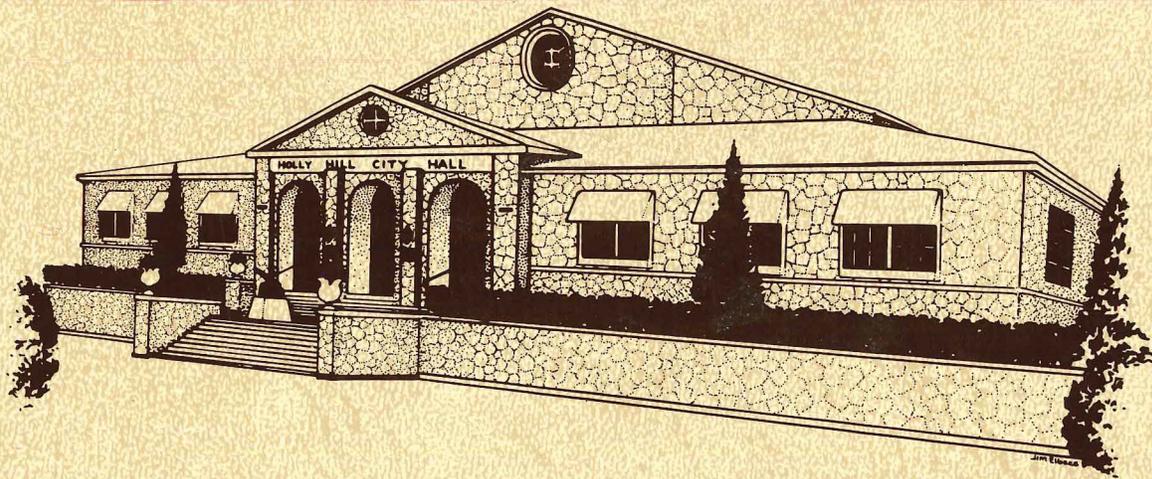


Wine

CITY OF HOLLY HILL, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDING SEPTEMBER 30, 1990

CITY OF HOLLY HILL
FINANCIAL OVERVIEW
SEPTEMBER 30, 1990

**CITY OF HOLLY HILL
FINANCIAL ANALYSIS
BALANCE SHEETS
SEPTEMBER 30, 1990 AND 1989**

	In Thousands		
	1990	1989	Increase (Decrease)
<u>Assets</u>			
Cash and Investments	\$4,978	\$4,822	\$156
Receivables	631	393	238
Restricted Assets	5,063	10,178	(5,115)
Plant in Service	23,013	15,866	7,147
<u>Liabilities</u>			
Current Liabilities	736	578	158
Liabilities Payable from Restricted Assets	1,278	221	1,057
Long-Term Liabilities	14,527	14,477	50
<u>Fund Equity</u>			
Retained Earnings	3,782	3,103	679
Fund Balances	3,874	3,705	169

**CITY OF HOLLY HILL
 FINANCIAL ANALYSIS
 GENERAL FUND REVENUES
 FOR THE YEARS ENDED
 SEPTEMBER 30, 1990, 1989, 1988 AND 1987**

	<u>1990</u>	PER CAPITA		
		<u>1989</u>	<u>1988</u>	<u>1987</u>
Taxes	\$200	\$183	\$165	\$154
Licenses and Permits	13	12	13	12
Intergovernmental Revenue	92	86	116	112
Charges for Services	133	108	108	106
Fines and Forfeitures	7	7	8	8
Miscellaneous Revenues	<u>17</u>	<u>14</u>	<u>8</u>	<u>10</u>
	<u>\$462</u>	<u>\$410</u>	<u>\$418</u>	<u>\$402</u>

**CITY OF HOLLY HILL
 FINANCIAL ANALYSIS
 TAX REVENUES
 FOR THE YEARS ENDED
 SEPTEMBER 30, 1990, 1989, 1988 AND 1987**

	<u>1990</u>	PER CAPITA		
		<u>1989</u>	<u>1988</u>	<u>1987</u>
Ad valorem	\$ 93	\$ 80	\$ 83	\$ 74
Utility taxes	66	62	40	40
Franchise fees	<u>41</u>	<u>41</u>	<u>42</u>	<u>40</u>
	<u>\$200</u>	<u>\$183</u>	<u>\$165</u>	<u>\$154</u>

**CITY OF HOLLY HILL
FINANCIAL ANALYSIS
GENERAL FUND EXPENDITURES
FOR THE YEARS ENDED
SEPTEMBER 30, 1990, 1989, 1988 AND 1987**

	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
		PER CAPITA		
Operating				
General Government	\$103	\$ 88	\$ 81	\$ 92
Public Safety	146	138	130	116
Physical Environment	75	56	54	54
Transportation	56	53	46	43
Culture and Recreation	<u>34</u>	<u>31</u>	<u>30</u>	<u>26</u>
	414	366	341	331
Capital Outlay	25	57	38	116
Debt Service	<u>11</u>	<u>5</u>	<u>4</u>	<u>5</u>
	<u>\$450</u>	<u>\$428</u>	<u>\$383</u>	<u>\$452</u>

**CITY OF HOLLY HILL
FINANCIAL ANALYSIS OF REVENUES
AND EXPENSES
WATER AND SEWER SYSTEM FUND
FOR THE YEARS ENDED
SEPTEMBER 30, 1990 AND 1989**

	In Thousands		Percent Change
	<u>1990</u>	<u>1989</u>	
Operating Revenues	\$2,525	\$2,349	7%
Operating Expenses	<u>1,766</u>	<u>1,649</u>	7%
Operating Income	759	700	8%
Non-Operating Revenue (Expenses)	(80)	(84)	(5%)
Less: Operating Transfers	<u>-</u>	<u>(420)</u>	
Net Income Before Extraordinary Item	<u>\$ 679</u>	<u>\$ 196</u>	246%

*Net rev.
Dis 1991
Cov 1,380
1.6x*

CITY OF HOLLY HILL, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1990

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, 1990

COUNCILMEN

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

ACTING CITY MANAGER

Virginia Wine

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, 1990
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LETTER OF TRANSMITTAL

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CITY OF HOLLY HILL

TEN SIXTY—FIVE RIDGEWOOD AVENUE

HOLLY HILL, FLORIDA 32117

904/252-7631

February 12, 1991

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

The Comprehensive Annual Financial Report of the City of Holly Hill, Florida, for the year ended September 30, 1990, 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 supporting schedules, as well as the report of independent certified public accountants on the financial statements and supporting 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.

The Honorable Mayor and City Council
City of Holly Hill
Page 2
February 12, 1991

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 through 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 community currently has a 6.0% unemployment rate as compared to a state-wide rate of 6.2%. During the past three years, property assessments have increased 9% 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.

Construction began on the new wastewater treatment plant expansion in October 1989. The expansion will upgrade the plant from a secondary treatment plant to an advanced wastewater treatment plant. Capacity will increase from 1.6 million gallons per day to 2.4 mgd. At September 30, 1990 the expansion was 72% complete.

During the year a new computer system was installed in the Finance Department. New software applications for the general ledger, accounts payable and payroll operations were substantially completed. Implementation of new utility billing and occupational license programs started in October 1990.

A systematic program for cleaning out the City's entire storm drain system was initiated late in the year. The initial cleaning is expected to take about a year to complete.

The Honorable Mayor and City Council
City of Holly Hill
Page 3
February 12, 1991

During the year a special committee, composed of the Civil Service Board, the Employees Committee and City management, worked on revising the Civil Service rules and procedures for personnel. The final draft will be presented to the City Council as an ordinance in early 1991.

An employee recognition awards program was established during the past year. Service award pins were given to employees with two to thirty years service at a banquet in October 1989. This will be an annual event, recognizing the City's employees as they complete varying years of service with the City.

For the Future.

During the past year the City purchased the property adjacent to City Hall from the School Board of Volusia County. The property is large enough to accommodate several alternative uses and discussions will be held in the coming year to determine the best uses. Heading the list of probabilities is a new Police Department facility.

In December 1989 the voters approved a referendum to add flouride to the City water supply. It is anticipated that the equipment and the first year chemical costs will be funded through a federal grant. The flouridation project will be completed by November 1991. *will be done in 1992.*

The Comprehensive Land Use Plan was adopted in January 1991. The City may hire a Planner to guide the implementation of the plan because of the concurrency regulations. It is anticipated that, with the completion of the wastewater treatment plant expansion, business and residential growth will occur.

The City engineers conducted a traffic light study to determine the necessity of certain traffic signals. The studies on the traffic flows show that many of the signals are not warranted. The council will review each traffic signal on a case-by-case basis as necessary.

Departmental Focus.

The Public Works Department continued its Recycling Program by establishing additional drop-off centers throughout the community for residents and businesses. Newspapers, aluminum and glass are collected at these centers.

Educating the community on recycling was a major effort during the year. A special edition of the City's newsletter devoted to recycling was published in April 1990. Several issues of the monthly newsletter carried additional articles on the City's recycling program. The program is funded by a federal grant administered by Volusia County.

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.

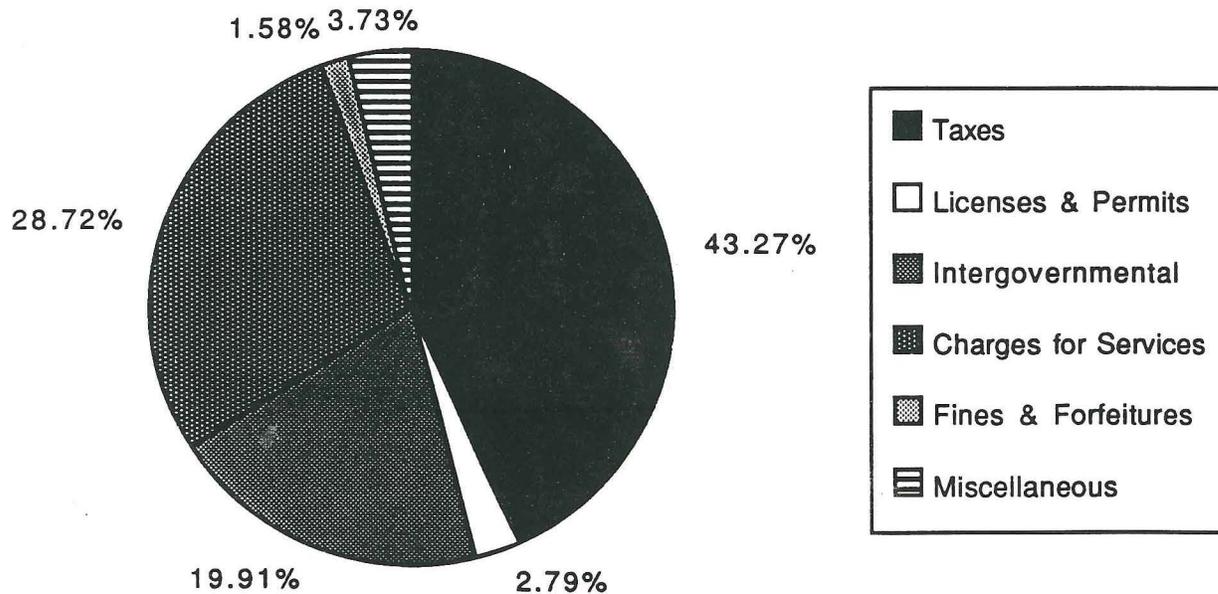
As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Governmental Functions.

The following schedule presents a summary of General Fund revenues and other sources for the fiscal year ended September 30, 1990 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 1989 (Thousands)</u>
Taxes (all sources)	\$ 2,364,090	43.27%	\$ 234
Licenses and permits	152,500	2.79	18
Intergovernmental revenues	1,087,785	19.91	93
Charges for services	1,568,924	28.72	311
Fines and forfeitures	86,251	1.58	-
Miscellaneous	203,849	3.73	36
Operating transfers in	-	-	(455)
Loan proceeds	-	-	(432)
TOTALS	\$ 5,463,399	100.00%	\$ (195)

The contribution of each revenue type to the total earnings of the City is displayed in the following graph:



The Honorable Mayor and City Council
 City of Holly Hill
 Page 6
 February 12, 1991

Revenues and other sources for the general fund functions totaled \$5,463,399 for the year ended September 30, 1990, a decrease of 3.42% from the previous year. Actual revenues and other sources for the General Fund exceeded budgeted revenues by \$13,299.

Ad valorem taxes continue to be the most significant revenue source. The total nonexempt valuation for ad valorem taxes amounts to \$252.1 million, an increase of 3.5% 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:

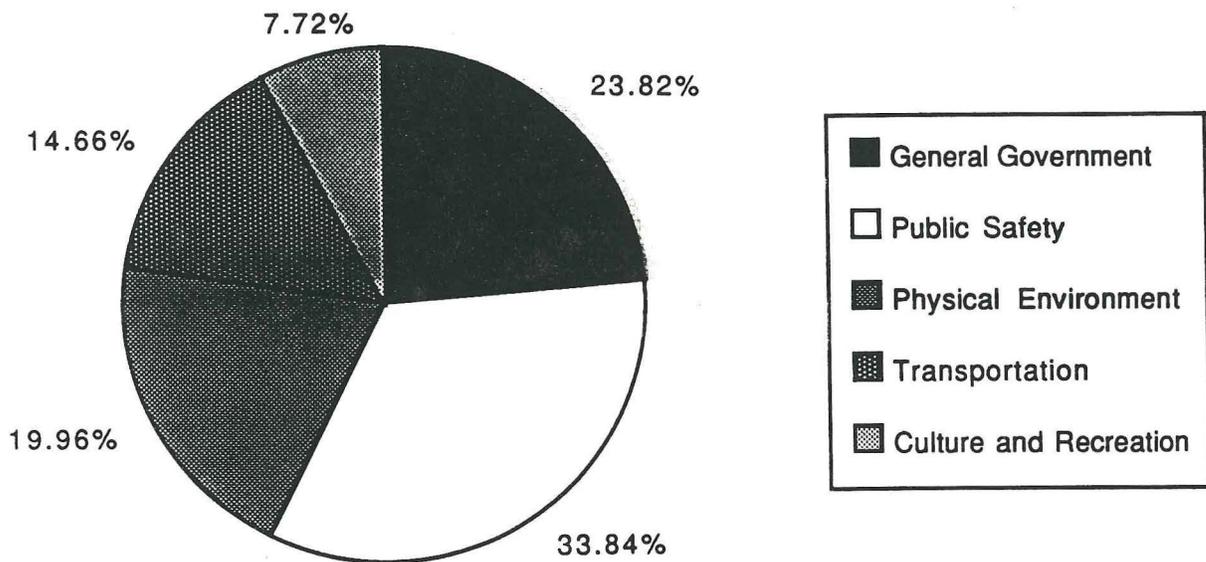
	<u>1989/90</u>	<u>1988/89</u>
General Fund	<u>4.463 mills</u>	<u>3.963 mills</u>

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

The following schedule presents a summary of General Fund expenditures and other uses for the fiscal year ended September 30, 1990 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 1989 (Thousands)</u>
General Government	\$ 1,267,856	23.82%	\$ 216
Public Safety	1,802,250	33.84	173
Physical Environment	1,063,054	19.96	(93)
Transportation	780,784	14.66	15
Culture and Recreation	411,299	7.72	42
Operating transfers out	-	-	(35)
TOTALS	<u>\$ 5,325,243</u>	<u>100.00%</u>	<u>\$ 318</u>

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 \$5,325,243 for the year, an increase of 6.33% over the preceding year.

