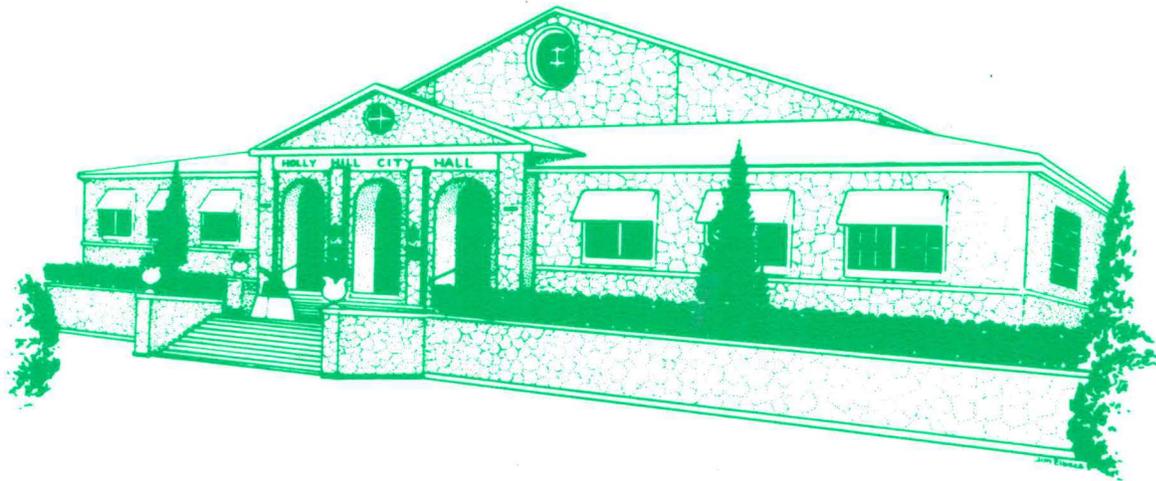


# CITY OF HOLLY HILL, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDING SEPTEMBER 30, 1987

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# INTRODUCTORY SECTION



CITY OF HOLLY HILL, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 1987

MAYOR

B. Donald Wiggins

MAYOR PRO-TEM

John E. Farmer

COUNCIL

Gordon Currie

William S. Walker

Clifford E. Whaley

ACTING CITY MANAGER

Sue W. Blackwell

CITY ATTORNEY

Edward F. Simpson, Jr.

FINANCE DIRECTOR

Virginia Wine

CITY ENGINEERS

Russell & Axon, Consulting Engineers

CITY AUDITORS

Arthur Young & Company

CITY OF HOLLY HILL, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

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LETTER OF TRANSMITTAL

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# CITY OF HOLLY HILL

TEN SIXTY—FIVE RIDGEWOOD AVENUE

HOLLY HILL, FLORIDA 32017

P.O. Box 1191

904/252-7631

January 26, 1988

Ms. Sue W. Blackwell, Acting City Manager  
City of Holly Hill  
Holly Hill, Florida

Dear Ms. Blackwell:

The Comprehensive Annual Financial Report of the City of Holly Hill, Florida, for the year ended September 30, 1987, is submitted herewith pursuant to Article I, Section 52, of the City Charter, Florida Statutes, Chapter 11.45 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, "Defining the Governmental 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, Arthur Young & Company, 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 Achievement for Excellence in Financial Reporting for the year ended September 30, 1986.

Ms. Sue W. Blackwell, Acting City Manager  
Page Two  
January 26, 1988

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.

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 Achievement for Excellence in Financial Reporting to the City of Holly Hill for its Comprehensive Annual Financial Report for the year ended September 30, 1986.

In order to be awarded a Certificate of Achievement, 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 Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement 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.

Ms. Sue W. Blackwell, Acting City Manager  
 Page Three  
 January 26, 1988

GENERAL GOVERNMENT

Revenues for the General Fund functions totaled \$4,526,051 for the year ended September 30, 1987, an increase of 16.06% from the previous year. Actual revenues for the General Fund fell short of budgeted revenues by \$96,219. 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 1986 (THOUSANDS)</u>
Taxes (all sources)	\$ 1,737,139	38.38 %	\$ 220
Licenses and permits	132,941	2.94	(15)
Intergovernmental revenues	1,257,426	27.78	388
Charges for services	1,191,501	26.33	162
Fines and forfeitures	89,704	1.98	50
Miscellaneous	117,340	2.59	(178)
<b>TOTALS</b>	<u>\$ 4,526,051</u>	<u>100.00 %</u>	<u>\$ 626</u>

The total nonexempt valuation for ad valorem taxes amounts to \$230 million, an increase of 35.44% over the preceding year. The total nonexempt value for ad valorem taxes increased \$60,208,240 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 99.41% of the current tax levy.

Allocations of the property tax levy were as follows:

	<u>1986/87</u>	<u>1985/86</u>
General Fund	<u>4.138 mills</u>	<u>3.347 mills</u>

Ms. Sue W. Blackwell, Acting City Manager  
 Page Four  
 January 26, 1988

Expenditures and other uses for the General Fund amounted to \$5,176,367 for the year, an increase of 33.83% over the preceding year. The expenditures and other uses 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 1986 (THOUSANDS)</u>
General Government	\$ 1,053,115	20.34 %	\$ 104
Public Safety	1,362,191	26.32	100
Physical Environment	728,173	14.07	(75)
Transportation	647,106	12.50	108
Culture and Recreation	1,305,782	25.23	1,026
Operating transfers out	80,000	1.54	45
TOTALS	<u>\$ 5,176,367</u>	<u>100.00 %</u>	<u>\$ 1,308</u>

Capital improvements are included in each of the above functions. Expenditures for capital improvements amounted to \$1,308,955 for the fiscal year, an increase of 246.94% over the previous year. The increase was caused by the purchase of a parcel of land to be used as a park.

Expenditures for General Government functions increased 10.92% over the previous year and accounted for 20.34% of total General Fund expenditures.

Public Safety, which includes the Police, Fire and Protective Inspection Departments, accounted for 26.32% of the General Fund expenditures, as compared to 32.63% for the preceding fiscal year.

Public Works operations include Transportation/Road and Street Facilities and Physical Environment/Sanitation Services. These operations represented 26.57% of the General Fund expenditures, as compared to 34.70% for the previous year.

During the current fiscal year, the City purchased a parcel of land to be used as a park. This purchase caused Culture and Recreation expenditures to increase 367.06% over the previous year. The Culture and Recreation Department accounted for 25.23% of the General Fund expenditures, as compared to 7.23% for the preceding fiscal year.

Operating transfers out accounted for 1.54% of the General Fund expenditures, as compared to .90% for the prior year.

Ms. Sue W. Blackwell, Acting City Manager  
 Page Five  
 January 26, 1988

SPECIAL REVENUE FUNDS

The City's only Special Revenue Fund is the Federal Revenue Sharing Fund.

Federal Revenue Sharing entitlements ceased during fiscal 1987. The City expended \$1,164 for machinery and equipment in the Federal Revenue Sharing Fund during the current year.

WATER AND SEWER OPERATIONS

In 1984, the City borrowed \$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 5.61% for the upcoming fiscal year. This program was 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. In conjunction with this project, the City's raw water supply has been expanded to new wells west of I-95, thus avoiding reliance on existing well fields which, by their proximity to the coastline, are vulnerable to salt water intrusion.

The City's Water and Sewer System Fund has increased revenues and the number of customers served over the past year. Revenue (excluding connection and impact fees) increases over the previous year were caused mainly by a rate increase, and are shown in the following tabulation:

<u>SOURCE</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>INCREASE (DECREASE) OVER 1986 (THOUSANDS)</u>
Water sales	\$ 872,471	42.57 %	\$ 78
Sewer charges	918,992	44.85	98
Other income	55,657	2.72	9
Interest revenue	122,175	5.96	(19)
Operating transfers in	80,000	3.90	45
<b>TOTALS</b>	<b>\$ 2,049,295</b>	<b>100.00 %</b>	<b>\$ 211</b>

The City records connection charges and impact fees as contributed capital. During the year, connection charges and impact fees amounted to \$75,822, a decrease of 41.87% from the previous year.

Ms. Sue W. Blackwell, Acting City Manager  
 Page Six  
 January 26, 1988

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 1986 (THOUSANDS)</u>
Administrative charges and services	\$ 290,030	16.75 %	\$ 23
Water service	471,687	27.23	16
Sewer service	396,829	22.91	(14)
Depreciation and amortization expense	256,296	14.79	93
Debt service and fiscal agent fees	<u>317,280</u>	<u>18.32</u>	<u>(40)</u>
<b>TOTALS</b>	<u>\$ 1,732,122</u>	<u>100.00 %</u>	<u>\$ 78</u>

This year, the City had net income of \$317,173 in the Water and Sewer System Fund.

During the year, \$345,000 in maturing revenue bonds were redeemed and bond interest expense amounted to \$310,558.

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>1986/87</u>
Gross revenue (includes connection charges)	\$ 2,125,117
Income available for debt service	\$ 966,571
Annual debt service requirement	\$ 655,558
Coverage (income available for debt service divided by maximum debt service requirement)	1.47 X

Revenue bonds outstanding at September 30, 1987 amounted to \$5,710,000. Interest payable in future years on the revenue bonds outstanding amounts to \$2,030,579. Principal on the revenue bonds becomes due on April 1 and interest falls due on October 1 and April 1 of each year.

Ms. Sue W. Blackwell, Acting City Manager  
Page Seven  
January 26, 1988

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 appointed by the City Council and are 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.

During the year, the Firefighters' Retirement System revenues were derived from State of Florida contributions of \$16,072, employee contributions of \$27,161, City contributions of \$9,235 and interest and dividends earned on investments of \$52,197. Fund balance at the end of the year is \$587,581, as compared to \$487,230 for the preceding year. For the Police Officers' Retirement Trust Fund, the revenues were derived from State of Florida contributions of \$39,151, employee contributions of \$5,047, City contributions of \$25,237, and interest and dividends earned on investments of \$107,780. Fund balance at the end of the year is \$992,005, as compared to \$836,167 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 carrying value bears no relation to the actual value of the assets. The total cost of general fixed assets at September 30, 1987 amounted to \$6,989,599, as compared to \$5,748,470 for the preceding year, an increase of 21.59%. Current year fixed asset additions included the purchase of land for \$850,193, which is to be used as a park and was the last undeveloped parcel of riverfront property in the City.

Ms. Sue W. Blackwell, Acting City Manager  
Page Eight  
January 26, 1988

CASH MANAGEMENT

Cash temporarily idle during the year was invested in demand deposits and in time deposits ranging from 12 to 24 months to maturity. At September 30, 1987, idle unrestricted cash was invested as follows: in demand deposits, 73.62% and in time deposits, 26.38%.

Interest earned on unrestricted funds for the past two fiscal years was as follows:

<u>FUND</u>	<u>INTEREST EARNED</u>	
	<u>1987</u>	<u>1986</u>
General Fund	\$ 85,335	\$ 104,794
Special Revenue Funds	1,926	4,762
Water and Sewer System Fund	22,496	25,181
TOTAL INTEREST EARNINGS FOR THE CITY	<u>\$ 109,757</u>	<u>\$ 134,737</u>

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

SIGNIFICANT ACTIVITIES OF 1987

PARKS AND RECREATION

The City condemned 6.7 acres of prime riverfront land that Bellemead Development Corporation owned, which was the last undeveloped parcel of riverfront property in the City, was used to expand the park area. The total amount paid for this property was \$850,000 which included \$830,000 awarded to Bellemead by the jury and interest due from the date awarded until the date it was paid. The City received \$334,000 in grant monies from the Port Authority to purchase and improve the park. A contract in the amount of \$155,000 was awarded for the erection of picnic shelters, restrooms, a dock, and paving in this park area.

WASTEWATER TREATMENT PLANT

The City engineers completed an evaluation of the results of the Department of Environmental Regulations' study on the Halifax River waste load allocation to determine its impact on the City's existing wastewater treatment facilities and proposed expansion.

Ms. Sue W. Blackwell, Acting City Manager  
Page Nine  
January 26, 1988

#### ADMINISTRATION AND FINANCE

Continued improvements were made and achievements recognized by the City's Administration and Finance Departments:

- ° The Finance Department was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for the tenth consecutive year.
- ° Time clocks were installed in all City departments for uniformity.
- ° A consulting firm completed a pay and classification plan for all budgeted positions in the City. The plan was implemented to bring greater equity to these positions.
- ° Stormwater utility fees were adopted in May 1987, to provide a trust fund for necessary drainage projects.

#### LAW ENFORCEMENT

The Police Department purchased a "body bug" which has been highly successful in apprehending drug dealers, arresting and solving a large burglary ring, and providing safety for police officers, and has led to the arrest of numerous sex offenders.

#### PUBLIC WORKS DEPARTMENT

- ° A trash truck was acquired to provide better trash collections for the citizens.
- ° The purchase of a 12,000 gallon gasoline tank will enable the City to buy gasoline by the tanker load at a reduced cost.

#### PROSPECTS FOR THE FUTURE

A major drainage improvement project at the Grove canal on Sixth Street will be completed. This drainage improvement will include two culverts, endwalls, water main crossing, pavement replacement and sidewalk construction.

A major sanitary sewer replacement project will be completed during the next year. This project will replace 825 feet of sanitary sewer line on State Avenue.

In the Police Department, guidelines are being drawn up for the use of a motorcycle in routine traffic control work and for monitoring traffic violations. The City Council felt that a motorcycle may be more efficient and less costly than an automobile for traffic work.

Ms. Sue W. Blackwell, Acting City Manager  
Page Ten  
January 26, 1988

A consultant hired to complete a management study in the Public Utilities Department recommended various changes in job responsibilities and in the number of personnel employed by the City. The results of this study were used in preparing the 1987-88 budget which provides for a Public Services Director responsible for both Public Works and Public Utilities. This person will be assisted by two Assistant Directors and the foreman positions were changed to regular positions. Three positions were deleted in the Wastewater Treatment Plant. It is anticipated that these changes will reduce overall expenditures without reducing basic service levels.

Grant commitments have been received from Florida Inland Navigation District in the amount of \$100,000, and the Florida Recreation Development Assistant Program in the amount of \$50,000. These grants are to be used toward the development of Sandy Point purchased from Bellemead Development Corporation during the fiscal year ended September 30, 1987.

Construction of a Fire Department Sub-station is expected to be completed during the next year. This sub-station, as was recommended by area fire authorities, will be located west of the railroad in the Northwest section of the City.

Various departments of the City will be computerized during the coming year to aid in processing, filing and retrieval of records.

#### 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,

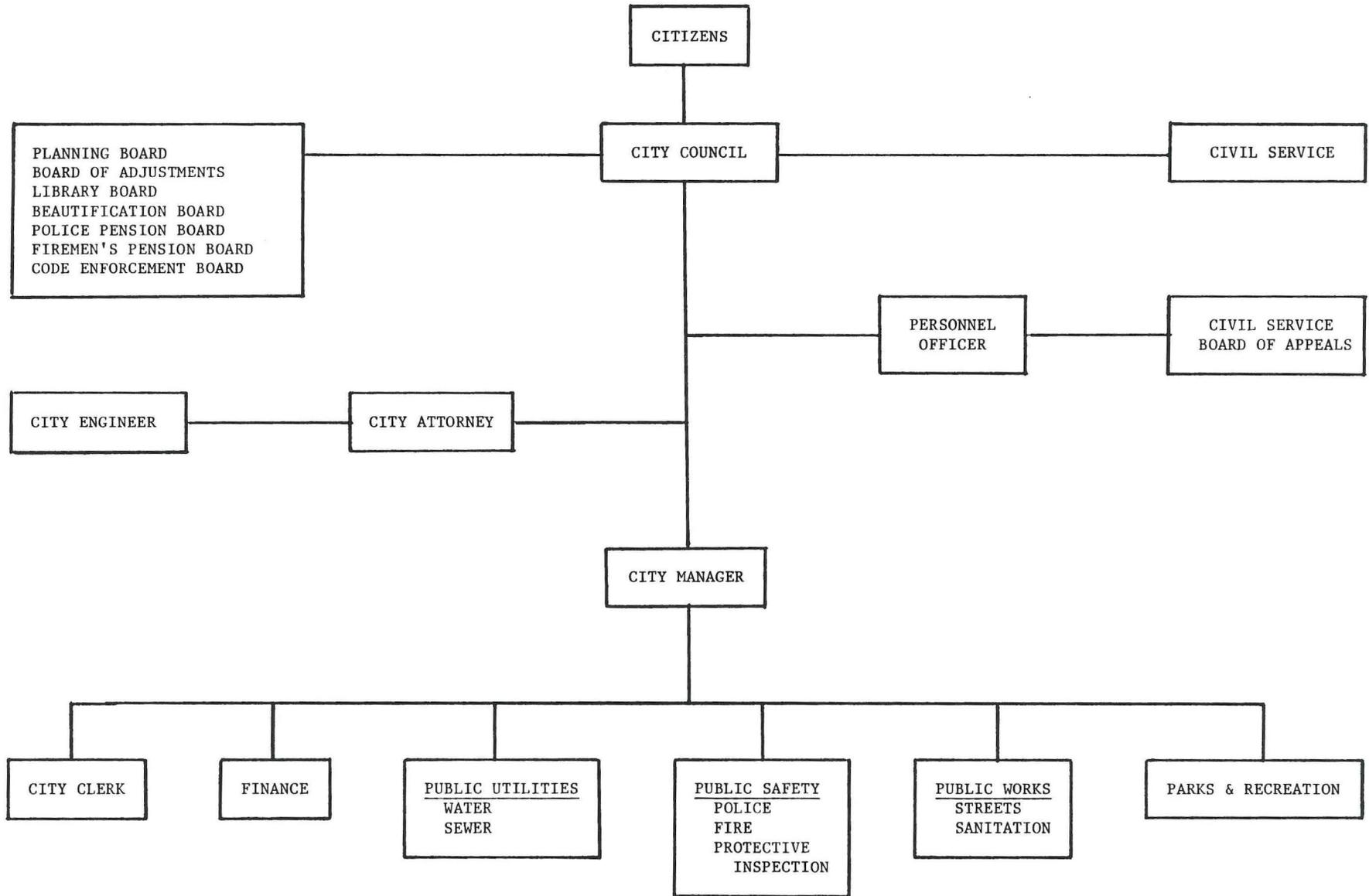


Virginia Wine, Finance Director

ORGANIZATION CHART

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ORGANIZATION CHART



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CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE  
IN FINANCIAL REPORTING

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of  
Holly Hill, Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 1986

A Certificate of Achievement for Excellence 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.



