA				
	4/15/85 - 4/15/86	Hardware Software Business interruption	\$75,000 \$ 5,000 \$ 5,000	\$ 480
<u>ACCIDENTAL DEATH</u>				
Hartford Insurance Co. - #ETB 12431				
	10/1/84 - 10/1/85	Statutory Police Officers and Firefighters	\$50,000	\$ 224
<u>BUSINESS AUTOMOBILE POLICY</u>				
Aetna Casualty & Surety - #35 FJ 223064				
	4/15/85 - 4/15/86	Automobile liability	\$100,000 liability \$10,000 PIO \$50,000 UM	\$47,838

TABLE XII  
 CITY OF HOLLY HILL, FLORIDA  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS

SEPTEMBER 30, 1985

FISCAL YEAR	POPULATION(1)	PER CAPITA INCOME(2)	MEDIAN AGE(2)	EDUCATION LEVEL IN YEARS OF FORMAL SCHOOLING(3)	SCHOOL ENROLLMENT(3)	UNEMPLOYMENT RATE(4)
1976	8,599	\$ 5,328	*	*	1,799	9.1
1977	8,743	5,839	*	*	1,809	7.9
1978	8,955	6,400	*	*	1,758	6.4
1979	9,199	7,100	*	*	1,709	6.1
1980	9,953	7,983	40.0	12.0	1,702	5.7
1981	10,377	*	*	*	1,734	6.3
1982	10,481	*	*	*	1,704	7.0
1983	10,618	*	*	*	1,710	7.8
1984	10,747	*	*	*	2,006	(5) 5.2
1985	*	*	*	*	2,662	(5) 5.1

(1) County of Volusia, Planning Department

(2) County of Volusia Comprehensive Annual Financial Report  
 (represents county-wide figures)

(3) Volusia County School Board

(4) Florida Department of Labor

(5) Represents estimated unemployment

\* Not Available

TABLE XIII  
CITY OF HOLLY HILL, FLORIDA  
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 1985

FISCAL YEAR	COMMERCIAL CONSTRUCTION(1)		RESIDENTIAL CONSTRUCTION		BANK DEPOSITS(2)		PROPERTY VALUE(3)		
	UNITS	VALUE	UNITS	VALUE	(In Thousands)	COMMERCIAL	RESIDENTIAL	NONTAXABLE	
1976	*	\$ *	*	\$ *	\$ 16,654	\$ 646,253,570	\$1,382,926,827	\$ 701,823,270	
1977	*	*	*	*	18,034	736,032,780	1,407,620,622	826,915,210	
1978	*	*	*	*	*	821,442,614	1,574,525,025	854,473,742	
1979	*	*	*	*	*	840,637,452	1,666,470,242	879,942,350	
1980	*	*	*	*	23,072	898,425,645	1,823,467,619	904,576,573	
1981	10	398,800	36	1,025,826	32,062	943,451,018	2,192,010,579	1,339,551,522	
1982	9	613,452	23	1,002,278	31,458	1,161,089,473	2,834,393,865	1,715,859,404	
1983	9	1,843,022	22	501,692	33,145	1,256,060,434	3,296,885,901	2,079,005,572	
1984	21	4,441,524	85	12,825,548	45,094	1,465,638,107	3,426,217,727	2,491,609,299	
1985	13	1,045,800	55	2,608,350	*	*	*	*	

\* Not available

(1) City of Holly Hill, Building and Inspections Department

(2) Florida Bankers Association

(3) County of Volusia, Property Appraiser  
(represents county-wide values)

TABLE XIV  
 CITY OF HOLLY HILL, FLORIDA  
 SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS  
 SEPTEMBER 30, 1985

TITLE OF OFFICIAL	ANNUAL SALARY	YEARS OF SERVICE	AMOUNT OF SURETY BOND
Mayor	\$ 3,600	45 months	\$50,000
Mayor Pro-Tem	2,400	5 1/2 years	blanket
City Commissioners (3)	2,400	45 months to 5 1/2 years	amount on all positions
City Manager	30,000	8 1/2 months	
City Attorney	5,200	9 1/2 years	
Deputy Clerk	24,419	6 1/2 years	
Finance Director	33,409	20 1/2 years	
Police Chief	30,534	31 months	
Public Works Director	24,461	2 1/2 years	
Public Utility Director	30,281	20 years	
Recreation Director	17,000	Vacancy	
Fire Chief	28,891	18 years	
Building Official	25,043	5 years	

