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# CITY OF HOLLY HILL, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



ISCAL YEAR ENDING SEPTEMBER 30, 1989



**CITY OF HOLLY HILL  
FINANCIAL ANALYSIS  
BALANCE SHEETS  
SEPTEMBER 30, 1989 AND 1988**

	In Thousands		
	<u>1989</u>	<u>1988</u>	<u>Increase (Decrease)</u>
<u>Assets</u>			
Cash and Investments	\$4,822	\$3,376	\$1,446 <small>(From Bond Issue)</small>
Receivables	393	348	45
Restricted Assets	10,178	2,026	8,152
Plant in Service	15,866	15,206	660
 <u>Liabilities</u>			
Current Liabilities	578	509	69
Liabilities Payable from Restricted Assets	221	444	(223)
Long-Term Liabilities	14,477	5,231	9,246
 <u>Fund Equity</u>			
Retained Earnings	3,103	2,654	449
Fund Balances	3,705	2,833	872



**CITY OF HOLLY HILL  
 FINANCIAL ANALYSIS  
 GENERAL FUND REVENUES  
 FOR THE YEARS ENDED  
 SEPTEMBER 30, 1989, 1988 AND 1984**

	PER CAPITA		
	<u>1989</u>	<u>1988</u>	<u>1984</u>
Taxes	\$183	\$165	\$127
Licenses and Permits	12	13	19
Intergovernmental Revenues	86	116	71
Charges for Services	108	108	65
Fines and Forfeitures	7	8	5
Miscellaneous Revenues	<u>14</u>	<u>8</u>	<u>16</u>
	<u>\$410</u>	<u>\$418</u>	<u>\$303</u>



**CITY OF HOLLY HILL  
 FINANCIAL ANALYSIS  
 GENERAL FUND EXPENDITURES  
 FOR THE YEARS ENDED  
 SEPTEMBER 30, 1989, 1988 AND 1984**

	PER CAPITA		
	<u>1989</u>	<u>1988</u>	<u>1984</u>
Operating			
General Government	\$88	\$81	\$65
Public Safety	138	130	101
Physical Environment	56	54	40
Transportation	53	46	39
Culture and Recreation	31	30	23
Capital Outlay	57	38	20
Debt Service	<u>5</u>	<u>4</u>	<u>4</u>
	<u>\$428</u>	<u>\$383</u>	<u>\$292</u>



**CITY OF HOLLY HILL  
 FINANCIAL ANALYSIS OF REVENUES  
 AND EXPENSES  
 WATER AND SEWER SYSTEM FUND  
 FOR THE YEARS ENDED  
 SEPTEMBER 30, 1989 AND 1988**

	In Thousands		Percent Change
	<u>1989</u>	<u>1988</u>	
Charges for Services	\$2,349	\$2,037	15%
Operating Expenses	1,649	1,356	22%
Non-Operating Revenue (Expenses)	<u>(84)</u>	<u>(102)</u>	(18%)
Income Before Operating Transfers and Extraordinary Item	<u>\$616</u>	<u>\$579</u>	



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CITY OF HOLLY HILL, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1989

To Council  
2-27-90

Prepared by:  
Finance Department  
Virginia Wine, Finance Director

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## **INTRODUCTORY SECTION**



CITY OF HOLLY HILL, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 1989

**COUNCILMEN**

B. Donald Wiggins, Mayor  
Arthur J. Byrnes, Mayor Pro-Tem  
Robert E. Chesnowitz  
Jo Nelson  
Clifford E. Whaley

**CITY MANAGER**

Bill Farmer

**CITY ATTORNEY**

Edward F. Simpson, Jr.

**FINANCE DIRECTOR**

Virginia Wine

**CITY ENGINEERS**

Russell & Axon, Consulting Engineers

**CITY AUDITORS**

Ernst & Young

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CITY OF HOLLY HILL, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 1989  
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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

February 27, 1990

Mr. Bill Farmer, City Manager  
City of Holly Hill  
Holly Hill, Florida

Dear Mr. Farmer:

The Comprehensive Annual Financial Report of the City of Holly Hill, Florida, for the year ended September 30, 1989, 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

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the government. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the government's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

This report includes all funds and account groups of the government. The government provides a full range of services. These services include police and fire protection; sanitation services; water and sewer services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. In addition to general government activities, the governing body exercises or has the ability to exercise oversight of the Police Officers' Retirement Trust Fund and the Firefighters' Retirement System; therefore, these activities are included in the reporting entity. Other overlapping governments, including the County of Volusia, Volusia County School District, Halifax Hospital District, the St. Johns Water Management District and Halifax Water Authority, have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from the financial report for the City of Holly Hill.

Mr. Bill Farmer, City Manager  
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## ECONOMIC CONDITION AND OUTLOOK

The government is located on the eastern end of the I-4 corridor, the economic zone of Central Florida which roughly follows Interstate 4 from Tampa through Orlando to the communities along the Atlantic coast in Volusia County.

Growth along the I-4 corridor has been exceptional and is expected to continue into the 1990's. Growth in Holly Hill has been moderate in recent years encouraged by the resolution of water supply problems and the end of building moratoriums. A number of commercial developments have been completed in recent years adding significantly to the City's tax base. The closing of a major hospital in the City, one of the City's ten leading taxpayers, is expected to effect only a modest impact on the tax base.

The community currently has a 5.0% unemployment rate as compared to a state-wide rate of 5.6%. During the past three years, property assessments have increased 24% and the population by 5%.

Growth trends and their challenge to government are expected to continue. Maintaining service delivery to the citizens of Holly Hill continues to pose problems requiring innovativeness in both obtaining and managing resources.

## MAJOR INITIATIVES

*For the Year.* During the year the City focused on promoting economic growth in the area. During 1989, the City drafted a Comprehensive Plan to guide the expansion and maintenance of the City's streets, parks, zoning regulations, utility services, protective services, land use and other aspects of City life. The Plan is currently the subject of a series of public hearings. In late 1989, the City began preparing a brochure to encourage industrial growth, by promoting the availability of sites and buildings.

The City also adopted and is in the initial stages of implementing a "Ridgewood Avenue Redevelopment Plan." It is hoped that this project, which includes the addition of several hundred trees, various landscaping projects, and improvements to business signs, will help to attract more businesses to the area. In addition to the Ridgewood Avenue Project, the City has implemented a two-year program that includes over twenty-five separate beautification projects.

Operationally, the City has continued to seek improvements. During the current year, a number of studies were conducted to seek less costly and more efficient ways to provide municipal services. As a result of these studies, the City has obtained efficiencies and cost savings, including the following:

- Changes were made to the City's insurance package, resulting in cost savings.

Mr. Bill Farmer, City Manager  
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- Analysis of the total cost of building and staffing a second fire station in Holly Hill resulted in the decision to defer plans for this improvement.
- The City began a recycling program.
- Several improvements made to the City's Civil Service/Personnel System, including improvements to the performance evaluation system and improved personnel policies, are expected to result in improved employee productivity and morale.

*For the Future.* The City has entered into a contract for construction of improvements to the water and wastewater system, with construction scheduled to begin in late 1989. The first phase of this project will be the expansion and upgrading of the wastewater treatment facility. The new facility is designed as an "advanced wastewater treatment" plant which will remove nutrients as well as suspended solids and biochemical oxygen demand. Included in the project are improved sludge handling capabilities for both the wastewater and water treatment facilities, improvements to the site power distribution system, and construction of a combination laboratory/administration/employee building.

Potential annexation of approximately 100 acres is in the initial stages and is expected to occur during 1990. Several meetings have been held with attorneys and the owner of the property to work out the complex details of the large annexation.

The purchase of a sewer and catch basin cleaner vehicle is planned for 1990. During the first year of operation this vehicle will be used to clean out the City's entire storm drain system. Cleaning will be done annually thereafter. It is expected that each year less time will be required to clean storm drains, allowing more time to be spent cleaning sewer lines.

*Departmental Focus.* During the year, the Sanitation Division implemented a new containerized refuse collection system. All rear load refuse trucks were outfitted with dumping mechanisms, allowing for more efficient trash pickup.

In August the St. Johns River Water Management District imposed mandatory water use restrictions throughout the district. These restrictions caused lower per day water usage in the months of August and September.

The City's Engineers, Russell & Axon, Inc., prepared an improvement needs study for the water system. As a result of this study and previous reports, the City Council authorized the engineers to proceed with the design of a second softening basing, replacement of the lime feed system, and replacement of the filter media at the water treatment plant, as well as other much needed improvements to the system.

Mr. Bill Farmer, City Manager  
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Besides routine operation and maintenance, three major activities occurred in the wastewater department during the past year: (1) extensive training of plant operators and technicians to provide the knowledge and skill to operate the existing facilities to produce an effluent consistently conforming to U.S. Environmental Protection Agency requirements; (2) repair of major system components to allow the existing facilities to meet EPA effluent requirements; and (3) design and bidding of upgrading and expanded facilities to meet future requirements.

The year 1989 has proven to be both productive and interesting for the Police Department. Highlighting the period was the more than successful renovation of the Police Explorer program. A concerted effort at recruiting membership from local schools has resulted in increased involvement in the program.

Crime Prevention programs continue to remain a primary consideration. The Police Department utilized a volunteer group of officers to assist the Halifax area's Domestic Abuse Council in the creation of an educational film on family violence. The film received an extremely positive reaction from all who viewed it. In addition, the department conducted seminars for area citizens and merchants on topics ranging from Firearms Safety to Burglary Prevention and Bad Check Awareness. Danger Stranger and Danger Awareness programs are continuing in both the elementary and junior high schools.

The Building Department experienced a very productive year despite a moratorium on sewer line designs and extensions. New homes, shopping centers, and industrial and commercial buildings were constructed during the year.

The Recreation Department has initiated a number of new programs and enjoyed continued successes. During the year the department was notified that it would receive an \$18,000 grant from the Ponce DeLeon Port Authority to dredge the Sunrise Park boat ramp.

#### FINANCIAL INFORMATION

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

*Budgeting Controls.* In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities in the general fund, special revenue fund and various water and sewer funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by department or division within an individual fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end. However, encumbrances generally are reappropriated as part of the following year's budget.

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.

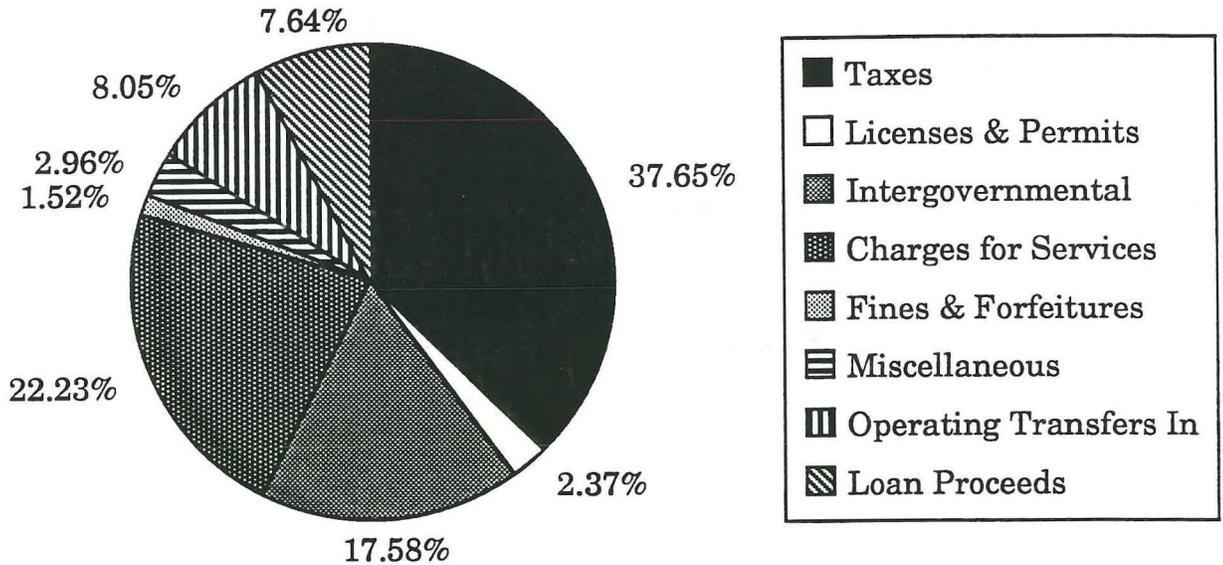
As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

*General Governmental Functions.* The following schedule presents a summary of General Fund revenues and other sources for the fiscal year ended September 30, 1989 and the increases and decreases in relation to prior year revenues.

<u>SOURCE</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>INCREASE (DECREASE) OVER 1988 (Thousands)</u>
Taxes (all sources)	\$ 2,129,909	37.65 %	\$ 235
Licenses and permits	134,205	2.37	(11)
Intergovernmental revenues	994,660	17.58	(338)
Charges for services	1,257,599	22.23	18
Fines and forfeitures	86,168	1.52	(5)
Miscellaneous	167,375	2.96	71
Operating transfers in	455,200	8.05	455
Loan proceeds	<u>432,000</u>	<u>7.64</u>	<u>432</u>
<b>TOTALS</b>	<b><u>\$ 5,657,116</u></b>	<b><u>100.00 %</u></b>	<b><u>\$ 857</u></b>

Mr. Bill Farmer, City Manager  
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The contribution of each revenue type to the total earnings of the City is displayed in the following graph:



Revenues and other sources for the general fund functions totaled \$5,657,116 for the year ended September 30, 1989, an increase of 17.83% from the previous year. Budgeted revenues and other sources for the General Fund exceeded actual revenues by \$60,284.

Ad valorem taxes continue to be the most significant revenue source. The total nonexempt valuation for ad valorem taxes amounts to \$243.6 million, an increase of 5.16% over the preceding year. The total nonexempt value for ad valorem taxes increased \$11,948,400 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.

The property tax levy was as follows for the past two years:

	<u>1988/89</u>	<u>1987/88</u>
General Fund	<u>3.963 mills</u>	<u>4.138 mills</u>

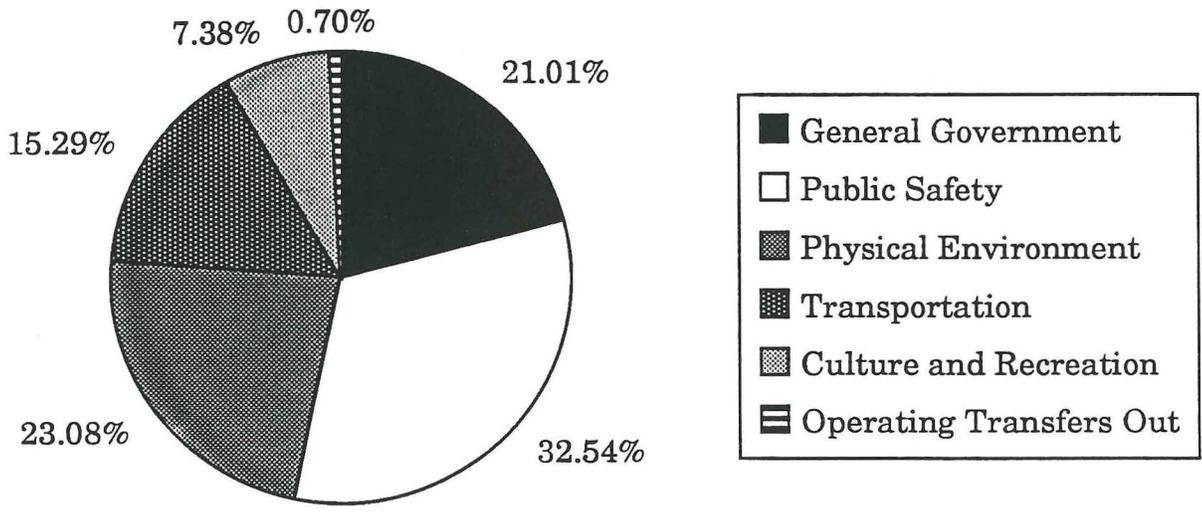
The most significant increase in actual combined revenue sources was derived from taxes.

Mr. Bill Farmer, City Manager  
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The following schedule presents a summary of General Fund expenditures and other uses for the fiscal year ended September 30, 1989 and the increases and decreases in relation to prior year amounts.

<u>FUNCTION</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>INCREASE (DECREASE) OVER 1988 (Thousands)</u>
General Government	\$ 1,052,333	21.01 %	\$ 101
Public Safety	1,629,306	32.54	74
Physical Environment	1,155,954	23.08	401
Transportation	765,892	15.29	153
Culture and Recreation	369,602	7.38	(143)
Operating transfers out	<u>35,000</u>	<u>.70</u>	<u>-</u>
<b>TOTALS</b>	<b><u>\$ 5,008,087</u></b>	<b><u>100.00 %</u></b>	<b><u>\$ 586</u></b>

The percentage of each functional expenditure to total expenditures and transfers is displayed in the following graph:



Expenditures and other uses for the General Fund amounted to \$5,008,087 for the year, an increase of 13.25% over the preceding year.

Expenditures for General Government functions increased 10.58% over the previous year and accounted for 21.01% of total General Fund expenditures.

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Public Safety, which includes Police, Fire and Protective Inspection Departments, accounted for 32.54% of the General Fund expenditures, as compared to 35.18% for the preceding fiscal year.

Public Works operations include Transportation/Road and Street Facilities and Physical Environment/Sanitation Services. These operations represented 23.08% and 15.29% of the General Fund expenditures, as compared to 17.06% and 13.86% for the previous year.

The Culture and Recreation Department accounted for 7.38% of the General Fund expenditures, as compared to 11.59% for the preceding fiscal year.