*Paul C. Elison*

President

*Jeffrey L. Essler*

Executive Director

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**FINANCIAL SECTION**



**ACCOUNTANTS' REPORT**

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## Arthur Young

The City Center  
149 South Ridgewood Avenue  
Post Office Box 1311  
Daytona Beach, Florida 32014  
Telephone: (904) 255-1981

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

We have examined the general purpose financial statements of the City of Holly Hill, Florida and the combining, individual fund and account group financial statements of the City as of and for the year ended September 30, 1987, 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 general purpose financial statements referred to above present fairly the financial position of the City of Holly Hill, Florida at September 30, 1987, and the results of operations and the changes in financial position of its 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. Also, in our opinion, the combining, individual fund and account group financial statements referred to above present fairly the financial position of each of the individual funds and account groups of the City of Holly Hill, Florida at September 30, 1987, and the results of operations of such funds and the changes in financial position of individual proprietary 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 general purpose financial statements taken as a whole and on the combining, individual fund and individual account group financial statements. The accompanying financial information listed as supporting schedules and statistical section in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Holly Hill, Florida. The supporting schedules have been subjected to the auditing procedures applied in the examination of the general purpose, combining, individual fund and individual account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole. The statistical section has not been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, accordingly, we express no opinion on the statistical section.

*Arthur Young & Company*

Certified Public Accountants  
November 20, 1987

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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, 1987

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE
	GENERAL	SPECIAL REVENUE	ENTERPRISE
<u>ASSETS</u>			
Cash	\$ 40,156	\$ -	\$ 77
Investments - at cost	674,180	31,591	383,739
Accounts receivable - net	75,904	-	119,333
Taxes receivable	52,907	-	-
Other receivables	4,836	-	-
Due from other funds	17,480	-	29,482
Due from other governments	30,927	-	-
Prepaid insurance	-	-	5,977
Restricted assets:			
Sinking Funds -			
Cash and investments	-	-	1,235,462
Accrued interest receivable	-	-	6,219
Construction Fund -			
Cash and investments	-	-	439,945
Accrued interest receivable	-	-	1,757
Improvement Fund -			
Cash and investments	-	-	71,975
Impact fee -			
Cash and investments	-	-	1,007
Land	-	-	25,298
Buildings	-	-	5,467,485
Improvements other than buildings	-	-	4,481,453
Machinery and equipment	-	-	227,202
Accumulated depreciation	-	-	(2,292,848)
Construction in progress	-	-	79,202
Refundable deposits	90	-	1,660
Unamortized bond issue costs	-	-	14,856
Amount to be provided for retirement of general long-term liabilities	-	-	-
TOTAL ASSETS	<u>\$ 896,480</u>	<u>\$ 31,591</u>	<u>\$ 10,299,282</u>

See accompanying notes.

FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS	
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY) 1987	1986
PENSION TRUST				
\$ 55,760	\$ -	\$ -	\$ 95,993	\$ 226,449
1,523,827	-	-	2,613,337	2,806,690
-	-	-	195,237	175,908
-	-	-	52,907	26,923
-	-	-	4,836	5,155
-	-	-	46,962	90,206
-	-	-	30,927	45,249
-	-	-	5,977	15,689
-	-	-	1,235,462	1,105,928
-	-	-	6,219	6,180
-	-	-	439,945	425,385
-	-	-	1,757	3,994
-	-	-	71,975	30,454
-	-	-	1,007	958
-	1,009,291	-	1,034,589	184,396
-	696,046	-	6,163,531	6,076,449
-	3,301,378	-	7,782,831	7,562,154
-	1,982,884	-	2,210,086	2,120,076
-	-	-	(2,292,848)	(2,041,813)
-	-	-	79,203	67,500
-	-	-	1,750	1,750
-	-	-	14,856	16,978
-	-	247,792	247,792	280,546
<u>\$ 1,579,587</u>	<u>\$ 6,989,599</u>	<u>\$ 247,792</u>	<u>\$ 20,044,331</u>	<u>\$ 19,233,204</u>

CITY OF HOLLY HILL, FLORIDA  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 SEPTEMBER 30, 1987

	GOVERNMENTAL FUND TYPES		PROPRIETARY
	GENERAL	SPECIAL REVENUE	FUND TYPE ENTERPRISE
<u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES			
Accounts payable	\$ 110,180	\$ -	\$ 25,098
Accrued liabilities	64,712	-	11,698
Due to other funds	29,482	-	17,480
Customer deposits	-	-	271,272
Deposits	14,940	-	-
Deferred revenues	52,907	-	-
Payable from restricted assets:			
Revenue bonds	-	-	355,000
Accounts payable	-	-	3,905
Accrued interest payable	-	-	86,195
Revenue bonds payable	-	-	5,355,000
Notes payable - pension backfunding	-	-	-
Notes payable	-	-	-
Obligation for compensated absences	-	-	25,281
<b>TOTAL LIABILITIES</b>	<b>\$ 272,221</b>	<b>\$ -</b>	<b>\$ 6,150,937</b>
COMMITMENTS AND CONTINGENCIES			
FUND EQUITY			
Contributed capital	\$ -	\$ -	\$ 2,108,975
Investment in general fixed assets	-	-	-
Retained earnings:			
Reserved for Improvement Fund	-	-	71,975
Reserved for revenue bond retirement	-	-	800,482
Unreserved	-	-	1,166,915
Fund balances:			
Reserved for encumbrances	4,774	-	-
Reserved for Police and Fire Pensions	-	-	-
Reserved for police education	7,708	-	-
Unreserved - Undesignated	611,777	31,591	-
<b>TOTAL FUND EQUITY</b>	<b>\$ 624,259</b>	<b>\$ 31,591</b>	<b>\$ 4,148,345</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 896,480</b>	<b>\$ 31,591</b>	<b>\$ 10,299,282</b>

See accompanying notes.

FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS	
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY)	
PENSION TRUST			1987	1986
\$ -	\$ -	\$ -	\$ 135,278	\$ 175,936
-	-	-	76,410	62,215
-	-	-	46,962	90,206
-	-	-	271,272	257,198
-	-	-	14,940	14,070
-	-	-	52,907	26,923
-	-	-	355,000	345,000
-	-	-	3,909	13,598
-	-	-	86,199	102,523
-	-	-	5,355,000	5,710,000
-	-	20,655	20,655	26,717
-	-	66,667	66,667	116,000
-	-	160,470	185,751	162,343
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,792</u>	<u>\$ 6,670,950</u>	<u>\$ 7,102,729</u>
\$ -	\$ -	\$ -	\$ 2,108,973	\$ 2,033,151
-	6,989,599	-	6,989,599	5,748,470
-	-	-	71,975	30,454
-	-	-	800,482	664,585
-	-	-	1,166,915	1,027,160
-	-	-	4,774	3,664
1,579,587	-	-	1,579,587	1,323,397
-	-	-	7,708	4,561
-	-	-	643,368	1,295,033
<u>\$ 1,579,587</u>	<u>\$ 6,989,599</u>	<u>\$ -</u>	<u>\$ 13,373,381</u>	<u>\$ 12,130,475</u>
<u>\$ 1,579,587</u>	<u>\$ 6,989,599</u>	<u>\$ 247,792</u>	<u>\$ 20,044,331</u>	<u>\$ 19,233,204</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, 1987

	GOVERNMENTAL FUND TYPES		TOTALS	
	GENERAL	SPECIAL REVENUE	1987	1986
REVENUES				
Taxes	\$ 1,737,139	\$ -	\$ 1,737,139	\$ 1,517,088
Licenses and permits	132,941	2,146	135,087	148,363
Intergovernmental revenues	1,257,426	-	1,257,426	987,303
Charges for services	1,191,501	-	1,191,501	1,029,130
Fines and forfeitures	89,704	-	89,704	39,390
Miscellaneous revenues	117,340	1,926	119,266	200,029
TOTAL REVENUES	\$ 4,526,051	\$ 4,072	\$ 4,530,123	\$ 3,921,303
EXPENDITURES				
Current:				
General Government	\$ 1,040,590	\$ -	\$ 1,040,590	\$ 919,556
Public Safety	1,312,321	-	1,312,321	1,213,527
Physical Environment	604,222	-	604,222	569,261
Transportation	485,353	-	485,353	456,382
Culture and Recreation	288,827	-	288,827	269,891
Capital outlay	1,308,955	1,164	1,310,119	578,113
Debt Service:				
Principal retirement	49,333	-	49,333	25,000
Interest and fiscal charges	6,766	-	6,766	5,015
TOTAL EXPENDITURES	\$ 5,096,367	\$ 1,164	\$ 5,097,531	\$ 4,036,745
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (570,316)	\$ 2,908	\$ (567,408)	\$ (115,442)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ -	\$ -	\$ -	\$ 1,645
Operating transfers out	(80,000)	-	(80,000)	(36,645)
Loan proceeds	-	-	-	100,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ (80,000)	\$ -	\$ (80,000)	\$ 65,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (650,316)	\$ 2,908	\$ (647,408)	\$ (50,442)
FUND BALANCES AT BEGINNING OF YEAR	1,274,575	28,683	1,303,258	1,353,700
FUND BALANCES AT END OF YEAR	\$ 624,259	\$ 31,591	\$ 655,850	\$ 1,303,258

See accompanying notes.

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, 1987

	GENERAL		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Taxes	\$ 1,737,600	\$ 1,737,139	\$ (46)
Licenses and permits	130,000	132,941	2,94
Intergovernmental revenues	1,384,000	1,257,426	(126,57)
Charges for services	1,187,500	1,191,501	4,00
Fines and forfeitures	68,570	89,704	21,13
Miscellaneous revenues	114,600	117,340	2,74
TOTAL REVENUES	<u>\$ 4,622,270</u>	<u>\$ 4,526,051</u>	<u>\$ (96,21)</u>
EXPENDITURES			
Current:			
General Government	\$ 1,144,800	\$ 1,040,590	\$ 104,21
Public Safety	1,373,470	1,312,321	61,14
Physical Environment	621,150	604,222	16,92
Transportation	524,200	485,353	38,84
Culture and Recreation	307,600	288,826	18,77
Capital outlay	1,511,200	1,308,956	202,24
Debt service:			
Principal retirement	49,335	49,333	
Interest and fiscal charges	9,000	6,766	2,23
TOTAL EXPENDITURES	<u>\$ 5,540,755</u>	<u>\$ 5,096,367</u>	<u>\$ 444,38</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (918,485)</u>	<u>\$ (570,316)</u>	<u>\$ 348,16</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	(80,000)	(80,000)	-
Loan proceeds	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (80,000)</u>	<u>\$ (80,000)</u>	<u>\$ -</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (998,485)</u>	<u>\$ (650,316)</u>	<u>\$ 348,16</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,274,575</u>	<u>1,274,575</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 276,090</u>	<u>\$ 624,259</u>	<u>\$ 348,16</u>

See accompanying notes.

SPECIAL REVENUE			TOTALS (MEMORANDUM ONLY)			TOTALS (MEMORANDUM ONLY) 1986
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
\$ -	\$ -	\$ -	\$ 1,737,600	\$ 1,737,139	\$ (461)	\$ 1,517,088
-	-	-	130,000	132,941	2,941	148,363
2,145	2,146	1	1,386,145	1,259,572	(126,573)	987,303
-	-	-	1,187,500	1,191,501	4,001	1,029,130
-	-	-	68,570	89,704	21,134	39,390
1,500	1,926	426	116,100	119,266	3,166	200,029
<u>\$ 3,645</u>	<u>\$ 4,072</u>	<u>\$ 427</u>	<u>\$ 4,625,915</u>	<u>\$ 4,530,123</u>	<u>\$ (95,792)</u>	<u>\$ 3,921,303</u>
\$ -	\$ -	\$ -	\$ 1,144,800	\$ 1,040,590	\$ 104,210	\$ 919,556
-	-	-	1,373,470	1,312,321	61,149	1,213,527
-	-	-	621,150	604,222	16,928	569,261
-	-	-	524,200	485,353	38,847	456,382
-	-	-	307,600	288,826	18,774	269,891
32,328	1,164	31,164	1,543,528	1,310,120	233,408	578,113
-	-	-	49,335	49,333	2	25,000
-	-	-	9,000	6,766	2,234	5,015
<u>\$ 32,328</u>	<u>\$ 1,164</u>	<u>\$ 31,164</u>	<u>\$ 5,573,083</u>	<u>\$ 5,097,531</u>	<u>\$ 475,552</u>	<u>\$ 4,036,745</u>
<u>\$ (28,683)</u>	<u>\$ 2,908</u>	<u>\$ 31,591</u>	<u>\$ (947,168)</u>	<u>\$ (567,408)</u>	<u>\$ 379,760</u>	<u>\$ (115,442)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,645
-	-	-	(80,000)	(80,000)	-	(36,645)
-	-	-	-	-	-	100,000
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80,000)</u>	<u>\$ (80,000)</u>	<u>\$ -</u>	<u>\$ 65,000</u>
\$ (28,683)	\$ 2,908	\$ 31,591	\$ (1,027,168)	\$ (647,408)	\$ 379,760	\$ (50,442)
28,683	28,683	-	1,303,258	1,303,258	-	1,353,700
<u>\$ -</u>	<u>\$ 31,591</u>	<u>\$ 31,591</u>	<u>\$ 276,090</u>	<u>\$ 655,850</u>	<u>\$ 379,760</u>	<u>\$ 1,303,258</u>

CITY OF HOLLY HILL, FLORIDA  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS/FUND BALANCES  
 ALL PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	PROPRIETARY	FIDUCIARY	TOTALS	
	FUND TYPE	FUND TYPE	(MEMORANDUM ONLY)	
	ENTERPRISE	PENSION FUND	1987	1986
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,824,378	\$ -	\$ 1,824,378	\$ 1,632,280
Contributions	-	121,903	121,903	102,824
Interest and dividends	-	159,977	159,977	129,930
Miscellaneous revenue	350	-	350	18,590
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 1,824,728</b>	<b>\$ 281,880</b>	<b>\$ 2,106,608</b>	<b>\$ 1,883,644</b>
<b>OPERATING EXPENSES</b>				
Personal services	\$ 527,485	\$ -	\$ 527,485	\$ 489,440
Contractual services	235,532	-	235,532	250,140
Materials and supplies	105,499	-	105,499	126,610
Other charges and services	290,030	-	290,030	267,320
Depreciation and amortization	256,296	-	256,296	163,620
Benefit payments	-	16,090	16,090	20,470
Refunds	-	-	-	1,480
Miscellaneous expenses	-	9,600	9,600	2,030
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,414,842</b>	<b>\$ 25,690</b>	<b>\$ 1,440,532</b>	<b>\$ 1,321,140</b>
<b>OPERATING INCOME</b>	<b>\$ 409,886</b>	<b>\$ 256,190</b>	<b>\$ 666,076</b>	<b>\$ 562,490</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Payment from General Fund - rental	\$ 13,000	\$ -	\$ 13,000	\$ 13,000
Interest income	122,175	-	122,175	141,750
Other income	9,392	-	9,392	16,110
Interest expense and fiscal agent fees	(317,280)	-	(317,280)	(357,410)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>\$ (172,713)</b>	<b>\$ -</b>	<b>\$ (172,713)</b>	<b>\$ (186,540)</b>
<b>INCOME BEFORE OPERATING TRANSFERS</b>	<b>\$ 237,173</b>	<b>\$ 256,190</b>	<b>\$ 493,363</b>	<b>\$ 375,950</b>
<b>OPERATING TRANSFERS</b>				
Operating transfers in	80,000	-	80,000	35,000
<b>NET INCOME</b>	<b>\$ 317,173</b>	<b>\$ 256,190</b>	<b>\$ 573,363</b>	<b>\$ 410,950</b>
<b>RETAINED EARNINGS/FUND BALANCES AT BEGINNING OF YEAR</b>				
	<u>1,722,199</u>	<u>1,323,397</u>	<u>3,045,596</u>	<u>2,634,640</u>
<b>RETAINED EARNINGS/FUND BALANCES AT END OF YEAR</b>	<b><u>\$ 2,039,372</u></b>	<b><u>\$ 1,579,587</u></b>	<b><u>\$ 3,618,959</u></b>	<b><u>\$ 3,045,590</u></b>

See accompanying notes.