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

SEPTEMBER 30, 1985

NAME	TYPE OF BUSINESS	ASSESSED VALUES	PERCENT OF TOTAL ASSESSED VALUE
Volusia County Health Facilities Authority	Bishop Glen Retirement Center	\$ 7,905,822	3.24 %
Daytona Beach General Hospital, Inc.	Hospital	3,935,643	1.61
Life Insurance Co. of Georgia Publix Super Markets, Inc.	Shopping Center	3,525,818	1.44
Holly Point Apartments, Ltd.	Apartment Complex	2,735,017	1.12
Polyvers, Ltd.	Apartment Complex	2,411,194	.98
Holly Forest, Inc.	Holly Forest Mobile Home Park	1,874,369	.77
Bowling, Ron and Robert	Industrials	1,517,348	.62
Unatin, Jerome	Apartment Complex	1,402,766	.57
Dendrite Enterprises	Business Park	1,218,190	.50
Sun Bank of Volusia County	Banking	<u>1,063,792</u>	<u>.44</u>
		<u>\$ 27,589,959</u>	<u>11.29 %</u>

Source: Volusia County Property Appraiser

TABLE XVI  
CITY OF HOLLY HILL, FLORIDA  
CLIMATOLOGICAL SUMMARY

SEPTEMBER 30, 1985

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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 XVII

CITY OF HOLLY HILL, FLORIDA

MISCELLANEOUS STATISTICAL DATA

SEPTEMBER 30, 1985

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 = 950 Grades 7 - 9 1,136
Form of Government: Council/Manager	Personnel: Instructional 128 Noninstructional 50
Area: 3.75 square miles	Street Lights: <u>Overhead Bracket - Mercury Vapor</u> 6,000 lumen - 6 11,500 " - 1 21,500 " - 8
49.5 miles paved streets 2.3 miles unpaved streets 20.7 miles sidewalks 27.3 miles storm sewers 65.0 miles sanitary sewers	<u>High Pressure Sodium Vapor</u> 5,800 lumen - 625 9,500 lumen - 53 16,000 " - 47 22,000 " - 91 50,000 " - 2
225 fire hydrants	<u>White Way Underground</u> 1,000 lumen - 6
Fire Protection: 1 Fire Station 10 Full-time Fire Fighters 17 Volunteer Fire Fighters	Employees as of 9/30/85: 107 Civil Service 4 Exempt <u>111</u> Total
Police Protection: 1 Police Station Holding facility 11 Vehicular patrol units 1 Animal Control unit 1 Police Explorer unit	Water Treatment Plant: Design Capacity - 2.3 MGD Current Production Rate - 1.1 MGD No. of Consumers - 4,982
Recreation: 4 Parks total 37.5 acres 2 Playgrounds 1 Gym 5 Recreation Buildings 1 Tennis Court 11 Shuffleboard Courts 5 Ballfields 1 Community Center 1 Public Fishing Pier - "L" Shaped	Water Pollution Control Plant: Capacity - 1.6 MGD Current Production Rate - 1.650 MGD Collection System Users - 4,344

REPORT ON INTERNAL ACCOUNTING CONTROL  
AND  
MANAGEMENT COMMENTS

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

REPORT ON INTERNAL ACCOUNTING CONTROL AND MANAGEMENT COMMENTS

It is the policy of our firm and in accordance with the rules of the State Auditor General to submit our Report on Internal Accounting Control and Management Comments on the operations of the City.

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

This report is divided into the following:

- . Report on Internal Accounting Control
- . Management Comments

The Report on Internal Accounting Control is required by generally accepted auditing standards (SAS #20, amended by SAS #30) to report what we believe to be material weaknesses in the system of internal accounting control, if any. The Management Comments section of this report contains matters which we feel 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 ACCOUNTING CONTROL

We have examined the financial statements of the City of Holly Hill, Florida for the year ended September 30, 1985, and have issued our report thereon dated November 8, 1985. 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 and the standards for financial and compliance audits contained in the U. S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities and Functions.

For the purpose of this report, we have classified the significant internal accounting controls in the following categories:

Billings	Inventory
Receivables and Collections	Investments
Purchasing and Payments	EDP
Accounts payable	Fixed Assets
Personnel and Payroll	General Ledger

Our study included all of the control categories listed above.

The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the City's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any categories of control identified above.