Capital improvements are included in each of the above functions. Expenditures for capital improvements amounted to \$656,957 for the fiscal year, an increase of 50.39% over the previous year. The increase was caused by the purchase of a sanitation truck and trash containers in the current year.

Operating transfers out accounted for .70% of the General Fund expenditures, as compared to .79% for the prior year.

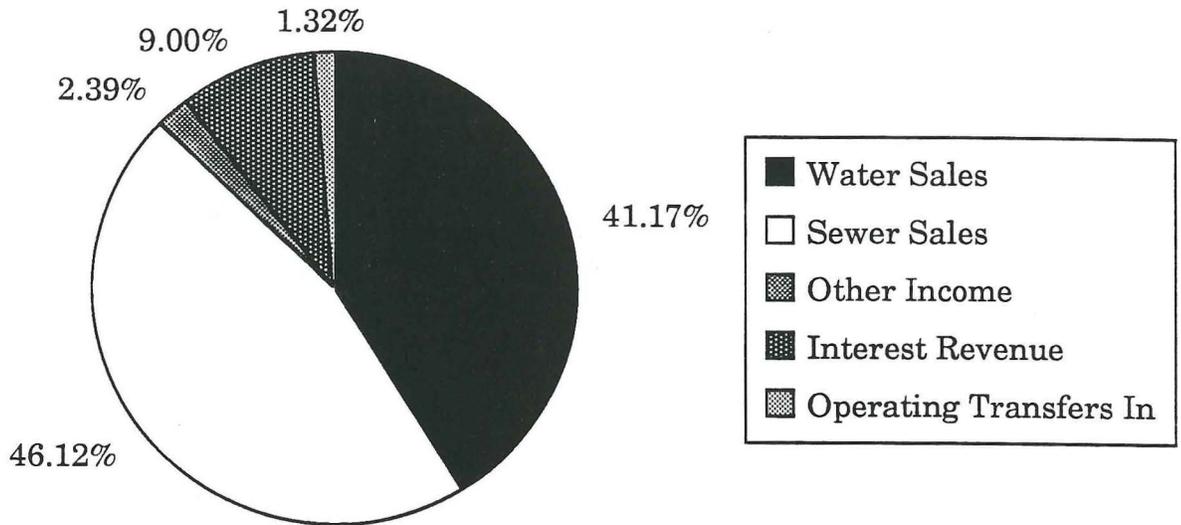
*General Fund Balance.* The fund balance of the General Fund increased by 64.70% during the fiscal year ended September 30, 1989. The \$649,029 increase provided the City with a fund balance that is the equivalent of 29.83% or approximately three and one half months of the budgeted expenditures of the current fiscal year. This indication of sound financial position will ensure the availability of resources needed to continue providing quality service to the citizens of Holly Hill without imposing an undue tax burden.

*Enterprise Operations.* The following schedule presents a summary of Water and Sewer Fund revenues and transfers in for the fiscal year ended September 30, 1989 and the increases and decreases in relation to the prior year.

<u>SOURCE</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>INCREASE (DECREASE) OVER 1988 (Thousands)</u>
Water sales	\$ 1,089,513	41.17 %	\$ 111
Sewer charges	1,220,616	46.12	201
Other income	63,119	2.39	(10)
Interest revenue	238,185	9.00	73
Operating transfers in	<u>35,000</u>	<u>1.32</u>	<u>-</u>
<b>TOTALS</b>	<b><u>\$ 2,646,433</u></b>	<b><u>100.00 %</u></b>	<b><u>\$ 375</u></b>

Mr. Bill Farmer, City Manager  
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The percentage of each component of revenue to total revenues and transfers is displayed in the following graph:



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), increased over the previous year were caused mainly by a rate increase.

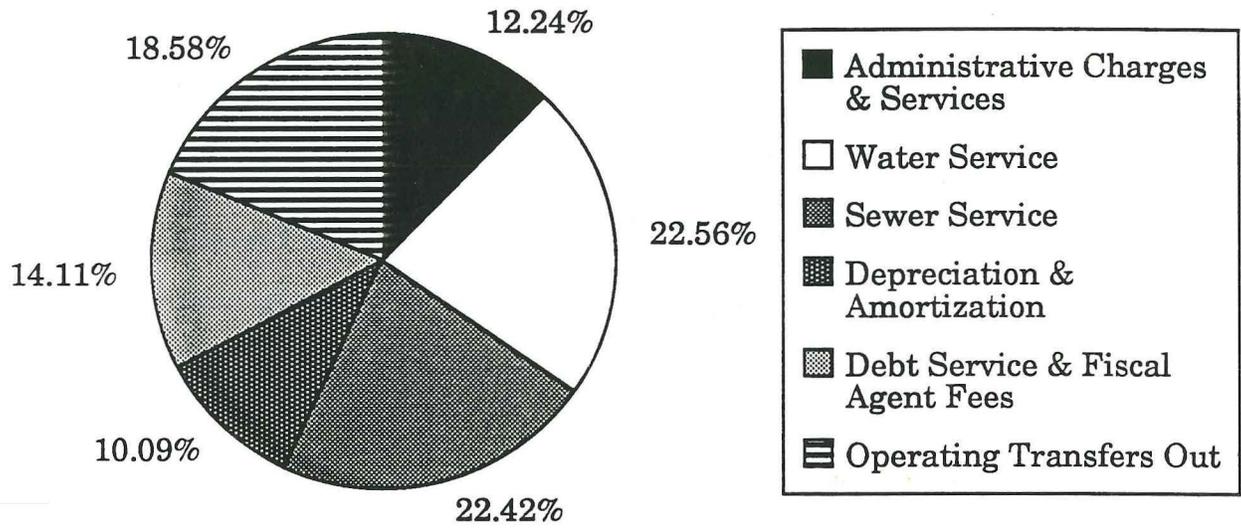
The City records connection charges and impact fees as contributed capital. During the year, connection charges and impact fees amounted to \$49,543, a decrease of 39.96% from the previous year.

The following schedule presents a summary of Water and Sewer Fund expenses and transfers out for the fiscal year ended September 30, 1989 and the amount of increases and decreases in relation to prior year amounts.

<u>EXPENSES</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>INCREASE (DECREASE) OVER 1988 (Thousands)</u>
Administrative charges and services	\$ 300,000	12.24 %	\$ 28
Water service	552,773	22.56	74
Sewer service	549,375	22.42	197
Depreciation and amortization expense	247,250	10.09	(6)
Debt service and fiscal agent fees	345,884	14.11	45
Operating transfers out	<u>455,200</u>	<u>18.58</u>	<u>455</u>
<b>TOTALS</b>	<b>\$ <u>2,450,482</u></b>	<b><u>100.00 %</u></b>	<b>\$ <u>793</u></b>

Mr. Bill Farmer, City Manager  
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The percentage of each expense to total expenses and transfers is displayed in the following graph:



This year, the City had net income of \$448,828 in the Water and Sewer System Fund.

Bonded debt coverage from the operations of the system are shown in the following tabulation:

	<u>1988/89</u>
Gross revenue (includes connection charges and impact fees)	\$ 2,589,078
Income available for debt service	1,486,930
Annual debt service requirement	692,751
Coverage (income available for debt service divided by annual debt service requirement)	2.15

*Debt Administration.* At September 30, 1989, the City had no general bonded debt.

Water and sewer revenue bonds totalling \$14,065,000 were issued September 19, 1989 to finance improvements to the water and sewer system and to advance refund all existing debt. The advance refunding was undertaken to remove restrictions which were contained in the old debt agreements and resulted in an accounting gain of \$252,877. The bonds were rated Aaa by Moody's Investors Services and AAA by Standard and Poor's Corporation and are insured by Municipal Bond Investors Assurance Corporation.

Mr. Bill Farmer, City Manager  
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Interest rates on the bonds range between 6.15% and 7.25% with scheduled principal payments varying between \$165,000 and \$1,085,000 over the life of the bonds.

*Pension Trust Fund Operations.* Two funds have been established to account for the accumulation of resources to pay pension benefits to retired firefighters and policemen.

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. At the dates of the most recent actuarial valuations, neither Plan had an actuarial deficiency. 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 \$19,153, employee contributions of \$31,905, City contributions of \$5,454 and interest and dividends earned on investments of \$54,693. Fund balance at the end of the year is \$777,268 as compared to \$682,635 for the preceding year. For the Police Officers' Retirement Trust Fund, the revenues were derived from State of Florida contributions of \$39,967, employee contributions of \$6,503, City contributions of \$32,698 and interest and dividends earned on investments of \$80,370. Fund balance at the end of the year is \$1,274,331 as compared to \$1,147,100 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 investment of the City in general fixed assets had increased moderately by the end of the 1989 fiscal year. The total cost of general fixed assets at September 30, 1989 amounted to \$7,823,725 as compared to \$7,357,124 for the preceding year, an increase of 6.34%.

*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. The government's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the government, its agent or a financial institution's trust department in the government's name. At September 30, 1989, idle unrestricted cash was invested as follows: in demand deposits, 2.66% and in time deposits, 97.34%.

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

<u>FUND</u>	<u>INTEREST EARNED</u>	
	<u>1989</u>	<u>1988</u>
General Fund	\$ 115,852	\$ 62,152
Special Revenue Funds	-	1,035
Water and Sewer System Fund	<u>70,897</u>	<u>45,399</u>
<b>TOTAL INTEREST EARNINGS FOR THE CITY</b>	<b><u>\$ 186,749</u></b>	<b><u>\$ 108,586</u></b>

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.

#### OTHER INFORMATION

*Independent Audit.* State Statutes require an annual audit by independent certified public accountants. The accounting firm of Ernst & Young was selected by the City Council. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

*Awards.* The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 1988. This was the twelfth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning October 1, 1988. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Mr. Bill Farmer, City Manager  
City of Holly Hill  
Page 13  
February 27, 1990

*Acknowledgements.* The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in cursive script that reads "Virginia Wine".

Virginia Wine  
Finance Director

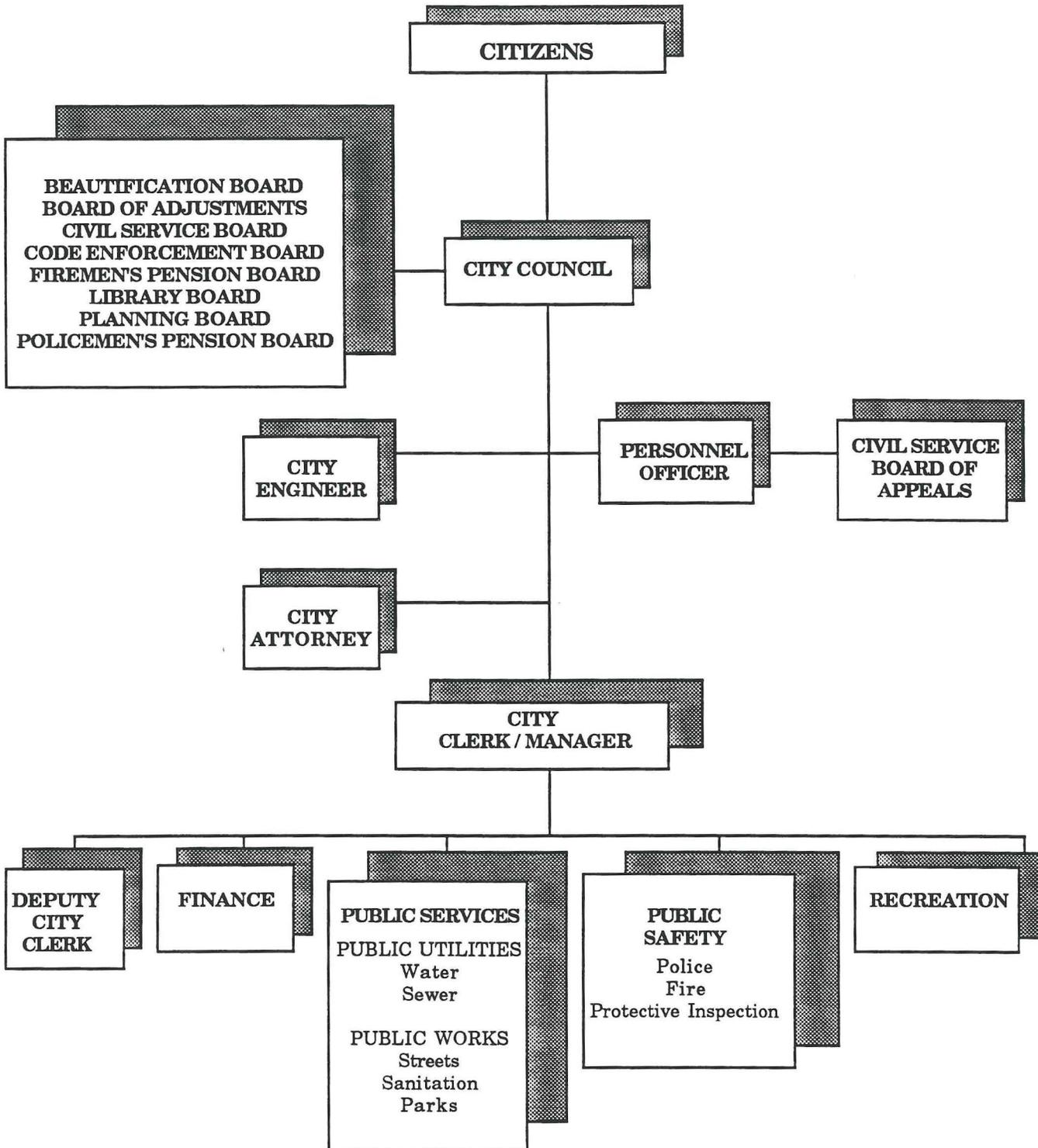
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## **ORGANIZATION CHART**

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# CITY OF HOLLY HILL, FLORIDA

## 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, 1988

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "W. J. ...".

President

A handwritten signature in black ink, reading "Jeffrey L. Esler".

Executive Director

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## **FINANCIAL SECTION**



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Mayor, City  
Council and City Manager  
City of Holly Hill, Florida

We have audited the accompanying general purpose financial statements of the City of Holly Hill, Florida as of September 30, 1989 and for the year then ended. These general purpose financial statements are the responsibility of the City of Holly Hill, Florida management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 11A. <sup>7956</sup> to the financial statements, the City has omitted disclosure of the pension benefit obligation relating to the Police Officers' and Firefighters' Pension Trust Funds. This standardized measure of the present value of pension benefits and other disclosures are required by generally accepted accounting principles.

In our opinion, except for the omission of the pension benefit obligation disclosure as discussed in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Holly Hill, Florida at September 30, 1989, and the results of operations and 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.

Our audit has been made for the purpose of expressing an opinion on the general purpose financial statements taken as a whole. The combining, statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Holly Hill, Florida. Such additional information has been subjected to the procedures applied in the audit 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. The statistical section has not been subjected to the procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

*Ernst & Young*

November 27, 1989, <sup>Pa 60</sup>  
except for Note 12, as to which the date is  
February 21, 1990

*No Actuarial study done in Police or Fire pens*

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**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**(COMBINED STATEMENTS - OVERVIEW)**



PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1989
\$ 2,061,355 ✓	\$ -	\$ -	\$ 4,821,813	\$ 3,376,389
-	-	-	291,511	254,882
-	-	-	48,613	34,804
-	-	-	6,700	6,233
-	-	-	31,869	31,687
-	-	-	13,892	20,426
-	-	-	7,704	9,059
-	-	-	1,302,009	1,478,533
-	-	-	-	7,588
-	-	-	8,107,659	366,929
-	-	-	-	7,306
-	-	-	226,006	164,580
-	-	-	1,092	-
-	-	-	541,614	1,059
-	1,048,659 ✓	-	1,139,625	1,063,957
-	719,420 ✓	-	6,186,905	6,184,899
-	3,604,230 ✓	-	8,556,474	8,043,948
-	2,451,416 ✓	-	2,691,190	2,352,002
-	-	-	(2,754,071)	(2,526,903)
-	-	-	46,104	87,989
-	-	-	252,014	12,734
-	-	627,653 ✓	627,653	240,658
<u>\$ 2,061,355 ✓</u>	<u>\$ 7,823,725 ✓</u>	<u>\$ 627,653 ✓</u>	<u>\$ 32,146,376 ✓</u>	<u>\$ 21,218,759</u>

CITY OF HOLLY HILL, FLORIDA  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 SEPTEMBER 30, 1989

Wages 2746.73  
 Sick 281.38  
 Pens. 6411.15  
 Compensated Absence 33557.84  
 43,496.60

GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE
GENERAL	ENTERPRISE

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 55,803 ✓	\$ 31,264 ✓
Accrued liabilities	54,582 ✓	43,996 ✓
Due to other funds	-	31,869 ✓
Customer deposits	-	294,889 ✓
Deposits	16,530 ✓	-
Deferred revenues	48,613 ✓	-
Payable from restricted assets:		
Accounts payable	-	44,909 ✓
Revenue bonds	-	-
Accrued interest payable	-	165,919 ✓
Deferred compensation payable	-	-
Revenue bonds payable - net	-	13,849,418 ✓
Notes payable - pension backfunding	-	-
Notes payable	-	-
Obligation for compensated absences	-	-

TOTAL LIABILITIES

175,528 ✓  
 14,462,264 ✓

COMMITMENTS AND CONTINGENCIES

FUND EQUITY

Contributed capital (Customer)	-	2,241,030 ✓
Investment in general fixed assets	-	-
Retained earnings:		
Reserved for renewal and replacement	-	227,098 ✓
Reserved for revenue bond retirement	-	1,136,090 ✓
Unreserved	-	1,739,533 ✓
Fund balances:		
Reserved for law enforcement trust	8,075 ✓	-
Reserved for encumbrances	70,000 ✓	-
Reserved for police and fire pensions	-	-
Reserved for police education	10,135 ✓	-
Reserved for stormwater drainage	86,022 ✓	-
Unreserved - Undesignated	1,477,868 ✓	-

TOTAL FUND EQUITY

1,652,100 ✓  
 5,343,751 ✓

TOTAL LIABILITIES AND FUND EQUITY

\$ 1,827,628 ✓  
 \$ 19,806,015 ✓

See accompanying notes.

PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)		
	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1989	1988
\$ -	\$ -	\$ -	\$ 87,067	\$ 66,134	
-	-	-	98,578	75,187	
-	-	-	31,869	31,687	
-	-	-	294,889	286,146	
-	-	-	16,530	15,306	
-	-	-	48,613	34,804	
-	-	-	44,909	-	
-	-	-	-	365,000	
-	-	-	165,919	78,527	
9,756 ✓	-	-	9,756	-	
-	-	-	13,849,418	4,990,000	
-	-	7,323	7,323	14,199	
-	-	432,000	432,000	33,334	
-	-	188,330	188,330	193,125	
<u>9,756</u> ✓	<u>-</u>	<u>627,653</u> ✓	<u>15,275,201</u> ✓	<u>6,183,449</u>	
ok		ok	ok		
-	-	-	2,241,030	2,191,487	
-	7,823,725 ✓	-	7,823,725	7,357,124	
-	-	-	227,098 ✓	164,580	
-	-	-	1,136,090 ✓	1,042,594	
-	-	-	1,739,533	1,446,719	
-	-	-	8,075 ✓	-	
-	-	-	70,000 ✓	9,265	
2,051,599 ✓	-	-	2,051,599 ✓	1,829,735	
-	-	-	10,135 ✓	10,097	
-	-	-	86,022 ✓	56,942	
-	-	-	1,477,868	926,767	
<u>2,051,599</u> ✓	<u>7,823,725</u> ✓	<u>-</u>	<u>16,871,175</u> ✓	<u>15,035,310</u>	
<u>\$ 2,061,355</u> ✓	<u>\$ 7,823,725</u> ✓	<u>\$ 627,653</u> ✓	<u>\$ 32,146,376</u>	<u>\$ 21,218,759</u>	
ok	ok	ok	ok		

CITY OF HOLLY HILL, FLORIDA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 1989

	GENERAL			TOTALS (MEMO- RANDUM ONLY) 1988
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	ACTUAL
<b>REVENUES</b> <span style="float: right; font-style: italic;">— See page 80</span>				
Taxes	\$ 2,180,300	\$ 2,129,909	\$ (50,391)	\$ 1,894,893
Licenses and permits	143,600	134,205	(9,395)	145,542
Intergovernmental revenues	1,002,500	994,660	(7,840)	1,332,908
Charges for services	1,259,500	1,257,599	(1,901)	1,239,451
Fines and forfeitures	71,400	86,168	14,768	91,651
Miscellaneous revenues	<u>172,900</u>	<u>167,375</u>	<u>(5,525)</u>	<u>97,536</u>
<b>TOTAL REVENUES</b>	<u>4,830,200</u>	<u>4,769,916</u> ✓ <i>ok</i>	<u>(60,284)</u>	<u>4,801,981</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,106,210	1,028,175	78,035	932,312
Public Safety	1,655,450	1,605,123	50,327	1,488,766
Physical Environment	682,300	650,990	31,310	615,510
Transportation	648,100	610,353	37,747	522,751
Culture and Recreation	386,350	359,201	27,149	345,892
Capital outlay	702,000	656,957	45,043	469,465
Debt service:				
Principal retirement	40,210	40,210	-	39,789
Interest	<u>22,924</u>	<u>22,078</u>	<u>846</u>	<u>5,275</u>
<b>TOTAL EXPENDITURES</b>	<u>5,243,544</u>	<u>4,973,087</u> ✓ <i>ok</i>	<u>270,457</u>	<u>4,419,760</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(413,344)</u>	<u>(203,171)</u> ✓	<u>210,173</u>	<u>382,221</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	(35,000)	(35,000) ✓	-	(35,000)
Operating transfers in <i>(from sinking funds)</i>	455,200	455,200 ✓	-	-
Loan proceeds <i>- Contingency + Trk</i>	<u>432,000</u>	<u>432,000</u> ✓	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>852,200</u>	<u>852,200</u> ✓	<u>-</u>	<u>(35,000)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	438,856	649,029 ✓	210,173	347,221
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>1,003,071</u>	<u>1,003,071</u> ✓	<u>-</u>	<u>655,850</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 1,441,927</u>	<u>\$ 1,652,100</u> ✓ <i>ok</i>	<u>\$ 210,173</u>	<u>\$ 1,003,071</u>

See accompanying notes.

Accrued Liabilities 9/30/89

General Fd

Radon Tax

275.07 ✓

Interest Exp

7592.79 ✓

Wages Payable

18109.02 ✓

FICA "

1359.98 ✓

Retire "

20850.99 ✓

Med Ins

6374.33 ✓

Court Ordered Deduct

20.25 ✓

54,582.43

Water

Wages

3746.73 ✓

FICA

281.38 ✓

Retire

6411.15 ✓

Compensated Absences

33557.34 ✓

43,996.60

OPERATING REVENUES (EXPENSES)	1988	1989	1989
Radon Tax		275.07	
Interest Exp		7592.79	
Wages Payable		18109.02	
FICA		1359.98	
Retire		20850.99	
Med Ins		6374.33	
Court Ordered Deduct		20.25	
<u>Water</u>		<u>54,582.43</u>	
Wages		3746.73	
FICA		281.38	
Retire		6411.15	
Compensated Absences		33557.34	
<u>43,996.60</u>		<u>43,996.60</u>	
TOTAL NONOPERATING REVENUES (EXPENSES)			01,673
INCOME BEFORE OPERATING TRANSFERS			29,669
OPERATING TRANSFERS			
Operating transfers in		35,000	35,000
Operating transfers out		(45,200)	-
			<u>35,000</u>

See accompanying notes.

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, 1989

	PROPRIETARY	FIDUCIARY	TOTALS	
	<u>FUND TYPE</u>	<u>FUND TYPE</u>	(MEMORANDUM ONLY)	
	ENTERPRISE	PENSION FUNDS	1989	1988
INCOME BEFORE EXTRAORDINARY ITEM	195,951	221,864	417,815	864,669
EXTRAORDINARY ITEM Gain on advance refunding	<u>252,877</u>	<u>-</u>	<u>252,877</u>	<u>-</u>
NET INCOME	448,828 ✓	221,864 ✓	670,692 ✓	864,669
RETAINED EARNINGS/FUND BALANCES AT BEGINNING OF YEAR	<u>2,653,893</u> ✓	<u>1,829,735</u> ✓	<u>4,483,628</u> ✓	<u>3,618,959</u>
RETAINED EARNINGS/FUND BALANCES AT END OF YEAR	<u>\$ 3,102,721</u> ✓ dc	<u>\$ 2,051,599</u> ✓ dc	<u>\$ 5,154,320</u> ✓ dc	<u>\$ 4,483,628</u>

See accompanying notes.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION  
 ALL PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1989

	PROPRIETARY	FIDUCIARY	TOTALS	
	<u>FUND TYPE</u>	<u>FUND TYPE</u>	(MEMORANDUM ONLY)	
	ENTERPRISE	PENSION FUNDS	1989	1988
<b>SOURCES OF FUNDS</b>				
From operations:				
Income before extraordinary item	\$ 195,951 ✓	\$ 221,864 ✓	\$ 417,815	\$ 864,669
Items not affecting working capital -				
depreciation and amortization	247,250 ✓	-	247,250	253,080
loss on disposal of property and equipment	<u>2,189 ✓</u>	<u>-</u>	<u>2,189</u>	<u>650</u>
<b>WORKING CAPITAL PROVIDED BY OPERATIONS BEFORE EXTRAORDINARY ITEM</b>	<b>445,390 ✓</b>	<b>221,864 ✓</b>	<b>667,254</b>	<b>1,118,399</b>
Extraordinary item - gain on advance refunding	<u>252,877 ✓</u>	<u>-</u>	<u>252,877</u>	<u>-</u>
<b>WORKING CAPITAL PROVIDED BY OPERATIONS</b>	<b>698,267 ✓</b>	<b>221,864</b>	<b>920,131</b>	<b>1,118,399</b>
Proceeds from issuance of revenue bonds payable (net of discount)	13,849,418 ✓	-	13,849,418	-
Increase in contributed capital	<u>49,543</u>	<u>-</u>	<u>49,543</u>	<u>82,514</u>
	<u>14,597,228</u>	<u>221,864</u>	<u>14,819,092</u>	<u>1,200,913</u>
<b>APPLICATION OF FUNDS</b>				
Net increase in restricted assets	8,152,385	-	8,152,385	267,970
Additions to property, plant and equipment	441,404 ✓	-	441,404	112,583
Net increase in bond issuance costs	241,049 ✓	-	241,049	-
Net decrease in restricted liabilities	232,699 ✓	-	232,699	1,581
Decrease in revenue bonds payable	<u>4,990,000 ✓</u>	<u>-</u>	<u>4,990,000</u>	<u>365,000</u>
	<u>14,057,537</u>	<u>-</u>	<u>14,057,537</u>	<u>747,134</u>
<b>INCREASE IN WORKING CAPITAL</b>	<b>\$ 539,691 ✓</b>	<b>\$ 221,864 ✓</b>	<b>\$ 761,555 ✓</b>	<b>\$ 453,779</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, 1989

	PROPRIETARY	FIDUCIARY	TOTALS	
	FUND TYPE	FUND TYPE	(MEMORANDUM ONLY)	
	ENTERPRISE	PENSION FUNDS	1989	1988
<b>CHANGES IN WORKING CAPITAL</b>				
Increase (decrease) in current assets:				
Cash and investments	\$ 551,221 ✓	\$ 221,864 ✓	\$ 773,085 ✓	\$ 464,473
Accounts receivable	26,752 ✓	-	26,752 ✓	29,244
Other receivables	181 ✓	-	181 ✓	543
Due from other funds	-	-	-	(29,482)
Prepaid insurance	(1,355) ✓	-	(1,355) ✓	3,082
	<u>576,799</u>	<u>221,864</u>	<u>798,663</u>	<u>467,860</u>
Increase (decrease) in current liabilities:				
Accounts payable	19,658 ✓	-	19,658	(13,492)
Accrued liabilities	8,525 ✓	-	8,525	(1,508)
Due to other funds	182 ✓	-	182	14,207
Customer deposits	8,743 ✓	-	8,743	14,874
	<u>37,108</u>	<u>-</u>	<u>37,108</u>	<u>14,081</u>
<b>INCREASE IN WORKING CAPITAL</b>	<u>\$ 539,691</u> ✓	<u>\$ 221,864</u> ✓	<u>\$ 761,555</u> ✓	<u>\$ 453,779</u>

See accompanying notes.

CITY OF HOLLY HILL, FLORIDA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1989

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 five (5) member Council consisting of four councilmen and one mayor. 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.

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:

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

These potential component units have separate elected Boards and provide services to residents, generally within the geographic boundaries of the government. They are excluded from the reporting entity because the government does not have the ability to exercise influence over their daily operations, approve budgets, or provide funding.

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.

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:

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, other governments, and/or other funds. These include Pension Trust and Agency Funds.

Account Groups:

General Fixed Assets - The General Fixed Assets Account Group is used to account for all fixed assets of the City, except fixed assets of the proprietary fund.

General Long-Term Debt - The General Long-Term Debt Account Group is used 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 "current financial resources" 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. Operating statements of these funds 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 a flow of economic resources 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 Types - Pension Trust Funds are accounted for in the same manner as Proprietary Fund Types since capital maintenance is critical. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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.

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.

CITY OF HOLLY HILL, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1989

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 include intergovernmental revenues, interest income, and charges for services. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

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.

Agency Funds are accounted for on a modified accrual basis.

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.

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- (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, 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.
- (10) The City Council by ordinance may make supplemental appropriations in excess of those originally estimated for the year up to the amount of available revenue. During the 1988/89 fiscal year, one (1) such appropriation was approved for the 1988/89 budget on June 13, 1989 through Ordinance #2216 in accordance with the City Charter.

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 City does not accrue the immaterial revenues for services delivered during the period that have not been billed by the end of the period.

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 3.963.

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The property tax calendar is as follows:

Valuation Date January 1, 1988

Property Appraiser prepares the assessment roll with values as of January 1, 1988, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations. July 1, 1988

City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate(s) for the coming fiscal year. September 1988

Property Appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable. (Levy date) November 1, 1988

A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes may be paid November 1988 through March 1989, with the following applicable discounts -

<u>Month</u>	<u>Discount Percent</u>	
November	4 %	
December	3	
January	2	November 1, 1988
February	1	through
March	0	March 31, 1989

All unpaid taxes on real and tangible personal property become delinquent. April 1, 1989

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. May 1989

Tax certificates are sold on all real estate parcels with unpaid real property taxes. (Lien date) June 1, 1989

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 1989

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In accordance with the modified accrual basis of accounting, 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 stated at cost, which approximates market, and are comprised of investments with the State Board of Administration. Certain mutual fund and limited partnership investments, which are stated at cost, are held by the Firefighters' Retirement System and the Police Officers' Retirement Trust Fund. Investments of the deferred compensation plan are stated at market value.

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.

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

I. Bond Discounts and Issuance Costs:

Bond discounts and bond issuance costs are amortized using the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable and issuance costs are recorded as deferred charges.

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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.

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.

0. 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, 1988 account balances have been reclassified in this report to conform with the financial statement presentation used in 1989.

## 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.

- A. Deposits:  
The carrying amount of the City's deposits and petty cash was \$1,559,733 and the bank balance was \$1,622,482. Since the City's banks are on the list of state qualified public depositories, the entire amount of deposits is considered to be fully collateralized.
- 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

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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 Deferred Compensation Agency Fund investments are managed by ICMA Retirement Trust Corporation which provides various investment options to participants.

The following schedule categorizes the level of risk assumed by the City relating to investments held at September 30, 1989:

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 counterparties' 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 safekeeping department or agent but not in the City's name.

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Following is a summary of risk levels assumed by the City at September 30, 1989:

	CATEGORY			CARRYING AMOUNT	MARKET VALUE
	1	2	3		
Pension Fund Investments - Limited Partnerships	\$ 380,000	\$ -	\$ -	\$ 380,000	\$ 380,000
Deferred Compensation Investments	-	-	9,756	9,756	9,756
	<u>\$ 380,000</u>	<u>\$ -</u>	<u>\$ 9,756</u>	389,756	389,756
Pension Fund Investments - Mutual Funds				1,658,942	1,718,350
State Board				<u>11,390,670</u>	<u>11,390,670</u>
TOTAL INVESTMENTS				<u>\$13,439,368</u>	<u>\$13,489,776</u>

The City's Pension Funds have invested in certain types of investments that are in violation of state statutes and/or local ordinances. See Note 12.

3. ACCOUNTS RECEIVABLE - NET

The accounts receivable - net amount at September 30, 1989 consists of the following:

	GENERAL FUND	WATER AND SEWER SYSTEM ENTERPRISE FUND
Accounts receivable	\$ 117,575	\$ 190,892
Less: Allowance for doubtful accounts	<u>1,393</u>	<u>15,563</u>
ACCOUNTS RECEIVABLE - NET	<u>\$ 116,182</u>	<u>\$ 175,329</u>

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4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	BALANCE OCTOBER 1, 1988	ADDITIONS	DELETIONS	BALANCE SEPTEMBER 30, 1989
Land	\$ 1,038,659	\$ 10,000	\$ -	\$ 1,048,659
Buildings	717,414	2,006	-	719,420
Improvements other than buildings	3,485,302	118,928	-	3,604,230
Machinery and equipment	<u>2,115,749</u>	<u>527,713</u>	<u>192,046</u>	<u>2,451,416</u>
<b>TOTAL GENERAL FIXED ASSETS</b>	<u>\$ 7,357,124</u>	<u>\$ 658,647</u>	<u>\$ 192,046</u>	<u>\$ 7,823,725</u>

5. CHANGES IN GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

	BALANCE OCTOBER 1, 1988	NOTES PAYABLE		OBLIGATION FOR COMPENSATED ABSENCES		BALANCE SEPTEMBER 30, 1989
		ISSUED	RETIRED	EARNED	USED	
Note payable :						
Pension backfunding	\$ 14,199	\$ -	\$ 6,876	\$ -	\$ -	\$ 7,323
Sun Bank of Volusia County - Sanitation truck	33,334	-	33,334	-	-	-
Sun Bank of Volusia County - Sanitation truck and containers	-	432,000	-	-	-	432,000
Obligation for compensated absences	<u>193,125</u>	<u>-</u>	<u>-</u>	<u>130,567</u>	<u>135,362</u>	<u>188,330</u>
<b>TOTAL GENERAL LONG-TERM DEBT</b>	<u>\$ 240,658</u>	<u>\$ 432,000</u>	<u>\$ 40,210</u>	<u>\$ 130,567</u>	<u>\$ 135,362</u>	<u>\$ 627,653</u>

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6. LEGAL DEBT MARGIN

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

7. GENERAL LONG-TERM DEBT

A. Notes Payable:

Notes payable at September 30, 1989 are summarized as follows:

<u>LENDOR/PURPOSE</u>	<u>PAYMENT AMOUNT</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>BALANCE 9/30/89</u>	<u>SECURITY PLEDGED</u>
Florida Retirement System/ pension backfunding	Variable	6/30/90	6.50%	\$ 7,323	Unsecured
Sun Bank of Volusia County - sanitation truck and containers	\$100,000 per year	10/1/93	7.30 %	<u>432,000</u>	1 sanitation truck and containers
TOTAL NOTES PAYABLE				<u>\$ 439,323</u>	

The City appropriates general fund revenues for payment of the pension backfunding note, while trash and refuse revenues are pledged for repayment of principal and interest on the sanitation truck note.