CITY OF HOLLY HILL, FLORIDA  
 COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION  
 ALL PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	PROPRIETARY FUND TYPE ENTERPRISE	FIDUCIARY FUND TYPE PENSION FUND	TOTALS (MEMORANDUM ONLY) 1987      1986	
<b>SOURCES OF FUNDS</b>				
From operations:				
Net income	\$ 317,173	\$ 256,190	\$ 573,363	\$ 410,954
Add: Items not affecting working capital -				
depreciation and amortization	256,296	-	256,296	163,624
Loss on disposal of property and equipment	<u>277</u>	<u>-</u>	<u>277</u>	<u>155</u>
<b>WORKING CAPITAL PROVIDED BY OPERATIONS</b>	<b>\$ 573,746</b>	<b>\$ 256,190</b>	<b>\$ 829,936</b>	<b>\$ 574,733</b>
Increase in contributed capital	75,822	-	75,822	130,435
Proceeds from disposal of property equipment	-	-	-	220
Net decrease in restricted assets	-	-	-	238,798
Increase in obligation for compensated absences	<u>767</u>	<u>-</u>	<u>767</u>	<u>7,322</u>
	<u>\$ 650,335</u>	<u>\$ 256,190</u>	<u>\$ 906,525</u>	<u>\$ 951,508</u>
<b>APPLICATION OF FUNDS</b>				
Net decrease in restricted liabilities	\$ 16,013	\$ -	\$ 16,013	\$ 237,402
Additions to property, plant and equipment	21,952	-	21,952	228,693
Decrease in other liabilities	355,000	-	355,000	345,000
Net increase in restricted assets	<u>183,466</u>	<u>-</u>	<u>183,466</u>	<u>-</u>
	<u>\$ 576,431</u>	<u>\$ -</u>	<u>\$ 576,431</u>	<u>\$ 811,095</u>
<b>INCREASE IN WORKING CAPITAL</b>	<b><u>\$ 73,904</u></b>	<b><u>\$ 256,190</u></b>	<b><u>\$ 330,094</u></b>	<b><u>\$ 140,413</u></b>
<b>CHANGES IN WORKING CAPITAL</b>				
Increase (decrease) in current assets:				
Cash	\$ (154,117)	\$ 24,434	\$ (129,683)	\$ (93,464)
Investments	280,391	231,756	512,147	249,992
Accounts receivable	12,600	-	12,600	16,810
Other receivables	(601)	-	(601)	(1,231)
Due from other funds	(39,605)	-	(39,605)	29,238
Due from other governments	-	-	-	(26,778)
Prepaid insurance	<u>(9,712)</u>	<u>-</u>	<u>(9,712)</u>	<u>7,900</u>
	<u>\$ 88,956</u>	<u>\$ 256,190</u>	<u>\$ 345,146</u>	<u>\$ 182,467</u>
Increase (decrease) in current liabilities:				
Accounts payable	\$ 3,950	\$ -	\$ 3,950	\$ 9,547
Accrued liabilities	667	-	667	4,229
Due to other funds	(3,639)	-	(3,639)	9,498
Customer deposits	<u>14,074</u>	<u>-</u>	<u>14,074</u>	<u>18,780</u>
	<u>\$ 15,052</u>	<u>\$ -</u>	<u>\$ 15,052</u>	<u>\$ 42,054</u>
<b>INCREASE IN WORKING CAPITAL</b>	<b><u>\$ 73,904</u></b>	<b><u>\$ 256,190</u></b>	<b><u>\$ 330,094</u></b>	<b><u>\$ 140,413</u></b>

See accompanying notes.

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CITY OF HOLLY HILL, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1987

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Holly Hill, Florida is a political subdivision of the State of Florida located in Volusia County. The legislative branch of the City is composed of a four (4) member elected Council. The City Council is governed by the City Charter and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council appointed City Manager.

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. Reporting Entity:

The accompanying financial statements present the financial position, results of operations and changes in financial position of the applicable fund types and account groups governed by the City Council of the City of Holly Hill, Florida in accordance with NCGA Statement No. 3, "Defining the Governmental Reporting Entity," and subsequent Interpretation No. 7 clarifying the application of Statement No. 3.

The reporting entity for the City includes all functions of government in which the City Council exercises oversight responsibility. Oversight responsibility includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

As a result of applying the above reporting entity criteria, no component units exist in which the City has any oversight responsibilities which would require inclusion in the City's financial statements.

The following overlapping governmental reporting entities are excluded from the City's financial statements because the City does not exercise any direct or indirect oversight responsibilities:

- . Volusia County
- . Volusia County School District
- . Halifax Hospital District
- . St. Johns Water Management District

CITY OF HOLLY HILL, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1987

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.

B. 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.

C. 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) are 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 Types.

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.

D. 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) Intergovernmental revenues; (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.

CITY OF HOLLY HILL, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1987

The Proprietary Fund Types 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.

E. 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.
- (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.

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F. Accounts Receivable:

Unbilled Utility Accounts Receivable - Water, sewer, trash, refuse and stormwater management operating revenues are generally recognized on the basis of cycle billings rendered monthly. The unbilled portion was accrued at year end by calculating the cycle billing the City sent its customers in October and prorating the amount of days applicable to the current year.

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 Finance Director. 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 4.138.

The property tax calendar is as follows:

Valuation Date	January 1, 1986
Property Appraiser prepares the assessment roll with values as of January 1, 1986, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations.	July 1, 1986
City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate(s) for the coming fiscal year.	September 1986
Property Appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable. (Levy date)	November 1, 1986

A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes may be paid November 1986 through March 1987, with the following applicable discounts -

<u>Month</u>	<u>Discount Percent</u>	
November	4 %	
December	3	
January	2	November 1, 1986
February	1	through
March	0	March 31, 1987

CITY OF HOLLY HILL, FLORIDA  
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All unpaid taxes on real and tangible personal property become delinquent. April 1, 1987

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. April and May 1987

Tax certificates are sold on all real estate parcels with unpaid real property taxes. (Lien date) June 1, 1987

A court order is obtained authorizing the seizure and sale of personal property if the taxpayer fails to pay the delinquent personal property taxes. June 1987

In accordance with National Council on Governmental Accounting (NCGA) Interpretation 3, property taxes that are measurable, but not available, are reported as deferred revenue. The deferred revenues will be recognized in the fiscal year in which they become available.

G. Investments:

Investments are comprised of Certificates of Deposit, U. S. Government Obligations, Repurchase Agreements (collateralized by Treasury Notes and Federal Home Loan Bank) 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.

H. 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.

CITY OF HOLLY HILL, FLORIDA  
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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.

I. Unamortized Bond Issue Costs:

Unamortized bond issue costs are being amortized using a straight-line method over the term of the bond (ten years).

J. 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.

K. 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.

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- L. 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.
- M. Contributed Capital:  
Proprietary Fund contributed capital represents outside contributions from other funds, governmental entities or individuals. The contributions were collected to finance fixed asset additions or other specific expenses.
- N. 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.
- O. 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 these data.
- P. Reclassifications:  
Certain September 30, 1986 account balances have been reclassified in this report to conform with the financial statement presentation used in 1987.

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund type's portion of this pool is included on the combined balance sheet in "Cash" and Investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other City funds.

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A. Deposits and Petty Cash:

At year end, the carrying amount of the City's deposits and petty cash was \$1,189,819 and the bank balance was \$1,326,762. Of the bank balance, \$1,051,646 was held in qualified public depositories, and \$275,116 was covered by collateral held by the pledging institution in the City's name.

B. Investments:

The City's investment policies are governed by state statutes and local ordinances. The basic allowable investment instruments include the Local Government Surplus Funds Trust Fund; negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision or in federal savings and loan associations located in this state and organized under federal law and federal supervision; obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association; obligations of the Federal National Mortgage Association including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association.

The City's investments are categorized to give an indication of the level of risk assumed by the City at September 30, 1987:

Category 1

Category 1 includes investments that are insured or registered and for which the securities are held by the City or its agent in the City's name.

Category 2

Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the City's name.

Category 3

Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name.

CITY OF HOLLY HILL, FLORIDA  
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Carrying values of deposits and investments as of September 30, 1987 are as follows:

Unrestricted:		
Cash		\$ 95,993
Investments		<u>2,613,337</u>
		<u>2,709,330</u>
Restricted:		
Sinking Funds - cash and investments		1,235,462
Construction Fund - cash and investments		439,945
Improvement Fund - cash and investments		71,975
Impact fee - cash and investments		<u>1,007</u>
		<u>1,748,389</u>
Carrying value		<u>\$ 4,457,719</u>

Following is a summary of risk levels assumed by the City at September 30, 1987:

	CATEGORY			CARRYING AMOUNT	MARKET VALUE
	1	2	3		
Deposits and Petty Cash:					
Unrestricted	\$ 297,831	\$ 334,784	\$ -	\$ 632,615	\$ 632,616
Restricted	-	557,203	-	557,203	557,203
Total	<u>297,831</u>	<u>891,987</u>	<u>-</u>	<u>1,189,818</u>	<u>1,189,819</u>
U.S. Government Securities:					
Restricted	-	169,080	-	169,080	169,080
Repurchase Agreements:					
Restricted	-	138,926	-	138,926	138,926
Mutual Funds:					
Unrestricted	-	984,851	-	984,851	1,082,073
Limited Partnerships:					
Unrestricted	-	300,185	-	300,185	300,185
	<u>\$ 297,831</u>	<u>\$2,485,029</u>	<u>\$ -</u>	<u>2,782,860</u>	<u>2,880,083</u>
State Board:					
Unrestricted				791,679	791,679
Restricted				<u>883,180</u>	<u>883,180</u>
Total				<u>1,674,859</u>	<u>1,674,859</u>
Total cash and investments				<u>\$ 4,457,719</u>	<u>\$ 4,554,942</u>

The City has invested in certain types of investments that are in violation of state statutes and/or local ordinances. See Notes 5 and 6.

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
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3. ACCOUNTS RECEIVABLE - NET

The accounts receivable - net amount at September 30, 1987 consists of the following:

	GENERAL FUND	WATER AND SEWER SYSTEM ENTERPRISE FUND
Accounts receivable	\$ 78,152	\$ 126,715
Less: Allowance for doubtful accounts	<u>2,248</u>	<u>7,382</u>
ACCOUNTS RECEIVABLE - NET	<u>\$ 75,904</u>	<u>\$ 119,333</u>

4. UNAMORTIZED BOND ISSUE COSTS

Unamortized bond issue costs at September 30, 1987 consist of the following:

Original costs	\$ 21,222
Less: Accumulated amortization	<u>6,366</u>
	<u>\$ 14,856</u>

5. 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 actuarial 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.

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The funding of pension costs for plan year dated October 1, 1986 is as follows:

	<u>COSTS</u>	<u>% OF PAYROLL</u>
Normal costs	\$ 52,556	11.3 %
Payment required to amortize unfunded actuarial accrued liability	<u>-</u>	<u>-</u>
 TOTAL CONTRIBUTION REQUIRED FOR THE PLAN YEAR	 <u>\$ 52,556</u>	 <u>11.3 %</u>

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, 1987 is as follows:

	<u>COSTS</u>	<u>% OF PAYROLL</u>
Normal cost	\$ 37,167	14.7 %
Payment required to amortize unfunded actuarial accrued liability	<u>5,282</u>	<u>2.1</u>
 TOTAL CONTRIBUTION REQUIRED FOR THE PLAN YEAR	 <u>\$ 42,449</u>	 <u>16.8 %</u>

Actuarial liabilities are determined by consulting actuaries through the state. The unfunded actuarial liabilities at the last valuation date are as follows:

Police Officers' Retirement Trust Fund	\$ -
Firefighters' Retirement System	<u>67,187</u>
 TOTAL UNFUNDED ACTUARIAL LIABILITY	 <u>\$ 67,187</u>

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The City's contribution to the plans for the fiscal year ended September 30, 1987 was as follows:

Police Officers' Retirement Trust Fund	\$ 25,237
Firefighters' Retirement System	<u>9,235</u>
<b>TOTAL CITY CONTRIBUTIONS</b>	<b><u>\$ 34,472</u></b>

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

	<u>POLICE OFFICERS' RETIREMENT TRUST FUND</u>	<u>FIRE- FIGHTERS' RETIREMENT SYSTEM</u>
Vested	\$ 276,209	\$ 415,340
Nonvested	<u>1,189,255</u>	<u>545,244</u>
	<b><u>\$ 1,465,464</u></b>	<b><u>\$ 960,584</u></b>

B. The State of Florida established and manages the Florida Retirement System for 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 13.40% of covered general employees' gross wages and 5.91% of gross wages of the City Manager beginning October 1, 1986. 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, 1987, the City contributed \$212,661 to the plan.

In 1985, Florida Retirement System officials reported that state-wide, the Florida Retirement System had an unfunded liability of approximately \$7.4 billion. They estimate that if certain actuarial assumptions are realized, based on current contributions, it will take approximately 28 years to liquidate this unfunded liability. The next scheduled valuation date is July 1, 1987. No data for this valuation is available at this time.

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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, 1987 is \$20,655.

- 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, 1987, 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	\$ 16,693	\$ 17,157	\$ 464
Stock	76,301	105,414	29,113
Discovery	31,854	36,037	4,183
Bond Fund	63,066	56,526	(6,540)
Mutual	47,839	52,331	4,492
New dimensions	32,856	35,676	2,820
Managed retirement	<u>7,872</u>	<u>8,337</u>	<u>465</u>
 TOTAL OF PORTFOLIO	 <u>\$ 276,481</u>	 <u>\$ 311,478</u>	 <u>\$ 34,997</u>

During the fiscal year ended September 30, 1987, no securities were sold from the portfolio of investments held by the Firefighters' Retirement System.

Investments in the Stock and Bond Funds exceed 10% of total plan assets. Local ordinance provides that individual mutual fund investments may not exceed the indicated percentage.

Investments of the Firefighters' Retirement System include limited partnership interests in Balcor Equity Pension Investors II, Balcor Equity Pension Investors III, JMB Mortgage Partners, Ltd. III, Balcor Pension Investors VI, and JMB Mortgage Partners IV. 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, 1987, 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	\$ 146,897	\$ 149,513	\$ 2,616
Stock	95,095	137,134	42,039
Discovery	31,245	33,593	2,348
Bond Fund	181,634	166,282	(15,352)
Mutual	123,604	137,486	13,882
New dimensions	44,366	50,788	6,422
Growth	29,979	42,234	12,255
Extra income	42,848	41,611	(1,237)
Federal income	12,701	11,953	(748)
 TOTAL OF PORTFOLIO	 <u>\$ 708,369</u>	 <u>\$ 770,594</u>	 <u>\$ 62,225</u>

During the year ended September 30, 1987, no securities were sold from the portfolio of investments held by the Police Officers' Retirement Trust Fund.

Mutual Fund investments of the Police Officers' Retirement Trust Fund exceed 30% of total plan assets. In addition, investments in individual securities exceed 3% of total plan assets. Local ordinance provides that such investments may not exceed the percentages indicated above.

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

6. REVENUE BONDS PAYABLE

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;

CITY OF HOLLY HILL, FLORIDA  
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- (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.

CITY OF HOLLY HILL, FLORIDA  
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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.
- (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.

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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	Variable Rate (7.14-11.43%)	4/1;10/1	4/1/95	\$175-\$1,838

<u>DESCRIPTION</u>	<u>ORIGINAL AMOUNTS ISSUED</u> (in thousands)	<u>AMOUNTS OUTSTANDING AT SEPTEMBER 30, 1986</u> (in thousands)
Water and Sewer:		
Series "A"	\$ 2,800	\$ 1,555
Series "B" - 1970	\$ 900	\$ 180
Series "B" - 1972	\$ 1,000	\$ 1,000
Series - 1984	\$ 3,500	\$ 2,975

The annual principal and interest requirements to amortize all debt outstanding as of September 30, 1987, including interest of \$2,030,579, are as follows:

WATER AND SEWER  
 ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT  
 SEPTEMBER 30, 1987

<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>
1988	\$ 160,420	\$ 89,050	\$ 58,050	\$ 334,534	\$ 642,054
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 <sup>(2)</sup>	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>	<u>\$ 1,972,937</u>	<u>\$ 193,437</u>	<u>\$ 1,438,671</u>	<u>\$ 4,135,534</u>	<u>\$ 7,740,579</u>

(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 1989-1994.

(2) The City has adopted a financial plan to accumulate a reserve for this balloon payment through annual funding of the reserve.

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 SEPTEMBER 30, 1987

F. 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 and in the Florida State Board of Administration Pool to obtain higher earning yields.

7. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	BALANCE OCTOBER 1, 1986	ADDITIONS	DELETIONS	BALANCE SEPTEMBER 30, 1987
Land	\$ 159,098	\$ 850,193	\$ -	\$ 1,009,291
Buildings	608,964	87,082	-	696,046
Improvements other than buildings	3,084,601	216,777	-	3,301,378
Machinery and equipment	1,895,807	164,892	77,815	1,982,884
TOTAL GENERAL FIXED ASSETS	<u>\$ 5,748,470</u>	<u>\$ 1,318,944</u>	<u>\$ 77,815</u>	<u>\$ 6,989,599</u>

Current year fixed asset additions include gifts and confiscated property totalling \$8,825.

8. CHANGES IN GENERAL LONG-TERM DEBT

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

	BALANCE OCTOBER 1, 1986	NOTES PAYABLE		OBLIGATION FOR COMPENSATED ABSENCES		BALANCE SEPTEMBER 30, 1987
		ISSUED	RETIRED	EARNED	USED	
Note payable - pension backfunding	\$ 26,717	\$ -	\$ 6,062	\$ -	\$ -	\$ 20,655
Note payable - Sun Bank of Volusia County - garbage trucks	16,000	-	16,000	-	-	-
Note payable - Sun Bank of Volusia County - garbage truck	100,000	-	33,333	-	-	66,667
Obligation for compensated absences	137,829	-	-	121,386	98,745	160,470
TOTAL GENERAL LONG-TERM DEBT	<u>\$ 280,546</u>	<u>\$ -</u>	<u>\$ 55,395</u>	<u>\$ 121,386</u>	<u>\$ 98,745</u>	<u>\$ 247,792</u>

CITY OF HOLLY HILL, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1987

Notes payable are summarized as follows:

<u>LENDOR/PURPOSE</u>	<u>PRINCIPAL PAYMENT AMOUNT</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>BALANCE 9/30/87</u>	<u>SECURITY PLEDGED</u>
Florida Retirement System/pension backfunding	Variable	6/30/90	6.50 %	\$ 20,655	Unsecured
Sun Bank of Volusia County - sanitation truck	\$ 33,333/ per year	6/6/89	7.00 %	<u>66,667</u>	1 sanitation truck
TOTAL NOTES PAYABLE				<u>\$ 87,322</u>	

Principal payments of the notes are due as follows:

<u>YEAR ENDING SEPTEMBER 30,</u>	
1988	\$ 39,789
1989	40,210
1990	<u>7,323</u>
	<u>\$ 87,322</u>

Compensated absences are accrued as liability in the General Long-Term Debt Account Group at pay rates effective September 30, 1987 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 currently eligible for retirement.

9. FUND ACCOUNTS

Individual fund interfund receivables and payables at September 30, 1987 consist of the following:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$ 17,480	\$ 29,482
Water and Sewer System Fund	<u>29,482</u>	<u>17,480</u>
	<u>\$ 46,962</u>	<u>\$ 46,962</u>

10. COMMITMENTS AND CONTINGENCIES

A. Litigation:

Various suits arising in the ordinary course of City operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the City, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claims arose or otherwise materially affect the financial position or results of operations for the City.

B. Disputed Claim:

In a dispute arising during the 1985 fiscal year, the City of Ormond Beach contends that additional funds are due from the City of Holly Hill for additional landfill costs incurred by the City of Ormond Beach. The City of Holly Hill is negotiating with the City of Ormond Beach to settle the claim.

11. SUBSEQUENT EVENTS

A. Firefighters' Retirement System:

A decline in the stock market subsequent to September 30, 1987 decreased the market value of Firefighters' Retirement System investments from that reported in Note 5 to approximately \$262,664 at November 20, 1987. This results in a net unrealized loss of \$13,817. Management intends to hold the investments long-term, therefore, no provision was made for the market loss.

B. Police Officers' Retirement Trust Fund:

A decline in the stock market subsequent to September 30, 1987 decreased the market value of Police Officers' Retirement Trust Fund investments from that reported in Note 5 to approximately \$712,621 at November 20, 1987. This reduced the net unrealized gain to \$4,252.

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COMBINING STATEMENTS - BY FUND TYPE

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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, 1987

	<u>1987</u>	<u>1986</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 77	\$ 154,194
Investments - at cost	383,739	103,348
Accounts receivable - net	119,333	106,733
Other receivables	-	601
Due from other funds	29,482	69,087
Prepaid insurance	5,977	15,689
	<u>538,608</u>	<u>449,652</u>
TOTAL CURRENT ASSETS	\$ 538,608	\$ 449,652
RESTRICTED ASSETS		
Sinking Funds:		
Cash and investments	\$ 1,235,462	\$ 1,105,928
Accrued interest receivable	6,219	6,180
Construction Fund:		
Cash and investments	439,945	425,385
Accrued interest receivable	1,757	3,994
Improvement Fund:		
Cash and investments	71,975	30,454
Impact fee:		
Cash and investments	1,007	958
	<u>1,756,365</u>	<u>1,572,899</u>
TOTAL RESTRICTED ASSETS	\$ 1,756,365	\$ 1,572,899
PROPERTY, PLANT AND EQUIPMENT		
Land	\$ 25,298	\$ 25,298
Buildings	5,467,485	5,467,485
Improvements other than buildings	4,481,453	4,477,553
Machinery and equipment	227,202	224,269
Construction in progress	79,203	67,500
	<u>10,280,641</u>	<u>\$ 10,262,105</u>
less: accumulated depreciation	2,292,848	2,041,813
	<u>\$ 7,987,793</u>	<u>\$ 8,220,292</u>
OTHER ASSETS		
Refundable deposits	\$ 1,660	\$ 1,660
Unamortized bond issue costs	14,856	16,978
	<u>\$ 16,516</u>	<u>\$ 18,638</u>
TOTAL ASSETS	<u>\$ 10,299,282</u>	<u>\$ 10,261,481</u>

See accompanying notes.

	<u>1987</u>	<u>1986</u>
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)		
Accounts payable	\$ 25,098	\$ 21,148
Accrued liabilities	11,698	11,031
Due to other funds	17,480	21,119
Customer deposits	<u>271,272</u>	<u>257,198</u>
TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)	<u>\$ 325,548</u>	<u>\$ 310,496</u>
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)		
Current portion of revenue bonds payable	\$ 355,000	\$ 345,000
Accounts payable	3,909	13,598
Accrued interest payable	<u>86,199</u>	<u>102,523</u>
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	<u>\$ 445,108</u>	<u>\$ 461,121</u>
LONG-TERM DEBT AND OTHER LIABILITIES		
Revenue bonds payable	\$ 5,355,000	\$ 5,710,000
Obligation for compensated absences	25,281	24,514
	<u>\$ 5,380,281</u>	<u>\$ 5,734,514</u>
TOTAL LIABILITIES	<u>\$ 6,150,937</u>	<u>\$ 6,506,131</u>
COMMITMENTS AND CONTINGENCIES		
FUND EQUITY		
Contributed capital:		
Contribution from federal government	\$ 919,421	\$ 919,421
Contribution from customers	1,189,552	1,113,730
Retained earnings:		
Reserved for Improvement Fund	71,975	30,454
Reserved for retirement of revenue bonds	800,482	664,585
Unreserved	<u>1,166,915</u>	<u>1,027,160</u>
TOTAL FUND EQUITY	<u>\$ 4,148,345</u>	<u>\$ 3,755,350</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 10,299,282</u>	<u>\$ 10,261,481</u>

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, 1987

	<u>1987</u>	<u>1986</u>
OPERATING REVENUES		
Water sales	\$ 872,471	\$ 794,738
Service charges	16,268	392
Cut-off charges	7,302	7,611
Hydrant rental	9,345	8,973
Sewer charges	918,992	820,569
Other income	350	507
TOTAL OPERATING REVENUES	<u>\$ 1,824,728</u>	<u>\$ 1,632,790</u>
OPERATING EXPENSES		
Water service	\$ 471,687	\$ 455,768
Sewer service	396,829	410,430
Administrative charges and services	290,030	267,326
TOTAL OPERATING EXPENSES	<u>\$ 1,158,546</u>	<u>\$ 1,133,524</u>
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	\$ 666,182	\$ 499,266
DEPRECIATION AND AMORTIZATION EXPENSE	<u>256,296</u>	<u>163,624</u>
OPERATING INCOME	<u>\$ 409,886</u>	<u>\$ 335,642</u>
NONOPERATING REVENUE		
Payment from General Fund - Public Works building rental	\$ 13,000	\$ 13,000
Interest revenue	122,175	141,753
Other income	9,392	16,119
TOTAL NONOPERATING REVENUE	<u>\$ 144,567</u>	<u>\$ 170,872</u>
NONOPERATING EXPENSES - Interest expense and fiscal agent fees	<u>\$ 317,280</u>	<u>\$ 357,414</u>
INCOME BEFORE OPERATING TRANSFERS	\$ 237,173	\$ 149,100
OPERATING TRANSFERS		
Operating transfers in	<u>80,000</u>	<u>35,000</u>
NET INCOME	\$ 317,173	\$ 184,100
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>1,722,199</u>	<u>1,538,099</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$ 2,039,372</u></u>	<u><u>\$ 1,722,199</u></u>

See accompanying notes.

CITY OF HOLLY HILL, FLORIDA  
WATER AND SEWER SYSTEM FUND  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 1987

	<u>1987</u>	<u>1986</u>
<b>SOURCES OF FUNDS</b>		
From operations:		
Net income	\$ 317,173	\$ 184,100
Add: Items not affecting working capital -		
depreciation and amortization	256,296	163,624
Loss on disposal of equipment	<u>277</u>	<u>155</u>
<b>WORKING CAPITAL PROVIDED BY OPERATIONS</b>	<b>\$ 573,746</b>	<b>\$ 347,879</b>
Increase in contributed capital	75,822	130,435
Proceeds from disposal of property, plant and equipment	-	220
Net decrease in restricted assets	-	238,798
Increase in obligation for compensated absences	<u>767</u>	<u>7,322</u>
	<u>\$ 650,335</u>	<u>\$ 724,654</u>
<b>APPLICATION OF FUNDS</b>		
Net decrease in restricted liabilities	\$ 16,013	\$ 237,402
Additions to property, plant and equipment	21,952	228,693
Decrease in revenue bonds payable	355,000	345,000
Net increase in restricted assets	<u>183,466</u>	<u>-</u>
	<u>\$ 576,431</u>	<u>\$ 811,095</u>
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>	<b><u>\$ 73,904</u></b>	<b><u>\$ (86,441)</u></b>
<b>CHANGES IN WORKING CAPITAL</b>		
Increase (decrease) in current assets:		
Cash	\$ (154,117)	\$ (87,153)
Investments	280,391	(9,951)
Accounts receivable	12,600	16,810
Other receivables	(601)	(1,231)
Due from other funds	(39,605)	29,238
Prepaid insurance	(9,712)	7,900
	<u>\$ 88,956</u>	<u>\$ (44,387)</u>
Increase (decrease) in current liabilities:		
Accounts payable	\$ 3,950	\$ 9,547
Accrued liabilities	667	4,229
Due to other funds	(3,639)	9,498
Customer deposits	14,074	18,780
	<u>\$ 15,052</u>	<u>\$ 42,054</u>
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>	<b><u>\$ 73,904</u></b>	<b><u>\$ (86,441)</u></b>

See accompanying notes.

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## 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.

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CITY OF HOLLY HILL, FLORIDA

COMBINING BALANCE SHEET

PENSION TRUST FUNDS

SEPTEMBER 30, 1987

	POLICE OFFICERS' RETIREMENT TRUST	FIRE- FIGHTERS' RETIREMENT SYSTEM	TOTALS 1987	TOTALS 1986
<u>ASSETS</u>				
Cash	\$ 19,993	\$ 35,767	\$ 55,760	\$ 31,326
Investments	<u>972,012</u>	<u>551,815</u>	<u>1,523,827</u>	<u>1,292,071</u>
<b>TOTAL ASSETS</b>	<u>\$ 992,005</u>	<u>\$ 587,582</u>	<u>\$ 1,579,587</u>	<u>\$ 1,323,397</u>
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES	\$ -	\$ -	\$ -	\$ -
COMMITMENTS AND CONTINGENCIES				
FUND EQUITY				
Fund balances:				
Reserved -				
Reserved for police and fire pensions	<u>992,005</u>	<u>587,582</u>	<u>1,579,587</u>	<u>1,323,397</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 992,005</u>	<u>\$ 587,582</u>	<u>\$ 1,579,587</u>	<u>\$ 1,323,397</u>

See accompanying notes.

CITY OF HOLLY HILL, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
 PENSION TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	POLICE OFFICERS' RETIREMENT TRUST	FIRE- FIGHTERS' RETIREMENT SYSTEM	TOTALS 1987	TOTALS 1986
OPERATING REVENUES				
Contributions	\$ 69,435	\$ 52,468	\$ 121,903	\$ 102,824
Interest and dividends	107,780	52,197	159,977	129,937
Miscellaneous	-	-	-	18,089
TOTAL OPERATING REVENUES	<u>\$ 177,215</u>	<u>\$ 104,665</u>	<u>\$ 281,880</u>	<u>\$ 250,850</u>
OPERATING EXPENSES				
Benefit payments	\$ 15,380	\$ 710	\$ 16,090	\$ 20,473
Refunds	-	-	-	1,488
Miscellaneous	5,997	3,603	9,600	2,035
TOTAL OPERATING EXPENSES	<u>\$ 21,377</u>	<u>\$ 4,313</u>	<u>\$ 25,690</u>	<u>\$ 23,996</u>
NET INCOME	\$ 155,838	\$ 100,352	\$ 256,190	\$ 226,854
FUND BALANCES AT BEGINNING OF YEAR	<u>836,167</u>	<u>487,230</u>	<u>1,323,397</u>	<u>1,096,543</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 992,005</u></u>	<u><u>\$ 587,582</u></u>	<u><u>\$ 1,579,587</u></u>	<u><u>\$ 1,323,397</u></u>

See accompanying notes.

CITY OF HOLLY HILL, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION  
 PENSION TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	POLICE OFFICERS' RETIREMENT TRUST	FIRE- FIGHTERS' RETIREMENT SYSTEM	1987	TOTALS 1986
<b>SOURCES OF WORKING CAPITAL</b>				
Operations:				
Net income	\$ 155,838	\$ 100,352	\$ 256,190	\$ 226,854
<b>USES OF WORKING CAPITAL</b>				
	-	-	-	-
NET INCREASE IN WORKING CAPITAL	<u>\$ 155,838</u>	<u>\$ 100,352</u>	<u>\$ 256,190</u>	<u>\$ 226,854</u>
<b>CHANGES IN WORKING CAPITAL</b>				
Increase (decrease) in current assets:				
Cash	\$ (325)	\$ 24,759	\$ 24,434	\$ (6,311)
Investments	156,163	75,593	231,756	259,943
Due from other governments	-	-	-	(26,778)
	<u>\$ 155,838</u>	<u>\$ 100,352</u>	<u>\$ 256,190</u>	<u>\$ 226,854</u>
Increase (decrease) in current liabilities	-	-	-	-
NET INCREASE IN WORKING CAPITAL	<u>\$ 155,838</u>	<u>\$ 100,352</u>	<u>\$ 256,190</u>	<u>\$ 226,854</u>

See accompanying notes.