Expenditures for General Government functions increased 20.48% over the previous year and accounted for 23.82% of total General Fund expenditures.

Public Safety, which includes Police, Fire and Protective Inspection Departments, accounted for 33.84% of the General Fund expenditures, as compared to 32.54% for the preceding fiscal year.

Public Works operations include Transportation/Road and Street Facilities and Physical Environment/Sanitation Services. These operations represented 19.96% and 14.66% of the General Fund expenditures, as compared to 23.08% and 15.29% for the previous year.

The Culture and Recreation Department accounted for 7.72% of the General Fund expenditures, as compared to 7.38% for the preceding fiscal year.

Capital improvements are included in each of the above functions. Expenditures for capital improvements amounted to \$301,269 for the fiscal year, a decrease of 54.14% over the previous year. The decrease was caused by the purchase of a sanitation truck and trash containers in the prior year.

General Fund Balance.

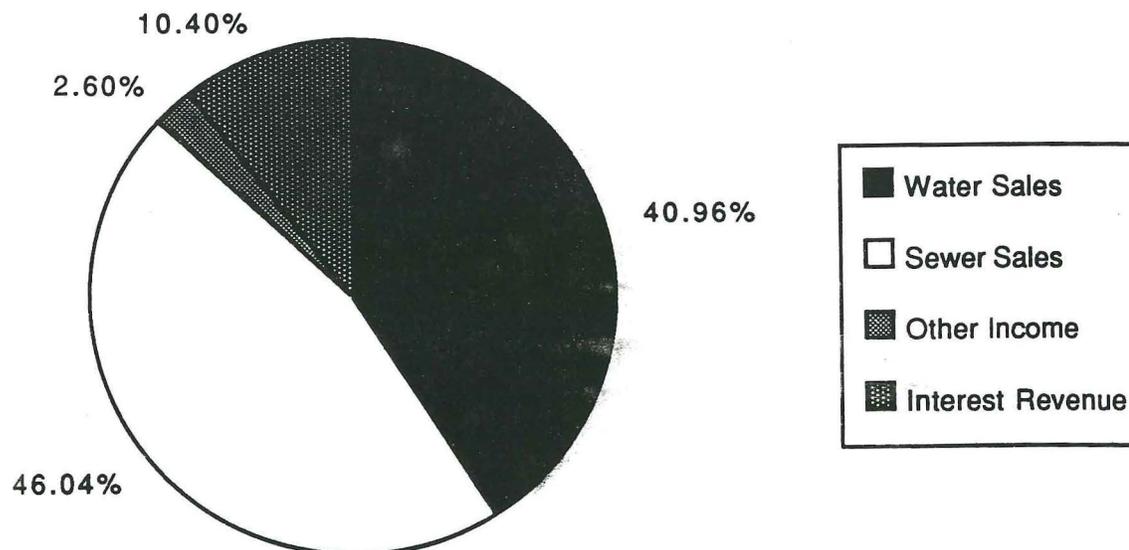
The fund balance of the General Fund increased by 7.49% during the fiscal year ended September 30, 1990. The \$123,662 increase provided the City with a fund balance that is the equivalent of 32.32% or approximately three and one half months of the budgeted expenditures of the current fiscal year. This 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, 1990 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 1989 (Thousands)</u>
Water sales	\$ 1,171,163	40.96%	\$ 82
Sewer charges	1,316,439	46.04	96
Other income	74,167	2.60	11
Interest revenue	297,346	10.40	59
Operating transfers in	-	-	(35)
TOTALS	\$ 2,859,115	100.00%	\$ 213

The percentage of each component of revenue to total revenues and transfers is displayed in the following graph:



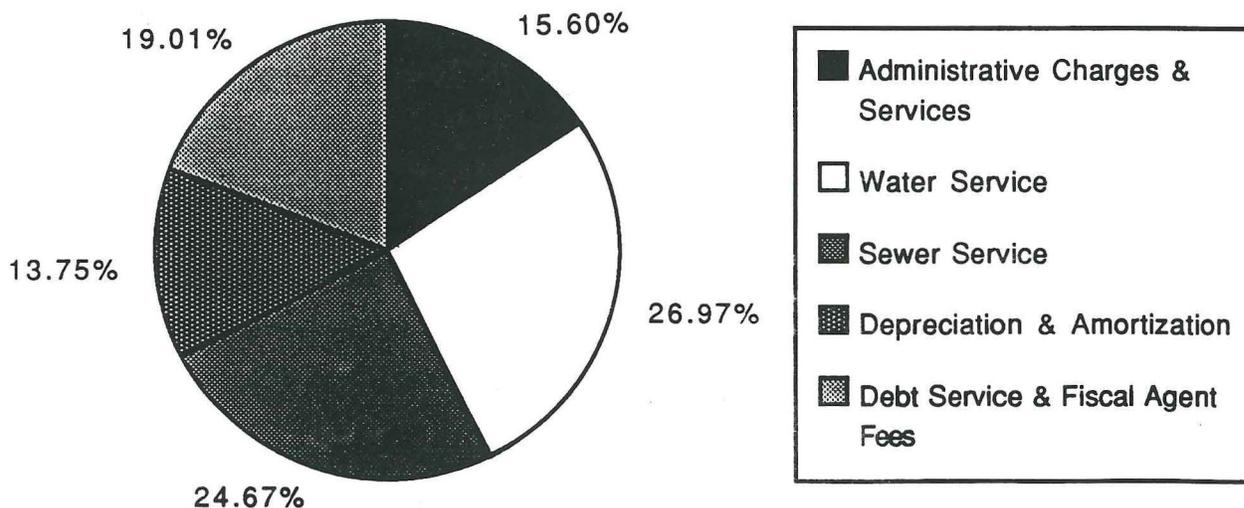
The City's Water and Sewer System Fund has increased revenues and the number of customers served over the past year. Revenue (excluding connection and impact fees), increases from the previous year were caused mainly by a rate increase.

The City records connection charges and impact fees as contributed capital. During the year, connection charges and impact fees amounted to \$10,885, a decrease of 78.02% 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, 1990 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 1989 (Thousands)</u>
Water service	\$ 588,081	26.97%	\$ 35
Sewer service	537,940	24.67	(11)
Administrative charges and services	340,000	15.60	40
Depreciation and amortization expense	299,732	13.75	52
Interest expense and miscellaneous	414,502	19.01	69
Operating transfers out	-	-	(455)
TOTALS	\$ 2,180,255	100.00%	\$ (270)

The percentage of each expense to total expenses and transfers is displayed in the following graph:



The Honorable Mayor and City Council
City of Holly Hill
Page 10
February 12, 1991

This year, the City had net income of \$678,860 in the Water and Sewer System Fund.

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

	<u>1989/90</u>
Gross revenue (includes connection charges and impact fees)	\$ 2,524,793
Income available for debt service	1,597,529
Annual debt service requirement	995,516
Coverage (income available for debt service divided by annual debt service requirement)	160 %

Debt Administration.

At September 30, 1990, the City had no general bonded debt.

Water and sewer revenue bonds issued in 1989 continue to be rated Aaa by Moody's Investors Services and AAA by Standard and Poor's Corporation and are insured by Municipal Bond Investors Assurance Corporation. Debt service payments during the current year consisted entirely of interest. The first principal payment date is October 1, 1991.

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.

\$ 308,269 9/20/90 JRS
89 PFI Dine to
Police 22

During the year, the Firefighters' Retirement System revenues were derived from State of Florida contributions of \$20,647, employee contributions of \$34,515, and interest and dividends earned on investments of \$62,797. Fund balance at the end of the year is \$776,670 as compared to \$777,268 for the preceding year. For the Police Officers' Retirement Trust Fund, the revenues were derived from State of Florida contributions of \$41,109, employee contributions of \$44,271, City contributions of \$34,895 and interest and dividends earned on investments of \$89,629. Fund balance at the end of the year is \$1,283,123 as compared to \$1,274,331 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 1990 fiscal year. The total cost of general fixed assets at September 30, 1990 amounted to \$8,047,631 as compared to \$7,823,725 for the preceding year, an increase of 2.9%.

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, 1990, idle unrestricted cash was invested as follows: in demand deposits, 11.6% and in time deposits, 88.4%.

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

<u>FUND</u>	<u>INTEREST EARNED</u>	
	<u>1990</u>	<u>1989</u>
General Fund	\$ 141,652	\$ 115,852
Water and Sewer System Fund	<u>118,448</u>	<u>70,897</u>
TOTAL INTEREST EARNINGS FOR THE CITY	<u>\$ 260,100</u>	<u>\$ 186,749</u>

The Honorable Mayor and City Council
City of Holly Hill
Page 12
February 12, 1991

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 report of independent certified public accountants 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, 1989. This was the thirteenth 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, 1989. This is the second consecutive year that the City has received this prestigious award. 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.

The Honorable Mayor and City Council
City of Holly Hill
Page 13
February 12, 1991

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,



Virginia Wine
Finance Director

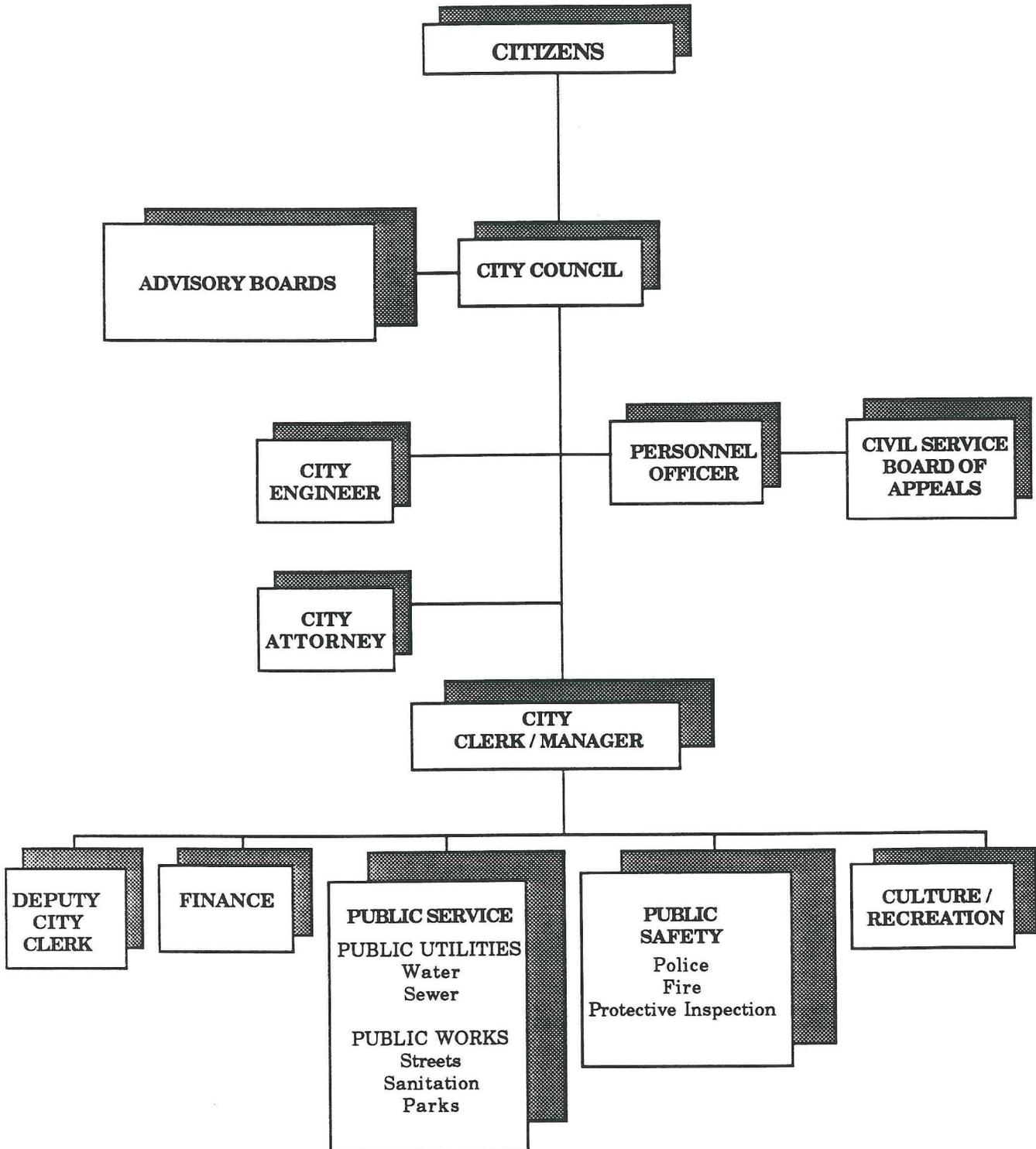
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ORGANIZATION CHART

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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, 1989

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Gary R. Northem

President

Jeffrey L. Esdell

Executive Director

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FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying general purpose financial statements of City of Holly Hill, Florida as of and for the year ended September 30, 1990 as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of City of Holly Hill, Florida, at September 30, 1990, and the results of its operations and the changes in financial position of its proprietary and similar trust fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming 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 City of Holly Hill, Florida. Such additional information has been subjected to the auditing procedures applied in our 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 our audit of the general purpose financial statements and, accordingly, we express no opinion.

Ernst + Young

November 30, 1990

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GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

CITY OF HOLLY HILL, FLORIDA

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 1990

	<u>GOVERNMENTAL FUND TYPE</u>	<u>PROPRIETARY FUND TYPE</u>
	<u>GENERAL</u>	<u>ENTERPRISE</u>
<u>ASSETS</u>		
Cash and investments	\$ 1,745,255 ✓	\$ 1,092,227 ✓
Accounts receivable - net	87,301 ✓	187,510 ✓
Taxes receivable	48,613 ✓	-
Other receivables	21,379 ✓	950 ✓
Due from other funds	33,250 ✓	91,915 ✓
Due from other governments	147,213 ✓	-
Prepaid insurance	-	6,570 ✓
Restricted assets:		
Sinking Funds -		
Cash and investments	-	1,244,162 ✓
Construction Fund -		
Cash and investments	-	3,054,255
Renewal and Replacement Fund -		
Cash and investments	-	634,150 ✓
Accrued interest receivable	-	786
Arbitrage rebate -		
Cash and investments	-	109,473
Impact fee -		
Cash and investments	-	20,009
Land	-	136,602 ✓
Buildings	-	5,895,647 ✓
Improvements other than buildings	-	5,030,051 ✓
Machinery and equipment	-	580,261 ✓
Accumulated depreciation	-	(3,034,683) ✓
Construction in progress	-	6,357,527 ✓
Unamortized bond issue costs	-	243,613 ✓
Amount to be provided for retirement of general long-term debt	-	-
TOTAL ASSETS	\$ 2,083,011 ✓	\$ 21,651,025 ✓

See accompanying notes.