The annual debt service requirements to amortize the above notes payable outstanding at September 30, 1989 are as follows:

<u>FISCAL YEAR ENDING SEPTEMBER 30,</u>	
1990	\$ 133,860
1991	118,761
1992	111,461
1993	104,161
1994	<u>32,584</u>
TOTAL DEBT SERVICE	500,827
Less: Interest	<u>61,504</u>
PRINCIPAL DUE	<u>\$ 439,323</u>

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- B. **Compensated Absences:**  
 Compensated absences are accrued as a liability in the General Long-Term Debt Account Group at pay rates effective September 30, 1989 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.

8. REVENUE BONDS PAYABLE

- A. Revenue bonds payable at September 30, 1989 are payable solely from the net revenues of the water and sewer system and are comprised of the following issue:

	RATES AND DATES	FINAL MATURITY	ANNUAL SERIAL PAYMENTS	AMOUNT ISSUED	AMOUNT OUT- STANDING
(in thousands)					
Water and Sewer Improvement and Refunding Revenue Bonds, Series 1989	6.15-7.25 (4/1;10/1)	10/1/2019	\$165-1,085	\$14,065,000	\$ 14,065,000
Less: Unamortized discount					<u>(215,582)</u>
BONDS PAYABLE - LONG-TERM PORTION					<u>\$ 13,849,418</u>

- B. The annual debt service requirements to amortize the above bonds outstanding at September 30, 1989 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	
1990	\$ 1,028,700
1991	1,160,516
1992	1,160,369
1993	1,164,431
1994	1,162,366
1995 - 1999	5,804,176
2000 - 2004	5,817,354
2005 - 2009	5,804,925
2010 - 2014	5,808,044
2015 - 2019	<u>5,812,713</u>
TOTAL DEBT SERVICE	34,723,594
Less: Interest	<u>20,658,594</u>
PRINCIPAL DUE	<u>\$ 14,065,000</u>

C. Water and Sewer System Revenue Bond Accounts:

The Bond Resolution for the Series 1989 Bonds established certain funds and accounts within the Water and Sewer Enterprise Fund as follows:

- Revenue Fund
- Operation and Maintenance Fund
- Sinking Fund
  - Interest Account
  - Principal Account
  - Redemption Account
  - Debt Service Reserve Account
- Renewal and Replacement Fund
- Surplus Fund
- Rebate Fund

D. Early Redemption:

Bonds maturing in the years 1991 through 1998 are not redeemable prior to their stated maturity. The Bond Resolution provides for early redemption of bonds maturing in the years 1999 through 2019 at call rates varying from 100% to 102% of the face value, depending upon the call date.

E. Investment Restrictions:

The Bond Resolution provides that monies on deposit in the various bond accounts may be invested in permitted investments, the definition of which includes various securities backed by the full faith and credit of the U.S. Government or its agencies, depository accounts fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, commercial paper, money market funds, and bankers' acceptances meeting requirements defined in the Bond Resolution, units of participation in the Local Government Surplus Funds Trust Fund, and any other investments allowed by Florida law.

9. ADVANCE REFUNDING

On September 19, 1989 the City issued \$14,065,000 in Water and Sewer Revenue Bonds to provide funds necessary for the construction and installation of certain capital additions, extensions and improvements to the water and sewer system of the City and to finance the cost of refunding outstanding debt. The refunding proceeds from the issuance totalled \$4,913,498 and were used to refund the following outstanding issues:

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1964 Series A Water and Sewer Revenue Bonds	\$ 1,405,000
1970 Series B Water and Sewer Revenue Bonds	15,000
1972 Series B Water and Sewer Revenue Bonds	1,000,000
Series 1984 Water and Sewer Revenue Bonds	<u>2,625,000</u>
	<u>\$ 5,045,000</u>

A portion of the refunding proceeds was used to redeem the Series 1984 Bonds on the closing date.

The remainder of the refunding proceeds was used to purchase U.S. Government State and Local Government Series Securities that were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the Enterprise Fund.

At September 30, 1989, the following outstanding bonds are considered defeased:

1964 Series A Water and Sewer Revenue Bonds	\$ 1,350,000
1970 Series B Water and Sewer Revenue Bonds	15,000
1972 Series B Water and Sewer Revenue Bonds	<u>1,000,000</u>
	<u>\$ 2,365,000</u>

The advance refunding resulted in the recognition of an accounting gain of \$252,877 for the year ended September 30, 1989. The City increased its aggregate debt service payments by almost \$6 million over the next 30 years and obtained an economic loss (difference between the present values of the old and new debt service payments) of approximately \$230,000. The advance refunding was undertaken to remove restrictions which were contained in the old debt agreement.

10. INTERFUND ACCOUNTS

Individual fund interfund receivables and payables at September 30, 1989 consist of the following:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$ 31,869	\$ -
Water and Sewer System Fund	<u>-</u>	<u>31,869</u>
	<u>\$ 31,869</u>	<u>\$ 31,869</u>

11. PENSION PLANS

A. Police and Fire Pension Plans:

*Plan Description*

The Police Officers' Retirement Trust Fund and the Firefighters' Retirement System are single-employer defined benefit public employee retirement systems and 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. The statutes provide, in general, that funds are to be accumulated from employee contributions, city contributions, state appropriations and income from investment of accumulated funds. The act also provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the fund by an appropriation from current funds, or from any revenues which may lawfully be used for said purposes in an amount sufficient to make up the deficiency. The investments of the two funds are administered, managed and operated by their respective Boards of Trustees using the services of Jomar Financial Services Corporation. Investments are reported at cost, subject to adjustments for market declines judged to be other than temporary.

The total payroll of the City of Holly Hill was \$2,860,833 for the fiscal year ended September 30, 1989. Payroll expenditures for employees covered by the police and fire pensions were \$650,263 and \$319,048, respectively. Full-time, uniformed police officers are eligible to participate in the Police Officers' Retirement System upon employment with the City. Full-time, uniformed firefighters are eligible to participate in the Firefighters' Retirement System. Ordinances adopted by the City provide that participating Police and Fire Department employees contribute 1% and 10%, respectively, of their salary to the plans. The City contributes 5% of the salary of participating Police Department employees to the Police Pension Plan. City contributions to the Fire Pension are made as needed to fund any actuarial deficiency. Employees vest for full benefits after ten years of service. The Bureau of Police and Fire Pension, State of Florida, actuarially determines benefits to be paid to retirees. Current membership in the pension plans is comprised of the following:

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	<u>SEPTEMBER 30, 1989</u>	
	<u>POLICE OFFICERS</u>	<u>FIREFIGHTERS</u>
Retirees and beneficiaries		
currently receiving benefits	4	3
Vested terminated employees	-	-
Active employees:		
Fully vested	8	4
Nonvested	14	6

*Pension Benefit Obligation*

The pension benefit obligations of the Police Officers' Retirement Trust Fund and the Firefighters' Retirement System are not available for disclosure as required by generally accepted accounting principles. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits. In addition, certain supplementary data required by generally accepted accounting principles have not been presented.

*Related Party Transactions*

The City had no securities which were included in the assets of the Police Officers' Retirement Trust Fund or the Firefighters' Retirement System.

*Funding Methods and Assumptions*

The valuation method used for funding both the police and fire pension funds 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. Any unfunded actuarial accrued liabilities are amortized over a forty-year period.

The following table summarizes assumptions used in actuarial computations for the Police Officers' Retirement Trust Fund:

Mortality	1971 Group Annuity Mortality Table, with a five year setback for females.
Interest	8% per year
Retirement age	55
Salary increases	7.5% per year until the assumed retirement age; see table below.

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<u>AGE</u>	<u>% BECOMING DISABLED DURING THE YEAR</u>	<u>% TERMINATING DURING THE YEAR</u>	<u>CURRENT SALARY AS % OF SALARY AT RETIREMENT</u>
20	.06 %	6.0 %	8.0 %
30	.08 %	5.0 %	16.4 %
40	.14 %	2.6 %	33.8 %
50	.36 %	0.0 %	69.4 %

The following table summarizes assumptions used in actuarial computations for the Firefighters' Retirement System:

Mortality	1971 Group Annuity Mortality Table, with a five year setback for females.
Interest	8% per year
Retirement age	55
Salary increases	7.0% per year until the assumed retirement age; see table below.

<u>AGE</u>	<u>% BECOMING DISABLED DURING THE YEAR</u>	<u>% TERMINATING DURING THE YEAR</u>	<u>CURRENT SALARY AS % OF SALARY AT RETIREMENT</u>
25	.09 %	5.5 %	13.1 %
35	.14 %	3.8 %	25.8 %
45	.35 %	1.7 %	50.8 %
55	.74 %	0.0 %	100.0 %

The actuarial information used for funding in fiscal year 1989 was dated October 1, 1989 for the Police Officers' Retirement Trust Fund and January 1, 1988 for the Firefighters' Retirement System. Assets of \$1,149,190 and \$602,690, valued at market, were used to compute funding requirements for the police and firefighters' pension funds, respectively. Actuarial information is developed every two years. Information related to the most recent actuarial valuations is set forth below:

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	<u>POLICE OFFICERS</u>	<u>FIREFIGHTERS</u>
TOTAL NORMAL COST	\$ <u>72,280</u>	\$ <u>41,832</u>
PERCENT OF PAYROLL	<u>11.6 %</u>	<u>14.6 %</u>
Actuarial present value of accumulated plan benefits:		
Vested	\$ 535,492	\$ 392,022
Nonvested	<u>1,633,218</u>	<u>679,738</u>
	<u>\$ 2,168,710</u>	<u>\$ 1,071,760</u>
UNFUNDED ACTUARIAL LIABILITY	<u>\$ -</u>	<u>\$ -</u>

*Trend Information*

Certain historical trend information is not available because certain actuarial data, including the pension benefit obligation, have not been computed. Ten-year trend information regarding operating data for the pension funds is included in the Supporting Schedules.

For the three fiscal periods ended September 30, 1989, the City's contributions to the police and fire pension funds are set forth below:

POLICE PENSION FUND

	<u>Employer Contributions</u>		<u>Employee Contributions</u>	
	<u>Amount</u>	<u>% Of Covered Payroll</u>	<u>Amount</u>	<u>% Of Covered Payroll</u>
1989	\$ 32,698	5.0 %	\$ 6,503	1.0 %
1988	30,225	5.0 %	6,047	1.0 %
1987	25,237	5.0 %	5,047	1.0 %

FIREFIGHTERS' PENSION FUND

	<u>Employer Contributions</u>		<u>Employee Contributions</u>	
	<u>Amount</u>	<u>% Of Covered Payroll</u>	<u>Amount</u>	<u>% Of Covered Payroll</u>
1989	\$ 5,454	1.7 %	\$ 31,905	10.0 %
1988	10,420	3.4 %	30,645	10.0 %
1987	9,235	3.4 %	27,161	10.0 %

B. General Employees:

All nonuniformed City of Holly Hill full-time employees participate in the Florida Retirement System ("System"), a cost-sharing multiple-employer public employee retirement system (PERS). The payroll for employees covered by the System for the year ended September 30, 1989 was \$1,891,522; the City's total payroll was \$2,860,833.

Benefits are determined by category and length of service as follows:

<u>Category</u>	<u>Benefit</u>	<u>Vesting</u>	<u>Employer Contribution Rate</u>
Regular members	Normal retirement at age 62 or at least 30 years of service times average compensation (five highest years); 1.60% times average compensation (five highest years) times years of creditable service.	After 10 years of creditable service. Early retirement is available if vested.	14.38

Employer contributions include .48% for a post retirement health insurance subsidy. The System also provides disability and survivors benefits. Benefits are established by State statute.

The contribution requirement for the year ended September 30, 1989 was \$269,159; these contributions represented 14.17% of covered payroll.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at July 1, 1988 (the date of the latest actuarial update information) for the System as a whole, was \$23.4 billion. The System's net assets available for benefits on that date (valued at market) were \$14.5 billion leaving an unfunded pension benefit obligation of \$8.9 billion. The City's fiscal year 1989 contribution as a percentage of total contributions required of all participating entities is insignificant.

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There were no significant changes to benefit provision or actuarial assumptions since the June 30, 1987 actuarial valuation. Significant actuarial assumptions used for the July 1, 1988 update were: 8% for investment return; 5% for salary increases; and 3% for post retirement benefit increases.

Available historical trend information showing the Plan's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Florida Comprehensive Annual Financial Report for the year ended June 30, 1989.

12. INVESTMENT PORTFOLIO

Police Officers' Retirement Trust Fund:

At September 30, 1989, the investments of the Police Officers' Retirement Trust Fund are as follows -

POLICE OFFICERS' RETIREMENT TRUST FUND  
 INVESTMENT PORTFOLIO  
 AS OF SEPTEMBER 30, 1989

<u>EQUITY/DEBT PORTFOLIO</u>	<u>COST</u>	<u>MARKET</u>	<u>UNREALIZED GAIN (LOSS)</u>
<u>Investments held by Investment Manager</u>			
Limited Partnerships	\$ 225,000	\$ 225,000	\$ -
Government Mutual Funds	276,305	272,453	(3,852)
Corporate Mutual Funds	<u>767,382</u>	<u>806,079</u>	<u>38,697</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 1,268,687</u></b>	<b><u>\$ 1,303,532</u></b>	<b><u>\$ 34,845</u></b>

No valuation allowances were required at September 30, 1989. A net realized gain or \$2,414 on the sale of securities was included in the determination of net income for 1989. Subsequent to year end, the market value of investments declined. At February 21, 1990 aggregate market value was \$1,221,580.

Limited partnership interests are not publicly traded. Therefore, market or appraisal values are not objectively determinable and cost is estimated to approximate market value. Real estate investments of this type are not authorized by State Statute or local ordinance.

Corporate mutual fund investments of the Police Officers' Retirement Trust Fund exceed 30% of total plan assets. Investments in excess of the stated percentage are prohibited by Florida Statutes.

Underlying investments of some of the above mutual funds include foreign investments and low-rated or nonrated corporate bonds. These types of investments are not authorized by State Statutes or local ordinance.

**Firefighters' Retirement System:**

The Board of Trustees of the Firefighters' Retirement System invested its assets in a portfolio of limited partnerships and mutual funds.

At September 30, 1989, the investment portfolio of the Firefighters' Retirement System is summarized as follows -

**FIREFIGHTERS' RETIREMENT SYSTEM  
 INVESTMENT PORTFOLIO  
 AS OF SEPTEMBER 30, 1989**

<u>EQUITY/DEBT PORTFOLIO</u>	<u>COST</u>	<u>MARKET</u>	<u>UNREALIZED GAIN (LOSS)</u>
<u>Investments held by Investment Manager</u>			
Limited Partnerships	\$ 155,000	\$ 155,000	\$ -
Government Mutual Funds	173,799	167,974	(5,825)
Corporate Mutual Funds	<u>441,456</u>	<u>471,844</u>	<u>30,388</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 770,255</u></b>	<b><u>\$ 794,818</u></b>	<b><u>\$ 24,563</u></b>

No valuation allowances were required at September 30, 1989. A net realized loss of \$1,246 on the sale of securities was included in the determination of net income for 1989. Subsequent to year end, the market value of investments declined. At February 21, 1990 aggregate market value was \$742,351.

Limited partnership interests are not publicly traded. Therefore, market or appraisal values are not readily determinable and cost is estimated to approximate market value. Real estate investments of this type are not authorized by State Statute or local ordinance.

Corporate mutual fund investments of the Firefighters' Retirement System exceed 50% of total plan assets. Investments in excess of the stated percentage are prohibited by the City of Holly Hill Code of Ordinances.

*12/9/90 - no local ord. pertinent to investing -*

Underlying investments of some of the above mutual funds include foreign investments. This type of investment is not authorized by State Statutes or local ordinance.

13. DEFERRED COMPENSATION PLAN

Employees may participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Accordingly, employees may defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Program investments are administered by the International City Management Association Retirement Corporation (ICMA-RC).

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or designated beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equivalent to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant. The City does not believe that it will use the assets to satisfy claims of general creditors in the future.

14. 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 arise or otherwise materially affect the financial position or results of operations for the City.

B. Contracts:

(1) The City has entered into contracts for construction and engineering services related to water and sewer plant improvements. The work is scheduled to begin in late 1989 and be completed in 1991 at a cost of approximately \$7,360,000.

CITY OF HOLLY HILL, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1989

- (2) During the year, the City entered into a contract with the Volusia County School Board for the purchase of property. The purchase was completed in November 1989 at a cost of \$175,000.
- (3) At September 30, 1989 the City had contracted to purchase a Diesel Fueling System, at a cost of \$60,000. The purchase was completed in November 1989.