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**SUPPORTING SCHEDULES**

## GENERAL FUND

## SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
<b>TAXES</b>				
Ad valorem taxes	\$ 829,000	\$ 829,286	\$ 286	\$ 612,107
Delinquent ad valorem taxes	6,000	4,906	(1,094)	5,465
Utility taxes	451,000	449,074	(1,926)	431,020
Utility franchise fees	451,600	453,873	2,273	468,496
<b>TOTAL TAXES</b>	<b>\$ 1,737,600</b>	<b>\$ 1,737,139</b>	<b>\$ (461)</b>	<b>\$ 1,517,088</b>
<b>LICENSES AND PERMITS</b>				
Professional and occupational licenses	\$ 75,000	\$ 77,506	\$ 2,506	\$ 80,920
City share/County licenses	20,000	18,507	(1,493)	19,221
Building permits	15,000	15,349	349	21,643
Other licenses and permits	20,000	21,579	1,579	26,579
<b>TOTAL LICENSES AND PERMITS</b>	<b>\$ 130,000</b>	<b>\$ 132,941</b>	<b>\$ 2,941</b>	<b>\$ 148,363</b>
<b>INTERGOVERNMENTAL REVENUE</b>				
State shared revenues:				
General Government -				
State Revenue Sharing	\$ 316,000	\$ 342,201	\$ 26,201	\$ 327,424
DNR State Grant	150,000	-	(150,000)	-
Mobile home licenses	12,000	12,164	164	11,884
Alcoholic beverage licenses	9,000	7,534	(1,466)	8,137
Local government half-cent sales tax	323,000	325,938	2,938	301,071
2-cent cigarette tax	54,000	49,484	(4,516)	51,853
Department of community affairs	17,400	17,366	(34)	-
Transportation -				
Rebate on municipal vehicles	3,500	2,449	(1,051)	3,934
Shared revenues from other local units:				
Port Authority	334,100	334,100	-	-
County two-cent gas tax	165,000	166,190	1,190	164,651
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>\$ 1,384,000</b>	<b>\$ 1,257,426</b>	<b>\$ (126,574)</b>	<b>\$ 868,954</b>
<b>CHARGES FOR SERVICES</b>				
General Government charges:				
Zoning fees	\$ 1,500	\$ 2,300	\$ 800	\$ 1,350
Sale of maps and publications	1,000	996	(4)	705
Certifications - Xerox copies	1,500	893	(607)	2,115
Public Safety charges:				
Police services	2,500	3,369	869	4,340
Physical Environment charges:				
Trash sales	351,000	352,771	1,771	315,731
Refuse sales	476,000	477,607	1,607	401,181
Stormwater drainage	27,500	27,195	(305)	-
Culture and Recreation charges:				
Program activity fees	43,500	44,933	1,433	34,770
Promotional sales	500	50	(450)	1,170
Civic Center (Sica Hall)	8,000	6,887	(1,113)	6,250
Other charges for services:				
Transfer from Enterprise operations	274,500	274,500	-	261,500
<b>TOTAL CHARGES FOR SERVICES</b>	<b>\$ 1,187,500</b>	<b>\$ 1,191,501</b>	<b>\$ 4,001</b>	<b>\$ 1,029,131</b>

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
<b>FINES AND FORFEITURES</b>				
Court fines	\$ 61,200	\$ 81,165	\$ 19,965	\$ 36,654
Confiscated property	4,370	4,370	-	-
Police education	3,000	4,169	1,169	2,736
<b>TOTAL FINES AND FORFEITURES</b>	<b>\$ 68,570</b>	<b>\$ 89,704</b>	<b>\$ 21,134</b>	<b>\$ 39,390</b>
<b>MISCELLANEOUS REVENUES</b>				
Miscellaneous revenue	\$ 11,000	\$ 14,281	\$ 3,281	\$ 7,938
Interest earnings	87,100	85,335	(1,765)	104,794
Surplus sales, equipment, etc.	2,000	1,911	(89)	815
Insurance proceeds, loss of equipment	8,500	8,303	(197)	3,076
Lime and sludge bed cleaning	5,000	6,640	1,640	9,791
County - Alabama Avenue	-	-	-	48,853
Contributions and donations	1,000	870	(130)	20,000
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>\$ 114,600</b>	<b>\$ 117,340</b>	<b>\$ 2,740</b>	<b>\$ 195,267</b>
<b>TOTAL REVENUES</b>	<b>\$ 4,622,270</b>	<b>\$ 4,526,051</b>	<b>\$ (96,219)</b>	<b>\$ 3,798,192</b>
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	\$ -	\$ -	\$ -	\$ 1,645
Loan proceeds	-	-	-	100,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 101,645</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 4,622,270</b>	<b>\$ 4,526,051</b>	<b>\$ (96,219)</b>	<b>\$ 3,899,837</b>

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
<b>GENERAL GOVERNMENT</b>				
City Council:				
Personal services -				
Executive salaries	\$ 13,200	\$ 13,200	\$ -	\$ 13,200
FICA taxes	950	944	6	940
Retirement contributions	1,750	1,734	16	1,561
Life and health insurance contributions	3,500	3,074	426	3,666
Training and travel	7,000	5,299	1,701	6,523
	<u>\$ 26,400</u>	<u>\$ 24,251</u>	<u>\$ 2,149</u>	<u>\$ 25,890</u>
Operating expenses -				
Other charges and obligations	\$ 100	\$ 91	\$ 9	\$ 268
Subscriptions and memberships	1,200	990	210	920
	<u>\$ 1,300</u>	<u>\$ 1,081</u>	<u>\$ 219</u>	<u>\$ 1,188</u>
TOTAL CITY COUNCIL	<u>\$ 27,700</u>	<u>\$ 25,332</u>	<u>\$ 2,368</u>	<u>\$ 27,078</u>
City Manager:				
Personal services -				
Executive salaries	\$ 42,500	\$ 41,762	\$ 738	\$ 33,986
Regular salaries and wages	75,700	75,623	77	72,098
Overtime - regular employees	800	186	614	209
Uniforms	600	376	224	541
FICA taxes	8,700	8,456	244	7,629
Retirement contributions	15,200	14,911	289	14,983
Life and health insurance contributions	4,200	4,139	61	3,576
Training and travel	2,500	2,039	461	1,716
Other personal services	-	-	-	1,318
	<u>\$ 150,200</u>	<u>\$ 147,492</u>	<u>\$ 2,708</u>	<u>\$ 136,056</u>
Operating expenses -				
Telephone/communication services	\$ 1,200	\$ 598	\$ 602	\$ 899
Repair and maintenance services	5,000	3,398	1,602	871
Other charges and obligations	14,000	7,907	6,093	8,493
Office supplies	1,500	1,225	275	777
Subscriptions and memberships	1,800	1,673	127	1,423
Vehicle expenses	1,800	1,512	288	1,109
	<u>\$ 25,300</u>	<u>\$ 16,313</u>	<u>\$ 8,987</u>	<u>\$ 13,572</u>
TOTAL CITY MANAGER	<u>\$ 175,500</u>	<u>\$ 163,805</u>	<u>\$ 11,695</u>	<u>\$ 149,628</u>
Finance and Administration:				
Personal services -				
Executive salaries	\$ 66,300	\$ 63,006	\$ 3,294	\$ 61,050
Regular salaries and wages	124,500	121,857	2,643	112,127
Overtime - regular employees	11,500	11,329	171	8,668
FICA taxes	14,600	14,027	573	12,958
Retirement contributions	26,500	26,268	232	22,233
Life and health insurance contributions	6,000	5,396	604	5,770
Training and travel	4,000	3,639	361	3,501
	<u>\$ 253,400</u>	<u>\$ 245,522</u>	<u>\$ 7,878</u>	<u>\$ 226,307</u>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
GENERAL GOVERNMENT - (continued)				
Finance and Administration - (continued):				
Operating expenses -				
Professional services	\$ 195,000	\$ 189,295	\$ 5,705	\$ 68,863
Engineering services	64,000	34,198	29,802	35,787
Accounting and auditing services	33,000	30,210	2,790	29,999
Telephone/communication services	4,000	3,061	939	6,032
Postage, freight and express	20,000	18,135	1,865	19,186
Rentals and leases	300	159	141	89
Repair and maintenance service	19,000	14,460	4,540	12,906
Other charges and obligations	1,200	2,570	(1,370)	3,552
Office supplies	12,500	11,088	1,412	8,542
Subscriptions and memberships	600	546	54	315
Printing and binding	4,200	4,149	51	1,684
	<u>\$ 353,800</u>	<u>\$ 307,871</u>	<u>\$ 45,929</u>	<u>\$ 186,955</u>
TOTAL FINANCE AND ADMINISTRATION	<u>\$ 607,200</u>	<u>\$ 553,393</u>	<u>\$ 53,807</u>	<u>\$ 413,262</u>
Civil Services:				
Personal services -				
Salaries and wages - part-time	\$ 5,000	\$ 4,756	\$ 244	\$ 4,638
FICA taxes	400	340	60	330
Retirement contributions	700	625	75	568
Training and travel	400	-	400	-
	<u>\$ 6,500</u>	<u>\$ 5,721</u>	<u>\$ 779</u>	<u>\$ 5,536</u>
Operating expenses -				
Professional services	\$ 1,000	\$ -	\$ 1,000	\$ -
Telephone/communication services	900	297	603	268
Utility services	1,200	833	367	923
Repair and maintenance service	1,000	199	801	233
Other charges and obligations	900	107	793	85
Advertising	2,000	375	1,625	796
Office supplies	500	198	302	277
	<u>\$ 7,500</u>	<u>\$ 2,009</u>	<u>\$ 5,491</u>	<u>\$ 2,582</u>
Capital outlay -				
Equipment	\$ 1,000	\$ -	\$ 1,000	\$ 1,221
TOTAL CIVIL SERVICES	<u>\$ 15,000</u>	<u>\$ 7,730</u>	<u>\$ 7,270</u>	<u>\$ 9,339</u>
Other Services:				
Personal services -				
Retirement buy-back plan	\$ 7,800	\$ 7,799	\$ 1	\$ 7,799
Workers' compensation	119,000	114,356	4,644	125,375
Unemployment insurance	8,500	5,476	3,024	1,116
Other personal services	17,600	17,540	60	16,675
	<u>\$ 152,900</u>	<u>\$ 145,171</u>	<u>\$ 7,729</u>	<u>\$ 150,965</u>
Operating expenses -				
Utility services	\$ 9,000	\$ 8,063	\$ 937	\$ 8,445
Nonemployee insurance	128,000	110,479	17,521	120,594
Repair and maintenance service	1,200	741	459	4,189
Advertising	7,500	4,955	2,545	7,239
Operating supplies	4,400	3,593	807	4,390
Election expenses	1,800	1,729	71	7,024
Grants and aids	15,600	15,599	1	15,599
	<u>\$ 167,500</u>	<u>\$ 145,159</u>	<u>\$ 22,341</u>	<u>\$ 167,480</u>
TOTAL OTHER SERVICES	<u>\$ 320,400</u>	<u>\$ 290,330</u>	<u>\$ 30,070</u>	<u>\$ 318,445</u>

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
GENERAL GOVERNMENT - (continued)				
Capital outlay:				
Buildings	\$ 800	\$ 740	\$ 60	\$ -
Machinery and equipment	11,800	11,785	15	31,652
	<u>\$ 12,600</u>	<u>\$ 12,525</u>	<u>\$ 75</u>	<u>\$ 31,652</u>
 TOTAL GENERAL GOVERNMENT	 <u>\$ 1,158,400</u>	 <u>\$ 1,053,115</u>	 <u>\$ 105,285</u>	 <u>\$ 949,404</u>
PUBLIC SAFETY				
Law Enforcement:				
Personal services -				
Executive salaries	\$ 35,700	\$ 34,155	\$ 1,545	\$ 32,349
Regular salaries and wages	553,600	545,878	7,722	502,595
Other salaries and wages	15,000	11,180	3,820	14,569
Overtime - regular employees	68,000	59,113	8,887	38,251
Incentive pay and award	15,500	14,010	1,490	12,595
Uniforms	9,000	7,146	1,854	6,252
FICA taxes	49,000	47,501	1,499	42,961
Retirement contributions	51,000	42,540	8,460	37,716
Life and health insurance contributions	19,000	17,906	1,094	19,800
Training and travel	4,000	2,614	1,386	2,796
Training and travel/2nd \$ Fund	3,000	1,022	1,978	1,885
	<u>\$ 822,800</u>	<u>\$ 783,065</u>	<u>\$ 39,735</u>	<u>\$ 711,769</u>
Operating expenses -				
Contractual services/animal control	\$ 8,400	\$ 8,308	\$ 92	\$ 6,063
Telephone/communication services	7,000	6,466	534	8,034
Postage, freight and express	1,000	800	200	735
Utility services	8,000	6,825	1,175	7,539
Rentals and leases	1,100	1,008	92	1,008
Repair and maintenance service	12,100	10,516	1,584	10,373
Other charges and obligations	3,700	2,210	1,490	794
Office supplies	6,000	4,001	1,999	3,879
Operating supplies	9,500	8,601	899	7,079
Subscriptions and memberships	600	394	206	419
Vehicle expenses	40,000	38,443	1,557	49,679
Program expense/Police Explorers	1,500	247	1,253	1,026
	<u>\$ 98,900</u>	<u>\$ 87,819</u>	<u>\$ 11,081</u>	<u>\$ 96,628</u>
Capital outlay -				
Buildings	\$ 1,200	\$ 504	\$ 696	\$ 1,082
Improvements other than buildings	2,500	1,950	550	-
Machinery and equipment	32,500	32,034	466	32,186
Equipment - Law Enforcement Trust Fund	4,100	4,045	55	-
	<u>\$ 40,300</u>	<u>\$ 38,533</u>	<u>\$ 1,767</u>	<u>\$ 33,268</u>
 TOTAL LAW ENFORCEMENT	 <u>\$ 962,000</u>	 <u>\$ 909,417</u>	 <u>\$ 52,583</u>	 <u>\$ 841,665</u>
Fire Control:				
Personal services -				
Executive salaries	\$ 34,800	\$ 34,143	\$ 657	\$ 31,118
Regular salaries and wages	219,200	219,192	8	201,047
Other salaries and wages	13,500	13,170	330	16,365
Overtime - regular employees	20,200	20,054	146	18,563
Uniforms	3,000	2,252	748	1,204
FICA taxes	19,800	19,547	253	17,865
Retirement contributions	10,100	9,295	805	8,334
Life and health insurance contributions	6,900	6,870	30	6,210
Training and travel	1,500	1,373	127	1,426
	<u>\$ 329,000</u>	<u>\$ 325,896</u>	<u>\$ 3,104</u>	<u>\$ 302,132</u>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
PUBLIC SAFETY - (continued)				
Fire Control - (continued):				
Operating expenses -				
Telephone/communication services	\$ 3,600	\$ 2,958	\$ 642	\$ 3,673
Postage, freight and express	200	140	60	119
Utility services	1,800	1,667	133	1,846
Rentals and leases	9,400	9,075	325	8,973
Repair and maintenance service	3,500	3,361	139	4,104
Other charges and obligations	400	268	132	143
Office supplies	400	287	113	184
Operating supplies	5,500	4,728	772	5,189
Subscriptions and memberships	170	125	45	213
Vehicle expenses	8,000	7,227	773	6,176
Other public safety/fire prevention	1,500	1,363	137	1,137
	<u>\$ 34,470</u>	<u>\$ 31,199</u>	<u>\$ 3,271</u>	<u>\$ 31,757</u>
Capital outlay -				
Buildings	\$ 800	\$ 762	\$ 38	\$ 1,290
Machinery and equipment	600	580	20	12,520
	<u>\$ 1,400</u>	<u>\$ 1,342</u>	<u>\$ 58</u>	<u>\$ 13,810</u>
<b>TOTAL FIRE CONTROL</b>	<u>\$ 364,870</u>	<u>\$ 358,437</u>	<u>\$ 6,433</u>	<u>\$ 347,699</u>
Protective Inspection:				
Personal services -				
Executive salaries	\$ 29,400	\$ 28,769	\$ 631	\$ 27,095
Regular salaries and wages	31,000	30,849	151	22,781
Overtime - regular employees	1,000	753	247	429
FICA taxes	4,600	4,317	283	3,583
Retirement contributions	8,200	7,925	275	6,165
Life and health insurance contributions	2,800	2,672	128	2,389
Training and travel	700	639	61	867
	<u>\$ 77,700</u>	<u>\$ 75,924</u>	<u>\$ 1,776</u>	<u>\$ 63,309</u>
Operating expenses -				
Telephone/communication services	\$ 1,000	\$ 746	\$ 254	\$ 528
Other charges and obligations	900	539	361	454
Office supplies	2,400	2,267	133	1,771
Subscriptions and memberships	300	201	99	242
Repair and maintenance service	700	517	183	520
Vehicle expenses	3,600	2,781	819	3,148
Utility services	1,000	834	166	923
Operating supplies	700	533	167	346
	<u>\$ 10,600</u>	<u>\$ 8,418</u>	<u>\$ 2,182</u>	<u>\$ 7,932</u>
Capital outlay -				
Machinery and equipment	\$ 10,000	\$ 9,995	\$ 5	\$ 1,364
<b>TOTAL PROTECTIVE INSPECTION</b>	<u>\$ 98,300</u>	<u>\$ 94,337</u>	<u>\$ 3,963</u>	<u>\$ 72,605</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>\$ 1,425,170</u>	<u>\$ 1,362,191</u>	<u>\$ 62,979</u>	<u>\$ 1,261,969</u>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
<b>PHYSICAL ENVIRONMENT</b>				
Solid Waste Control Services:				
Personal services -				
Executive salaries	\$ 14,900	\$ 14,849	\$ 51	\$ 13,998
Regular salaries and wages	268,200	263,572	4,628	243,894
Overtime - regular employees	10,800	9,432	1,368	10,077
Uniforms	3,600	3,103	497	2,803
FICA taxes	20,900	20,582	318	19,097
Retirement contributions	41,500	41,078	422	36,014
Life and health insurance contributions	10,500	10,338	162	13,019
Training and travel	600	424	176	470
	<u>\$ 371,000</u>	<u>\$ 363,378</u>	<u>\$ 7,622</u>	<u>\$ 339,372</u>
Operating expenses -				
Interest	\$ 9,000	\$ 6,766	\$ 2,234	\$ 5,015
Telephone/communication services	800	572	228	879
Postage, freight and express	300	108	192	296
Rentals and leases	132,000	131,967	33	114,337
Repair and maintenance service	2,000	1,011	989	1,543
Other charges and obligations	800	409	391	538
Office supplies	350	285	65	155
Operating supplies	27,000	25,077	1,923	19,430
Subscriptions and memberships	200	107	93	97
Vehicle expenses	85,000	81,308	3,692	92,614
Bad debt expense	1,700	-	1,700	-
	<u>\$ 259,150</u>	<u>\$ 247,610</u>	<u>\$ 11,540</u>	<u>\$ 234,904</u>
Capital outlay -				
Buildings	\$ 19,600	\$ 19,505	\$ 95	\$ -
Machinery and equipment	48,400	48,347	53	203,651
	<u>\$ 68,000</u>	<u>\$ 67,852</u>	<u>\$ 148</u>	<u>\$ 203,651</u>
Debt service -				
Principal - sanitation trucks note	\$ 49,335	\$ 49,333	\$ 2	\$ 25,000
	<u>\$ 49,335</u>	<u>\$ 49,333</u>	<u>\$ 2</u>	<u>\$ 25,000</u>
<b>TOTAL PHYSICAL ENVIRONMENT</b>	<u>\$ 747,485</u>	<u>\$ 728,173</u>	<u>\$ 19,312</u>	<u>\$ 802,927</u>
<b>TRANSPORTATION</b>				
Road and Street Facilities:				
Personal services -				
Executive salaries	\$ 14,900	\$ 14,246	\$ 654	\$ 13,032
Regular salaries and wages	236,900	225,641	11,259	183,891
Overtime - regular employees	4,000	2,457	1,543	6,627
Uniforms	3,500	3,020	480	3,864
FICA taxes	18,700	17,326	1,374	17,155
Retirement contributions	32,400	30,871	1,529	25,295
Life and health insurance contributions	13,300	12,516	784	10,144
Training and travel	2,000	1,691	309	2,571
Other salaries and wages	-	-	-	18,416
	<u>\$ 325,700</u>	<u>\$ 307,768</u>	<u>\$ 17,932</u>	<u>\$ 280,995</u>