Accumulated Deprec
Bldg - (1,829,297)
Imp (998,212)
M & E (73,928) Wt
(267,673) (133,145) SWR
30.
(3,034,683)

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS		
	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY)	
			1990	1989	
\$ 2,141,304 ✓	\$ -	\$ -	\$ 4,978,786	\$ 4,821,813	
-	-	-	274,811	291,511	
-	-	-	48,613	48,613	
12,541	-	-	34,870	6,700	
-	-	-	125,165	31,869	
-	-	-	147,213	13,892	
-	-	-	6,570	7,704	
-	-	-	1,244,162	1,302,009	
-	-	-	3,054,255	8,107,659	
-	-	-	634,150	226,006	
-	-	-	786	1,092	
-	-	-	109,473	-	
-	-	-	20,009	541,614	
-	1,081,579 ✓	-	1,218,181	1,139,625	
-	723,650 ✓	-	6,619,297	6,186,905	
-	3,711,047 ✓	-	8,741,098	8,556,474	
-	2,531,355 ✓	-	3,111,616	2,691,190	
-	-	-	(3,034,683)	(2,754,071)	
-	-	-	6,357,527	46,104	
-	-	-	243,613	252,014	
-	-	561,290 ✓	561,290	627,653	
<u>\$ 2,153,845 ✓</u>	<u>\$ 8,047,631 ✓</u>	<u>\$ 561,290 ✓</u>	<u>\$ 34,496,802 ✓</u>	<u>\$ 32,146,376</u>	

*int.
other Res.*

*Pg
81*

CITY OF HOLLY HILL, FLORIDA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 1990

Wages. 4303 ✓
 Dica. 329 ✓
 Pens. 6895 ✓
 Comp. Absence 43672 ✓
 55,199 ✓

	<u>GOVERNMENTAL</u> <u>FUND TYPE</u>	<u>PROPRIETARY</u> <u>FUND TYPE</u>
	<u>GENERAL</u>	<u>ENTERPRISE</u>
<u>LIABILITIES AND FUND EQUITY</u>		
LIABILITIES		
Accounts payable	\$ 94,776 ✓	\$ 20,820 ✓
Accrued liabilities	54,592 ✓	55,199 ✓
Due to other funds	91,915 ✓	20,209 ✓
Customer deposits	16,203 ✓	316,393 ✓
Other liabilities	1,150 ✓	-
Deferred revenues	48,613 ✓	-
Payable from restricted assets:		
Accounts payable	-	631,267 ✓
Retainage payable - Adams/Rob	-	607,564 ✓
Accrued interest payable	-	-
Deferred compensation payable	-	-
Revenue bonds payable - net	-	13,856,604 ✓
Arbitrage rebate liability - 3d decrease next 4 yrs to 40-	-	109,473 ✓
Notes payable - pension backfunding	-	-
Notes payable	-	-
Obligation for compensated absences	-	-
TOTAL LIABILITIES	307,249 ✓	15,617,529 ✓
COMMITMENTS AND CONTINGENCIES		
FUND EQUITY AND OTHER CREDITS		
Contributed capital (customers)	-	2,251,915 ✓
Investment in general fixed assets	-	-
Retained earnings:		
Reserved for renewal and replacement	-	634,936 ✓
Reserved for revenue bond retirement	-	1,244,162 ✓
Unreserved	-	1,902,483 ✓
Fund balances:		
Reserved for law enforcement trust	-	-
Reserved for encumbrances	4,140 ✓	-
Reserved for police and fire pensions	-	-
Reserved for police education	-	-
Reserved for stormwater drainage	-	-
Unreserved -		
Undesignated	1,596,450 ✓	-
TOTAL FUND EQUITY AND OTHER CREDITS	1,775,762 ✓	6,033,496 ✓
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,083,011 ✓	\$ 21,651,025 ✓

Rodon. 144 ✓
 int 5825 ✓
 wages. 19653 ✓
 Dica 1502 ✓
 Pens 19078 ✓
 ins. 8319 ✓
 54,592 ✓

1879098
 175,172 { 10,969 } ALL other
 { 164,203 } no surplus

See accompanying notes.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS		
	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY)	
			1990	1989	
\$ -	\$ -	\$ -	\$ 115,596	\$ 87,067	
3,177 ✓	-	-	112,968	98,578	
13,041 ✓	-	-	125,165	31,869	
-	-	-	332,596	311,419	
-	-	-	1,150	-	
-	-	-	48,613	48,613	
-	-	-	631,267	44,909	
-	-	-	607,564	-	
-	-	-	-	165,919	
39,332 ✓ <i>Deferred Comp</i>	-	-	39,332	9,756	
-	-	-	13,856,604	13,849,418	
-	-	-	109,473	-	
-	-	-	-	7,323	
-	-	332,000 ✓	332,000	432,000	
-	-	229,290 ✓	229,290	188,330	
<u>55,550 ✓</u>	<u>-</u>	<u>561,290 ✓</u>	<u>16,541,618 ✓</u>	<u>15,275,201</u>	
-	-	-	2,251,915	2,241,030	
-	8,047,631 ✓	-	8,047,631	7,823,725	
-	-	-	634,936	227,098	
-	-	-	1,244,162	1,136,090	
-	-	-	1,902,483	1,739,533	
38,502 ✓ <i>LET3</i>	-	-	38,502	8,075	
-	-	-	4,140	70,000	
2,059,793 ✓	-	-	2,059,793	2,051,599	
-	-	-	10,969	10,135	
-	-	-	164,203	86,022	
-	-	-	1,596,450	1,477,868	
<u>2,098,295 ✓</u>	<u>8,047,631</u>	<u>-</u>	<u>17,955,184</u>	<u>16,871,175</u>	
<u>\$ 2,153,845 ✓</u>	<u>\$ 8,047,631 ✓</u>	<u>\$ 561,290 ✓</u>	<u>\$ 34,496,802 ✓</u>	<u>\$ 32,146,376</u>	

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COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS
YEAR ENDED SEPTEMBER 30, 1990

	GOVERNMENTAL FUND TYPE	FIDUCIARY FUND TYPE EXPENDABLE TRUST	TOTALS (MEMORANDUM ONLY)	
	GENERAL		1990	1989
REVENUES — <i>page 86</i>				
Taxes	\$ 2,364,090	\$ -	\$ 2,364,090	\$ 2,129,909
Licenses and permits	152,500	-	152,500	134,205
Intergovernmental revenues	1,087,785	-	1,087,785	994,660
Charges for services	1,568,924	-	1,568,924	1,257,599
Fines and forfeitures	86,251	62,400	148,651	86,168
Miscellaneous revenues	<u>203,849</u>	<u>2,477</u>	<u>206,326</u>	<u>167,375</u>
TOTAL REVENUES	<u>5,463,399</u>	<u>64,877</u>	<u>5,528,276</u>	<u>4,769,916</u>
EXPENDITURES				
Current:				
General Government	1,217,580	-	1,217,580	1,028,175
Public Safety	1,726,863	22,220	1,749,083	1,605,123
Physical Environment	885,399	-	885,399	650,990
Transportation	662,630	-	662,630	610,353
Culture and Recreation	398,730	-	398,730	359,201
Capital outlay	301,269	18,649	319,918	656,957
Debt service:				
Principal retirement	107,324	-	107,324	40,210
Interest	<u>25,448</u>	<u>-</u>	<u>25,448</u>	<u>22,078</u>
TOTAL EXPENDITURES	<u>5,325,243</u>	<u>40,869</u>	<u>5,366,112</u>	<u>4,973,087</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>138,156</u>	<u>24,008</u>	<u>162,164</u>	<u>(203,171)</u>
	<i>5,463,399</i>			
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	(35,000)
Operating transfers in	-	-	-	455,200
Loan proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>432,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>852,200</u>

See accompanying notes.

CITY OF HOLLY HILL, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS
 YEAR ENDED SEPTEMBER 30, 1990

	GOVERNMENTAL	FIDUCIARY	TOTALS	
	<u>FUND TYPE</u>	<u>FUND TYPE</u>	(MEMORANDUM ONLY)	
	GENERAL	EXPENDABLE TRUST	1990	1989
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	138,156 ✓	24,008 ✓	162,164 ✓	649,029
FUND BALANCES AT BEGINNING OF YEAR	1,652,100 ✓	-	1,652,100 ✓	1,003,071
Residual equity transfer	<u>(14,494) ✓</u>	<u>14,494 ✓</u>	<u>-</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,775,762 ✓</u>	<u>\$ 38,502 ✓</u>	<u>\$ 1,814,264 ✓</u>	<u>\$ 1,652,100</u>

See accompanying notes.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 1990

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
REVENUES				
Taxes	\$ 2,377,000	\$ 2,364,090	\$ (12,910)	\$ 2,129,909
Licenses and permits	153,300	152,500	(800)	134,205
Intergovernmental revenues	1,068,700	1,087,785	19,085	994,660
Charges for services	1,576,100	1,568,924	(7,176)	1,257,599
Fines and forfeitures	79,000	86,251	7,251	86,168
Miscellaneous revenues	<u>196,000</u>	<u>203,849</u>	<u>7,849</u>	<u>167,375</u>
TOTAL REVENUES	<u>5,450,100</u>	<u>5,463,399</u>	<u>13,299</u>	<u>4,769,916</u>
EXPENDITURES				
Current:				
General Government	1,290,300	1,217,580	72,720	1,028,175
Public Safety	1,756,000	1,726,863	29,137	1,605,123
Physical Environment	913,900	885,399	28,501	650,990
Transportation	676,700	662,630	14,070	610,353
Culture and Recreation	419,350	398,730	20,620	359,201
Capital outlay	314,840	301,269	13,571	656,957
Debt service:				
Principal retirement	107,324	107,324	-	40,210
Interest	<u>25,476</u>	<u>25,448</u>	<u>28</u>	<u>22,078</u>
TOTAL EXPENDITURES	<u>5,503,890</u>	<u>5,325,243</u>	<u>178,647</u>	<u>4,973,087</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(53,790)</u>	<u>138,156</u>	<u>191,946</u>	<u>(203,171)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	(35,000)
Operating transfers in	-	-	-	455,200
Loan proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>432,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>852,200</u>

See accompanying notes.

CITY OF HOLLY HILL, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED SEPTEMBER 30, 1990

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 <u>ACTUAL</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(53,790)	138,156	191,946	649,029
FUND BALANCES AT BEGINNING OF YEAR	1,652,100	1,652,100	-	1,003,071
Residual equity transfer	<u>-</u>	<u>(14,494)</u>	<u>(14,494)</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,598,310</u>	<u>\$ 1,775,762</u>	<u>\$ 177,452</u>	<u>\$ 1,652,100</u>

See accompanying notes.

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS
YEAR ENDED SEPTEMBER 30, 1990

	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	PENSION FUNDS	1990	1989
OPERATING REVENUES				
Charges for services	\$ 2,524,793 ✓	\$ -	\$ 2,524,793 ✓	\$ 2,349,336
Contributions	-	175,437	175,437	135,680
Interest and dividends	-	152,426	152,426	135,063
TOTAL OPERATING REVENUES	2,524,793	327,863 ✓	2,852,656 ✓	2,620,079
OPERATING EXPENSES				
Personal services	647,383 ✓	-	647,383	593,658
Contractual services	315,020	34,118 ✓	349,138	350,222
Materials and supplies	163,618	-	163,618	158,268
Other charges and services	340,000	-	340,000	300,000
Depreciation and amortization	299,732 ✓	-	299,732	247,250
Benefit payments	-	36,159 ✓	36,159	28,310
Loss on sale of investments	-	41,834 ✓	41,834	-
Unrealized loss on investments	-	190,000 ✓	190,000	-
Miscellaneous expenses	-	17,558 ✓	17,558	20,569
TOTAL OPERATING EXPENSES	1,765,753 ✓	319,669 ✓	2,085,422	1,698,277
OPERATING INCOME	759,040 ✓	8,194 ✓	767,234	921,802
NONOPERATING REVENUES (EXPENSES)				
Payment from General Fund - rental	-	-	-	13,000
Interest income	257,782 ✓ *	-	257,782	238,185
Other income	36,976 ✓	-	36,976	10,912
Interest expense	(350,885) ✓	-	(350,885)	(309,387)
Miscellaneous expense	(24,053) ✓	-	(24,053)	(36,497)
TOTAL NONOPERATING REVENUES (EXPENSES)	(80,180) ✓	-	(80,180)	(83,787)
INCOME BEFORE OPERATING TRANSFERS	678,860 ✓	8,194 ✓	687,054	838,015
OPERATING TRANSFERS				
Operating transfers in	-	-	-	35,000
Operating transfers out	-	-	-	(455,200)
	-	-	-	(420,200)

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
 YEAR ENDED SEPTEMBER 30, 1990

	<u>PROPRIETARY</u>	<u>FIDUCIARY</u>	<u>TOTALS</u>	
	<u>FUND TYPE</u>	<u>FUND TYPE</u>	<u>(MEMORANDUM ONLY)</u>	
	<u>ENTERPRISE</u>	<u>PENSION</u>	<u>1990</u>	<u>1989</u>
		<u>FUNDS</u>		
INCOME BEFORE EXTRAORDINARY ITEM	678,860	8,194	687,054	417,815
EXTRAORDINARY ITEM Gain on advance refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,877</u>
NET INCOME	678,860 ✓	8,194 ✓	687,054	670,692
RETAINED EARNINGS/FUND BALANCES AT BEGINNING OF YEAR	<u>3,102,721</u> ✓	<u>2,051,599</u>	<u>5,154,320</u>	<u>4,483,628</u>
RETAINED EARNINGS/FUND BALANCES AT END OF YEAR	<u>\$ 3,781,581</u> ✓	<u>\$ 2,059,793</u>	<u>\$ 5,841,374</u>	<u>\$ 5,154,320</u>

See accompanying notes.