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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, 1989

	<u>1989</u>	<u>1988</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and investments - at cost	\$ 1,149,362	\$ 598,141
Accounts receivable - net	175,329	148,577
Other receivables	724	543
Prepaid insurance	<u>7,704</u>	<u>9,059</u>
<b>TOTAL CURRENT ASSETS</b>	<u>1,333,119</u>	<u>756,320</u>
<b>RESTRICTED ASSETS</b>		
Sinking Funds:		
Cash and investments	1,302,009	1,478,533
Accrued interest receivable	-	7,588
Construction Fund:		
Cash and investments	8,107,659	366,929
Accrued interest receivable	-	7,306
Renewal and Replacement Fund -		
Cash and investments	226,006	164,580
Accrued interest receivable	1,092	-
Impact fee -		
Cash and investments	<u>541,614</u>	<u>1,059</u>
<b>TOTAL RESTRICTED ASSETS</b>	<u>10,178,380</u>	<u>2,025,995</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	90,966	25,298
Buildings	5,467,485	5,467,485
Improvements other than buildings	4,952,244	4,558,646
Machinery and equipment	<u>239,774</u>	<u>236,253</u>
	10,750,469	10,287,682
less: accumulated depreciation	<u>2,754,071</u>	<u>2,526,903</u>
	7,996,398	7,760,779
Construction in progress	<u>46,104</u>	<u>87,989</u>
	<u>8,042,502</u>	<u>7,848,768</u>
<b>OTHER ASSETS</b>		
Unamortized bond issue costs	<u>252,014</u>	<u>12,734</u>
<b>TOTAL ASSETS</b>	<u>\$ 19,806,015</u>	<u>\$ 10,643,817</u>

	<u>1989</u>	<u>1988</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b>CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)</b>		
Accounts payable	\$ 31,264	\$ 11,606
Accrued liabilities	43,996	35,471
Due to other funds	31,869	31,687
Customer deposits	<u>294,889</u>	<u>286,146</u>
<b>TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)</b>	<u>402,018</u>	<u>364,910</u>
<b>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)</b>		
Accounts payable	44,909	-
Current portion of revenue bonds payable	-	365,000
Accrued interest payable	<u>165,919</u>	<u>78,527</u>
<b>TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)</b>	<u>210,828</u>	<u>443,527</u>
<b>LONG-TERM DEBT AND OTHER LIABILITIES</b>		
Revenue bonds payable - net	<u>13,849,418</u>	<u>4,990,000</u>
<b>TOTAL LIABILITIES</b>	<u>14,462,264</u>	<u>5,798,437</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>FUND EQUITY</b>		
Contributed capital:		
Contribution from federal government	919,421	919,421
Contribution from customers	1,321,609	1,272,066
Retained earnings:		
Reserved for Renewal and Replacement	227,098	164,580
Reserved for retirement of revenue bonds	1,136,090	1,042,594
Unreserved	<u>1,739,533</u>	<u>1,446,719</u>
<b>TOTAL FUND EQUITY</b>	<u>5,343,751</u>	<u>4,845,380</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 19,806,015</u>	<u>\$ 10,643,817</u>

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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.

### **PENSION TRUST FUNDS**

#### **Police Officers' Retirement Trust Fund**

The Police Officers' Retirement Trust Fund 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 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.

### **AGENCY FUND**

#### **Deferred Compensation Fund**

The Deferred Compensation Fund is an agency fund in which the City provides custodial and accounting services for employees who wish to participate in the deferred compensation program.

CITY OF HOLLY HILL, FLORIDA

COMBINING BALANCE SHEET

ALL FIDUCIARY FUNDS

SEPTEMBER 30, 1989

	<u>PENSION TRUST FUNDS</u>		<u>AGENCY FUND</u>	<u>TOTALS</u>	
	<u>POLICE OFFICERS' RETIREMENT TRUST</u>	<u>FIRE-FIGHTERS' RETIREMENT SYSTEM</u>	<u>DEFERRED COMPEN-SATION</u>	<u>1989</u>	<u>1988</u>
<u>ASSETS</u>					
Cash	\$ 5,644	\$ 7,013	\$ -	\$ 12,657	\$ 33,020
Investments	<u>1,268,687</u>	<u>770,255</u>	<u>9,756</u>	<u>2,048,698</u>	<u>1,796,715</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 1,274,331</b></u>	<u><b>\$ 777,268</b></u>	<u><b>\$ 9,756</b></u>	<u><b>\$ 2,061,355</b></u>	<u><b>\$ 1,829,735</b></u>
 <u>LIABILITIES AND FUND EQUITY</u>					
<b>CURRENT LIABILITIES</b>					
Deferred compensation payable	\$ -	\$ -	\$ 9,756	\$ 9,756	\$ -
<b>TOTAL CURRENT LIABILITIES</b>	-	-	9,756	9,756	-
<b>FUND EQUITY</b>					
Fund balances:					
Reserved -					
Reserved for police and fire pensions	<u>1,274,331</u>	<u>777,268</u>	<u>-</u>	<u>2,051,599</u>	<u>1,829,735</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><b>\$ 1,274,331</b></u>	<u><b>\$ 777,268</b></u>	<u><b>\$ 9,756</b></u>	<u><b>\$ 2,061,355</b></u>	<u><b>\$ 1,829,735</b></u>

CITY OF HOLLY HILL, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND BALANCES  
 PENSION TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1989

	POLICE OFFICERS' RETIREMENT TRUST	FIRE- FIGHTERS' RETIREMENT SYSTEM	TOTALS	
			1989	1988
<b>OPERATING REVENUES</b>				
Contributions	\$ 79,168	\$ 56,512	\$ 135,680	\$ 134,830
Interest and dividends	<u>80,370</u>	<u>54,693</u>	<u>135,063</u> ✓	<u>154,747</u>
<b>TOTAL OPERATING REVENUES</b>	<u>159,538</u>	<u>111,205</u>	<u>270,743</u> ✓	<u>289,577</u>
<b>OPERATING EXPENSES</b>				
Benefit payments	27,677	633 ✓	28,310 ✓	16,013
Miscellaneous	<u>4,630</u>	<u>15,939</u>	<u>20,569</u>	<u>23,416</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>32,307</u>	<u>16,572</u>	<u>48,879</u>	<u>39,429</u>
<b>NET INCOME</b>	127,231	94,633	221,864	250,148
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>1,147,100</u>	<u>682,635</u>	<u>1,829,735</u>	<u>1,579,587</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 1,274,331</u>	<u>\$ 777,268</u>	<u>\$ 2,051,599</u> ✓	<u>\$ 1,829,735</u>

Contributions from Employee	14,738.	31,905
" from state	39,967 ✓	19,153 ✓
" from city	32,854.	5521
	87,560	56,579.
Refunds	306.	8,942 = 9,248
Benefits	{ 15,380 15,863	633 ✓

CITY OF HOLLY HILL, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION  
 PENSION TRUST FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1989

	POLICE OFFICERS' RETIREMENT TRUST	FIRE- FIGHTERS' RETIREMENT SYSTEM	TOTALS 1989	TOTALS 1988
<b>SOURCES OF WORKING CAPITAL</b>				
From operations:				
Net income	\$ 127,231	\$ 94,633	\$ 221,864	\$ 250,148
<b>USES OF WORKING CAPITAL</b>				
	-	-	-	-
<b>INCREASE IN WORKING CAPITAL</b>	<u>\$ 127,231</u>	<u>\$ 94,633</u>	<u>\$ 221,864</u>	<u>\$ 250,148</u>
<b>CHANGES IN WORKING CAPITAL</b>				
Increase (decrease) in current assets:				
Cash	\$ (5,318)	\$ (15,045)	\$ (20,363)	\$ (22,740)
Investments	<u>132,549</u>	<u>109,678</u>	<u>242,227</u>	<u>272,888</u>
	127,231	94,633	221,864	250,148
Increase (decrease) in current liabilities	-	-	-	-
<b>INCREASE IN WORKING CAPITAL</b>	<u>\$ 127,231</u>	<u>\$ 94,633</u>	<u>\$ 221,864</u>	<u>\$ 250,148</u>

CITY OF HOLLY HILL, FLORIDA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
DEFERRED COMPENSATION FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BALANCE OCTOBER 1, 1988	ADDITIONS	DELETIONS	BALANCE SEPTEMBER 30, 1989
<b>ASSETS</b>				
Investments	\$ -	\$ 9,762	\$ 6	\$ 9,756
 <b>LIABILITIES</b>				
Deferred compensation payable	\$ -	\$ 9,762	\$ 6	\$ 9,756

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**SUPPORTING SCHEDULES**

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

*utility 56,915 128,215 28,902 -  
franchise 416,550 - 13,727 - 19,217 - 27,896 = 407,390  
3PL So. Bell So. CATV = 726,292*

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
<b>TAXES</b>				
Ad valorem taxes	\$ 944,000	\$ 923,042 ✓	\$ (20,958)	\$ 923,724
Delinquent ad valorem taxes	35,000	3,205 ✓	(31,795)	31,139
Utility taxes	724,000	726,292 ✓	2,292	455,496
Utility franchise fees	<u>477,300</u>	<u>477,370</u> ✓	<u>70</u>	<u>484,534</u>
<b>TOTAL TAXES</b>	<u>2,180,300</u>	<u>2,129,909</u>	<u>(50,391)</u>	<u>1,894,893</u>
<b>LICENSES AND PERMITS</b>				
Professional and occupational licenses	86,000	82,858 ✓	(3,142)	87,743
City share/County licenses	20,000	19,905 ✓	(95)	20,759
Building permits	16,000	13,439 ✓	(2,561)	15,092
Other licenses and permits	<u>21,600</u>	<u>18,003</u> ✓	<u>(3,597)</u>	<u>21,948</u>
<b>TOTAL LICENSES AND PERMITS</b>	<u>143,600</u>	<u>134,205</u>	<u>(9,395)</u>	<u>145,542</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
State shared revenues:				
General Government -				
State Revenue Sharing	330,000	328,409 ✓	(1,591)	337,504
DNR State Grant	17,800	17,765 ✓	(35)	308,624
Mobile home licenses	13,000	12,640 ✓	(360)	12,930
Alcoholic beverage licenses	8,500	11,919 ✓	3,419	9,306
Local government half-cent sales tax	395,000	402,024 ✓	7,024	393,556
Two-cent cigarette tax	48,500	48,857 ✓	357	49,615
Transportation -				
Rebate on municipal vehicles	5,500	5,473 ✓	(27)	4,735
Shared revenues from other local units:				
Port Authority	-	-	-	40,000
Local alternative fuel decal user fee	200	146 ✓	(54)	-
County two-cent gas tax (local option) 90% rx	<u>184,000</u>	<u>167,427</u> ✓	<u>(16,573)</u>	<u>176,638</u>
<b>TOTAL INTERGOVERNMENTAL REVENUES</b>	<u>1,002,500</u>	<u>994,660</u>	<u>(7,840)</u>	<u>1,332,908</u>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
<b>CHARGES FOR SERVICES</b>				
General Government charges:				
Zoning fees	2,500	2,330 ✓	(170)	2,125
Sale of maps and publications	1,000	452 ✓	(548)	515
Certificates - Xerox copies	1,000	1,086 ✓	86	1,101
Public Safety charges:				
Police services	5,000	3,815 ✓	(1,185)	4,966
Physical Environment charges:				
Trash sales	367,000	367,507 ✓	507	359,795
Refuse sales	460,000	458,998 ✓	(1,002)	470,919
Stormwater drainage	66,000	66,508 ✓	508	65,953
Culture and Recreation charges:				
Other special events (Farmers Market)				
Program activity fees	49,000	50,154 ✓	1,154	53,197
Promotional sales	-	-	-	726
Civic Center (Sica Hall) - rentals	8,000	6,749 ✓	(1,251)	8,654
Other charges for services - Transfer from Enterprise operations				
	<u>300,000</u>	<u>300,000</u> ✓	<u>-</u>	<u>271,500</u>
<b>TOTAL CHARGES FOR SERVICES</b>	<u>1,259,500</u>	<u>1,257,599</u>	<u>(1,901)</u>	<u>1,239,451</u>
<b>FINES AND FORFEITURES</b>				
Court fines	67,000	69,560 ✓	2,560	84,727
Confiscated property	400	12,835 ✓	12,435	2,690
Police education	4,000	3,773 ✓	(227)	4,234
<b>TOTAL FINES AND FORFEITURES</b>	<u>71,400</u>	<u>86,168</u>	<u>14,768</u>	<u>91,651</u>
<b>MISCELLANEOUS REVENUES</b>				
Miscellaneous revenue	15,000	17,443 ✓	2,443	8,008
Interest earnings	115,100	115,852 ✓	752	62,152
Surplus sales, equipment, etc.	29,000	18,580 ✓	(10,420)	2,493
Insurance proceeds, loss on equipment	1,000	3,276 ✓	2,276	7,941
Lime and sludge bed cleaning	8,000	7,364 ✓	(636)	7,931
Contributions and donations	4,800	4,860 ✓	60	7,976
<b>TOTAL MISCELLANEOUS REVENUES</b>	<u>172,900</u>	<u>167,375</u>	<u>(5,525)</u>	<u>96,501</u>
<b>TOTAL REVENUES</b>	<u>4,830,200</u>	<u>4,769,916</u>	<u>(60,284)</u>	<u>4,800,946</u>

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	455,200	455,200	-	-
Loan proceeds <i>(Sun Bank - containers + Tot.)</i>	<u>432,000</u>	<u>432,000</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>887,200</u>	<u>887,200</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 5,717,400</u>	<u>\$ 5,657,116</u>	<u>\$ (60,284)</u>	<u>\$ 4,800,946</u>

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
<b>GENERAL GOVERNMENT</b>				
City Council:				
Personal services -				
Executive salaries	\$ 19,800	\$ 19,800	\$ -	\$ 18,150
FICA taxes	1,500	1,487	13	1,351
Retirement contributions	2,800	2,798	2	2,428
Life and health insurance contributions	5,100	5,090	10	3,963
Training and travel	8,000	7,088	912	7,513
	<u>37,200</u>	<u>36,263</u> ✓	<u>937</u>	<u>33,405</u>
Operating expenses -				
Other charges and obligations	500	126	374	416
Subscriptions and memberships	1,200	954	246	735
	<u>1,700</u>	<u>1,080</u> ✓	<u>620</u>	<u>1,151</u>
<b>TOTAL CITY COUNCIL</b>	<u>38,900</u>	<u>37,343</u>	<u>1,557</u>	<u>34,556</u>
City Manager:				
Personal services -				
Executive salaries	46,300	45,864	436	39,420
Regular salaries and wages	91,100	90,405	695	88,808
Other salaries	750	49	701	735
Overtime - regular employees	1,500	1,216	284	164
Uniforms	580	546	34	506
FICA taxes	10,400	10,325	75	9,518
Retirement contributions	19,000	17,681	1,319	17,359
Life and health insurance contributions	5,200	5,158	42	4,542
Training and travel	2,100	1,574	526	1,054
	<u>176,930</u>	<u>172,818</u> ✓	<u>4,112</u>	<u>162,106</u>
Operating expenses -				
Telephone/communication services	980	705	275	584
Repair and maintenance services	2,250	2,104	146	958
Other charges and obligations	10,500	8,414	2,086	6,276
Office supplies	2,400	2,159	241	1,890
Subscriptions and memberships	2,000	1,747	253	1,141
Vehicle expenses	1,700	1,459	241	1,637
	<u>19,830</u>	<u>16,588</u> ✓	<u>3,242</u>	<u>12,486</u>
<b>TOTAL CITY MANAGER</b>	<u>196,760</u>	<u>189,406</u>	<u>7,354</u>	<u>174,592</u>

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND

PAGE 2 OF 11

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
<b>GENERAL GOVERNMENT - (continued)</b>				
<b>Finance and Administration:</b>				
Personal services -				
Executive salaries	78,150	77,563	587	44,985
Regular salaries and wages	156,200	154,908	1,292	138,102
Overtime - regular employees	14,000	13,339	661	7,460
FICA taxes	18,900	18,385	515	14,131
Retirement contributions	36,000	35,527	473	25,330
Life and health insurance contributions	9,000	8,767	233	6,245
Training and travel	5,000	4,955	45	3,696
	<u>317,250</u>	<u>313,444</u> ✓	<u>3,806</u>	<u>239,949</u>
Operating expenses -				
Professional services	104,000	97,283	6,717	130,837
Engineering services	20,000	18,271	1,729	9,485
Accounting and auditing services	35,500	35,065	435	37,515
Telephone/communication services	4,000	3,980	20	3,051
Postage, freight and express	22,000	20,411	1,589	20,420
Rentals and leases	350	321	29	300
Repair and maintenance service	20,000	19,824	176	10,677
Other charges and obligations	5,500	4,203	1,297	925
Office supplies	13,000	12,276	724	2,767
Subscriptions and memberships	850	763	87	9,073
Printing and binding	10,000	8,194	1,806	831
	<u>235,200</u>	<u>220,591</u> ✓	<u>14,609</u>	<u>225,881</u>
<b>TOTAL FINANCE AND ADMINISTRATION</b>	<u>552,450</u>	<u>534,035</u>	<u>18,415</u>	<u>465,830</u>
Civil Services:				
Personal services -				
Salaries and wages - part-time	7,600	6,253	1,347	3,885
FICA taxes	600	470	130	288
Retirement contributions	1,100	890	210	520
	<u>9,300</u>	<u>7,613</u> ✓	<u>1,687</u>	<u>4,693</u>

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
GENERAL GOVERNMENT - (continued)				
Civil Services - (continued):				
Operating expenses -				
Professional services	2,000	875	1,125	-
Telephone/communication services	300	283	17	264
Utility services	1,000	860	140	889
Repair and maintenance service	300	209	91	249
Other charges and obligations	200	64	136	111
Advertising	1,400	709	691	226
Office supplies	300	179	121	164
	<u>5,500</u>	<u>3,179</u> ✓	<u>2,321</u>	<u>1,903</u>
Capital outlay - Equipment	800	-	800	-
<b>TOTAL CIVIL SERVICES</b>	<u>15,600</u>	<u>10,792</u>	<u>4,808</u>	<u>6,596</u>
Other Services:				
Personal services -				
Workers' compensation	115,000	106,649	8,351	102,352
Unemployment insurance	6,000	3,289	2,711	5,174
Other personal services	26,000	25,119	881	17,992
	<u>147,000</u>	<u>135,057</u> ✓	<u>11,943</u>	<u>125,518</u>
Operating expenses -				
Utility services	10,000	9,166	834	8,655
Nonemployee insurance	106,500	77,113	29,387	82,546
Repair and maintenance service	3,000	1,563	1,437	1,038
Advertising	7,500	6,475	1,025	4,997
Operating supplies	10,000	7,958	2,042	4,163
Election expenses	-	-	-	7,944
Grants and aids	19,300	19,267	33	15,877
	<u>156,300</u>	<u>121,542</u> ✓	<u>34,758</u>	<u>125,220</u>
Capital outlay - Land	11,000	10,000	1,000	-
Machinery and equipment	6,500	6,359	141	11,511
	<u>17,500</u>	<u>16,359</u> ✓	<u>1,141</u>	<u>11,511</u>