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
TRANSPORTATION - (continued)				
Road and Street Facilities - (continued):				
Operating expenses -				
Street lighting	\$ 87,000	\$ 83,335	\$ 3,665	\$ 84,186
Traffic lights	26,000	21,507	4,493	22,314
Telephone/communication services	1,000	675	325	985
Postage, freight and express	300	190	110	148
Utility services	1,500	911	589	1,025
Rentals and leases	6,500	6,500	-	6,500
Repair and maintenance service	3,000	2,022	978	1,800
Other charges and obligations	7,000	5,719	1,281	7,495
Office supplies	450	293	157	190
Operating supplies	15,500	12,691	2,809	12,955
Signs and materials	10,000	8,612	1,388	6,017
Road materials and supplies	10,000	8,662	1,338	6,019
Subscriptions and memberships	250	210	40	248
Vehicle expenses	30,000	26,258	3,742	25,505
	<u>\$ 198,500</u>	<u>\$ 177,585</u>	<u>\$ 20,915</u>	<u>\$ 175,387</u>
Capital outlay -				
Buildings	\$ -	\$ -	\$ -	\$ 871
Improvements other than buildings	160,000	129,519	30,481	61,248
Machinery and equipment	38,000	32,234	5,766	20,515
	<u>\$ 198,000</u>	<u>\$ 161,753</u>	<u>\$ 36,247</u>	<u>\$ 82,634</u>
TOTAL TRANSPORTATION	<u>\$ 722,200</u>	<u>\$ 647,106</u>	<u>\$ 75,094</u>	<u>\$ 539,016</u>
CULTURE AND RECREATION				
Parks and Recreation:				
Personal services -				
Executive salaries	\$ 21,300	\$ 20,790	\$ 510	\$ 15,956
Regular salaries and wages	118,000	114,061	3,939	93,935
Other salaries and wages	5,000	4,220	780	4,166
Overtime - regular employees	1,500	745	755	356
Uniforms	1,400	1,232	168	1,029
FICA taxes	10,700	9,997	703	8,155
Retirement contributions	18,700	17,799	901	13,548
Life and health insurance contributions	7,600	6,904	696	5,748
Training and travel	1,000	911	89	1,012
	<u>\$ 185,200</u>	<u>\$ 176,659</u>	<u>\$ 8,541</u>	<u>\$ 143,905</u>
Operating expenses -				
Telephone/communication services	\$ 2,200	\$ 1,776	\$ 424	\$ 2,119
Postage, freight and express	800	612	188	561
Utility services	12,900	12,072	828	13,306
Repair and maintenance service	1,600	963	637	1,360
Promotional activities	500	293	207	690
Other charges and obligations	500	419	81	7,028
Office supplies	1,100	895	205	1,122
Operating supplies	14,000	13,767	233	17,764
Subscriptions and memberships	250	110	140	157
Vehicle expenses	8,000	7,124	876	8,731
Program expenses	35,200	33,267	1,933	33,436
Beautification	3,600	3,536	64	4,585
	<u>\$ 80,650</u>	<u>\$ 74,834</u>	<u>\$ 5,816</u>	<u>\$ 90,859</u>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
CULTURE AND RECREATION - (continued)				
Parks and Recreation - (continued):				
Capital outlay -				
Land	\$ 851,000	\$ 850,193	\$ 807	\$ -
Buildings	92,400	65,571	26,829	5,44
Improvements other than buildings	216,600	85,308	131,292	-
Machinery and equipment	19,900	15,883	4,017	3,96
	<u>\$ 1,179,900</u>	<u>\$ 1,016,955</u>	<u>\$ 162,945</u>	<u>\$ 9,40</u>
TOTAL PARKS AND RECREATION	<u>\$ 1,445,750</u>	<u>\$ 1,268,448</u>	<u>\$ 177,302</u>	<u>\$ 244,17</u>
Special Recreation Facilities (Sica Hall):				
Personal services -				
Regular salaries	\$ 13,800	\$ 13,453	\$ 347	\$ 12,06
Part-time salaries	4,500	4,029	471	3,71
Overtime - regular employees	300	-	300	26
Uniforms	250	210	40	32
FICA taxes	1,300	1,250	50	1,14
Retirement contributions	2,400	2,298	102	1,94
Life and health insurance contributions	1,100	901	199	1,05
	<u>\$ 23,650</u>	<u>\$ 22,141</u>	<u>\$ 1,509</u>	<u>\$ 20,50</u>
Operating expenses -				
Professional services	\$ -	\$ -	\$ -	\$ 85
Telephone/communication services	900	818	82	89
Postage, freight and express	100	16	84	1
Utility services	8,000	7,360	640	8,50
Repair and maintenance service	3,000	2,413	587	1,05
Other charges and obligations	100	31	69	8
Office supplies	100	51	49	6
Operating supplies	4,300	3,000	1,300	1,99
Program expenses	1,600	1,504	96	1,17
	<u>\$ 18,100</u>	<u>\$ 15,193</u>	<u>\$ 2,907</u>	<u>\$ 14,61</u>
Capital outlay -				
Machinery and equipment	\$ -	\$ -	\$ -	\$ 27
TOTAL SPECIAL RECREATION FACILITIES (SICA HALL)	<u>\$ 41,750</u>	<u>\$ 37,334</u>	<u>\$ 4,416</u>	<u>\$ 35,40</u>
TOTAL CULTURE AND RECREATION	<u>\$ 1,487,500</u>	<u>\$ 1,305,782</u>	<u>\$ 181,718</u>	<u>\$ 279,57</u>
TOTAL EXPENDITURES	<u>\$ 5,540,755</u>	<u>\$ 5,096,367</u>	<u>\$ 444,388</u>	<u>\$ 3,832,89</u>
TRANSFERS				
Transfer to Enterprise Fund	80,000	80,000	-	35,00
TOTAL EXPENDITURES AND TRANSFERS	<u>\$ 5,620,755</u>	<u>\$ 5,176,367</u>	<u>\$ 444,388</u>	<u>\$ 3,867,89</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, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
<b>OPERATING REVENUES</b>				
Charges for services:				
Water sales	\$ 860,000	\$ 872,471	\$ 12,471	\$ 794,738
Service charges	18,000	16,268	(1,732)	392
Cut-off charges	8,000	7,302	(698)	7,611
Hydrant rental	9,400	9,345	(55)	8,973
Sewer charges	910,000	918,992	8,992	820,569
	<u>\$ 1,805,400</u>	<u>\$ 1,824,378</u>	<u>\$ 18,978</u>	<u>\$ 1,632,283</u>
Miscellaneous - other income	-	350	350	507
	<u>-</u>	<u>350</u>	<u>350</u>	<u>507</u>
<b>TOTAL OPERATING REVENUES</b>	<u>\$ 1,805,400</u>	<u>\$ 1,824,728</u>	<u>\$ 19,328</u>	<u>\$ 1,632,790</u>
<b>NONOPERATING REVENUES</b>				
Building rental	\$ 13,000	\$ 13,000	\$ -	\$ 13,000
Interest revenue	21,000	22,496	1,496	25,181
Other income:				
Outstanding checks written off	-	231	231	881
Insurance proceeds	1,000	127	(873)	515
Miscellaneous	10,000	9,312	(688)	14,784
Surplus sales/equipment	-	(277)	(277)	(61)
	<u>-</u>	<u>(277)</u>	<u>(277)</u>	<u>(61)</u>
<b>TOTAL NONOPERATING REVENUES</b>	<u>\$ 45,000</u>	<u>\$ 44,889</u>	<u>\$ (111)</u>	<u>\$ 54,300</u>
<b>OPERATING TRANSFERS</b>				
Transfer from General Fund	\$ 80,000	\$ 80,000	\$ -	\$ 35,000
	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 35,000</u>
<b>TOTAL REVENUES AND TRANSFERS</b>	<u>\$ 1,930,400</u>	<u>\$ 1,949,617</u>	<u>\$ 19,217</u>	<u>\$ 1,722,090</u>
<b>CUSTOMER CONTRIBUTIONS</b>				
Connection charges:				
Water	\$ 27,000	\$ 26,450	\$ (550)	\$ 27,466
Sewer	5,000	4,300	(700)	5,250
	<u>\$ 32,000</u>	<u>\$ 30,750</u>	<u>\$ (1,250)</u>	<u>\$ 32,716</u>
<b>TOTAL CUSTOMER CONTRIBUTIONS</b>	<u>\$ 32,000</u>	<u>\$ 30,750</u>	<u>\$ (1,250)</u>	<u>\$ 32,716</u>
<b>INTRAFUND TRANSFERS</b>				
Transfer from Water Revenue Series "A" Reserve	\$ 10,700	\$ 10,756	\$ 56	\$ 11,228
	<u>\$ 10,700</u>	<u>\$ 10,756</u>	<u>\$ 56</u>	<u>\$ 11,228</u>
<b>TOTAL REVENUES, TRANSFERS AND CONTRIBUTIONS</b>	<u>\$ 1,973,100</u>	<u>\$ 1,991,123</u>	<u>\$ 18,023</u>	<u>\$ 1,766,034</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, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
<b>WATER SERVICE</b>				
Water Plant:				
Personal services -				
Executive salaries	\$ 18,000	\$ 15,866	\$ 2,134	\$ 15,592
Regular salaries and wages	210,300	206,369	3,931	187,744
Part-time salaries	1,500	964	536	2,536
Overtime - regular employees	11,000	9,726	1,274	10,697
Uniforms	2,300	2,040	260	2,629
FICA taxes	17,000	16,574	426	15,296
Retirement contributions	31,000	28,092	2,908	23,811
Life and health insurance contributions	9,800	9,530	270	8,151
Training and travel	700	282	418	600
	<u>\$ 301,600</u>	<u>\$ 289,443</u>	<u>\$ 12,157</u>	<u>\$ 266,516</u>
Operating expenses -				
Professional services	\$ 6,900	\$ 5,660	\$ 1,240	\$ 13,000
Telephone/communication services	1,100	889	211	1,210
Utility services	66,000	61,801	4,199	67,800
Nonemployee insurance	14,000	13,078	922	13,530
Repair and maintenance services	40,000	38,387	1,613	18,840
Other charges and obligations	1,400	1,154	246	1,270
Office supplies	300	217	83	390
Operating supplies	58,000	49,122	8,878	60,770
Subscriptions and memberships	300	146	154	240
Vehicle expenses	13,000	11,790	1,210	12,170
	<u>\$ 201,000</u>	<u>\$ 182,244</u>	<u>\$ 18,756</u>	<u>\$ 189,250</u>
<b>TOTAL WATER SERVICE</b>	<b>\$ 502,600</b>	<b>\$ 471,687</b>	<b>\$ 30,913</b>	<b>\$ 455,766</b>
<b>SEWER SERVICE</b>				
Water Pollution Control Plant:				
Personal services -				
Executive salaries	\$ 17,200	\$ 17,672	\$ (472)	\$ 19,270
Regular salaries and wages	172,900	166,441	6,459	153,360
Overtime - regular employees	5,000	4,834	166	6,190
Uniforms	2,300	2,060	240	2,130
FICA taxes	14,200	13,535	665	12,300
Retirement contributions	26,400	24,923	1,477	22,100
Life and health insurance contributions	8,000	7,823	177	7,100
Training and travel	800	754	46	430
	<u>\$ 246,800</u>	<u>\$ 238,042</u>	<u>\$ 8,758</u>	<u>\$ 222,920</u>
Operating expenses -				
Professional services	\$ 6,000	\$ 3,777	\$ 2,223	\$ 5,470
Telephone/communication services	1,300	893	407	1,180
Utility services	88,800	85,440	3,360	91,130
Nonemployee insurance	11,000	12,013	(1,013)	9,940
Repair and maintenance services	15,500	12,096	3,404	25,390
Other charges and obligations	600	344	256	1,340
Office supplies	300	215	85	360
Operating supplies	42,000	36,141	5,859	44,970
Subscriptions and memberships	300	133	167	280
Vehicle expenses	9,000	7,735	1,265	7,410
	<u>\$ 174,800</u>	<u>\$ 158,787</u>	<u>\$ 16,013</u>	<u>\$ 187,500</u>
<b>TOTAL SEWER SERVICES</b>	<b>\$ 421,600</b>	<b>\$ 396,829</b>	<b>\$ 24,771</b>	<b>\$ 410,466</b>

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, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
ADMINISTRATIVE EXPENSE				
General Fund	\$ 284,800	\$ 274,500	\$ 10,300	\$ 261,500
Bad debt expense	-	9,484	(9,484)	1,475
Interest on deposits	6,100	6,046	54	4,506
TOTAL ADMINISTRATIVE EXPENSE	<u>\$ 290,900</u>	<u>\$ 290,030</u>	<u>\$ 870</u>	<u>\$ 267,481</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,215,100</u>	<u>\$ 1,158,546</u>	<u>\$ 56,554</u>	<u>\$ 1,133,679</u>
INTRAFUND TRANSFERS				
Improvement Fund	\$ 57,800	\$ 57,800	\$ -	\$ 46,000
Bond Interest and Sinking - Series "A"	163,500	162,889	611	155,605
Bond Interest and Sinking - Series "B"	147,700	147,700	-	127,000
Series 1984 balloon payment	389,000	389,000	-	397,000
TOTAL INTRAFUND TRANSFERS	<u>\$ 758,000</u>	<u>\$ 757,389</u>	<u>\$ 611</u>	<u>\$ 725,605</u>
TOTAL EXPENSES AND TRANSFERS	<u>\$ 1,973,100</u>	<u>\$ 1,915,935</u>	<u>\$ 57,165</u>	<u>\$ 1,859,284</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 IMPROVEMENT FUND

SCHEDULE OF REVENUES, TRANSFERS AND CONTRIBUTIONS - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
NONOPERATING REVENUES				
Interest on impact fees	\$ 500	\$ 424	\$ (76)	\$ 3,67
TOTAL NONOPERATING REVENUES	\$ 500	\$ 424	\$ (76)	\$ 3,67
OPERATING TRANSFERS				
Transfer from Water and Sewer Revenue and Operating Fund	57,800	57,800	-	46,00
TOTAL REVENUES AND TRANSFERS	\$ 58,300	\$ 58,224	\$ (76)	\$ 49,67
CUSTOMER CONTRIBUTIONS				
Impact fees	\$ 40,000	\$ 45,072	\$ 5,072	\$ 97,71
TOTAL CUSTOMER CONTRIBUTIONS	\$ 40,000	\$ 45,072	\$ 5,072	\$ 97,71
 TOTAL REVENUES, TRANSFERS AND CONTRIBUTIONS	 \$ 98,300	 \$ 103,296	 \$ 4,996	 \$ 147,39

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 IMPROVEMENT FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
<b>WATER SERVICE</b>				
Water Plant:				
Operating expenses -				
Professional services	\$ 2,500	\$ -	\$ 2,500	\$ 287
Water plant improvements -				
Improvements other than buildings	12,000	-	12,000	-
Machinery and equipment	<u>10,500</u>	<u>7,450</u>	<u>3,050</u>	<u>23,379</u>
TOTAL WATER SERVICE	<u>\$ 25,000</u>	<u>\$ 7,450</u>	<u>\$ 17,550</u>	<u>\$ 23,666</u>
<b>SEWER SERVICE</b>				
Sewer Plant:				
Operating expenses -				
Professional services	\$ 10,000	\$ -	\$ 10,000	\$ -
Sewer plant improvements -				
Machinery and equipment	<u>2,800</u>	<u>2,350</u>	<u>450</u>	<u>12,981</u>
TOTAL SEWER SERVICE	<u>\$ 12,800</u>	<u>\$ 2,350</u>	<u>\$ 10,450</u>	<u>\$ 12,981</u>
<b>INTRAFUND TRANSFERS</b>				
Bond interest and sinking - Series 1984	\$ 40,500	\$ 45,446	\$ (4,946)	\$ 160,021
Improvement Fund Reserve	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
TOTAL INTRAFUND TRANSFERS	<u>\$ 60,500</u>	<u>\$ 45,446</u>	<u>\$ 15,054</u>	<u>\$ 160,021</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>\$ 98,300</u>	<u>\$ 55,246</u>	<u>\$ 43,054</u>	<u>\$ 196,668</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  
 SERIES 1984 CONSTRUCTION FUND  
 SCHEDULE OF REVENUES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
NONOPERATING REVENUES				
Interest revenue	\$ 5,000	\$ 25,421	\$ 20,421	\$ 40,181
TOTAL NONOPERATING REVENUES	<u>\$ 5,000</u>	<u>\$ 25,421</u>	<u>\$ 20,421</u>	<u>\$ 40,181</u>
INTRAFUND TRANSFERS				
Appropriated retained earnings	\$ 390,000	\$ -	\$ (390,000)	\$ -
TOTAL INTRAFUND TRANSFERS	<u>\$ 390,000</u>	<u>\$ -</u>	<u>\$ (390,000)</u>	<u>\$ -</u>
TOTAL REVENUES AND TRANSFERS	<u>\$ 395,000</u>	<u>\$ 25,421</u>	<u>\$ (369,579)</u>	<u>\$ 40,181</u>

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 as such, does not present the results of operations on a basis consistent  
 with generally accepted accounting principles.