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS
YEAR ENDED SEPTEMBER 30, 1990

	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	PENSION FUNDS	1990	1989
SOURCES OF FUNDS				
From operations:				
Income before extraordinary item	\$ 678,860 ✓	\$ 8,194 ✓	\$ 687,054 ✓	\$ 417,815
Items not affecting working capital -				
depreciation and amortization	299,732 ✓	-	299,732 ✓	247,250
loss on disposal of property and equipment	<u>2,553 ✓</u>	<u>-</u>	<u>2,553 ✓</u>	<u>2,189</u>
WORKING CAPITAL PROVIDED BY OPERATIONS BEFORE EXTRAORDINARY ITEM	981,145	8,194	989,339 ✓	667,254
Extraordinary item - gain on advance refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,877</u>
WORKING CAPITAL PROVIDED BY OPERATIONS	981,145 ✓	8,194 ✓	989,339	920,131
Net decrease in restricted assets	5,115,545 ✓	-	5,115,545	-
Net increase in current liabilities payable from restricted assets	1,028,003 ✓	-	1,028,003	-
Proceeds from issuance of revenue bonds payable (net of discount)	-	-	-	13,849,418
Amortization of bond discount	7,186 ✓	-	7,186	-
Net increase in arbitrage rebate liability	109,473 ✓	-	109,473	-
Increase in contributed capital	<u>10,885 ✓</u>	<u>-</u>	<u>10,885</u>	<u>49,543</u>
	<u>7,252,237</u>	<u>8,194</u>	<u>7,260,431</u>	<u>14,819,092</u>
<i>uses of working capital</i>				
APPLICATION OF FUNDS				
Net increase in restricted assets	-	-	-	8,152,385
Additions to property, plant and equipment	7,216,787 ✓	-	7,216,787	441,404
Net increase in bond issuance costs	-	-	-	241,049
Net decrease in restricted liabilities	-	-	-	232,699
Decrease in revenue bonds payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,990,000</u>
	<u>7,216,787</u>	<u>-</u>	<u>7,216,787</u>	<u>14,057,537</u>
INCREASE IN WORKING CAPITAL	\$ 35,450 ✓	\$ 8,194	\$ 43,644	\$ 761,555

See accompanying notes.

CITY OF HOLLY HILL, FLORIDA
 COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS
 YEAR ENDED SEPTEMBER 30, 1990

	<u>PROPRIETARY FUND TYPE</u>	<u>FIDUCIARY FUND TYPE</u>	<u>TOTALS</u> (MEMORANDUM ONLY)	
	<u>ENTERPRISE</u>	<u>PENSION FUNDS</u>	1990	1989
CHANGES IN WORKING CAPITAL				
Increase (decrease) in current assets:				
Cash and investments	\$ (57,135) ✓	\$ (1,170) ✓	\$ (58,305) ✓	\$ 773,085
Accounts receivable	12,181 ✓	-	12,181 ✓	26,752
Other receivables	226 ✓	12,541 ✓	12,767 ✓	181
Due from other funds	91,915 ✓	-	91,915 ✓	-
Prepaid insurance	(1,134) ✓	-	(1,134) ✓	(1,355)
	<u>46,053</u>	<u>11,371</u>	<u>57,424</u>	<u>798,663</u>
Increase (decrease) in current liabilities:				
Accounts payable	(10,444) ✓	-	(10,444) ✓	19,658
Accrued liabilities	11,203 ✓	3,177 ✓	14,380 ✓	8,525
Due to other funds	(11,660) ✓	-	(11,660) ✓	182
Customer deposits	21,504 ✓	-	21,504 ✓	8,743
	<u>10,603</u>	<u>3,177</u>	<u>13,780</u>	<u>37,108</u>
INCREASE IN WORKING CAPITAL	<u>\$ 35,450</u>	<u>\$ 8,194</u>	<u>\$ 43,644</u>	<u>\$ 761,555</u>

See accompanying notes.

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CITY OF HOLLY HILL, FLORIDA
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1990

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

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 Type:

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 Types:

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, Expendable 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 Type - The General Fund is accounted for using 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 balance (net current assets) is considered a measure of available, spendable or appropriable resources. The operating statement of this fund presents 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 using 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 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. Expendable Trust Funds are accounted for in the same manner as governmental funds. 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, 1990

All Governmental and Expendable Trust 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.

CITY OF HOLLY HILL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1990

- (6) The City Manager is authorized to transfer part or all of an unencumbered appropriation balance among programs within a department and upon written request by the City Manager, the City Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one department to another.
- (7) The level of classification detail at which expenditures may not legally exceed appropriations is within a department or division by fund.
- (8) Every appropriation lapses at the close of the fiscal year to the extent that it has not been expended.
- (9) The budgets for all governmental funds that were either adopted or amended during the year by the City Council were prepared on the same basis of accounting utilized by those specific fund types. The General Fund is required to have a legally adopted annual budget. *Bond ord requires wtr & swr opr*
- (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 1989/90 fiscal year, one (1) such appropriation, increasing the budget by \$150,200, was approved for the 1989/90 budget on June 21, 1990 through Ordinance #2225 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 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 4.463.

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

The property tax calendar is as follows:

Valuation Date January 1, 1989

Property Appraiser prepares the assessment roll with values as of January 1, 1989, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations. July 1, 1989

City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate(s) for the coming fiscal year. September 1989

Property Appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable. (Levy date) November 1, 1989

A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes may be paid November 1989 through March 1990, with the following applicable discounts -

<u>Month</u>	<u>Discount Percent</u>	
November	4 %	
December	3	
January	2	November 1, 1989 through March 31, 1990
February	1	
March	0	

All unpaid taxes on real and tangible personal property become delinquent. April 1, 1990

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. May 1990

Tax certificates are sold on all real estate parcels with unpaid real property taxes. (Lien date) June 1, 1990

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 1990

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

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 straight-line method, which approximates the effective interest method, over the life of the bonds. Bond discounts are presented as a reduction of the face amount of bonds payable and issuance costs are recorded as deferred charges.

CITY OF HOLLY HILL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1990

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 time in excess of 90 days. On termination, the employee receives 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 are 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 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.

CITY OF HOLLY HILL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1990

- O. Combined Statements "Memorandum Only" Total Columns:
Total columns on the Combined Statements - All Fund Types and Account Groups are noted "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the summarization of these data.
- P. Reclassifications:
Certain September 30, 1989 account balances have been reclassified in this report to conform with the financial statement presentation used in 1990.

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 \$1,904,340 and the bank balance was \$1,968,249. Of the bank balance, \$1,654,685 was secured by the bank through participation in the Florida Security for Public Deposits Act and \$313,564 was uninsured and uncollateralized. The uninsured and uncollateralized deposits are held by the Police and Fire Pension Funds.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125%, may be required, if deemed necessary under the conditions set forth in the Act. obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer. Under the Act, the pool may assess participating financial institutions on a pro rata basis to fund any shortfall in the event of the failure of a member institution.

CITY OF HOLLY HILL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1990

B. Investments:

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

The Deferred Compensation Agency Fund investments are managed by ICMA Retirement Trust Corporation which provides various investment options to participants. The investments are pooled, and consist of common stock, government securities, corporate bonds, and guaranteed insurance contracts.

The following schedule categorizes the level of risk assumed by the City relating to investments held at September 30, 1990:

Category 1

Category 1 includes investments that are insured or registered or 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.

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

Following is a summary of risk levels assumed by the City at September 30, 1990:

	CATEGORY			CARRYING AMOUNT	MARKET VALUE
	1	2	3		
Pension Fund Investments -					
Limited Partnerships	\$ 190,000	\$ -	\$ -	\$ 190,000	\$ 190,000
Common stock	584,726	-	-	584,726	532,895
U.S. Treasury Notes	<u>953,586</u>	-	-	<u>953,586</u>	<u>956,531</u>
	<u>\$ 1,728,312</u>	<u>\$ -</u>	<u>\$ -</u>	1,728,312	1,679,426
Deferred Compensation Investment Pool				39,332	39,332
State Board				<u>6,368,851</u>	<u>6,368,851</u>
TOTAL INVESTMENTS				<u>\$ 8,136,495</u>	<u>\$ 8,087,609</u>

The City's Firefighters' Pension Fund has invested in certain types of investments that are in violation of State Statutes and local ordinances. See Note 13.

3. ACCOUNTS RECEIVABLE - NET

The accounts receivable - net amount at September 30, 1990 consists of the following:

	GENERAL FUND	WATER AND SEWER SYSTEM ENTERPRISE FUND
Accounts receivable	\$ 94,115	\$ 208,594
Less: Allowance for doubtful accounts	<u>6,814</u>	<u>21,084</u>
ACCOUNTS RECEIVABLE - NET	<u>\$ 87,301</u>	<u>\$ 187,510</u>

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	BALANCE OCTOBER 1, 1989	ADDITIONS	DELETIONS	BALANCE SEPTEMBER 30, 1990
Land	\$ 1,048,659	\$ 40,000	\$ 7,080	\$ 1,081,579
Buildings	719,420	8,830	4,600	723,650
Improvements other than buildings	3,604,230	106,817	-	3,711,047
Machinery and equipment	<u>2,451,416</u>	<u>164,271</u>	<u>84,332</u>	<u>2,531,355</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 7,823,725</u>	<u>\$ 319,918</u>	<u>\$ 96,012</u>	<u>\$ 8,047,631</u>

5. CHANGES IN GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

	BALANCE OCTOBER 1, 1989	NOTES PAYABLE ISSUED	NOTES RETIRED	OBLIGATION FOR COMPENSATED ABSENCES EARNED	OBLIGATION FOR COMPENSATED ABSENCES USED	BALANCE SEPTEMBER 30 1990
Notes payable :						
Pension backfunding	\$ 7,323	\$ -	\$ 7,323	\$ -	\$ -	\$ -
Sun Bank of Volusia County - Sanitation truck and containers	432,000	-	100,000	-	-	332,000
Obligation for compensated absences	<u>188,330</u>	<u>-</u>	<u>-</u>	<u>138,881</u>	<u>97,921</u>	<u>229,290</u>
TOTAL GENERAL LONG-TERM DEBT	<u>\$ 627,653</u>	<u>\$ -</u>	<u>\$ 107,323</u>	<u>\$ 138,881</u>	<u>\$ 97,921</u>	<u>\$ 561,290</u>

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.

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

7. GENERAL LONG-TERM DEBT

A. Notes Payable:

In October 1988 the City executed a promissory note to a local banking institution in the amount of \$432,000. Proceeds were used to purchase a sanitation truck and refuse containers. The agreement provides for annual principal payments of \$100,000 plus interest at 7.03% through October 1, 1993. Trash and refuse revenues are pledged for repayment of principal and interest.

The annual debt service requirements to amortize the above note payable outstanding at September 30, 1990 are as follows:

FISCAL YEAR ENDING <u>SEPTEMBER 30,</u>	
1991	\$ 118,761
1992	111,461
1993	104,161
1994	<u>32,584</u>
TOTAL DEBT SERVICE	366,967
Less: Interest	<u>34,967</u>
PRINCIPAL DUE	<u><u>\$ 332,000</u></u>

B. Compensated Absences:

Compensated absences are accrued as a liability in the General Long-Term Debt Account Group at pay rates effective September 30, 1990 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.

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

8. REVENUE BONDS PAYABLE

A. Revenue bonds payable at September 30, 1990 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>(208,396)</u>
BONDS PAYABLE - LONG-TERM PORTION					<u>\$ 13,856,604</u>

B. The annual debt service requirements to amortize the above bonds outstanding at September 30, 1990 are as follows:

FISCAL YEAR ENDING <u>SEPTEMBER 30,</u>	
1991	\$ 1,160,516
1992	1,160,369
1993	1,164,431
1994	1,162,366
1995	1,159,466
1996 - 2000	5,809,069
2001 - 2005	5,813,752
2006 - 2010	5,806,419
2011 - 2015	5,809,081
2016 - 2019	<u>4,649,425</u>
TOTAL DEBT SERVICE	33,694,894
Less: Interest	<u>19,629,894</u>
PRINCIPAL DUE	<u>\$ 14,065,000</u>

CITY OF HOLLY HILL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1990

- 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.

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

9. REFUNDED BONDS

The City has defeased certain Water and Sewer Revenue Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

At September 30, 1990, the following outstanding bonds are considered defeased:

1964 Series A Water and Sewer Revenue Bonds	\$ 1,295,000
1972 Series B Water and Sewer Revenue Bonds	<u>930,000</u>
	<u>\$ 2,225,000</u>

10. CAPITALIZATION OF INTEREST

Net interest costs capitalized in the Water and Sewer Fund during the year (interest expense less any interest earned on the investment of bond proceeds) amounted to \$241,850. Interest expense incurred during the current fiscal year totalled \$995,516 and was comprised of \$343,699 on debt associated with nonconstruction activities and \$651,817 on debt associated with construction activities. Capitalized interest for 1990 was calculated as follows:

Total interest expense	\$ 651,817
Less: Interest revenue	<u>409,967</u>
TOTAL INTEREST CAPITALIZED	<u>\$ 241,850</u>

11. INTERFUND ACCOUNTS

Individual fund interfund receivables and payables at September 30, 1990 consist of the following:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$ 33,250	\$ 91,915
Water and Sewer System Fund	91,915	20,209
Law Enforcement Trust Fund	<u>-</u>	<u>13,041</u>
	<u>\$ 125,165</u>	<u>\$ 125,165</u>

12. 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 Investment Counsel Company, Key Trust Company and Amerifirst Trust Company. 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 \$3,111,490 for the fiscal year ended September 30, 1990. Payroll expenditures for employees covered by the police and fire pensions were \$670,987 and \$345,155, 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 6.6% 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:

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

SEPTEMBER 30, 1990
POLICE OFFICERS FIREFIGHTERS

Retirees and beneficiaries		
currently receiving benefits	4	3
Vested terminated employees	1	-
Active employees:		
Fully vested	8	5
Nonvested	14	5

Pension Benefit Obligation

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. The pension benefit obligations applicable to the Police Officers' and Firefighters' Retirement Systems as of the latest valuation dates, January 1, 1989 and October 1, 1990, respectively, were calculated using the unit credit actuarial cost method and is as follows:

	<u>POLICE OFFICERS' (JANUARY 1, 1989)</u>	<u>FIREFIGHTERS' (OCTOBER 1, 1990)</u>
Retirees and beneficiaries receiving benefits and vested terminated employees entitled to future benefits	\$ 201,697	\$ 120,817
Current employees:		
Accumulated employee contributions	56,824	184,643
Employer-financed vested	507,504	341,427
Employer-financed nonvested	<u>285,149</u>	<u>46,336</u>
Total pension benefit obligation (PBO)	<u>\$ 1,051,174</u>	<u>\$ 693,223</u>
Net assets available for benefits (valued at market)	<u>\$ 1,149,190</u>	<u>\$ 854,954</u>
Assets in excess of pension benefit obligation	<u>\$ 98,016</u>	<u>\$ 161,731</u>
Increase in PBO resulting from plan amendments and changes in assumptions	<u>\$ 282,944</u>	<u>\$ 68,928</u>
Ratio of assets to PBO	<u>109.3 %</u>	<u>123.3 %</u>
Ratio of assets in excess of pension benefit obligation to payroll	<u>14.6 %</u>	<u>46.9 %</u>

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

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.
Interest	8% per year
Retirement age	53, or immediately if over age 53
Salary increases	7.5% 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>
20	.03 %	6.0 %	9.2 %
30	.04 %	5.0 %	18.9 %
40	.07 %	2.6 %	39.1 %
50	.18 %	0.8 %	80.5 %

The following changes have been reflected in the January 1, 1989 pension benefit obligation:

Plan Changes -

- (1) The number of years of earnings to be considered for the purposes of determining Average Final Compensation has been reduced from the last 10 years of contributing service to the best 5 years of the 10 years preceding retirement, and

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

- (2) The Normal Retirement Date has been reduced from the latter of age 60 and 10 years of contributing service to the earlier of the attainment of age 55 and completion of 10 years of creditable service or the attainment of age 52 and completion of 25 years of creditable service.