The management of the City is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the City of Holly Hill taken as a whole. However, our study and evaluation disclosed no condition that we believed to be a material weakness.

MANAGEMENT COMMENTS

REPORTED IN PRIOR YEAR'S REPORT ON INTERNAL CONTROL AND  
MANAGEMENT COMMENTS, NOT IMPLEMENTED AS OF  
SEPTEMBER 30, 1985

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, 1984, except for the following:

POLICIES AND PROCEDURES MANUAL

The procedures manual of the City should be updated and expanded, with emphasis on specific employee job functions, internal controls and should be organized so that procedures may be easily modified and updated for changing circumstances and management needs.

MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND

The investments of the Police Officers' Retirement Trust Fund and the Firefighters' Retirement System include investments in JMB Mortgage Partners, Ltd., II and Balcor Pension Investors V. Both investments are organized as limited partnerships.

Chapters 175 and 185.06 of the Florida Statutes describe the investment alternatives of Retirement Trust Funds and are silent as to this type of investment. We recommend that the Pension Boards review these investments in light of the Statutes.

CAPITAL REPLACEMENT

Capital replacement is budgeted on an annual basis. No projection is made of anticipated capital needs.

We recommend that the City develop a five-year comprehensive capital improvement plan to organize and anticipate capital improvement and repair priorities. It should be noted that the Finance Department is in the process of developing the data necessary to formulate such a plan.

CURRENT YEAR FINDINGS

During the course of our examination of the financial statements of the City, certain matters came to our attention. We offer the following suggestions which we feel could both strengthen controls and increase operating efficiency. After you consider these suggestions, we are available to discuss methods of implementation at your convenience.

## FIXED ASSETS

The current manual system for controlling fixed assets is cumbersome and time consuming.

We recommend that management consider automation of the fixed asset subsidiary system in order to facilitate the timely preparation of departmental fixed asset listings for annual fixed asset inventories and preparation of depreciation schedules.

## WATER AND SEWER RATES

Impact fees were used in meeting the rate covenant for the Water and Sewer Bond Ordinance for the 1985 fiscal year. Although it may be appropriate to use impact fees in computing the coverage for debt service under existing requirements of the bond ordinance, impact fees should not be relied upon fully to meet the annual debt service coverage. Any fluctuation in building construction could lower drastically the amount of impact fees which the City would receive.

We recommend the City review its current rates to put more emphasis on meeting the rate covenants through rates as opposed to relying on impact fees.

## IMPROVEMENT FUND RESERVES

Section 508 of Ordinance 533 requires that deposits be made to the Improvement Fund until the fund is equal to the maximum principal and interest requirements for any succeeding fiscal year for all bonds then outstanding under the provisions of Ordinance 533. The section further specifies that quarterly installments be made to the fund at the rate of \$1,250. During the current year, funds were withdrawn from the Improvement Fund and used for major water and sewer related improvements. Because these funds were not replaced, the reserve is no longer at the maximum amount specified by the bond ordinance.

We recommend that the City begin quarterly deposits to fund the requirement of Ordinance 533 and Ordinance 632. Ordinance 632, Section 16, C.(5) requires that the Improvement Fund maintain a maximum of \$150,000.

## OCCUPATIONAL LICENSES

The only printout of occupational license data is one which reflects the licences in alphabetical order.

We recommend that the City develop a listing of occupational licenses by street. This type of printout would enable the efficient review of business districts for paid and unpaid occupational licenses.

OVER EXPENDITURE OF BUDGET

The budget for the Sanitation Department was over expended by \$3,532 for the fiscal year ended September 30, 1985, in technical violation of the City's budget Ordinance.

We recommend that management review procedures for amending the budget prior to year-end and controlling expenditures in relation to budgetary limitations.

ANNUAL FINANCIAL REPORTS OF UNITS OF LOCAL GOVERNMENT, 1984

The City filed its annual financial report for the fiscal year ended September 30, 1984, as required by Section 218.32 of the Florida Statutes, with the Department of Banking and Finance. Based on our review of the financial information contained in this report, no material differences were found in comparing this information to that of the City's audited financial statements.

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

This report is intended solely for the use of management and the Auditor General, State of Florida. This restriction is not intended to limit the distribution of this report which, upon acceptance by the City Council, is a matter of Public Record.

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 Zina & Co.*

Daytona Beach, Florida  
November 8, 1985