CITY OF HOLLY HILL, FLORIDA  
 SERIES 1984 CONSTRUCTION FUND  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1986 ACTUAL
WATER SERVICE				
Water Plant:				
Water plant construction -				
Professional services	\$ -	\$ -	\$ -	\$ 3,798
Buildings	-	-	-	53,400
Improvements other than buildings	-	-	-	23,444
Machinery and equipment	-	-	-	30,000
TOTAL WATER SERVICE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,642</u>
Sewer Plant:				
Sewer plant construction -				
Professional services	\$ 5,200	\$ 11,702	\$ (6,502)	\$ 67,500
Buildings	-	-	-	536
Improvements other than buildings	339,800	-	339,800	12,730
Machinery and equipment	50,000	-	50,000	-
TOTAL SEWER SERVICE	<u>\$ 395,000</u>	<u>\$ 11,702</u>	<u>\$ 383,298</u>	<u>\$ 80,766</u>
TOTAL EXPENDITURES	<u>\$ 395,000</u>	<u>\$ 11,702</u>	<u>\$ 383,298</u>	<u>\$ 191,408</u>

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 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, 1987

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT
GENERAL GOVERNMENT	\$ 419,138	\$ 23,037	\$ 150,514	\$ -	\$ 245,587
PUBLIC SAFETY					
Police	\$ 308,852	\$ -	\$ 29,535	\$ 2,350	\$ 276,967
Fire	255,146	125	9,970	-	245,051
TOTAL PUBLIC SAFETY	\$ 563,998	\$ 125	\$ 39,505	\$ 2,350	\$ 522,018
PUBLIC WORKS					
Streets	\$ 3,407,631	\$ 28,418	\$ 1,966	\$ 3,069,614	\$ 307,633
Sanitation	769,142	-	37,786	-	731,356
TOTAL PUBLIC WORKS	\$ 4,176,773	\$ 28,418	\$ 39,752	\$ 3,069,614	\$ 1,038,989
CULTURE AND RECREATION					
Parks and Recreation	\$ 1,403,807	\$ 957,711	\$ 132,940	\$ 207,091	\$ 106,065
Sica Hall	235,983	-	184,886	22,323	28,774
Library	189,900	-	148,449	-	41,451
TOTAL CULTURE AND RECREATION	\$ 1,829,690	\$ 957,711	\$ 466,275	\$ 229,414	\$ 176,290
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	\$ 6,989,599	\$ 1,009,291	\$ 696,046	\$ 3,301,378	\$ 1,982,884

CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
 BY FUNCTION AND ACTIVITY  
 FOR THE YEAR ENDED SEPTEMBER 30, 1987

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS OCTOBER 1, 1986	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS SEPTEMBER 30, 1987
GENERAL GOVERNMENT	\$ 415,637	\$ 23,684	\$ 20,183	\$ 419,138
PUBLIC SAFETY				
Police	\$ 302,074	\$ 45,657	\$ 38,879	\$ 308,852
Fire	272,498	1,342	18,694	255,146
TOTAL PUBLIC SAFETY	<u>\$ 574,572</u>	<u>\$ 46,999</u>	<u>\$ 57,573</u>	<u>\$ 563,998</u>
PUBLIC WORKS				
Streets	\$ 3,239,527	\$ 173,392	\$ 5,288	\$ 3,407,631
Sanitation	707,362	67,852	6,072	769,142
TOTAL PUBLIC WORKS	<u>\$ 3,946,889</u>	<u>\$ 241,244</u>	<u>\$ 11,360</u>	<u>\$ 4,176,773</u>
CULTURE AND RECREATION				
Parks and Recreation	\$ 378,110	\$ 1,036,171	\$ 10,474	\$ 1,403,807
Sica Hall	243,362	450	7,829	235,983
Library	189,900	-	-	189,900
TOTAL CULTURE AND RECREATION	<u>\$ 811,372</u>	<u>\$ 1,036,621</u>	<u>\$ 18,303</u>	<u>\$ 1,829,690</u>
	<u>\$ 5,748,470</u>	<u>\$ 1,348,548</u>	<u>\$ 107,419</u>	<u>\$ 6,989,599</u>
LESS: INTERDEPARTMENTAL TRANSFERS	<u>-</u>	<u>29,604</u>	<u>29,604</u>	<u>-</u>
TOTAL GENERAL FIXED ASSETS	<u><u>\$ 5,748,470</u></u>	<u><u>\$ 1,318,944</u></u>	<u><u>\$ 77,815</u></u>	<u><u>\$ 6,989,599</u></u>

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**STATISTICAL SECTION**



STATISTICAL TABLES

CITY OF HOLLY HILL, FLORIDA

COMMENTS RELATIVE TO STATISTICAL SECTION

SEPTEMBER 30, 1987

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 AND OTHER USES BY FUNCTION

LAST TEN FISCAL YEARS

SEPTEMBER 30, 1987

FISCAL YEAR ENDED	TOTAL GENERAL FUND	GENERAL GOVERNMENT	PUBLIC SAFETY	PHYSICAL ENVIRONMENT	TRANSPORTATION	CULTURE AND RECREATION	OPERATING TRANSFERS OUT
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%
1986	3,867,890	949,404 24%	1,261,969 33%	802,927 21%	539,016 14%	279,574 7%	35,000 1%
1987	5,176,367	1,053,115 20%	1,362,191 26%	728,173 14%	647,106 13%	1,305,782 25%	80,000 2%

Capital outlay and debt service have been included in expenditures by function for the last ten years.

Source: City of Holly Hill Finance Department

TABLE II  
 CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND REVENUES AND OTHER SOURCES BY SOURCE  
 LAST TEN FISCAL YEARS  
 SEPTEMBER 30, 1987

FISCAL YEAR ENDED	TOTAL	TAXES REAL AND PERSONAL	LICENSES AND PERMITS	INTER- GOVERNMENTAL REVENUES
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%
1986	3,899,837	1,517,088 39%	148,363 4%	868,954 22%
1987	4,526,051	1,737,139 38%	132,941 3%	1,257,426 28%

(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: City of Holly Hill Finance Department

CHARGES FOR SERVICES		FINES AND FORFEITURES		MISCELLANEOUS REVENUE (1)		OPERATING TRANSFERS IN	
\$ 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%	-	-
1,029,130	26%	39,390	1%	295,267	8%	1,645	-
1,191,501	26%	89,704	2%	117,340	3%	-	-

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, 1987

FISCAL YEAR ENDED	ASSESSED VALUE (1)	ESTIMATED ACTUAL VALUE (2)		TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED
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
1986	266,760,969	261,425,750	98%	619,868	612,107	98.748
1987	314,006,442	314,006,442	100%	834,192	829,286	99.412

(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, 1987

FISCAL YEAR ENDED	HOLLY HILL	SCHOOL DISTRICT	VOLUSIA COUNTY	ADVER-TISING DISTRICT	MOSQUITO CONTROL	INLET AND PORT AUTHORITY	EAST VOLUSIA TRANSIT	HALIFAX HOSPITAL*	ST. JOHNS WATER MANAGE-MENT DISTRICT
<u>TAX RATES</u>									
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
1986	3.347	8.210	4.335	-	.265	.311	.314	2.200	.206
1987	4.138	4.064	4.064	-	.272	.291	.293	2.468	.221
<u>CITY'S SHARE OF TAX LEVIES</u>									
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
1986	630,565	1,546,739	816,701	-	49,925	58,591	59,157	414,473	38,810
1987	952,070	1,987,200	935,045	-	62,582	66,953	67,413	567,837	50,848

\* 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, 1987

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, 1987

NAME OF GOVERNMENTAL UNIT	NET DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO THE GOVERNMENTAL UNIT	CITY OF HOLLY HILL - SHARE OF DEBT
School District	<u>\$ 164,125,000</u>	2.94 %	<u>\$ 4,825,275</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, 1987

FISCAL YEAR ENDED	GROSS REVENUES (1)	OPERATING EXPENSE	NET REVENUES	DEBT SERVICE REQUIREMENTS			DEBT SERVICE COVERAGE		
				PRINCIPAL	INTEREST	TOTAL			
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
1986	(2) 1,969,097	1,133,524	58%	835,573	340,000	350,787	690,787	35%	1.21
1987	(2) 2,125,117	1,158,456	55%	966,571	345,000	310,558	655,558	31%	1.47

- (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 from operating expense is a grant from the federal government for which the revenue is also excluded from gross revenues.

Source: City of Holly Hill Finance Department

TABLE VIII

CITY OF HOLLY HILL, FLORIDA

DEBT SERVICE REQUIREMENTS TO MATURITY

OTHER DEBT

SEPTEMBER 30, 1987

FISCAL YEAR ENDED	NOTE PAYABLE		NOTE PAYABLE		TOTAL REQUIREMENTS
	FLORIDA RETIREMENT SYSTEM PRINCIPAL	INTEREST	OF VOLUSIA COUNTY (1986) PRINCIPAL	SUN BANK INTEREST	
1988	\$ 6,456	\$ 1,343	\$ 33,333	\$ 4,667	\$ 45,799
1989	6,876	923	33,334	2,333	43,466
1990	<u>7,323</u>	<u>476</u>	<u>-</u>	<u>-</u>	<u>7,799</u>
TOTALS	<u>\$ 20,655</u>	<u>\$ 2,742</u>	<u>\$ 66,667</u>	<u>\$ 7,000</u>	<u>\$ 97,064</u>

Source: City of Holly Hill Finance Department

TABLE IX  
 CITY OF HOLLY HILL, FLORIDA  
 DEBT SERVICE REQUIREMENTS TO MATURITY  
 WATER AND SEWER REVENUE BONDS  
 SEPTEMBER 30, 1987

FISCAL YEAR ENDED	SERIES "A" BONDS		1970 SERIES "B" BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
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>\$ 1,555,000</u>	<u>\$ 417,937</u>	<u>\$ 180,000</u>	<u>\$ 13,437</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 1988 through 1994.

Source: City of Holly Hill Finance Department

1972 SERIES "B" BONDS		1984 SERIES BONDS		TOTALS
PRINCIPAL	INTEREST	PRINCIPAL	INTEREST (1)	
\$ -	\$ 58,050	\$ 175,000	\$ 159,534	\$ 642,054
-	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>\$ 438,671</u>	<u>\$ 2,975,000</u>	<u>\$ 1,160,534</u>	<u>\$ 7,740,579</u>

TABLE X  
 CITY OF HOLLY HILL, FLORIDA  
 SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY  
 SEPTEMBER 30, 1987

FISCAL YEAR ENDED	<u>ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS</u>		
	WATER AND SEWER REVENUE BONDS	NOTES PAYABLE	TOTALS
1988	\$ 642,054	\$ 45,799	\$ 687,853
1989	696,951	43,466	740,417
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>\$ 7,740,579</u>	<u>\$ 97,064</u>	<u>\$ 7,837,643</u>

Source: City of Holly Hill Finance Department

## TABLE XI

PAGE 1 OF 2

CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF INSURANCE IN FORCE  
 SEPTEMBER 30, 1987

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 996-32-95	4/15/87 - 4/15/89	General Liability - Extended Discovery Endorsement	\$500,000	\$16,578
Florida Municipal Liability Self-Insurers Program - FML 427	4/15/87 - 9/30/87	General Liability	\$100,000 ea. person 200,000 ea. occurrence	\$26,473
<u>FIRE, EXTENDED COVERAGE, VANDALISM AND MALICIOUS MISCHIEF</u>				
Aetna Casualty and Surety - #35 FP 758013	4/15/86 - 4/15/89	Building and contents - sewage plant and lift stations; city hall building; parks and recreation office; chamber of commerce building; wellfield contents	\$7,130,429	\$ 8,196          \$11,737 (gross)
<u>FIRE, EXTENDED COVERAGE, VANDALISM AND MALICIOUS MISCHIEF</u>				
Aetna Casualty and Surety - #35 FP 1291481	4/15/84 - 4/15/87	Office contents of City Hall building	\$39,200	\$ 267 (gross)
<u>ACCIDENTAL DEATH AND DISABILITY</u>				
Hartford Insurance Co. - VP480328	10/1/86 - 10/1/87	Volunteer Fire Dept.	Loss of life \$5,000	\$ 552
<u>WORKERS' COMPENSATION</u>				
Aetna Casualty and Surety - #35 C 488920 CCA	4/15/87 - 4/15/88	Statutory	Statutory, employer's liability \$100,000	\$100,627
<u>MONEY AND SECURITIES BROAD FORM POLICY</u>				
Aetna Casualty and Surety - 35 MS 16113 FCA	4/15/87 - 4/15/88	For losses inside and outside the premises	\$2,000 inside and outside the premises	\$ 186
<u>PUBLIC EMPLOYEES BLANKET BOND</u>				
Continental Insurance Co. - #BND 2251031	4/15/87 - 4/15/88	Blanket bond	\$50,000 blanket on all positions	\$ 1,131

TABLE XI  
 CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF INSURANCE IN FORCE  
 SEPTEMBER 30, 1987

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 - 7/21/88	General Liability	\$1,000,000	\$ 6,733 3 yr
<u>POLICE AND FIREFIGHTERS ACCIDENT POLICY</u>				
Hartford Accident & Indemnity - ETB-12214	4/7/87 - 4/7/88	Accidental Death	\$20,000	\$ 4,400
<u>CONTRACTORS' EQUIPMENT POLICY</u>				
U.S. Fire Insurance Co. - #3203738676	4/15/87 - 4/15/88	Equipment and radios	\$149,800	\$ 2,800
<u>DATA PROCESSING POLICY</u>				
Aetna Casualty & Surety - #35 IE 99993 FCA	4/15/87 - 4/15/88	Hardware Software Business interruption	\$75,000 \$ 5,000 \$ 5,000	\$ 5,000
<u>ACCIDENTAL DEATH</u>				
Hartford Insurance Co. - #ETB 12431	10/1/87 - 10/1/87	Statutory Police Officers and Firefighters	\$50,000	\$ 3,000
<u>BUSINESS AUTOMOBILE POLICY</u>				
Aetna Casualty & Surety - #35 FJ 688708 CCA	4/15/87 - 4/15/88	Automobile liability	\$100,000 liability \$10,000 PIO \$50,000 UM	\$40,100
<u>LAW ENFORCEMENT PROFESSIONAL LIABILITY</u>				
Florida Municipal Liability Self-Insurers Program - FML 427	4/15/87 - 9/30/87	Police Officers bodily injury, property damage and personal injury	\$100,000 ea. person \$200,000 ea. occurrence	\$ 9,400

TABLE XII  
 CITY OF HOLLY HILL, FLORIDA  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS  
 SEPTEMBER 30, 1987

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)
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	11,003	*	*	*	2,662	(5) 5.1
1986	11,718	*	*	*	2,677	5.0
1987	*	*	*	*	1,948	4.9

(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, 1987

FISCAL YEAR	COMMERCIAL CONSTRUCTION(1)		RESIDENTIAL CONSTRUCTION		BANK DEPOSITS(2) (In Thousands)		PROPERTY VALUE(3)		
	UNITS	VALUE	UNITS	VALUE	COMMERCIAL	RESIDENTIAL	NONTAXABLE		
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	46,728	1,314,116,630	3,814,756,324	3,052,169,195	
1986	14	1,595,696	44	3,616,343	56,089	1,518,262,769	4,263,116,012	3,182,018,701	
1987	21	2,499,400	24	1,113,500	59,233	*	*	*	

\* 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, 1987

<u>TITLE OF OFFICIAL</u>	<u>ANNUAL SALARY</u>	<u>YEARS OF SERVICE</u>	<u>AMOUNT OF SURETY BOND</u>
Mayor	\$ 3,600	5 years 9 months	\$50,000 blanket amount on all positions
Mayor Pro-Tem	2,400	7 1/2 years	
City Councilmen (3)	2,400	1 year 9 months to 7 1/2 years	
City Manager	37,856		
City Attorney	7,500	11 1/2 years	
Deputy Clerk	28,662	8 1/2 years	
Finance Director	37,232	22 1/2 years	
Police Chief	34,258	4 years 7 months	
Public Works Director	29,349	4 1/2 years	
Public Utility Director	33,792	22 years	
Parks & Recreation Director	20,800	1 year 9 months	
Fire Chief	34,133	7 years 4 months	
Building Official	28,662	7 years	

TABLE XV  
 CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF MAJOR TAXPAYERS  
 SEPTEMBER 30, 1987

NAME	TYPE OF BUSINESS	ASSESSED VALUES	PERCENT OF TOTAL ASSESSED VALUE
Holly Hill R.H.F. Housing, Inc.	Bishop Glen Retirement Center	\$ 11,541,408	4.98 %
Daytona Beach Hospital Properties	Hospital	4,698,233	2.03
Holly Hill Associates Winn Dixie	Shopping Center	3,414,403	1.47
Life Insurance Co. of Georgia Publix Super Markets, Inc.	Shopping Center	3,381,347	1.46
Polyvers, Ltd.	Apartment Complex	3,000,650	1.30
Holly Point Apartments, Ltd.	Apartment Complex	2,910,817	1.26
Keith Hugh	Mobile Home Park	2,170,125	.94
Sun Bank of Volusia County	Bank	1,435,153	.62
Dendrite Enterprises	Business Park	1,339,678	.58
Somma, Michael M. and Jones, William H., Jr.	Business Park	<u>1,225,690</u>	<u>.53</u>
		<u>\$ 35,117,504</u>	<u>15.17 %</u>

Source: Volusia County Property Appraiser

TABLE XVI  
CITY OF HOLLY HILL, FLORIDA  
CLIMATOLOGICAL SUMMARY

SEPTEMBER 30, 1987

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 stationary fronts, with waves, so-called "northeasters," or tropical disturbances.