Assumption Changes -

- (1) Disability rates have been adjusted to better reflect the City's actual experience.

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

Mortality	GA-1951 Male Mortality projected to 1965 by Scale C, 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> (Male and female)
25	.09 %
35	.14 %
45	.35 %
55	.74 %

<u>AGE</u>	<u>% TERMINATING DURING THE YEAR</u>		<u>CURRENT SALARY AS % OF SALARY AT RETIREMENT</u>
	<u>MALE</u>	<u>FEMALE</u>	
20	7.4 %	12.5 %	9.4 %
25	4.9 %	7.4 %	13.1 %
30	3.4 %	4.9 %	18.4 %
35	2.4 %	3.4 %	25.8 %
40	1.3 %	2.4 %	36.2 %
45	0.7 %	1.3 %	50.8 %
50	0.0 %	0.7 %	71.4 %
55 and over	0.0 %	0.0 %	100.0 %

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

The following changes have been reflected in the October 1, 1990 pension benefit obligation: (1) the GA-1951 Male Mortality Table, projected to 1965 by scale C, has been adopted for use in mortality rate calculations and (2) termination rates have been adjusted to better reflect the City's actual experience.

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, 1990, the City's contributions to the police and fire pension funds are set forth below:

POLICE OFFICERS' RETIREMENT TRUST 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>
1990	\$ 34,895	5.0 %	\$ 44,285	6.6 %
1989	32,698	5.0 %	6,503	1.0 %
1988	30,225	5.0 %	6,047	1.0 %

FIREFIGHTERS' RETIREMENT SYSTEM

	<u>Employer Contributions</u>		<u>Employee Contributions</u>	
	<u>Amount</u>	<u>% Of Covered Payroll</u>	<u>Amount</u>	<u>% Of Covered Payroll</u>
1990	\$ -	- %	\$ 34,516	10.0 %
1989	5,454	1.7 %	31,905	10.0 %
1988	10,420	3.4 %	30,645	10.0 %

Employer contributions to the Funds for these years consist entirely of normal costs.

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

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, 1990 was \$2,095,347. The City's total payroll was \$3,111,490.

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>	
			<u>1/1/89</u>	<u>1/1/90</u>
Regular members	1.60% times average compensation (five highest years) if age 62 or 30 years of service at any age.	After 10 years of creditable service. Early retirement is available if vested.	14.38%	15.14%

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, 1990 was \$308,269; these contributions represented 14.71% 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, 1990 (the date of the latest actuarial update information) for the System as a whole, was \$30.97 billion. The System's net assets available for benefits on that date (valued at market) were \$20.00 billion leaving an unfunded pension benefit obligation of \$10.97 billion. The City's fiscal year 1990 contribution as a percentage of total contributions required of all participating entities is insignificant (less than 2/100 of 1%).

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

There were no significant changes to benefit provision or actuarial assumptions since the June 30, 1989 actuarial valuation. Significant actuarial assumptions used for the July 1, 1990 update were: 8% for investment return; 5% for salary increases; and 3% for post retirement benefit increases.

Available historical trend information showing the System'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, 1990.

13. INVESTMENT PORTFOLIO

Police Officers' Retirement Trust Fund:

At September 30, 1990, the investments of the Police Officers' Retirement Trust Fund are as follows -

POLICE OFFICERS' RETIREMENT TRUST FUND
 INVESTMENT PORTFOLIO
 AS OF SEPTEMBER 30, 1990

<u>EQUITY/DEBT PORTFOLIO</u>	<u>CARRYING VALUE</u>	<u>MARKET</u>	<u>UNREALIZED GAIN (LOSS)</u>
<u>Investments held by Investment Custodian</u>			
Limited Partnerships	\$ 112,500	\$ 112,500	\$ -
U.S. Treasury Notes	528,586	528,607	21
Common stock	<u>503,058</u>	<u>453,367</u>	<u>(49,691)</u>
TOTAL INVESTMENTS	<u>\$ 1,144,144</u>	<u>\$ 1,094,474</u>	<u>\$ (49,670)</u>

A net realized loss of \$37,563 on the sale of securities was included in the determination of net income for 1990. To reduce the carrying amount of limited partnerships to market, which was lower than cost at September 30, 1990, a valuation allowance in the amount of \$112,500 was established with a corresponding charge to net income at that date. No other valuation allowances were established at September 30, 1990.

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

At September 30, 1990, the investment portfolio of the Firefighters' Retirement System is summarized as follows -

FIREFIGHTERS' RETIREMENT SYSTEM
 INVESTMENT PORTFOLIO
 AS OF SEPTEMBER 30, 1990

<u>EQUITY/DEBT PORTFOLIO</u>	<u>CARRYING VALUE</u>	<u>MARKET</u>	<u>UNREALIZED GAIN (LOSS)</u>
<u>Investments held by Investment Custodian</u>			
Limited Partnerships	\$ 77,500	\$ 77,500	\$ -
U.S. Treasury Notes	425,000	427,924	2,924
Common stock	<u>81,668</u>	<u>79,528</u>	<u>(2,140)</u>
TOTAL INVESTMENTS	<u>\$ 584,168</u>	<u>\$ 584,952</u>	<u>\$ 784</u>

A net realized loss of \$4,271 on the sale of securities was included in the determination of net income for 1990. To reduce the carrying amount of limited partnerships to market, which was lower than cost at September 30, 1990, a valuation allowance in the amount of \$77,500 was established with a corresponding charge to net income at that date. No other valuation allowances were established at September 30, 1990.

14. RESIDUAL EQUITY TRANSFER

During the year ended September 30, 1990 the City established the Law Enforcement Trust Fund to account for revenue from the sale of confiscated property and expenditures for law enforcement property. When the fund was established, equity totalling \$14,494 was transferred from the general fund.

15. 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).

CITY OF HOLLY HILL, FLORIDA
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 1990

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.

16. CONTRIBUTED CAPITAL

During the year, contributed capital increased by the following amounts:

Contributed capital at beginning of year	\$ 2,241,030
Meter connection charges	8,085
Sewer connection charges	<u>2,800</u>
 CONTRIBUTED CAPITAL AT END OF YEAR	 <u>\$ 2,251,915</u>

*Impact Fee of \$20,295 did not get shown as contributed capital
 Closed into retained earnings?*

17. 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. Construction began in late 1989, and is scheduled for completion in 1991 at a total cost of approximately \$7,625,000. The City has expended \$6,115,677 on this contract through September 30, 1990.
- (2) During 1989, the City entered into a contract with the Volusia County School Board for the purchase of property, at a total cost of \$175,000. At September 30, 1990, \$75,000 remains to be paid.

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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, 1990

	<u>1990</u>	<u>1989</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and investments	\$ 1,092,227	\$ 1,149,362
Accounts receivable - net	187,510	175,329
Other receivables	950	724
Due from other funds	91,915	-
Prepaid insurance	<u>6,570</u>	<u>7,704</u>
TOTAL CURRENT ASSETS	<u>1,379,172</u>	<u>1,333,119</u>
RESTRICTED ASSETS		
Sinking Funds:		
Cash and investments	1,244,162	1,302,009
Construction Fund:		
Cash and investments	3,054,255	8,107,659
Renewal and Replacement Fund:		
Cash and investments	634,150	226,006
Accrued interest receivable	786	1,092
Arbitrage Rebate:		
Cash and investments	109,473	-
Impact fee:		
Cash and investments	<u>20,009</u>	<u>541,614</u>
TOTAL RESTRICTED ASSETS	<u>5,062,835</u>	<u>10,178,380</u>
PROPERTY, PLANT AND EQUIPMENT		
Land	136,602	90,966
Buildings	5,895,647	5,467,485
Improvements other than buildings	5,030,051	4,952,244
Machinery and equipment	<u>580,261</u>	<u>239,774</u>
	11,642,561	10,750,469
less: accumulated depreciation	<u>3,034,683</u>	<u>2,754,071</u>
	8,607,878	7,996,398
Construction in progress	<u>6,357,527</u>	<u>46,104</u>
	<u>14,965,405</u>	<u>8,042,502</u>
OTHER ASSETS		
Unamortized bond issue costs	<u>243,613</u>	<u>252,014</u>
TOTAL ASSETS	<u>\$ 21,651,025</u>	<u>\$ 19,806,015</u>

45,636

	<u>1990</u>	<u>1989</u>
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)		
Accounts payable	\$ 20,820	\$ 31,264
Accrued liabilities	55,199	43,996
Due to other funds	20,209	31,869
Customer deposits	<u>316,393</u>	<u>294,889</u>
TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)	<u>412,621</u>	<u>402,018</u>
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)		
Accounts payable	631,267	44,909
Retainage payable	607,564	-
Accrued interest payable	<u>-</u>	<u>165,919</u>
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	<u>1,238,831</u>	<u>210,828</u>
LONG-TERM DEBT		
Revenue bonds payable - net	<u>13,856,604</u>	<u>13,849,418</u>
OTHER LIABILITIES		
Arbitrage rebate liability	<u>109,473</u>	<u>-</u>
TOTAL LIABILITIES	<u>15,617,529</u>	<u>14,462,264</u>
COMMITMENTS AND CONTINGENCIES		
FUND EQUITY		
Contributed capital:		
Contribution from federal government	919,421	919,421
Contribution from customers	1,332,494	1,321,609
Retained earnings:		
Reserved for Renewal and Replacement	634,936	227,098
Reserved for retirement of revenue bonds	1,244,162	1,136,090
Unreserved	<u>1,902,483</u>	<u>1,739,533</u>
TOTAL FUND EQUITY	<u>6,033,496</u>	<u>5,343,751</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 21,651,025</u>	<u>\$ 19,806,015</u>

CITY OF HOLLY HILL, FLORIDA
WATER AND SEWER SYSTEM FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEAR ENDED SEPTEMBER 30, 1990

	<u>1990</u>	<u>1989</u>
OPERATING REVENUES		
Water sales	\$ 1,171,163	\$ 1,089,513
Sewer charges	1,316,439	1,220,616
Service charges	14,870	15,435
Cut-off charges	12,727	14,290
Hydrant rental	<u>9,594</u>	<u>9,482</u>
TOTAL OPERATING REVENUES	<u>2,524,793</u> ✓	<u>2,349,336</u>
OPERATING EXPENSES		
Water service	588,081 ✓	552,773
Sewer service	537,940 ✓	549,375
Administrative charges and services	340,000 ✓	300,000
Depreciation and amortization expense <i>291,332 + 8400</i>	<u>299,732</u>	<u>247,250</u>
TOTAL OPERATING EXPENSES	<u>1,765,753</u>	<u>1,649,398</u>
OPERATING INCOME	<u>759,040</u>	<u>699,938</u>
NONOPERATING REVENUES (EXPENSES)		
Payment from General Fund - Public		
Works building rental	-	13,000
Interest revenue <i>92,491 + 25,957</i>	257,782 ✓	238,185
Other income <i>843 + 6460 + 136 + 3</i>	<u>36,976</u> ✓	10,912
Interest expense <i>922,686</i>	(350,885)	(309,387)
Miscellaneous expense <i>16934 + 7119</i>	<u>(24,053)</u> ✓	<u>(36,497)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(80,180)</u>	<u>(83,787)</u>
INCOME BEFORE OPERATING TRANSFERS	678,860	616,151
OPERATING TRANSFERS IN (OUT)		
Operating transfers in	-	35,000
Operating transfers out	<u>-</u>	<u>(455,200)</u>
TOTAL OPERATING TRANSFERS IN (OUT)	<u>-</u>	<u>(420,200)</u>
INCOME BEFORE EXTRAORDINARY ITEM	678,860	195,951
EXTRAORDINARY ITEM		
Gain on debt refunding	<u>-</u>	<u>252,877</u>
NET INCOME	678,860	448,828
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>3,102,721</u>	<u>2,653,893</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 3,781,581</u>	<u>\$ 3,102,721</u>

*218,959.
597,110.
9,240.*

*# 400 - \$118,448
450 - 541
470 - 132,562
480 - 45,795*

297,346 (45,795) = 251,551

CITY OF HOLLY HILL, FLORIDA
WATER AND SEWER SYSTEM FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED SEPTEMBER 30, 1990

PAGE 1 OF 2

	<u>1990</u>	<u>1989</u>
SOURCES OF FUNDS		
From operations:		
Income before extraordinary item	\$ 678,860	\$ 195,951
Items not affecting working capital - depreciation and amortization	299,732	247,250
loss on disposal of equipment	<u>2,553</u>	<u>2,189</u>
 WORKING CAPITAL PROVIDED BY OPERATIONS BEFORE EXTRAORDINARY ITEM	 981,145	 445,390
 Extraordinary item - gain on advance refunding	 <u>-</u>	 <u>252,877</u>
 WORKING CAPITAL PROVIDED BY OPERATIONS	 981,145	 698,267
 Net decrease in restricted assets	5,115,545	-
Net increase in current liabilities payable from restricted assets	1,028,003	-
Proceeds from issuance of revenue bonds payable (net of discount)	-	13,849,418
Amortization of bond discount	7,186	-
Net increase in arbitrage rebate liability	109,473	-
Increase in contributed capital	<u>10,885</u>	<u>49,543</u>
	<u>7,252,237</u>	<u>14,597,228</u>
 APPLICATION OF FUNDS		
Net increase in restricted assets	-	8,152,385
Additions to property, plant and equipment	7,216,787	441,404
Net increase in bond issuance cost	-	241,049
Net decrease in current liabilities payable from restricted assets	-	232,699
Decrease in revenue bonds payable	<u>-</u>	<u>4,990,000</u>
	<u>7,216,787</u>	<u>14,057,537</u>
 INCREASE IN WORKING CAPITAL	 <u>\$ 35,450</u>	 <u>\$ 539,691</u>

CITY OF HOLLY HILL, FLORIDA
 WATER AND SEWER SYSTEM FUND
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 YEAR ENDED SEPTEMBER 30, 1990

	<u>1990</u>	<u>1989</u>
CHANGES IN WORKING CAPITAL		
Increase (decrease) in current assets:		
Cash and investments	\$ (57,135)	\$ 551,221
Accounts receivable	12,181	26,752
Other receivables	226	181
Due from other funds	91,915	-
Prepaid insurance	<u>(1,134)</u>	<u>(1,355)</u>
	<u>46,053</u>	<u>576,799</u>
Increase (decrease) in current liabilities:		
Accounts payable	(10,444)	19,658
Accrued liabilities	11,203	8,525
Due to other funds	(11,660)	182
Customer deposits	<u>21,504</u>	<u>8,743</u>
	<u>10,603</u>	<u>37,108</u>
 INCREASE IN WORKING CAPITAL	 \$ 35,450	 \$ 539,691

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.