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
<b>GENERAL GOVERNMENT - (continued)</b>				
Other Services - (continued):				
Debt service:				
Principal - pension backfunding note	6,876	6,876 ✓	-	6,456
Interest	924	923 ✓	1	1,343
	<u>7,800</u>	<u>7,799</u> ✓	<u>1</u>	<u>7,799</u>
<b>TOTAL OTHER SERVICES</b>	<u>328,600</u>	<u>280,757</u>	<u>47,843</u>	<u>270,048</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>1,132,310</u>	<u>1,052,333</u>	<u>79,977</u>	<u>951,622</u>
<b>PUBLIC SAFETY</b>				
Law Enforcement:				
Personal services -				
Executive salaries	44,000	43,586	414	39,268
Regular salaries and wages	696,500	690,574	5,926	629,034
Other salaries and wages	17,500	16,095	1,405	6,089
Overtime - regular employees	80,000	77,708	2,292	66,623
Incentive pay and award	16,000	15,430	570	15,540
Uniforms	9,200	8,063	1,137	7,829
FICA taxes	64,000	63,620	380	56,327
Retirement contributions	56,500	55,910	590	48,554
Life and health insurance contributions	27,000	26,829	171	21,310
Training and travel	4,000	3,805	195	3,228
Training and travel/2nd \$ Fund	<u>4,000</u>	<u>3,735</u> ✓	<u>265</u>	<u>1,845</u>
	<u>1,018,700</u>	<u>1,005,355</u> ✓	<u>13,345</u>	<u>895,647</u>
Operating expenses -				
Contractual services/animal control	20,000	14,578	5,422	13,894
Telephone/communication services	8,000	7,957	43	6,846
Postage, freight and express	1,100	852	248	732
Utility services	7,500	7,038	462	7,272
Rentals and leases	1,100	1,008	92	974
Repair and maintenance service	19,500	18,280	1,220	14,293
Other charges and obligations	3,000	2,709	291	2,863
Property seizure costs	-	-	-	555
Office supplies	5,500	4,920	580	5,632

See pg 22  
of state report

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
PUBLIC SAFETY - (continued)				
Law Enforcement - (continued):				
Operating expenses (continued) -				
Operating supplies	10,500	10,112	388	9,540
Subscriptions and memberships	600	553	47	418
Vehicle expenses	55,000	46,333	8,667	64,768
Program expense/Police Explorers	<u>1,500</u>	<u>1,424</u>	<u>76</u>	<u>476</u>
	<u>133,300</u>	<u>115,764</u>	<u>17,536</u>	<u>128,263</u>
Capital outlay -				
Buildings	1,000	986	14	-
Machinery and equipment	14,300	13,622	678	60,045
Equipment - Law Enforcement Trust Fund	<u>400</u>	<u>335</u>	<u>65</u>	<u>623</u>
	<u>15,700</u>	<u>14,943</u>	<u>757</u>	<u>60,668</u>
<b>TOTAL LAW ENFORCEMENT</b>	<u>1,167,700</u>	<u>1,136,062</u>	<u>31,638</u>	<u>1,084,578</u>
Fire Control:				
Personal services -				
Executive salaries	43,000	42,553	447	40,749
Regular salaries and wages	254,000	252,270	1,730	241,405
Other salaries and wages	15,500	14,630	870	17,970
Overtime - regular employees	28,000	25,114	2,886	20,131
Uniforms	2,000	1,212	788	2,361
FICA taxes	24,500	24,028	472	22,428
Retirement contributions	7,000	5,454	1,546	10,281
Life and health insurance contributions	9,300	9,023	277	7,162
Training and travel	<u>2,000</u>	<u>1,405</u>	<u>595</u>	<u>1,075</u>
	<u>385,300</u>	<u>375,689</u>	<u>9,611</u>	<u>363,562</u>

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
PUBLIC SAFETY - (continued)				
Fire Control - (continued):				
Operating expenses -				
Telephone/communication services	3,100	3,069	31	2,830
Postage, freight and express	200	147	53	188
Utility services	1,900	1,720	180	1,778
Rentals and leases	9,500	9,192	308	9,142
Repair and maintenance service	5,000	4,183	817	3,025
Other charges and obligations	300	195	105	170
Office supplies	600	446	154	246
Operating supplies	11,500	8,206	3,294	7,983
Subscriptions and memberships	400	343	57	171
Vehicle expenses	8,000	6,430	1,570	5,644
Other public safety/fire prevention	<u>2,000</u>	<u>1,775</u>	<u>225</u>	<u>2,005</u>
	<u>42,500</u>	<u>35,706</u> ✓	<u>6,794</u>	<u>33,182</u>
Capital outlay -				
Machinery and equipment	<u>10,300</u>	<u>9,240</u>	<u>1,060</u>	<u>2,971</u>
	<u>10,300</u>	<u>9,240</u> ✓	<u>1,060</u>	<u>2,971</u>
<b>TOTAL FIRE CONTROL</b>	<b><u>438,100</u></b>	<b><u>420,635</u></b>	<b><u>17,465</u></b>	<b><u>399,715</u></b>
Protective Inspection:				
Personal services -				
Executive salaries	33,600	33,210	390	31,901
Regular salaries and wages	17,700	17,552	148	16,000
Overtime - regular employees	500	347	153	481
FICA taxes	4,000	3,838	162	3,585
Retirement contributions	7,500	7,177	323	6,440
Life and health insurance contributions	2,050	2,037	13	1,851
Training and travel	<u>700</u>	<u>693</u>	<u>7</u>	<u>358</u>
	<u>66,050</u>	<u>64,854</u> ✓	<u>1,196</u>	<u>60,616</u>
Operating expenses -				
Telephone/communication services	600	556	44	511
Postage, freight and express	500	176	324	426
Utility services	900	860	40	889
Repair and maintenance service	400	255	145	169

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
<b>PUBLIC SAFETY - (continued)</b>				
Protective Inspection - (continued):				
Operating expenses - (continued) -				
Other charges and obligations	2,000	1,866	134	960
Office supplies	1,800	1,637	163	1,786
Operating supplies	1,200	962	238	467
Subscriptions and memberships	200	116	84	147
Vehicle expense	<u>2,000</u>	<u>1,327</u>	<u>673</u>	<u>2,140</u>
	<u>9,600</u>	<u>7,755</u>	<u>1,845</u>	<u>7,495</u>
Capital outlay -				
Machinery and equipment	-	-	-	<u>3,246</u>
<b>TOTAL PROTECTIVE INSPECTION</b>	<u>75,650</u>	<u>72,609</u>	<u>3,041</u>	<u>71,358</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>1,681,450</u>	<u>1,629,306</u>	<u>52,144</u>	<u>1,555,651</u>
<b>PHYSICAL ENVIRONMENT</b>				
Solid Waste Control Services:				
Personal services -				
Executive salaries	22,500	22,384	116	25,060
Regular salaries and wages	251,000	246,337	4,663	254,176
Overtime - regular employees	9,500	8,881	619	9,186
Uniforms	2,500	2,205	295	2,448
FICA taxes	22,000	20,850	1,150	21,401
Retirement contributions	41,000	39,890	1,110	38,591
Life and health insurance contributions	13,000	11,699	1,301	10,988
Training and travel	<u>900</u>	<u>457</u>	<u>443</u>	<u>899</u>
	<u>362,400</u>	<u>352,703</u>	<u>9,697</u>	<u>362,749</u>
Operating expenses -				
Telephone/communication services	1,000	783	217	610
Postage, freight and express	500	234	266	185
Repairs and leases	145,000	142,963	2,037	140,825
Repair and maintenance service	3,000	682	2,318	1,605
Other charges and obligations	700	247	453	245
Office supplies	1,500	1,081	419	556
Operating supplies	59,000	54,777	4,223	34,354
Subscriptions and memberships	200	179	21	118
Vehicle expenses	108,000	98,196	9,804	74,263
Bad debt expense	<u>1,000</u>	<u>(855)</u>	<u>1,855</u>	<u>-</u>
	<u>319,900</u>	<u>298,287</u>	<u>21,613</u>	<u>252,761</u>

Tues.  
gas  
D.I.  
Baton

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND

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SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
<b>PHYSICAL ENVIRONMENT - (continued)</b>				
Solid Waste Control Services - (continued):				
Capital outlay -				
Buildings	-	-	-	265
Machinery and equipment	<u>454,000</u>	<u>450,475</u>	<u>3,525</u>	<u>101,374</u>
	<u>454,000</u>	<u>450,475</u>	<u>3,525</u>	<u>101,639</u>
Debt service -				
Principal retirement -				
sanitation trucks note	33,334	33,334	-	33,333
Interest	<u>22,000</u>	<u>21,155</u>	<u>845</u>	<u>3,932</u>
	<u>55,334</u>	<u>54,489</u>	<u>845</u>	<u>37,265</u>
<b>TOTAL PHYSICAL ENVIRONMENT</b>	<u>1,191,634</u>	<u>1,155,954</u>	<u>35,680</u>	<u>754,414</u>
<b>TRANSPORTATION</b>				
Road and Street Facilities:				
Personal services -				
Executive salaries	24,500	23,591	909	18,800
Regular salaries and wages	288,000	281,100	6,900	242,914
Overtime - regular employes	3,500	2,147	1,353	3,433
Uniforms	3,000	2,924	76	3,212
FICA taxes	24,100	23,178	922	19,840
Retirement contributions	46,000	43,356	2,644	35,381
Life and health insurance contributions	17,400	16,896	504	14,568
Training and travel	4,000	2,477	1,523	3,677
Other salaries and wages	<u>1,150</u>	<u>1,049</u>	<u>101</u>	<u>3,017</u>
	<u>411,650</u>	<u>396,718</u>	<u>14,932</u>	<u>344,842</u>
Operating expenses -				
Street lighting	85,000	84,167	833	85,227
Traffic lights	13,000	11,765	1,235	13,432
Telephone/communication				
services	800	687	113	590
Traffic light repairs	11,000	8,946	2,054	4,711
Postage, freight and express	200	139	61	139
Utility services	1,200	1,179	21	1,050
Rentals and leases	41,000	38,380	2,620	6,500
Repair and maintenance				
service	4,500	3,393	1,107	3,365
Other charges and obligations	4,000	2,010	1,990	3,494
Office supplies	500	262	238	389
Operating supplies	15,000	12,967	2,033	15,233

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
TRANSPORTATION - (continued)				
Road and Street Facilities - (continued):				
Operating expenses - (continued)				
Signs and materials	12,000	8,117	3,883	7,036
Road materials and supplies	18,000	16,583	1,417	14,021
Subscriptions and memberships	250	185	65	200
Vehicle expenses	<u>30,000</u>	<u>24,855</u>	<u>5,145</u>	<u>22,522</u>
	<u>236,450</u>	<u>213,635</u>	<u>22,815</u>	<u>177,909</u>
Capital outlay -				
Improvements other than buildings				
	90,000	79,051	10,949	28,769
Machinery and equipment	39,500	39,060	440	39,433
Drainage (stormwater utilities)	<u>62,000</u>	<u>37,428</u>	<u>24,572</u>	<u>21,969</u>
	<u>191,500</u>	<u>155,539</u>	<u>35,961</u>	<u>90,171</u>
<b>TOTAL TRANSPORTATION</b>	<u>839,600</u>	<u>765,892</u>	<u>73,708</u>	<u>612,922</u>
CULTURE AND RECREATION				
Parks and Recreation:				
Personal services -				
Executive salaries	7,600	7,401	199	26,172
Regular salaries and wages	90,000	83,914	6,086	129,820
Other salaries and wages	1,700	1,284	416	5,171
Overtime - regular employees	1,000	778	222	86
Uniforms	1,300	1,104	196	1,444
FICA taxes	7,700	6,984	716	11,972
Retirement contributions	15,500	14,516	984	20,771
Life and health insurance contributions	6,200	5,806	394	7,996
Training and travel	<u>300</u>	<u>227</u>	<u>73</u>	<u>906</u>
	<u>131,300</u>	<u>122,014</u>	<u>9,286</u>	<u>204,338</u>
Operating expenses -				
Telephone/communication services				
	700	597	103	1,632
Postage, freight and express	100	62	38	645
Utility services	13,500	12,097	1,403	15,037
Repair and maintenance service	4,500	3,822	678	3,551
Promotional activities	-	-	-	347
Other charges and obligations	700	575	125	1,528
Office supplies	300	209	91	1,106

CITY OF HOLLY HILL, FLORIDA  
GENERAL FUND

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SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
<b>CULTURE AND RECREATION - (continued)</b>				
<b>Parks and Recreation - (continued):</b>				
Operating expenses - (continued) -				
Operating supplies	17,000	16,954	46	23,475
Subscriptions and memberships	-	-	-	135
Vehicle expenses	7,500	6,931	569	7,273
Program expenses	-	-	-	34,958
Beautification	<u>4,000</u>	<u>1,906</u>	<u>2,094</u>	<u>11,315</u>
	<u>48,300</u>	<u>43,153</u>	<u>5,147</u>	<u>101,002</u>
Capital outlay -				
Buildings	-	-	-	21,102
Improvements other than buildings	2,500	2,450	50	133,186
Machinery and equipment	<u>3,700</u>	<u>2,977</u>	<u>723</u>	<u>12,345</u>
	<u>6,200</u>	<u>5,427</u>	<u>773</u>	<u>166,633</u>
<b>TOTAL PARKS AND RECREATION:</b>	<u>185,800</u>	<u>170,594</u>	<u>15,206</u>	<u>471,973</u>
<b>Special Recreation Facilities (Sica-Hall):</b>				
Personal services -				
Executive salaries	29,000	28,567	433	-
Regular salaries	54,700	53,842	858	14,641
Other salaries (Day Camp)	13,000	11,546	1,454	5,009
Overtime - regular employees	1,300	972	328	-
Uniforms	450	362	88	217
FICA taxes	7,600	7,129	471	1,459
Retirement contributions	13,800	13,078	722	2,629
Life and health insurance contributions	4,000	3,997	3	898
Training and travel	<u>700</u>	<u>668</u>	<u>32</u>	<u>-</u>
	<u>124,550</u>	<u>120,161</u>	<u>4,389</u>	<u>24,853</u>
Operating expenses -				
Telephone/communication services	2,500	2,270	230	837
Postage, freight and express	1,100	786	314	145
Utility services	13,000	12,560	440	7,682
Repair and maintenance service	4,600	4,049	551	2,947
Promotional services	500	288	212	286
Other charges and obligations	1,200	982	218	123

CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1989

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1988 ACTUAL
<b>CULTURE AND RECREATION - (continued)</b>				
Special Recreation Facilities (Sica Hall) - (continued):				
Operating expenses - (continued) -				
Office supplies	1,100	906	194	82
Operating supplies	8,500	6,994	1,506	1,740
Subscriptions and memberships	200	150	50	-
Vehicle expense	3,000	2,492	508	-
Program expenses - uniforms, Bats, Balls, Empires, Trophies,	46,500	42,396	4,104	1,857
	82,200	73,873	8,327	15,699
Capital outlay -				
Buildings	2,000	1,020	980	-
Machinery and equipment	4,000	3,954	46	-
	6,000	4,974	1,026	-
<b>TOTAL SPECIAL RECREATION FACILITIES (SICA HALL)</b>	<b>212,750</b>	<b>199,008</b>	<b>13,742</b>	<b>40,552</b>
<b>TOTAL CULTURE AND RECREATION</b>	<b>398,550</b>	<b>369,602</b>	<b>28,948</b>	<b>512,525</b>
<b>TOTAL EXPENDITURES</b>	<b>5,243,544</b>	<b>4,973,087</b>	<b>270,457</b>	<b>4,387,134</b>
<b>TRANSFERS</b>				
Transfer to Enterprise Fund	35,000	35,000	-	35,000
<b>TOTAL TRANSFERS</b>	<b>35,000</b>	<b>35,000</b>	<b>-</b>	<b>35,000</b>
<b>TOTAL EXPENDITURES AND TRANSFERS</b>	<b>\$ 5,278,544</b>	<b>\$ 5,008,087</b>	<b>\$ 270,457</b>	<b>\$ 4,422,134</b>

Ret. from Programs 50,000  
 Exp. 42,400

Actual Exp.  
 \* 199,000.  
 - 43,000  
 156,000 - supported by Taxes.