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, 1987

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 = 910 Grades 7 - 9 1,038
Form of Government: Council/Manager	Personnel: Instructional 120 Noninstructional 40
Area: 3.75 square miles	
50.2 miles paved streets	
2.3 miles unpaved streets	Street Lights:
21.3 miles sidewalks	<u>High Pressure Sodium Vapor</u>
27.8 miles storm sewers	5,800 lumen - 645
65.0 miles sanitary sewers	9,500 lumen - 56
253 fire hydrants	16,000 lumen - 47
Fire Protection:	22,000 lumen - 99
1 Fire Station	50,000 lumen - 2
10 Full-time Fire Fighters	<u>White Way Underground</u>
9 Volunteer Fire Fighters	1,000 lumen - 6
Police Protection:	
1 Police Station	
Holding facility	
11 Vehicular patrol units	Employees as of 9/30/86:
1 Animal Control unit	113 Civil Service
1 Police Explorer unit	3 Exempt
	<u>116</u> Total
Recreation:	Water Treatment Plant:
9 Parks total 44.2 acres	Design Capacity - 2.3 MGD
1 Playgrounds	Current Production Rate - 1.1 MGD
1 Gym	No. of Consumers - 5,252
3 Recreation Buildings	Water Pollution Control Plant:
1 Tennis Court	Capacity - 1.6 MGD
9 Shuffleboard Courts	Current Production Rate - 1.2 MGD
5 Ballfields	Collection System Users - 4,438
1 Community Center	
1 Public Fishing Pier - "L" Shaped	
1 Boat Ramp	

OTHER REPORTS

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# Arthur Young

The City Center  
149 South Ridgewood Avenue  
Post Office Box 1311  
Daytona Beach, Florida 32014  
Telephone: (904) 255-1981

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

We have examined the general purpose financial statements of the City of Holly Hill, Florida, for the year ended September 30, 1987, and have issued our report thereon dated November 20, 1987. Our examination of such general purpose financial statements was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Arthur Young + Company*

Certified Public Accountants  
November 20, 1987

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CITY OF HOLLY HILL, FLORIDA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 1987

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANT NUMBER	AWARD AMOUNT	BEGINNING	REVENUES (Note 1)	EXPENDITURES (Note 2)	ENDING
				FUND BALANCE 10/1/86			FUND BALANCE 9/30/87
Department of Treasury Office of Revenue Sharing: State and Local Government Fiscal Assistance Revenue Sharing	21.300	N/A	Formula Grant	\$ 28,683	\$ 4,072	\$ 1,164	\$ 31,591

Note 1 - Revenue realized consists of the following:

Revenue received from Office of Revenue Sharing	\$ 2,146
Interest income	<u>1,926</u>
	<u>\$ 4,072</u>

Note 2 - Expenditures recognized consist of the following:

Capital outlay	<u>\$ 1,164</u>
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# Arthur Young

The City Center  
149 South Ridgewood Avenue  
Post Office Box 1311  
Daytona Beach, Florida 32014  
Telephone: (904) 255-1981

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

We have examined the general purpose financial statements of the City of Holly Hill, Florida, for the year ended September 30, 1987, and have issued our report thereon dated November 20, 1987. Our examination was made in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, Audits of State and Local Governments and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The management of the City of Holly Hill, Florida, is responsible for the City's compliance with laws and regulations. In connection with the examination referred to above, we selected and tested transactions and records from the City's nonmajor federal financial assistance program to determine the City's compliance with laws and regulations noncompliance with which we believe could have a material effect on the allowability of program expenditures.

The results of our tests indicate that for the transactions and records tested, the City of Holly Hill, Florida, complied with the laws and regulations referred to above. Our testing was more limited than would be necessary to express an opinion on whether the City of Holly Hill, Florida, administered those programs in compliance in all material respects with laws and regulations noncompliance with which we believe could have a material effect on the allowability of program expenditures; however, with respect to the transactions that were not tested by us, nothing came to our attention to indicate that the City of Holly Hill, Florida, had violated laws and regulations other than those laws and regulations.

*Arthur Young & Company*

Certified Public Accountants  
November 20, 1987

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# Arthur Young

The City Center  
149 South Ridgewood Avenue  
Post Office Box 1311  
Daytona Beach, Florida 32014  
Telephone: (904) 255-1981

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

We have examined the general purpose financial statements of the City of Holly Hill, Florida, for the year ended September 30, 1987, and have issued our report thereon dated November 20, 1987. As part of our examination, we made a study and evaluation of the internal control systems, including applicable internal administrative controls used in administering federal financial assistance programs, to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards, the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office, the Single Audit Act of 1984, and the provisions of OMB Circular A-128, Audits of State and Local Governments. For the purpose of this report, we have classified the significant internal accounting and administrative controls used in administering federal financial assistance programs in the following categories:

Internal Accounting Controls -	Controls used in administering
General Ledger/EDP	Individual Federal Financial
Billings, Receivables and	Assistance Programs -
Cash Receipts	General Requirements
Purchasing	. Political activity
Accounts Payable and Cash	. Davis-Bacon Act
Disbursements	. Civil Rights
Payroll and Personnel	. Cash management
Investments	. Relocation assistance and
Inventory	real property acquisition
Fixed Assets	Specific Requirements
Long-Term Debt	. Types of services
	. Eligibility
	. Matching level of effort
	. Reporting
	. Cost allocation
	. Special requirements, if any
	. Monitoring subrecipients

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The management of the City of Holly Hill, Florida, is responsible for establishing and maintaining internal control systems used in administering federal financial assistance programs. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems used in administering federal financial assistance programs are to provide management with reasonable, but not absolute, assurance that, with respect to federal financial assistance programs, resource use is consistent with laws, regulations, and policies; resources are safeguarded against waste, loss, and misuse; and reliable data are obtained, maintained, and fairly disclosed in reports.

Because of inherent limitations in any system of internal accounting and administrative controls used in administering federal financial assistance programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems 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 included all of the applicable control categories listed above. During the year ended September 30, 1987, the City of Holly Hill, Florida, had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor federal financial assistance program: Federal Revenue Sharing.

With respect to internal control systems used in administering this nonmajor federal financial assistance program, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

Our study and evaluation was more limited than would be necessary to express an opinion on the internal control systems used in administering the federal financial assistance program of the City of Holly Hill, Florida. Accordingly, we do not express an opinion on the internal control systems used in administering the federal financial assistance program of the City of Holly Hill, Florida.

However, our study and evaluation and our examination disclosed no condition that we believe to be a material weakness in relation to a federal financial assistance program of the City of Holly Hill, Florida.

Refer to the Report on Internal Accounting Controls and Management Comments Based on a Study and Evaluation Made as a Part of the Examination of the General Purpose Financial Statements for additional comments.

This report is intended solely for the use of management, the Auditor General, State of Florida and respective federal program officials and should not be used for any other purpose. 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.

*Arthur Young & Company*

Certified Public Accountants  
November 20, 1987

# Arthur Young

The City Center  
149 South Ridgewood Avenue  
Post Office Box 1311  
Daytona Beach, Florida 32014  
Telephone: (904) 255-1981

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

We have examined the general purpose financial statements of the City of Holly Hill, Florida, for the year ended September 30, 1987, and have issued our report thereon dated November 20, 1987. Our examination was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The management of the City of Holly Hill, Florida, is responsible for the City's compliance with laws and regulations. In connection with our examination referred to above, we selected and tested transactions and records to determine the City's compliance with laws and regulations noncompliance with which could have a material effect on the general purpose financial statements of the City.

The results of our tests indicate that for the items tested, the City of Holly Hill, Florida, complied with those provisions of laws and regulations noncompliance with which could have a material effect on the general purpose financial statements. Nothing came to our attention that caused us to believe that for the items not tested the City of Holly Hill, Florida, was not in compliance with laws or regulations noncompliance with which could have a material effect on the City's general purpose financial statements.

*Arthur Young & Company*

Certified Public Accountants  
November 20, 1987

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# Arthur Young

The City Center  
149 South Ridgewood Avenue  
Post Office Box 1311  
Daytona Beach, Florida 32014  
Telephone: (904) 255-1981

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

We have examined the general purpose financial statements of the City of Holly Hill, Florida, for the year ended September 30, 1987, and have issued our report thereon dated November 20, 1987. As part of our examination, we made a study and evaluation of the system of internal accounting control of the City of Holly Hill, Florida, 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:

- General Ledger/EDP
- Billings, Receivables and Cash Receipts
- Purchasing
- Accounts Payable and Cash Disbursements
- Payroll and Personnel
- Investments
- Inventory
- Fixed Assets
- Long-Term Debt

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 entity'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 of the categories of controls identified above. Accordingly, we do not express such an opinion. Because of its limited nature, our study and evaluation would not necessarily disclose all material weaknesses or other conditions requiring attention in the system of internal accounting control. However, our study and evaluation disclosed no condition that we believe to be a material weakness.

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## MANAGEMENT LETTER

Our Report on Internal Accounting Control has been presented in the previous section of this report. The purpose of this section is to disclose conditions which do not materially affect the City's financial statements and disclose other items as required by the Rules of the Auditor General, State of Florida. The following comments and recommendations are made to assist the City Council and management in administering future operations:

### REPORTED IN PRIOR YEAR'S REPORT ON INTERNAL CONTROL AND MANAGEMENT COMMENTS, NOT IMPLEMENTED AS OF SEPTEMBER 30, 1987

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, 1986, 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. The manual should be organized so that procedures may be easily modified and updated for changing circumstances and management needs.

We noted that the City had begun working on this project during the year ended September 30, 1987. However, as of September 30, 1987, the updated procedures manual had not been implemented.

#### PENSION TRUST FUND INVESTMENTS

- A. The investments of the Police Officers' Retirement Trust Fund and the Firefighters' Retirement System include investments in various limited partnership investments.

Chapters 176 and 185.06 of the Florida Statutes describe the investment alternatives of the Retirement Trust Funds and do not include limited partnerships. We recommend that the Pension Boards review these investments in light of the Statutes.

- B. Mutual Fund investments of the Municipal Police Officers' Retirement Trust Fund exceed 30% of total plan assets. In addition, investments in each individual security exceed 3% of total plan assets. Such investments are prohibited by City of Holly Hill Code of Ordinances Section 21-3(a)(4).

We recommend that the Pension Board review these investments in light of the applicable ordinance.

- C. Certain individual Mutual Fund investments in the Firefighters' Retirement System exceed 10% of total plan assets. Such investments are prohibited by City of Holly Hill Code of Ordinances Section 11-23.1(d)(1)d.

We recommend that the Pension Board review these investments in light of the applicable ordinance.

#### POLICE AND FIRE PENSION ACTUARIAL VALUATIONS

Currently, the Municipal Police Officers' Retirement Trust Fund and the Firefighters' Retirement System are subject to an actuarial valuation every three years.

We recommend the City consider having an annual actuarial valuation performed on the pension plans.

#### IMPROVEMENT FUND RESERVE

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 requires that quarterly installments be made to the fund at the rate of \$1,250. During the 1985 fiscal year, funds were withdrawn from the Improvement Fund and used for major water and sewer related improvements. While current year additions to the Improvement Fund exceeded the amount required by the bond ordinance, the funds withdrawn in prior years have not been replaced, and the reserve is no longer at the maximum amount specified by bond ordinance. The \$150,000, which is the maximum amount specified by bond ordinance, is approximately 2% of the net book value of property, plant and equipment for the Water and Sewer System Fund.

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

The City should also review the reserve requirement for the Improvement Fund with the City's consulting engineers to determine if the \$150,000 is adequate for the present water and sewer system.

#### WATER AND SEWER SYSTEM FUND INVESTMENTS

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, and Series "B" Sinking Fund. The City invested in Certificates of Deposit and in the Florida State Board of Administration Pool to obtain higher earning yields.

We recommend that the City consider amendment of the Water and Sewer Bond Ordinance for any future debt issues to allow for such investment.

## 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

During our observation of fixed assets, we noted several assets valued in excess of \$200 that had been omitted from the fixed asset inventory taken during the current year. These assets were not tagged, and were not included on the listing of recorded fixed assets.

We recommend that, with the assistance of department heads, all fixed assets valued in excess of \$200 be identified for tagging and inclusion in the fixed asset listing.

### SEGREGATION OF DUTIES

Inherent to many small and medium sized cities is a lack of segregation of duties. We recognize that this situation exists because of the limited number of people available to perform certain duties, and that lack of segregation, with corresponding management review procedures, may be the only practical arrangement in some cases. However, the following situation, for which we feel correction may be practical, has come to our attention:

An accounting department employee is authorized to write manual checks and operate the check signing machine.

We recommend that the responsibility for writing manual checks be delegated to an employee who is not authorized to handle cash or sign checks.

### CHANGES TO COMPUTER PROGRAMS MADE BY SOFTWARE VENDOR

During our examination, we noted that Fiscal Information Systems had made changes, of which the City was not aware, to computer programs during the year.

We recommend that the City implement procedures to test output from the computer system each time a change is made by Fiscal Information Systems to detect any undesirable changes to programs made by Fiscal Information.

## RECORDING OF PENSION TRUST FUND TRANSACTIONS

We noted that pension trust fund activity was not recorded and reconciled on a timely basis. This was caused, in part, by the fact that only one employee is familiar with the pension trust fund accounting system. In addition, neither the Police Officers' Retirement Trust Fund nor the Firefighters' Retirement System was in balance at year end.

We recommend that additional employees become familiar with the accounting system for pension trust funds so that recording of pension fund transactions is not dependent upon only one individual. In addition, the general ledger should be reviewed by the Finance Director each month to detect any errors or omissions in recording the transactions.

## ACCOUNTS RECEIVABLE

During the current year, the City's allowance for doubtful accounts increased substantially, and we noted several accounts receivable that had been outstanding for more than one year.

We recommend that the City increase collection efforts for accounts receivable, particularly for old outstanding accounts.

## UNDERFUNDING OF BALLOON RESERVE

During the 1985 fiscal year, the City adopted a plan to fund the balloon payment that will be due on the Series 1984 bonds in 1994. During the current year, funding was not at the level specified in the plan.

We recommend that the City adhere to the plan in reserving funds to meet the balloon payment. This will ensure that funds are available when needed.

## ANNUAL FINANCIAL REPORTS OF UNITS OF LOCAL GOVERNMENT, 1986

The City filed its annual financial report for the fiscal year ended September 30, 1986, 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.

These conditions were considered in determining the nature, timing, and extent of audit tests applied in our examination of the City of Holly Hill, Florida general purpose financial statements and this report does not affect our report on the general purpose financial statements dated November 20, 1987.

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

\* \* \* \* \*

The management of the City of Holly Hill, Florida, 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 the 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.

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 Acting City Manager/City Clerk, Finance Director, department heads and all their staff for their assistance and cooperation during our recent examination. We would be pleased to discuss the matters reported or to respond to any questions, at your convenience.

Very truly yours,

A handwritten signature in cursive script that reads "Arthur Young & Company". The signature is written in dark ink and is positioned above the typed name of the firm.

Certified Public Accountants  
November 20, 1987

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