EXPENDABLE TRUST FUND

Law Enforcement Trust Fund

The Law Enforcement Trust Fund is used to account for revenue from the sale of confiscated property and expenditures for law enforcement property.

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, 1990

	<u>PENSION TRUST FUNDS</u>	
	<u>POLICE</u>	<u>FIRE-</u>
	<u>OFFICERS'</u>	<u>FIGHTERS'</u>
	<u>RETIREMENT</u>	<u>RETIREMENT</u>
	<u>TRUST</u>	<u>SYSTEM</u>
 <u>ASSETS</u> 		
CURRENT ASSETS		
Cash and investments	\$ 1,283,222	\$ 767,207
Interest receivable	<u>1,881</u>	<u>10,660</u>
TOTAL CURRENT ASSETS	<u>1,285,103</u>	<u>777,867</u>
TOTAL ASSETS	<u>\$ 1,285,103</u>	<u>\$ 777,867</u>
 <u>LIABILITIES AND FUND EQUITY</u> 		
CURRENT LIABILITIES		
Pension expense payable	\$ 1,980	\$ 1,197
Due to other funds	-	-
Deferred compensation payable	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>1,980</u>	<u>1,197</u>
FUND EQUITY		
Fund balances:		
Reserved -		
Reserved for law enforcement	-	-
Reserved for police and fire pensions	<u>1,283,123</u>	<u>776,670</u>
TOTAL FUND EQUITY	<u>1,283,123</u>	<u>776,670</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,285,103</u>	<u>\$ 777,867</u>

<u>EXPENDABLE TRUST</u>	<u>AGENCY FUND</u>	<u>TOTALS</u>	
		1990	1989
LAW ENFORCEMENT TRUST	DEFERRED COMPEN-SATION		
\$ 51,543	\$ 39,332	\$ 2,141,304	\$ 2,061,355
<u>-</u>	<u>-</u>	<u>12,541</u>	<u>-</u>
<u>51,543</u>	<u>39,332</u>	<u>2,153,845</u>	<u>2,061,355</u>
<u>\$ 51,543</u>	<u>\$ 39,332</u>	<u>\$ 2,153,845</u>	<u>\$ 2,061,355</u>
\$ -	\$ -	\$ 3,177	\$ -
13,041	-	13,041	-
<u>-</u>	<u>39,322</u>	<u>39,332</u>	<u>9,756</u>
<u>13,041</u>	<u>39,332</u>	<u>55,550</u>	<u>9,756</u>
38,502	-	38,502	-
<u>-</u>	<u>-</u>	<u>2,059,793</u>	<u>2,051,599</u>
<u>38,502</u>	<u>-</u>	<u>2,098,295</u>	<u>2,051,599</u>
<u>\$ 51,543</u>	<u>\$ 39,332</u>	<u>\$ 2,153,845</u>	<u>\$ 2,061,355</u>

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

YEAR ENDED SEPTEMBER 30, 1990

	POLICE OFFICERS' RETIREMENT TRUST	FIRE- FIGHTERS' RETIREMENT SYSTEM	1990	TOTALS 1989
OPERATING REVENUES				
Contributions	\$ 120,275	\$ 55,162	\$ 175,437 ✓	\$ 135,680
Interest and dividends	<u>89,629</u>	<u>62,797</u>	<u>152,426 ✓</u>	<u>135,063</u>
TOTAL OPERATING REVENUES	<u>209,904 ✓</u>	<u>117,959 ✓</u>	<u>327,863 ✓</u>	<u>270,743</u>
OPERATING EXPENSES				
Benefit payments	25,227 ✓	10,932 ✓	36,159 ✓	28,310
Contract services	21,883 ✓	12,235 ✓	34,118	-
Loss on sale of investments	37,563 ✓	4,271 ✓	41,834	-
Unrealized loss on investments	112,500	77,500	190,000	-
Miscellaneous	<u>3,939 ✓</u>	<u>13,619 ✓</u>	<u>17,558</u>	<u>20,569</u>
TOTAL OPERATING EXPENSES	<u>201,112 ✓</u>	<u>118,557 ✓</u>	<u>319,669 ✓</u>	<u>48,879</u>
NET INCOME (LOSS)	8,792 ✓	(598) ✓	8,194 ✓	221,864
FUND BALANCES AT BEGINNING OF YEAR	<u>1,274,331 ✓</u>	<u>777,268 ✓</u>	<u>2,051,599 ✓</u>	<u>1,829,735</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,283,123 ✓</u>	<u>\$ 776,670 ✓</u>	<u>\$ 2,059,793 ✓</u>	<u>\$ 2,051,599</u>

Side
 Employee 34515
 State 201647 - 442001 (P)
 City - 41109
 34895

Contributions for Employee	44,271	34,515
" for state	41,109	201,647
" for city	34,895	✓

120,275. 55,162
 175,437.

regunds
Benefits req.
Disability "

CITY OF HOLLY HILL, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

ALL PENSION TRUST FUNDS

YEAR ENDED SEPTEMBER 30, 1990

	POLICE OFFICERS' RETIREMENT TRUST	FIRE- FIGHTERS' RETIREMENT SYSTEM	TOTALS 1990	TOTALS 1989
SOURCES OF WORKING CAPITAL				
From operations:				
Net income (loss)	\$ 8,792	\$ (598)	\$ 8,194	\$ 221,864
USES OF WORKING CAPITAL				
	-	-	-	-
INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ 8,792</u>	<u>\$ (598)</u>	<u>\$ 8,194</u>	<u>\$ 221,864</u>
 CHANGES IN WORKING CAPITAL				
Increase (decrease) in current assets:				
Cash and investments	\$ 8,891	\$ (10,061)	\$ (1,170)	\$ 221,864
Interest receivable	<u>1,881</u>	<u>10,660</u>	<u>12,541</u>	<u>-</u>
	10,772	599	11,371	221,864
Increase (decrease) in current liabilities	<u>1,980</u>	<u>1,197</u>	<u>3,177</u>	<u>-</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$ 8,792</u>	<u>\$ (598)</u>	<u>\$ 8,194</u>	<u>\$ 221,864</u>

CITY OF HOLLY HILL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
EXPENDABLE TRUST FUND
LAW ENFORCEMENT TRUST FUND
YEAR ENDED SEPTEMBER 30, 1990

REVENUES		
Fines and forfeitures	\$	62,400
Miscellaneous revenues		<u>2,477</u>
TOTAL REVENUES		<u>64,877</u>
EXPENDITURES		
Current:		
Public Safety		22,220
Capital outlay		<u>18,649</u>
TOTAL EXPENDITURES		<u>40,869</u>
EXCESS OF REVENUES OVER EXPENDITURES		24,008
FUND BALANCE AT BEGINNING OF YEAR		-
Residual equity transfer		<u>14,494</u>
FUND BALANCE AT END OF YEAR	\$	<u><u>38,502</u></u>

CITY OF HOLLY HILL, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
DEFERRED COMPENSATION FUND
YEAR ENDED SEPTEMBER 30, 1990

	BALANCE OCTOBER 1, 1989	ADDITIONS	DELETIONS	BALANCE SEPTEMBER 30, 1990
ASSETS				
Investments	\$ 9,756	\$ 31,141	\$ 1,565	\$ 39,332
 LIABILITIES				
Deferred compensation payable	\$ 9,756	\$ 31,141	\$ 1,565	\$ 39,332

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SUPPORTING SCHEDULES

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 1990

Wt. City 606,192 ✓ 135,009 ✓ 38,553 ✓ = 779,753.
 Franchise 430,077 ✓ 18,652 ✓ 16,731 ✓ 30,009 ✓ = 495,469

	BUDGET (REVISED)	ACTUAL	VARIANCE (UN- FAVORABLE)	1989 ACTUAL
TAXES				
Ad valorem taxes	\$ 1,089,500	\$ 1,083,337 ✓	\$ (6,163)	\$ 923,042
Delinquent ad valorem taxes	15,000	10,531	(4,469)	3,205
Utility taxes	780,500	779,753 ✓	(747)	726,292
Utility franchise fees	492,000	490,469 ✓	(1,531)	477,370
TOTAL TAXES	2,377,000	2,364,090	(12,910)	2,129,909
LICENSES AND PERMITS				
Professional and occupational licenses	97,000	97,435 ✓	435	82,858
City share/County licenses	20,000	20,757 ✓	757	19,905
Building permits	14,000	13,059 ✓	(941)	13,439
Other licenses and permits	22,300	21,249 ✓	(1,051)	18,003
TOTAL LICENSES AND PERMITS	153,300	152,500	(800)	134,205
INTERGOVERNMENTAL REVENUES				
State shared revenues:				
General Government -				
State Revenue Sharing	320,000	319,801 ✓ (21.8%)	(199)	328,409 -21.8%
DNR State Grant	63,000	63,585 ✓	585	17,765
Mobile home licenses	12,000	12,627 ✓	627	12,640
Alcoholic beverage licenses	8,500	8,044 ✓	(456)	11,919
Local government half-cent sales tax	413,000	413,263 ✓	263	402,024
Two-cent cigarette tax	50,000	49,216 ✓	(784)	48,857
Physical environment -				
Solid waste management grant	13,200	28,264 ✓	15,064	-
Transportation -				
Rebate on municipal vehicles	4,000	4,265 ✓	265	5,473
Local option gas tax - (ca. 27x)	161,000	164,720 ✓	3,720	167,427
Shared revenues from other local units:				
County contributions/sidewalks	24,000	24,000 ✓	-	-
Local alternative fuel decal user fee	-	-	-	146
TOTAL INTERGOVERNMENTAL REVENUES	1,068,700	1,087,785	19,085	994,660

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CITY OF HOLLY HILL, FLORIDA
 GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
CHARGES FOR SERVICES				
General Government charges:				
Zoning fees	2,000	2,726✓	726	2,330
Sale of maps and publications	1,000	386✓	(614)	452
Certificates and copies	1,000	1,167✓	167	1,086
Public Safety charges:				
Police services	4,000	2,687✓	(1,313)	3,815
Physical Environment charges:				
Trash sales	507,600	503,125✓	(4,475)	367,507
Refuse sales	522,200	522,438✓	238	458,998
Stormwater drainage	136,300	136,340✓	40	66,508
Culture and Recreation charges:				
Other special events -				
Promotional events	1,000	-	(1,000)	-
Program activity fees	53,000	53,818✓	818	50,154
Sica Hall - <i>MC 34959</i>	8,000	6,237✓	(1,763)	6,749
Other charges for services -				
Transfer from Enterprise operations	340,000	340,000✓	-	300,000
TOTAL CHARGES FOR SERVICES	1,576,100	1,568,924	(7,176)	1,257,599
FINES AND FORFEITURES				
Court fines	75,000	73,851✓	(1,149)	69,560
Confiscated property	-	-	-	12,835
Police education	4,000	4,002✓	2	3,773
Code enforcement fines	-	8,398✓	8,398	-
TOTAL FINES AND FORFEITURES	79,000	86,251	7,251	86,168
MISCELLANEOUS REVENUES				
Miscellaneous revenue	15,000	21,042✓	6,042	17,443
Interest earnings <i>SBA. 84,068. } 59,591. }</i>	137,000	141,652✓	4,652	115,852
Surplus sales, equipment, etc.	23,000	22,237✓	(763)	18,580
Insurance proceeds, loss on equipment	11,000	11,687✓	687	3,276
Lime and sludge bed cleaning	8,000	5,356✓	(2,644)	7,364
Contributions and donations	2,000	1,875✓	(125)	4,860
TOTAL MISCELLANEOUS REVENUES	196,000	203,849	7,849	167,375
TOTAL REVENUES	5,450,100	5,463,399✓	13,299	4,769,916

CITY OF HOLLY HILL, FLORIDA
 GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
OTHER FINANCING SOURCES				
Operating transfers in	-	-	-	455,200
Loan proceeds	-	-	-	432,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>887,200</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>887,200</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 5,450,100</u>	<u>\$ 5,463,399</u>	<u>\$ 13,299</u>	<u>\$ 5,657,116</u>

GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
GENERAL GOVERNMENT				
City Council:				
Personal services -				
Executive salaries	\$ 23,700	\$ 22,770	\$ 930	\$ 19,800
FICA taxes	1,800	1,735	65	1,487
Retirement contributions	3,500	3,410	90	2,798
Life and health insurance contributions	6,100	5,380	720	5,090
Training and travel	<u>10,000</u>	<u>9,569</u>	<u>431</u>	<u>7,088</u>
	<u>45,100</u>	<u>42,864</u> ✓	<u>2,236</u>	<u>36,263</u>
Operating expenses -				
Other charges and obligations	500	86	414	126
Subscriptions and memberships	<u>5,300</u>	<u>5,111</u>	<u>189</u>	<u>954</u>
	<u>5,800</u>	<u>5,197</u> ✓	<u>603</u>	<u>1,080</u>
TOTAL CITY COUNCIL	<u>50,900</u>	<u>48,061</u>	<u>2,839</u>	<u>37,343</u>
City Manager:				
Personal services -				
Executive salaries	51,400	49,940	1,460	45,864
Regular salaries and wages	104,500	102,734	1,766	90,405
Other salaries	-	-	-	49
Overtime - regular employees	2,000	1,874	126	1,216
Uniforms	600	442	158	546
FICA taxes	12,000	11,729	271	10,325
Retirement contributions	20,800	19,311	1,489	17,681
Life and health insurance contributions	5,700	5,408	292	5,158
Training and travel	<u>3,500</u>	<u>1,729</u>	<u>1,771</u>	<u>1,574</u>
	<u>200,500</u>	<u>193,167</u> ✓	<u>7,333</u>	<u>172,818</u>
Operating expenses -				
Telephone/communication services	1,000	560	440	705
Repair and maintenance services	1,500	944	556	2,104
Other charges and obligations	20,000	12,201	7,799	8,414
Office supplies	2,500	1,249	1,251	2,159
Subscriptions and memberships	2,000	1,870	130	1,747
Vehicle expenses	<u>2,000</u>	<u>1,976</u>	<u>24</u>	<u>1,459</u>
	<u>29,000</u>	<u>18,800</u> ✓	<u>10,200</u>	<u>16,588</u>
TOTAL CITY MANAGER	<u>229,500</u>	<u>211,967</u>	<u>17,533</u>	<u>189,406</u>