CITY OF HOLLY HILL, FLORIDA  
 POLICE OFFICERS' RETIREMENT TRUST FUND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES BY SOURCE AND EXPENSES BY TYPE  
 LAST TEN FISCAL YEARS  
 SEPTEMBER 30, 1989

REVENUES BY SOURCE

	EMPLOYEE CONTRI- BUTIONS	<u>EMPLOYER CONTRIBUTIONS</u>			STATE CONTRI- BUTIONS	INVESTMENT INCOME	TOTAL
		AMOUNT	% OF COVERED PAYROLL				
1980	\$ 14,760	\$ 3,216	1.1 %	\$ 16,856	\$ 28,109	\$ 62,941	
1981	15,409	14,952	4.9 %	17,692	34,931	82,984	
1982	16,865	9,289	2.8 %	18,267	58,404	102,825	
1983	8,817	18,109	5.1 %	19,881	70,465	117,272	
1984	5,042	20,321	5.0 %	24,982	73,473	123,818	
1985	-	21,060	5.0 %	26,778	60,465	108,303	
1986	-	22,423	5.0 %	32,261	88,397	143,081	
1987	5,047	25,237	5.0 %	39,151	107,780	177,215	
1988	6,047	30,225	5.0 %	39,450	101,888	177,610	
1989	6,503	32,698	5.0 %	39,967	80,370	159,538	

EXPENSES BY TYPE

	<u>BENEFITS</u>	<u>REFUNDS</u>	<u>ADMINISTRATIVE AND OTHER</u>	<u>TOTAL</u>
1980	\$ 5,782	\$ 2,958	\$ 10	\$ 8,750
1981	8,572	11,622	-	20,194
1982	8,572	5,977	12,136	26,685
1983	20,028	19,155	5,616	44,799
1984	21,461	1,315	-	22,776
1985	21,461	6,359	484	28,304
1986	19,434	-	238	19,672
1987	15,380	-	5,997	21,377
1988	15,380	-	7,135	22,515
1989	27,677	-	4,630	32,307

CITY OF HOLLY HILL, FLORIDA  
 FIREFIGHTERS' RETIREMENT SYSTEM  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES BY SOURCE AND EXPENSES BY TYPE  
 LAST TEN FISCAL YEARS  
 SEPTEMBER 30, 1989

REVENUES BY SOURCE

	EMPLOYEE CONTRI- BUTIONS	<u>EMPLOYER CONTRIBUTIONS</u>		% OF COVERED PAYROLL	STATE CONTRI- BUTIONS	INVESTMENT INCOME	TOTAL
		AMOUNT					
1980	\$ 6,066	\$ -	-		\$ 7,147	\$ 11,582	\$ 24,795
1981	7,262	5,604	3.9 %		7,572	15,441	35,879
1982	8,667	6,033	3.5 %		9,347	19,193	43,240
1983	18,225	4,197	2.3 %		10,728	28,617	61,767
1984	20,197	8,018	4.0 %		11,140	38,625	77,980
1985	21,743	7,559	3.5 %		13,334	30,528	73,164
1986	24,871	8,288	3.3 %		14,981	59,629	107,769
1987	27,161	9,235	3.4 %		16,072	52,197	104,665
1988	30,645	10,420	3.4 %		18,043	52,859	111,967
1989	31,905	5,454	1.7 %		19,153	54,693	111,205

EXPENSES BY TYPE

	<u>BENEFITS</u>		<u>REFUNDS</u>		<u>ADMINISTRATIVE AND OTHER</u>		TOTAL
1980	\$ 7,725	\$ 1,649	\$ 300		\$ 9,674		
1981	9,906	2,013	13		11,932		
1982	1,320	1,890	3,380		6,590		
1983	1,320	8,965	336		10,621		
1984	1,320	-	3,213		4,533		
1985	1,320	6,558	895		8,773		
1986	1,039	1,488	1,797		4,324		
1987	710	-	3,603		4,313		
1988	633	-	16,281		16,914		
1989	633	8,942	6,997		16,572		

CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF GENERAL FIXED ASSETS  
 BY FUNCTION AND ACTIVITY  
 FOR THE YEAR ENDED SEPTEMBER 30, 1989

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVE- MENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT
GENERAL GOVERNMENT	\$ 432,919	\$ 33,037	\$ 150,514	\$ -	\$ 249,368
PUBLIC SAFETY					
Police	364,009	-	30,521	2,350	331,138
Fire	<u>296,066</u>	<u>29,493</u>	<u>9,970</u>	<u>-</u>	<u>256,603</u>
TOTAL PUBLIC SAFETY	<u>660,075</u>	<u>29,493</u>	<u>40,491</u>	<u>2,350</u>	<u>587,741</u>
PUBLIC WORKS					
Streets	3,647,442	28,418	1,966	3,236,830	380,228
Sanitation	<u>1,137,524</u>	<u>-</u>	<u>38,051</u>	<u>-</u>	<u>1,099,473</u>
TOTAL PUBLIC WORKS	<u>4,784,966</u>	<u>28,418</u>	<u>40,017</u>	<u>3,236,830</u>	<u>1,479,701</u>
CULTURE AND RECREATION					
Parks and Recreation	1,518,862	957,711	154,043	342,727	64,381
Sica Hall	237,003	-	185,906	22,323	28,774
Library	<u>189,900</u>	<u>-</u>	<u>148,449</u>	<u>-</u>	<u>41,451</u>
TOTAL CULTURE AND RECREATION	<u>1,945,765</u>	<u>957,711</u>	<u>488,398</u>	<u>365,050</u>	<u>134,606</u>
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 7,823,725</u>	<u>\$ 1,048,659</u>	<u>\$ 719,420</u>	<u>\$ 3,604,230</u>	<u>\$ 2,451,416</u>

CITY OF HOLLY HILL, FLORIDA  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED SEPTEMBER 30, 1989

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS OCTOBER 1, 1988	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS SEPTEMBER 30, 1989
GENERAL GOVERNMENT	\$ 418,737	\$ 21,656	\$ 7,474	\$ 432,919
PUBLIC SAFETY				
Police	351,675	17,959	5,625	364,009
Fire	<u>286,986</u>	<u>9,489</u>	<u>409</u>	<u>296,066</u>
TOTAL PUBLIC SAFETY	<u>638,661</u>	<u>27,448</u>	<u>6,034</u>	<u>660,075</u>
PUBLIC WORKS				
Streets	3,548,912	158,763	60,233	3,647,442
Sanitation	<u>801,456</u>	<u>450,475</u>	<u>114,407</u>	<u>1,137,524</u>
TOTAL PUBLIC WORKS	<u>4,350,368</u>	<u>609,238</u>	<u>174,640</u>	<u>4,784,966</u>
CULTURE AND RECREATION				
Parks and Recreation	1,523,475	8,902	13,515	1,518,862
Sica Hall	235,983	1,020	-	237,003
Library	<u>189,900</u>	<u>-</u>	<u>-</u>	<u>189,900</u>
TOTAL CULTURE AND RECREATION	<u>1,949,358</u>	<u>9,922</u>	<u>13,515</u>	<u>1,945,765</u>
	7,357,124	668,264	201,663	7,823,725
LESS: INTERDEPARTMENTAL TRANSFERS	<u>-</u>	<u>9,617</u>	<u>9,617</u>	<u>-</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 7,357,124</u>	<u>\$ 658,647</u>	<u>\$ 192,046</u>	<u>\$ 7,823,725</u>

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**STATISTICAL SECTION**



**STATISTICAL TABLES**

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CITY OF HOLLY HILL, FLORIDA

COMMENTS RELATIVE TO STATISTICAL SECTION

SEPTEMBER 30, 1989

The following statistical tables that are recommended for inclusion 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, 1989

FISCAL YEAR ENDED	TOTAL GENERAL FUND	GENERAL GOVERNMENT	PUBLIC SAFETY
1980	\$ 2,158,722	\$ 438,146 20%	\$ 728,039 34%
1981	2,544,846	532,202 21%	855,165 33%
1982	2,828,500	575,455 20%	876,960 32%
1983	3,060,426	678,538 22%	1,019,951 33%
1984	2,175,448	739,940 23%	1,161,168 37%
1985	3,370,293	820,504 24%	1,130,186 34%
1986	3,867,890	949,404 24%	1,261,969 33%
1987	5,176,367	1,053,115 20%	1,362,191 26%
1988	4,422,133	951,622 21%	1,555,651 35%
1989	5,008,087	1,052,333 21%	1,629,306 32%

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

Source: City of Holly Hill Finance Department

<u>PHYSICAL ENVIRONMENT</u>	<u>TRANSPORTATION</u>	<u>CULTURE AND RECREATION</u>	<u>OPERATING TRANSFERS OUT</u>
\$ 302,251 14%	\$ 289,962 13%	\$ 199,561 9%	\$ 200,763 10%
326,034 13%	372,395 15%	228,865 9%	230,185 9%
521,364 18%	351,511 12%	246,383 9%	256,827 9%
416,514 14%	420,174 14%	279,140 9%	246,109 8%
459,842 15%	520,025 16%	259,473 8%	35,000 1%
515,432 15%	594,222 18%	274,949 8%	35,000 1%
802,927 21%	539,016 14%	279,574 7%	35,000 1%
728,173 14%	647,106 13%	1,305,782 25%	80,000 2%
754,414 17%	612,922 14%	512,524 12%	35,000 1%
1,155,954 23%	765,892 15%	369,602 8%	35,000 1%

TABLE II  
 CITY OF HOLLY HILL, FLORIDA  
 GENERAL FUND REVENUES AND OTHER SOURCES BY FUNCTION  
 LAST TEN FISCAL YEARS  
 SEPTEMBER 30, 1989

FISCAL YEAR ENDED	TOTAL	TAXES REAL AND PERSONAL	LICENSES AND PERMITS	INTER- GOVERNMENTAL REVENUES
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%
1988	4,800,946	1,894,893 39%	145,542 3%	1,332,908 28%
1989	5,657,116	2,129,909 38%	134,205 2%	994,660 18%

(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	LOAN PROCEEDS
\$ 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%	195,267 5%	1,645 -	100,000 3%
1,191,501 26%	89,704 2%	117,340 3%	- -	- -
1,239,451 26%	91,651 2%	96,501 2%	- -	- -
1,257,599 22%	86,168 2%	167,375 3%	455,200 8%	432,000 7%

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TABLE III  
 CITY OF HOLLY HILL, FLORIDA  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE  
 INCOME: PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN FISCAL YEARS  
 SEPTEMBER 30, 1989

FISCAL YEAR ENDED	ASSESSED VALUE (1)	ESTIMATED ACTUAL VALUE (2)		TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED
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%	594,551	573,837	96.516
1986	266,760,969	261,425,750	98%	634,879	612,107	96.413
1987	314,006,442	314,006,442	100%	883,507	829,286	93.863
1988	315,792,251	315,792,251	100%	958,728	923,724	96.349
1989	330,039,830	330,039,830	100%	965,533	923,042	95.599

(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, 1989

<u>FISCAL</u> <u>YEAR ENDED</u>	<u>HOLLY</u> <u>HILL</u>	<u>SCHOOL</u> <u>DISTRICT</u>	<u>VOLUSIA</u> <u>COUNTY</u>	<u>ADVERTISING</u> <u>DISTRICT</u>	<u>MOSQUITO</u> <u>CONTROL</u>
<b><u>TAXES RATES</u></b>					
1980	5.135	6.990	4.979	.295	.574
1981	6.222	8.477	5.368	.246	.546
1982	5.330	7.670	5.131	.202	.464
1983	4.476	7.011	4.433	.182	.408
1984	4.068	7.043	4.458	.168	.340
1985	3.500	7.911	4.133	.148	.278
1986	3.347	8.210	4.335	-	.265
1987	4.138	8.637	4.064	-	.272
1988	4.138	8.439	4.993	-	.260
1989	3.963	8.803	5.122	-	.309

**CITY'S SHARE OF TAX LEVIES**

1980	\$ 461,251	\$ 627,877	\$ 447,239	\$ 26,498	\$ 51,559
1981	599,807	814,202	515,588	23,628	54,442
1982	662,861	950,585	635,913	25,035	57,506
1983	598,578	936,437	592,101	24,309	54,495
1984	613,823	1,062,723	672,670	25,350	51,303
1985	594,551	1,343,854	702,079	25,141	47,224
1986	634,879	1,546,739	816,701	-	49,925
1987	883,507	1,987,200	935,045	-	62,582
1988	958,728	1,955,216	1,156,819	-	60,239
1989	965,533	2,144,736	1,247,908	-	75,284

\* 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

INLET AND PORT AUTHORITY	EAST VOLUSIA TRANSIT	HALIFAX HOSPITAL*	ST. JOHNS WATER MANAGE- MENT DISTRICT	FLORIDA INLAND NAVIGATION	ENDANGERED AND RECREATION LANDS
--------------------------------	----------------------------	----------------------	---	---------------------------------	--

.452	.390	2.480	.139	-	-
.399	.388	2.613	.088	-	-
.108	.394	2.182	.121	-	-
.368	.370	2.042	.290	-	-
.354	.355	2.042	.294	-	-
.327	.326	2.200	.326	-	-
.311	.314	2.200	.206	-	-
.291	.293	2.468	.221	-	-
.108	.281	1.468	.207	.067	-
.104	.270	2.468	.281	.040	.250

\$ 40,601	\$ 35,032	\$ 222,766	\$ 12,485	\$ -	\$ -
38,323	37,267	250,974	8,452	-	-
13,385	48,831	270,427	14,996	-	-
49,153	49,420	272,743	38,734	-	-
53,415	53,566	308,119	42,853	-	-
55,548	55,378	373,718	55,378	-	-
58,591	59,157	414,473	38,810	-	-
66,953	67,413	567,837	50,848	-	-
25,022	65,104	571,806	47,959	15,523	-
25,338	65,782	601,296	68,462	9,745	60,909

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

*closing 9/19/89*

SEPTEMBER 30, 1989

FISCAL YEAR ENDED	SERIES 1989		
	PRINCIPAL	INTEREST	TOTAL
1990	\$ -	\$ 1,028,700	\$ 1,028,700
1991	165,000	995,516	1,160,516
1992	175,000	985,369	1,160,369
1993	190,000	974,431	1,164,431
1994	200,000	962,366	1,162,366
1995	210,000	949,466	1,159,466
1996	225,000	935,816	1,160,816
1997	240,000	920,966	1,160,966
1998	255,000	905,006	1,160,006
1999	275,000	887,922	1,162,922
2000	295,000	869,359	1,164,359
2001	315,000	849,151	1,164,151
2002	335,000	827,101	1,162,101
2003	360,000	803,651	1,163,651
2004	385,000	778,092	1,163,092
2005	410,000	750,756	1,160,756
2006	440,000	721,544	1,161,544
2007	470,000	690,194	1,160,194
2008	505,000	656,706	1,161,706
2009	540,000	620,725	1,160,725
2010	580,000	582,250	1,162,250
2011	620,000	540,925	1,160,925
2012	665,000	496,750	1,161,750
2013	710,000	449,369	1,159,369
2014	765,000	398,750	1,163,750
2015	820,000	343,288	1,163,288
2016	880,000	283,837	1,163,837
2017	940,000	220,038	1,160,038
2018	1,010,000	151,887	1,161,887
2019	1,085,000	78,663	1,163,663
<b>TOTALS</b>	<b><u>\$ 14,065,000</u></b>	<b><u>\$ 20,658,594</u></b>	<b><u>\$ 34,723,594</u></b>

*See  
Blue Bonds Book*

TABLE VI  
 CITY OF HOLLY HILL, FLORIDA  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 END OF FISCAL YEAR  
 SEPTEMBER 30, 1989

<u>NAME OF GOVERNMENTAL UNIT</u>	<u>NET DEBT OUTSTANDING (1)</u>	<u>PERCENTAGE APPLICABLE TO THE GOVERNMENTAL UNIT</u>	<u>CITY OF HOLLY HILL - SHARE OF DEBT</u>
School District	<u>\$ 155,785,000</u>	<u>2.58</u>	\$ 4,019,253
County of Volusia	<u>\$ 18,501,588</u>	<u>2.58</u>	<u>477,341</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 4,496,594</u>

(1) County of Volusia

TABLE VII  
CITY OF HOLLY HILL, FLORIDA  
SCHEDULE OF INSURANCE IN FORCE  
SEPTEMBER 30, 1989

TYPE OF COVERAGE, NAME OF COMPANY AND POLICY NUMBER	POLICY PERIOD FROM TO	DETAILS OF OF COVERAGE	LIABILITY LIMITS	ANNUAL PREMIUM (GROSS)
<u>MUNICIPAL LIABILITY</u>				
Florida Municipal Liability Self- Insurers Program - FML 427	10/1/88 - 9/30/89	General Liability	\$100,000 ea. person \$200,000 ea. occurrence	\$ 28,953
<u>FIRE, EXTENDED COVERAGE, VANDALISM AND MALICIOUS MISCHIEF</u>				
Aetna Casualty and Surety - #35 ACM 5612251	4/15/89 - 4/15/90	Building and contents - sewage plant and lift stations; city hall building; parks and recreation office; Chamber of Commerce building; wellfield contents; dock and shelters and restrooms	\$6,355,344 building \$3,296,729 contents	\$ 15,512
<u>COMMERCIAL CRIME</u>				
Aetna Casualty and Surety - #35 FP 5365247FCA	4/15/89 - 4/15/90	Office contents of City Hall building Money and securities	\$39,200 contents \$2,000 crime	\$ 398
<u>ACCIDENTAL DEATH AND DISABILITY</u>				
Hartford Insurance Co. - 21VP480587	4/15/89 - 4/15/90	Volunteer Fire Dept.	Loss of life \$5,000	\$ 501
<u>WORKERS' COMPENSATION</u>				
Florida Municipal Liability FM 479	4/15/89 - 9/30/89	Statutory	Statutory, employer's liability \$100,000	\$ 55,145
<u>PUBLIC EMPLOYEES BLANKET BOND</u>				
Continental Insurance Co. - #BND 1937555	4/15/89 - 4/15/90	Blanket bond	\$50,000 blanket on all positions	\$ 1,483
#BND 1589202	4/15/89 - 4/15/90		\$100,000 Finance Director	\$ 750

TABLE VII  
 CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF INSURANCE IN FORCE  
 SEPTEMBER 30, 1989

TYPE OF COVERAGE, NAME OF COMPANY AND POLICY NUMBER	POLICY PERIOD FROM TO	DETAILS OF OF COVERAGE	LIABILITY LIMITS	ANNUAL PREMIUM (GROSS)
<u>POLICE AND FIREFIGHTERS</u>				
<u>ACCIDENT POLICY</u>				
Hartford Life and Accident - ETB-12214	4/15/89 - 4/15/90	Accidental Death	\$20,000	\$ 497
<u>CONTRACTORS' EQUIPMENT</u>				
<u>POLICY</u>				
Aetna Casualty & Surety - #35 IH 5613627 FCA	4/15/89 - 4/15/90	Off-road equipment	\$144,158	\$ 1,860
<u>DATA PROCESSING POLICY</u>				
Aetna Casualty & Surety - #35 IE 116287 FCA	4/15/89 - 4/15/90	Hardware Software Business interruption	\$158,415 \$ 12,084 \$ 5,000	\$ 548
<u>ACCIDENTAL DEATH</u>				
Hartford Life & Accident Insurance Co. - #ETB 12431	4/15/89 - 4/15/90	Statutory Police Officers and Firefighters	\$50,000	\$ 350
<u>BUSINESS AUTOMOBILE</u>				
<u>POLICY</u>				
Aetna Casualty & Surety - #35 FJ 919854 CCA	4/15/89 - 4/15/90	Automobile liability	\$100,000 PIO \$25,000 property damage	\$ 53,947
<u>PUBLIC OFFICIALS AND</u>				
<u>EMPLOYEES LIABILITY</u>				
International Surplus Lines Insurance Co. 5241161016	7/21/89 - 7/21/90	Wrongful acts	\$1,000,000 .	\$ 11,160
<u>LAW ENFORCEMENT</u>				
<u>PROFESSIONAL LIABILITY</u>				
Florida Municipal Liability Self- Insurers Program FML427	10/1/88 - 9/30/89	Police officers bodily injury, property damage and personal injury	\$100,000 each person \$200,000 each occurrence	\$ 10,720

TABLE VIII  
CITY OF HOLLY HILL, FLORIDA  
REVENUE BOND COVERAGE  
WATER AND SEWER SYSTEM FUND  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 1989

FISCAL YEAR ENDED	GROSS REVENUES(1)	OPERATING EXPENSE	NET REVENUES	DEBT SERVICE REQUIREMENTS			DEBT SERVICE COVER- AGE
				PRINCIPAL	INTEREST	TOTAL	
1980	\$ 953,307	\$(2)627,465	\$ 325,842	\$ 115,000	\$ 186,300	\$ 301,300 (3)	1.08
1981	1,141,404	795,191	346,213	120,000	180,258	300,258 (3)	1.15
1982	1,299,165	826,682	472,483	130,000	174,115	304,115 (3)	1.55
1983	1,311,901	965,911	345,990	135,000	167,517	302,517 (3)	1.14
1984	1,974,903	949,548	1,025,355	145,000	269,906	414,906 (4)	2.47
1985	1,976,862	1,021,753	955,109	330,000	448,133	778,133 (4)	1.23
1986	1,969,097	1,133,524	835,573	340,000	350,787	690,787 (4)	1.21
1987	2,125,117	1,158,456	966,661	345,000	310,558	655,558 (4)	1.47
1988	2,223,898	1,109,408	1,114,490	355,000	287,137	642,137 (4)	1.74
1989	2,589,078	1,102,148	1,486,930	389,167	303,584	692,751 (5)	2.15

- (1) Not included in gross revenues are \$35,000 from cigarette taxes which have been pledged as additional security for payment of said outstanding Water and Sewer Revenue Bonds, Series "A," until the net revenues shall have equaled at least 150% of the maximum annual debt service of such outstanding Series "A" Bonds for a period of two fiscal years per Ordinance No. 599 enacted on March 12, 1968.

Included in gross revenues for debt coverage are water and sewer connection charges which are reclassified as contributions from customers for financial statement presentation.

- (2) Excluded from operating expense is a grant from the federal government for which the revenue is also excluded from gross revenue.
- (3) Debt service for 1964 Series A, 1970 Series B, and 1972 Series B combined.
- (4) Debt service for 1964 Series A, 1970 Series B, 1972 Series B, and Series 1984.
- (5) Debt service for 1964 Series A, 1970 Series B, 1972 Series B, Series 1984, and Series 1989 combined.

TABLE IX  
 CITY OF HOLLY HILL, FLORIDA  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS  
 SEPTEMBER 30, 1989

FISCAL YEAR	POPULATION (1)	PER CAPITA INCOME (2)	MEDIAN AGE (2)	EDUCATION LEVEL IN YEARS OF FORMAL SCHOOLING (3)	SCHOOL ENROLL- MENT (3)	UNEMPLOY- MENT (4)
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	11,105	*	*	*	2,677	5.0
1987	11,265	*	*	*	1,948	4.9
1988	11,464	*	*	*	1,927	4.7
1989	11,625	*	*	*	1,819	5.0

(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 X  
CITY OF HOLLY HILL, FLORIDA  
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS  
SEPTEMBER 30, 1989

FISCAL YEAR	(1) COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		(2) BANK DEPOSITS (In Thousands)	(3) PROPERTY VALUE NON-TAXABLE		
	UNITS	VALUE	UNITS	VALUE	COMMERCIAL	RESIDENTIAL	TOTAL	
1980	*	*	*	*	23,072	\$ 840,637,452	\$1,666,470,242	\$1,119,362,143
1981	10	\$ 398,800	36	\$ 1,025,826	32,062	898,425,645	1,823,467,619	1,753,119,855
1982	9	613,452	23	1,002,278	31,458	943,451,018	2,192,010,579	2,575,781,145
1983	9	1,843,022	22	501,692	33,145	1,161,089,473	2,834,393,865	2,636,468,569
1984	21	4,441,524	85	12,825,548	45,094	1,256,060,434	3,296,885,901	2,830,518,798
1985	13	1,045,800	55	2,608,350	46,728	1,465,638,107	3,426,217,727	3,289,186,315
1986	14	1,595,696	44	3,616,343	56,089	1,314,116,630	3,814,756,324	3,182,018,701
1987	21	2,499,400	24	1,113,500	59,233	1,518,262,769	4,263,116,012	4,119,135,329
1988	14	2,406,000	46	1,610,000	61,220	2,342,594,865	5,421,679,280	3,121,776,819
1989	12	2,137,000	23	957,000	63,072	*	*	*

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

(2) Florida Bankers Association

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

\* Not Available

TABLE XI  
 CITY OF HOLLY HILL, FLORIDA  
 SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS  
 SEPTEMBER 30, 1989

<u>TITLE OF OFFICIAL</u>	<u>ANNUAL SALARY</u>	<u>YEARS OF SERVICE</u>	<u>AMOUNT OF SURETY BOND</u>
Mayor	\$ 5,400	7 years 9 months	\$50,000 blanket amount on all positions
Mayor Pro-Tem	3,600	1 year 9 months	
City Councilmen (3)	3,600	1 year 9 months to 9 years	
City Manager	47,500	10 months	
City Attorney	7,500	13 1/2 years	
Deputy Clerk	36,171	10 1/2 years	
Finance Director	41,829	24 1/2 years	
Police Chief	43,930	6 years 7 months	
Public Relations Director	43,909	1 year 11 months	
Parks & Recreation Director	28,142	3 years 9 months	
Fire Chief	39,874	9 years 4 months	
Building Official	31,283	9 years	

TABLE XII  
 CITY OF HOLLY HILL, FLORIDA  
 SCHEDULE OF MAJOR TAXPAYERS  
 SEPTEMBER 30, 1989

NAME	TYPE OF BUSINESS	ASSESSED VALUES	PERCENT OF TOTAL ASSESSED VALUE
Holly Hill R.H.F. Housing, Inc.	Bishop Glen Retirement Center	\$ 14,933,511	4.50 %
Holly Hill Associates Winn Dixie	Shopping Center	4,719,160	1.42
Southern Bell Telephone Co.	Communications	4,555,244	1.38
Florida Power & Light	Electrical Utility	3,596,208	1.09
Polyvers, Ltd.	Apartment Complex	3,060,260	.92
Holly Point Apartments, Ltd.	Apartment Complex	2,983,240	.90
Keith Hugh	Mobile Home Park	2,963,950	.89
Daytona Beach Hospital Properties	Hospital	2,888,748	.87
Life Insurance Co. of Georgia Publix Super Markets, Inc.	Shopping Center	2,579,389	.78
Sun Bank of Volusia County	Bank	<u>1,470,013</u>	<u>.45</u>
		<u>\$ 34,794,146</u>	<u>15.00 %</u>

Source: Volusia County Property Appraiser

TABLE XIII  
CITY OF HOLLY HILL, FLORIDA  
CLIMATOLOGICAL SUMMARY

SEPTEMBER 30, 1989

Holly Hill is approximately 3.79 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 the 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 XIV  
 CITY OF HOLLY HILL, FLORIDA  
 MISCELLANEOUS STATISTICAL DATA  
 SEPTEMBER 30, 1989

<p><b>Date of Incorporation:</b>            Under the General Laws of Florida as            the Town of Holly Hill - July 1, 1901</p> <p>Present Charter incorporating the City            of Holly Hill adopted - 1941</p> <p><b>Form of Government:</b>            Council/Manager</p> <p><b>Area:</b> 3.79 square miles</p> <p>50.3 miles pave streets            2.3 miles unpaved streets            21.9 miles sidewalks            28.6 miles storm sewers            65.0 miles sanitary sewer</p> <p>258 fire hydrants</p> <p><b>Fire Protection:</b>            1 Fire Station            10 Full-time Firefighters            10 Volunteer Firefighters</p> <p><b>Police Protection:</b>            1 Police Station            Holding facility            12 Vehicular patrol units            1 Animal Control unit            1 Motorcycle unit</p> <p><b>Recreation:</b>            6 Parks total 44.2 acres            2 Playgrounds            1 Gym            3 Recreation buildings            1 Tennis court            9 Shuffleboard courts            5 Ballfields            1 Community Center            1 Public fishing pier            1 Boat ramp</p>	<p><b>Education:</b> Volusia County Schools -            Elementary 1            Secondary 1</p> <p><b>Students:</b>            Pre-Kindergarten - Grade 6 = 975            Grades 7 - 9 = 916</p> <p><b>Personnel:</b>            Instructional 113            Noninstructional 71            Administrative 9</p> <p><b>Street Lights:</b>  <u>High Pressure Sodium Vapor</u>            5,800 lumen - 647            9,500 lumen - 63            16,000 lumen - 47            22,000 lumen - 99            50,000 lumen - 2</p> <p><u>White Way Underground</u>            1,000 lumen - 6</p> <p><b>Employees as of September 30, 1989:</b>            113 Civil Service  <u>3</u> Exempt    <u>116</u> Total</p> <p><b>Water Treatment Plant:</b>            Design capacity - 2.3 MGD            Current production rate - 1.1 MGD            Number of customers - 5,421</p> <p><b>Water Pollution Control Plant:</b>            Capacity - 1.6 MGD            Current production rate - 1.2 MGD            Collection system users - 4,605</p>
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## **OTHER REPORTS**

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Box N  
149 South Ridgewood Avenue  
Daytona Beach, Florida 32114  
Telephone: (904) 255-1981  
Fax: (904) 255-8030

REPORT ON INTERNAL ACCOUNTING CONTROL  
AND MANAGEMENT COMMENTS

The Honorable Mayor, City  
Council and City Manager  
City of Holly Hill, Florida

We have audited the general purpose financial statements of the City of Holly Hill, Florida, for the year ended September 30, 1989, and have issued our report thereon dated November 27, 1989. As part of our audit, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

## 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, 1989

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, 1988, 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 and related 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, 1989, the updated procedures manual had not been completed.

#### PENSION TRUST FUND INVESTMENTS

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

Chapters 175 and 185.06 of the Florida Statutes and City Ordinance describe a variety of investment alternatives of Retirement Trust Funds which do not include limited partnerships. We recommend that the Pension Boards review these investments in light of the Statutes.

Corporate mutual fund investments of the Municipal Police Officers' Retirement Trust Fund exceed 30% of total plan assets and corporate mutual fund investments of the Firefighters' Retirement System exceed 50% of total plan assets. Investments in excess of the stated percentages are prohibited by City of Holly Hill Code of Ordinances and Florida Statutes.

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

#### RECORDING OF FIXED ASSET AND LONG-TERM DEBT ACTIVITY

Activity in the General Long-Term Debt Account Group and the General Fixed Assets Account Group is recorded annually.

With the implementation of the City's new computer system, management should consider policies and procedures to record transactions concerning long-term debt and fixed assets on a monthly basis.

#### CURRENT YEAR FINDINGS

During the course of our audit 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.

#### EDP ACCESS CONTROLS

The City's computer system has a password security function which allows management to restrict each user's access to only authorized applications. Although this is an important security feature, we noted that access codes have not been periodically changed.

We realize that the City is currently undergoing a computer conversion and that implementing new procedures for the old system would be impractical. However, we recommend that procedures be developed for the new system requiring periodic changing of passwords.

#### PENSION PLAN ACTUARIAL VALUATIONS

Currently, State Statutes require that the Police Officers' Retirement Trust Fund and the Firefighters' Retirement System obtain an actuarial valuation every three years. Although both pension boards have often opted for more frequent valuations, the frequency of the valuations has been inconsistent, and the valuations have omitted disclosure of the pension benefit obligation, a standardized measure of the present value of pension benefits.

Generally accepted accounting principles require that a biennial valuation be performed and updated annually to ensure proper calculation of the pension liability. Actuarial valuations should be performed to provide data required in order for the City's financial statements to be presented in accordance with generally accepted accounting principles.

#### PENSION FUND INVESTMENT MANAGEMENT

- A. The Police and Fire Pension Funds have invested in mutual funds and real estate limited partnerships. Some of these investments involve a high degree of risk. In addition, limited partnerships are not publicly traded and market values are not readily determinable.

C.M.  
Wrote letters  
To each pens.  
Board.  
3/29/99

We recommend that the Pension Boards establish procedures to monitor the performance of all investments. Such procedures should include:

- The Pension Boards should request from the General Partners of each limited partnership quarterly financial reports which include valuation of the investments. Where valuation of the investment is not determined by an independent third party, the Boards should follow up with the General Partner to determine the basis for the valuation.
- Complete files should be maintained for all investments. Files should include a copy of the prospectus and all supplements thereto, quarterly and annual reports, and Schedule K-1 and/or Form 1099.
- Each Board should designate an individual to continually maintain performance information for all investments. The rate of return and market value for each investment should be reviewed on a regular basis so that the Boards may determine whether the investment's performance is acceptable for the Fund.

- B. Police and Fire Pension Boards are comprised of volunteers from the respective organizations. Because of the complexity of investment transactions, the Boards often find it advantageous to engage an investment manager or trustee to handle these transactions.

The Boards should establish formal, written guidelines for the composition of their investment portfolios. These guidelines should be communicated to the investment manager or trustee to ensure that all investments made are in accordance with the Board's intentions. In addition, the Boards should request and review information on all new types of investments to ensure that transactions are in accordance with State Statutes and local ordinances and meet the Board's investment criteria.

PENSION TRUST FUND INVESTMENTS

- A. Underlying investments of some of the mutual funds of the Police Officers' Retirement Trust Fund include foreign securities and low-rated or nonrated corporate bonds.

Chapter 185.06 of the Florida Statutes and city ordinance describe a variety of alternatives of Retirement Trust Funds which do not include these types of investments. We recommend that the Pension Board review these investments in light of the Statutes.

- B. Underlying investments of some of the mutual funds of the Firefighters' Retirement System include foreign securities and low-rated or nonrated bonds.

Chapter 175.06 of the Florida Statutes and city ordinance do not authorize investment in foreign securities. We recommend that the Pension Board review these investments in light of the Statutes.

State Statute prohibits investment in low-rated or nonrated bonds, while the local ordinance authorizing corporate investments remains silent as to such restrictions. We recommend that the City and the Fire Pension Board consider amending the local ordinance to further clarify the types and ratings of corporate investments authorized in light of the more restrictive State Statute.

DEFERRED COMPENSATION FUND

Deferred compensation activity is currently not included on the City's computer system. As plans are made to implement a new computer system, consideration should be given to the establishment of a new fund to account for deferred compensation activity.

ANNUAL FINANCIAL REPORTS OF UNITS OF LOCAL GOVERNMENT, 1988

The City filed its annual financial report with the Department of Banking and Finance for the fiscal year ended September 30, 1988, as required by Section 218.32 of the Florida Statutes. Based on our review of the financial information contained in that report, no material differences were found in comparing report information to the City's audited financial statements.

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

\* \* \* \* \*

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 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,

*Ernst + Young*

Certified Public Accountants  
November 27, 1989

Box N  
149 South Ridgewood Avenue  
Daytona Beach, Florida 32114  
Telephone: (904) 255-1981  
Fax: (904) 255-8030

## REPORT ON COMPLIANCE

The Honorable Mayor, City  
Council and City Manager  
City of Holly Hill, Florida

We have audited the general purpose financial statements of the City of Holly Hill, Florida, for the year ended September 30, 1989, and have issued our report thereon dated November 27, 1989. Our audit was made in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States 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 audit 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.

The logo for Ernst & Young, featuring the company name in a stylized, cursive script.

Certified Public Accountants  
November 27, 1989

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Fax: (904) 255-8030

November 27, 1989

REPORT ON COMPLIANCE WITH CPE REQUIREMENTS

The Honorable Mayor, City  
Council and City Manager  
City of Holly Hill, Florida

In accordance with Florida Statutes Section 11.45(3)(a)4.p., we are required to designate the auditor-in-charge of your engagement and confirm that the educational criteria have been met. The auditor-in-charge of your engagement is John P. Vodenicker, CPA, and he has attended at least 24 hours of continuing professional education programs directly related to the governmental environment and government auditing within the immediate preceding three years.

Very truly yours,

*Ernst + Young*

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