CITY OF HOLLY HILL, FLORIDA
GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
GENERAL GOVERNMENT - (continued)				
Finance and Administration:				
Personal services -				
Executive salaries	87,600	86,339	1,261	77,563
Regular salaries and wages	157,700	156,294	1,406	154,908
Overtime - regular employees	26,000	25,799	201	13,339
FICA taxes	21,700	20,479	1,221	18,385
Retirement contributions	40,500	39,703	797	35,527
Life and health insurance contributions	11,200	10,160	1,040	8,767
Training and travel	<u>7,300</u>	<u>6,400</u>	<u>900</u>	<u>4,955</u>
	<u>352,000</u>	<u>345,174</u> ✓	<u>6,826</u>	<u>313,444</u>
Operating expenses -				
Professional services	210,000	195,391	14,609	97,283
Engineering services	30,000	29,878	122	18,271
Accounting and auditing services	36,000	35,905	95	35,065
Telephone/communication services	11,000	9,905	1,095	3,980
Postage, freight and express	28,500	28,255	245	20,411
Rentals and leases	1,000	795	205	321
Repair and maintenance service	26,000	25,266	734	19,824
Other charges and obligations	15,500	15,393	107	4,203
Office supplies	4,000	3,363	637	12,276
Subscriptions and memberships	16,000	15,597	403	763
Printing and binding	<u>1,300</u>	<u>1,222</u>	<u>78</u>	<u>8,194</u>
	<u>379,300</u>	<u>360,970</u> ✓	<u>18,330</u>	<u>220,591</u>
TOTAL FINANCE AND ADMINISTRATION	<u>731,300</u>	<u>706,144</u>	<u>25,156</u>	<u>534,035</u>
Civil Services:				
Personal services -				
Salaries and wages - part-time	9,200	8,758	442	6,253
FICA taxes	700	667	33	470
Retirement contributions	1,400	1,312	88	890
Training and travel	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
	<u>11,400</u>	<u>10,737</u> ✓	<u>663</u>	<u>7,613</u>

CITY OF HOLLY HILL, FLORIDA
GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
GENERAL GOVERNMENT - (continued)				
Civil Services - (continued):				
Operating expenses -				
Professional services	200	-	200	875
Telephone/communication services	500	169	331	283
Utility services	1,000	890	110	860
Repair and maintenance service	500	209	291	209
Other charges and obligations	200	122	78	64
Advertising	800	555	245	709
Office supplies	600	551	49	179
	<u>3,800</u>	<u>2,496</u> ✓	<u>1,304</u>	<u>3,179</u>
Capital outlay -				
Equipment	900	806	94	-
TOTAL CIVIL SERVICES	<u>16,100</u>	<u>14,039</u>	<u>2,061</u>	<u>10,792</u>
Other Services:				
Personal services -				
Workers' compensation	98,000	94,102	3,898	106,649
Unemployment insurance	2,000	716	1,284	3,289
Other personal services	22,000	20,594	1,406	25,119
	<u>122,000</u>	<u>115,412</u> ✓	<u>6,588</u>	<u>135,057</u>
Operating expenses -				
Utility services	10,000	9,216	784	9,166
Nonemployee insurance	83,000	68,102	14,898	77,113
Repair and maintenance service	3,000	1,827	1,173	1,563
Advertising	10,500	10,384	116	6,475
Operating supplies	8,000	7,333	667	7,958
Election expenses	11,500	11,469	31	-
Grants and aid	15,400	14,432	968	19,267
	<u>141,400</u>	<u>122,763</u> ✓	<u>18,637</u>	<u>121,542</u>
Capital outlay -				
Land	40,000	40,000	-	10,000
Machinery and equipment	1,700	1,671	29	6,359
	<u>41,700</u>	<u>41,671</u> ✓	<u>29</u>	<u>16,359</u>

CITY OF HOLLY HILL, FLORIDA

GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 1990

*Pg 32
State report*

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
GENERAL GOVERNMENT - (continued)				
Other Services - (continued):				
Debt service:				
Principal - pension backfunding note	7,324	7,324 ✓	-	6,876
Interest	476	475 ✓	1	923
	<u>7,800</u>	<u>7,799</u>	<u>1</u>	<u>7,799</u>
TOTAL OTHER SERVICES	<u>312,900</u>	<u>287,645</u>	<u>25,255</u>	<u>280,757</u>
TOTAL GENERAL GOVERNMENT	<u>1,340,700</u>	<u>1,267,856</u>	<u>72,844</u>	<u>1,052,333</u>
PUBLIC SAFETY				
Law Enforcement:				
Personal services -				
Executive salaries	47,800	47,141	659	43,586
Regular salaries and wages	753,600	751,799	1,801	690,574
Other salaries and wages	18,000	17,978	22	16,095
Overtime - regular employees	70,000	69,667	333	77,708
Incentive pay and award	15,000	14,580	420	15,430
Uniforms	10,500	9,667	833	8,063
FICA taxes	69,600	68,854	746	63,620
Retirement contributions	62,900	60,855	2,045	55,910
Life and health insurance contributions	35,600	34,790	810	26,829
Training and travel	4,500	4,333	167	3,805
Training and travel/2nd \$ Fund	4,000	3,168	832	3,735
	<u>1,091,500</u>	<u>1,082,832</u> ✓	<u>8,668</u>	<u>1,005,355</u>
Operating expenses -				
Contractual services/animal control	15,000	13,448	1,552	14,578
Telephone/communication services	8,000	6,294	1,706	7,957
Postage, freight and express	1,100	1,072	28	852
Utility services	7,300	7,279	21	7,038
Rentals and leases	1,200	1,008	192	1,008
Repair and maintenance service	15,500	15,483	17	18,280
Other charges and obligations	3,000	2,782	218	2,709
Office supplies	5,000	4,300	700	4,920

CITY OF HOLLY HILL, FLORIDA
GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
PUBLIC SAFETY - (continued)				
Law Enforcement - (continued):				
Operating expenses (continued) -				
Operating supplies	11,500	11,146	354	10,112
Subscriptions and memberships	600	428	172	553
Vehicle expenses	52,000	50,226	1,774	46,333
Program expense/Police Explorers	<u>1,600</u>	<u>1,529</u>	<u>71</u>	<u>1,424</u>
	<u>121,800</u>	<u>114,995</u>	<u>6,805</u>	<u>115,764</u>
Capital outlay -				
Buildings	-	-	-	986
Machinery and equipment	69,600	69,071	529	13,622
Equipment - Law Enforcement Trust Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>335</u>
	<u>69,600</u>	<u>69,071</u>	<u>529</u>	<u>14,943</u>
TOTAL LAW ENFORCEMENT	<u>1,282,900</u>	<u>1,266,898</u>	<u>16,002</u>	<u>1,136,062</u>
Fire Control:				
Personal services -				
Executive salaries	45,300	44,473	827	42,553
Regular salaries and wages	273,100	272,769	331	252,270
Other salaries and wages	19,000	18,970	30	14,630
Overtime - regular employees	31,000	29,782	1,218	25,114
Uniforms	5,000	3,740	1,260	1,212
FICA taxes	26,300	25,883	417	24,028
Retirement contributions	-	-	-	5,454
Life and health insurance contributions	12,500	11,066	1,434	9,023
Training and travel	<u>3,500</u>	<u>3,414</u>	<u>86</u>	<u>1,405</u>
	<u>415,700</u>	<u>410,097</u>	<u>5,603</u>	<u>375,689</u>

44,473
 272,769
 29,782
 347,024
 x 16.20/6
 56,218.

CITY OF HOLLY HILL, FLORIDA
GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
PUBLIC SAFETY - (continued)				
Fire Control - (continued):				
Operating expenses -				
Telephone/communication services	3,000	2,658	342	3,069
Postage, freight and express	200	177	23	147
Utility services	2,000	1,780	220	1,720
Rentals and leases	10,000	9,324	676	9,192
Repair and maintenance service	6,500	6,092	408	4,183
Other charges and obligations	700	665	35	195
Office supplies	1,000	704	296	446
Operating supplies	9,000	7,379	1,621	8,206
Subscriptions and memberships	1,700	1,613	87	343
Vehicle expenses	350	190	160	6,430
Other public safety/fire prevention	9,000	8,478	522	1,775
	<u>43,450</u>	<u>39,060</u>	<u>4,390</u>	<u>35,706</u>
Capital outlay -				
Machinery and equipment	6,340	6,316	24	9,240
TOTAL FIRE CONTROL	<u>465,490</u>	<u>455,473</u>	<u>10,017</u>	<u>420,635</u>
Protective Inspection:				
Personal services -				
Executive salaries	36,100	35,245	855	33,210
Regular salaries and wages	20,250	19,761	489	17,552
Overtime - regular employees	900	820	80	347
FICA taxes	4,400	4,249	151	3,838
Uniforms	500	339	161	-
Retirement contributions	8,400	8,316	84	7,177
Life and health insurance contributions	2,600	2,511	89	2,037
Training and travel	700	529	171	693
	<u>73,850</u>	<u>71,770</u>	<u>2,080</u>	<u>64,854</u>
Operating expenses -				
Telephone/communication services	600	524	76	556
Postage, freight and express	600	519	81	176
Utility services	1,000	890	110	860
Repair and maintenance service	500	373	127	255

CITY OF HOLLY HILL, FLORIDA
GENERAL FUND

PAGE 7 OF 11

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
PUBLIC SAFETY - (continued)				
Protective Inspection - (continued):				
Operating expenses - (continued) -				
Other charges and obligations	1,500	1,440	60	1,866
Office supplies	2,000	1,585	415	1,637
Operating supplies	1,000	856	144	962
Subscriptions and memberships	600	518	82	116
Vehicle expense	<u>1,900</u>	<u>1,404</u>	<u>496</u>	<u>1,327</u>
	<u>9,700</u>	<u>8,109</u>	<u>1,591</u>	<u>7,755</u>
TOTAL PROTECTIVE INSPECTION	<u>83,550</u>	<u>79,879</u>	<u>3,671</u>	<u>72,609</u>
TOTAL PUBLIC SAFETY	<u>1,831,940</u>	<u>1,802,250</u>	<u>29,690</u>	<u>1,629,306</u>
PHYSICAL ENVIRONMENT				
Solid Waste Control Services:				
Personal services -				
Executive salaries	25,500	25,252	248	22,384
Regular salaries and wages	260,000	258,236	1,764	246,337
Overtime - regular employees	21,000	19,167	1,833	8,881
Uniforms	2,500	2,293	207	2,205
FICA taxes	24,600	22,909	1,691	20,850
Retirement contributions	45,700	44,174	1,526	39,890
Life and health insurance contributions	15,900	14,201	1,699	11,699
Workers' compensation insurance	49,000	41,019	7,981	-
Training and travel	<u>1,000</u>	<u>883</u>	<u>117</u>	<u>457</u>
	<u>445,200</u>	<u>428,134</u>	<u>17,066</u>	<u>352,703</u>
Operating expenses -				
Telephone/communication services	1,000	694	306	783
Postage, freight and express	500	104	396	234
Rentals and leases	248,200	247,743	457	142,963
Insurance/nonemployee	27,000	24,977	2,023	-
Repair and maintenance service	3,000	1,044	1,956	682
Other charges and obligations	2,800	2,746	54	247
Office supplies	1,000	906	94	1,081
Operating supplies	54,000	51,606	2,394	54,777
Subscriptions and memberships	200	135	65	179
Vehicle expenses	128,000	124,310	3,690	98,196
Bad debt expense	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(855)</u>
	<u>468,700</u>	<u>457,265</u>	<u>11,435</u>	<u>298,287</u>

CITY OF HOLLY HILL, FLORIDA
GENERAL FUND

PAGE 8 OF 11

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
PHYSICAL ENVIRONMENT - (continued)				
Solid Waste Control Services - (continued):				
Capital outlay -				
Machinery and equipment	<u>53,200</u>	<u>52,682</u> ✓	<u>518</u>	<u>450,475</u>
Debt service -				
Principal retirement -				
sanitation trucks note	100,000	100,000 ✓	-	33,334
Interest	<u>25,000</u>	<u>24,973</u> ✓	<u>27</u>	<u>21,155</u>
	<u>125,000</u>	<u>124,973</u>	<u>27</u>	<u>54,489</u>
TOTAL PHYSICAL ENVIRONMENT	<u>1,092,100</u>	<u>1,063,054</u>	<u>29,046</u>	<u>1,155,954</u>
TRANSPORTATION				
Road and Street Facilities:				
Personal services -				
Executive salaries	26,000	25,926	74	23,591
Regular salaries and wages	316,600	316,465	135	281,100
Overtime - regular employes	3,000	2,504	496	2,147
Uniforms	3,000	2,919	81	2,924
FICA taxes	26,600	26,559	41	23,178
Retirement contributions	52,500	52,460	40	43,356
Life and health insurance				
contributions	21,100	20,707	393	16,896
Training and travel	3,000	1,846	1,154	2,477
Other salaries and wages	-	-	-	<u>1,049</u>
	<u>451,800</u>	<u>449,386</u> ✓	<u>2,414</u>	<u>396,718</u>
Operating expenses -				
Street lighting	86,000	84,145	1,855	84,167
Traffic lights	12,000	10,513 ✓	1,487	11,765
Telephone/communication				
services	800	612	188	687
Traffic light repairs	4,000	2,741 ✓	1,259	8,946
Postage, freight and express	200	95	105	139
Utility services	2,500	1,750	750	1,179
Rentals and leases	37,000	34,080	2,920	38,380
Repair and maintenance				
service	9,700	9,608	92	3,393
Other charges and obligations	7,400	5,835	1,565	2,010
Office supplies	750	569	181	262
Operating supplies	22,400	22,399	1	12,967

CITY OF HOLLY HILL, FLORIDA
GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
TRANSPORTATION - (continued)				
Road and Street Facilities - (continued):				
Operating expenses - (continued)				
Signs and materials	11,200	11,137	63	8,117
Road materials and supplies	15,700	15,673	27	16,583
Subscriptions and memberships	250	230	20	185
Vehicle expenses	<u>15,000</u>	<u>13,857</u>	<u>1,143</u>	<u>24,855</u>
	<u>224,900</u>	<u>213,244</u>	<u>11,656</u>	<u>213,635</u>
Capital outlay -				
Buildings	10,500	8,830	1,670	-
Improvements other than buildings	49,000	48,657	343	79,051
Machinery and equipment	2,900	2,507	393	39,060
Drainage	<u>68,000</u>	<u>58,160</u>	<u>9,840</u>	<u>37,428</u>
	<u>130,400</u>	<u>118,154</u>	<u>12,246</u>	<u>155,539</u>
TOTAL TRANSPORTATION	<u>807,100</u>	<u>780,784</u>	<u>26,316</u>	<u>765,892</u>
CULTURE AND RECREATION				
Parks:				
Personal services -				
Executive salaries	8,200	8,200	-	7,401
Regular salaries and wages	99,200	96,557	2,643	83,914
Other salaries and wages	3,200	2,457	743	1,284
Overtime - regular employees	3,500	2,701	799	778
Uniforms	1,300	1,154	146	1,104
FICA taxes	9,000	8,327	673	6,984
Retirement contributions	17,600	17,125	475	14,516
Life and health insurance contributions	7,800	7,362	438	5,806
Training and travel	<u>300</u>	<u>277</u>	<u>23</u>	<u>227</u>
	<u>150,100</u>	<u>144,160</u>	<u>5,940</u>	<u>122,014</u>
Operating expenses -				
Telephone/communication services	700	618	82	597
Postage, freight and express	100	38	62	62
Utility services	14,500	13,314	1,186	12,097
Repair and maintenance service	3,500	1,564	1,936	3,822
Other charges and obligations	500	124	376	575
Office supplies	300	220	80	209

GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE (UN- FAVORABLE)	1989 ACTUAL
CULTURE AND RECREATION - (continued)				
Parks - (continued):				
Operating expenses - (continued) -				
Operating supplies	20,000	18,312	1,688	16,954
Subscriptions and memberships	100	-	100	-
Vehicle expenses	5,000	4,759	241	6,931
Beautification	11,000	10,694	306	1,906
	<u>55,700</u>	<u>49,643</u> ✓	<u>6,057</u>	<u>43,153</u>
Capital outlay -				
Improvements other than buildings	-	-	-	2,450
Machinery and equipment	10,100	10,014	86	2,977
	<u>10,100</u>	<u>10,014</u> ✓	<u>86</u>	<u>5,427</u>
TOTAL PARKS	<u>215,900</u>	<u>203,817</u>	<u>12,083</u>	<u>170,594</u>
Recreation Facilities:				
Personal services -				
Executive salaries	32,000	31,350	650	28,567
Regular salaries	61,300	60,401	899	53,842
Other salaries	14,000	12,937	1,063	11,546
Overtime - regular employees	1,500	1,201	299	972
Uniforms	450	388	62	362
FICA taxes	8,300	8,212	88	7,129
Retirement contributions	15,100	15,084	16	13,078
Life and health insurance contributions	5,400	5,012	388	3,997
Training and travel	1,200	1,106	94	668
	<u>139,250</u>	<u>135,691</u> ✓	<u>3,559</u>	<u>120,161</u>
Operating expenses -				
Telephone/communication services	2,000	1,677	323	2,270
Postage, freight and express	900	829	71	786
Utility services	14,000	13,121	879	12,560
Repair and maintenance service	3,500	3,111	389	4,049
Promotional services	1,000	543	457	288
Other charges and obligations	800	72	728	982

CITY OF HOLLY HILL, FLORIDA
 GENERAL FUND

SCHEDULE OF EXPENDITURES AND TRANSFERS - BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 1990

	BUDGET (REVISED)	ACTUAL	VARIANCE FAVORABLE (UN- FAVORABLE)	1989 ACTUAL
CULTURE AND RECREATION - (continued)				
Recreation Facilities- (continued):				
Operating expenses - (continued) -				
Office supplies	1,200	1,120	80	906
Operating supplies	7,500	6,533	967	6,994
Subscriptions and memberships	300	241	59	150
Vehicle expense	3,600	3,535	65	2,492
Program expenses	<u>39,500</u>	<u>38,454</u>	<u>1,046</u>	<u>42,396</u>
	<u>74,300</u>	<u>69,236</u> ✓	<u>5,064</u>	<u>73,873</u>
Capital outlay -				
Buildings	-	-	-	1,020
Machinery and equipment	<u>2,600</u>	<u>2,555</u>	<u>45</u>	<u>3,954</u>
	<u>2,600</u>	<u>2,555</u> ✓	<u>45</u>	<u>4,974</u>
TOTAL RECREATION FACILITIES	<u>216,150</u>	<u>207,482</u>	<u>8,668</u>	<u>199,008</u>
TOTAL CULTURE AND RECREATION	<u>432,050</u>	<u>411,299</u>	<u>20,751</u>	<u>369,602</u>
TOTAL EXPENDITURES	<u>5,503,890</u>	<u>5,325,243</u> ✓	<u>178,647</u>	<u>4,973,087</u>
TRANSFERS				
Transfer to Enterprise Fund	-	-	-	35,000
TOTAL TRANSFERS	-	-	-	35,000
TOTAL EXPENDITURES AND TRANSFERS	<u>\$ 5,503,890</u>	<u>\$ 5,325,243</u> ✓	<u>\$ 178,647</u>	<u>\$ 5,008,087</u>

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, 1990

REVENUES BY SOURCE

	EMPLOYEE CONTRI- BUTIONS	<u>EMPLOYER CONTRIBUTIONS</u>			STATE CONTRI- BUTIONS	INVESTMENT INCOME	TOTAL
		AMOUNT	% OF COVERED PAYROLL				
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	
1990	44,271	34,895	5.0 %	41,109	89,629	209,904	

EXPENSES BY TYPE

	BENEFITS	REFUNDS	ADMINISTRATIVE AND OTHER	TOTAL
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
1990	25,227	-	63,385	88,612

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, 1990

REVENUES BY SOURCE

	EMPLOYEE CONTRI- BUTIONS	<u>EMPLOYER CONTRIBUTIONS</u>			STATE CONTRI- BUTIONS	INVESTMENT INCOME	TOTAL
		AMOUNT	% OF COVERED PAYROLL				
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	
1990	34,515	-	- %	20,647	62,797	117,959	

EXPENSES BY TYPE

	BENEFITS	REFUNDS	ADMINISTRATIVE AND OTHER	TOTAL
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
1990	10,932	10,730	19,395	41,057

CITY OF HOLLY HILL, FLORIDA
 POLICE OFFICERS' RETIREMENT TRUST FUND AND
 FIREFIGHTERS' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 ANALYSIS OF FUNDING PROGRESS
 SEPTEMBER 30, 1990

FISCAL YEAR	(1) NET ASSETS AVAILABLE FOR BENEFITS (MARKET)	(2) PENSION BENEFIT OBLIGATION	(3) PERCENTAGE FUNDED (1) + (2)	(4) UNFUNDED PENSION BENEFIT OBLIGATION (NET ASSETS IN EXCESS OF PENSION BENEFIT OBLIGATION) (2) - (1)	(5) ANNUAL COVERED PAYROLL	(6) UNFUNDED (OVER- FUNDED) PENSION BENEFIT OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL (4) + (5)
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POLICE OFFICERS' RETIREMENT TRUST FUND

1990	\$ 1,149,190	\$ 1,051,174	109.3 %	\$ (98,016)	\$ 670,987	(14.6)%
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FIREFIGHTERS' RETIREMENT SYSTEM

1990	\$ 854,954	\$ 693,223	123.4 %	\$ (161,731)	\$ 345,155	(46.9)%
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(During the implementation transition period, all information required is presented for as many years as is available.)

Analysis of dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in overfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the overfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of accumulating sufficient assets to pay benefits when due.

CITY OF HOLLY HILL, FLORIDA
 SCHEDULE OF GENERAL FIXED ASSETS
 BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED SEPTEMBER 30, 1990

FUNCTION AND ACTIVITY	TOTAL	LAND	BUILDINGS	IMPROVE- MENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT
GENERAL GOVERNMENT	\$ 467,549	\$ 65,957	\$ 150,514	\$ -	\$ 251,078
PUBLIC SAFETY					
Police	401,215	-	30,521	2,350	368,344
Fire	<u>301,803</u>	<u>29,493</u>	<u>9,970</u>	<u>-</u>	<u>262,340</u>
TOTAL PUBLIC SAFETY	<u>703,018</u>	<u>29,493</u>	<u>40,491</u>	<u>2,350</u>	<u>630,684</u>
PUBLIC WORKS					
Streets	3,768,535	28,418	10,796	3,343,647	385,674
Sanitation	<u>1,155,226</u>	<u>-</u>	<u>38,051</u>	<u>-</u>	<u>1,117,175</u>
TOTAL PUBLIC WORKS	<u>4,923,761</u>	<u>28,418</u>	<u>48,847</u>	<u>3,343,647</u>	<u>1,502,849</u>
CULTURE AND RECREATION					
Parks	1,526,400	957,711	149,443	342,727	76,519
Recreation Facilities	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>1,953,303</u>	<u>957,711</u>	<u>483,798</u>	<u>365,050</u>	<u>146,744</u>
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 8,047,631</u>	<u>\$ 1,081,579</u>	<u>\$ 723,650</u>	<u>\$ 3,711,047</u>	<u>\$ 2,531,355</u>

CITY OF HOLLY HILL, FLORIDA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED SEPTEMBER 30, 1990

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS OCTOBER 1, 1989	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS SEPTEMBER 30 1990
GENERAL GOVERNMENT	\$ 432,919	\$ 42,477	\$ 7,847	\$ 467,549
PUBLIC SAFETY				
Police	364,009	87,720	50,514	401,215
Fire	<u>296,066</u>	<u>6,316</u>	<u>579</u>	<u>301,803</u>
TOTAL PUBLIC SAFETY	<u>660,075</u>	<u>94,036</u>	<u>51,093</u>	<u>703,018</u>
PUBLIC WORKS				
Streets	3,647,442	142,206	21,113	3,768,535
Sanitation	<u>1,137,524</u>	<u>52,682</u>	<u>34,980</u>	<u>1,155,226</u>
TOTAL PUBLIC WORKS	<u>4,784,966</u>	<u>194,888</u>	<u>56,093</u>	<u>4,923,761</u>
CULTURE AND RECREATION				
Parks	1,518,862	30,208	22,670	1,526,400
Recreation Facilities	237,003	-	-	237,003
Library	<u>189,900</u>	<u>-</u>	<u>-</u>	<u>189,900</u>
TOTAL CULTURE AND RECREATION	<u>1,945,765</u>	<u>30,208</u>	<u>22,670</u>	<u>1,953,303</u>
	7,823,725	361,609	137,703	8,047,631
LESS: INTERDEPARTMENTAL TRANSFERS	<u>-</u>	<u>41,691</u>	<u>41,691</u>	<u>-</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 7,823,725</u>	<u>\$ 319,918</u>	<u>\$ 96,012</u>	<u>\$ 8,047,631</u>

STATISTICAL SECTION

STATISTICAL TABLES

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CITY OF HOLLY HILL, FLORIDA

COMMENTS RELATIVE TO STATISTICAL SECTION

SEPTEMBER 30, 1990

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, 1990

FISCAL YEAR ENDED	TOTAL GENERAL FUND	GENERAL GOVERNMENT	PUBLIC SAFETY
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%
1990	5,325,243	1,267,856 23%	1,802,250 34%

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

Source: City of Holly Hill Finance Department

PHYSICAL ENVIRONMENT	TRANSPORTATION	CULTURE AND RECREATION	OPERATING TRANSFERS OUT
\$ 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%
1,063,054 20%	780,784 15%	411,299 8%	- -%

TABLE II
CITY OF HOLLY HILL, FLORIDA
GENERAL FUND REVENUES AND OTHER SOURCES BY FUNCTION
LAST TEN FISCAL YEARS
SEPTEMBER 30, 1990

FISCAL YEAR ENDED	TOTAL	TAXES REAL AND PERSONAL	LICENSES AND PERMITS	INTER- GOVERNMENTAL REVENUES
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%
1990	5,463,399	2,364,090 43%	152,500 3%	1,087,785 20%

- (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
\$ 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%
1,568,924 29%	86,251 1%	203,849 4%	- -	- -

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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, 1990

FISCAL YEAR ENDED	ASSESSED VALUE (1)	ESTIMATED ACTUAL VALUE (2)		TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED
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
1990	341,899,890	341,899,890	100%	1,125,042	1,083,337	96.293

(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

*GFOA suggests
 this should show
 also a column of
 total outstanding delinquent
 taxes receivable.*

TABLE IV
 CITY OF HOLLY HILL, FLORIDA
 PROPERTY TAX RATES AND TAX LEVIES - ALL DIRECT AND
 OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS
 SEPTEMBER 30, 1990

<u>FISCAL YEAR ENDED</u>	<u>HOLLY HILL</u>	<u>SCHOOL DISTRICT</u>	<u>VOLUSIA COUNTY</u>	<u>ADVERTISING DISTRICT</u>	<u>MOSQUITO CONTROL</u>
<u>TAXES RATES</u>					
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
1990	4.463	9.185	4.934	-	.339

CITY'S SHARE OF TAX LEVIES

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
1990	1,125,042	2,315,373	1,243,772	-	85,456

* 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
.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
.099	.259	3.000	.346	.037	.250
\$ 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
24,956	65,289	756,246	87,220	9,327	63,021

TABLE V
CITY OF HOLLY HILL, FLORIDA
DEBT SERVICE REQUIREMENTS TO MATURITY
WATER AND SEWER REVENUE BONDS
SEPTEMBER 30, 1990

DUE OCTOBER 1	SERIES 1989		
	PRINCIPAL	INTEREST	TOTAL
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	<u>1,085,000</u>	<u>78,663</u>	<u>1,163,663</u>
TOTALS	<u>\$ 14,065,000</u>	<u>\$ 19,629,894</u>	<u>\$ 33,694,894</u>

TABLE VI
 CITY OF HOLLY HILL, FLORIDA
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 END OF FISCAL YEAR
 SEPTEMBER 30, 1990

NAME OF GOVERNMENTAL UNIT	NET DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO THE GOVERNMENTAL UNIT	CITY OF HOLLY HILL - SHARE OF DEBT
School District	\$ 149,660,000	2.58	\$ 3,861,228
County of Volusia	17,435,216	2.58	<u>449,829</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 4,311,057</u>

(1) Independent Taxing Districts

TABLE VII
 CITY OF HOLLY HILL, FLORIDA
 SCHEDULE OF INSURANCE IN FORCE
 SEPTEMBER 30, 1990

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	10/1/89 - 9/30/90	General Liability	\$100,000 ea. person \$200,000 ea. occurrence	\$ 25,361
<u>FIRE, EXTENDED COVERAGE, VANDALISM AND MALICIOUS MISCHIEF</u>				
Aetna Casualty and Surety - #35 ACM 5612251	4/15/90 - 4/15/91	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	\$6,430,347 building \$3,296,729 contents	\$ 12,851
<u>COMMERCIAL CRIME</u>				
Aetna Casualty and Surety - #35 FP 5365247FCA	4/15/90 - 4/15/91	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. - 21VP4806077	4/15/90- 4/15/91	Volunteer Fire Dept.	Loss of life \$5,000	\$ 501
<u>WORKERS' COMPENSATION</u>				
Florida Municipal Liability FM 479	10/1/89 - 9/30/90	Statutory	Statutory, employer's liability \$100,000	\$136,625
<u>PUBLIC EMPLOYEES BLANKET BOND</u>				
Continental Insurance Co. - #BND 1937555	4/15/90 - 4/15/91	Blanket bond	\$50,000 blanket on all positions	\$ 1,483
#BND 1589202	4/15/90 - 4/15/91		\$100,000 Finance Director	\$ 750

TABLE VII
 CITY OF HOLLY HILL, FLORIDA
 SCHEDULE OF INSURANCE IN FORCE
 SEPTEMBER 30, 1990

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	4/15/90 - 4/15/91	Accidental Death	\$ 25,000	\$ 644
<u>CONTRACTORS' EQUIPMENT</u>				
<u>POLICY</u>				
Aetna Casualty & Surety - #35 IH 5613627 FCA	4/15/90 - 4/15/91	Off-road equipment	\$ 147,958	\$ 981
<u>DATA PROCESSING POLICY</u>				
Aetna Casualty & Surety - #35 IE 116287 FCA	4/15/90 - 4/15/91	Hardware and Software Business interruption	\$ 23,415 \$ 5,000	\$ 852
<u>ACCIDENTAL DEATH</u>				
Hartford Life & Accident Insurance Co. - #ETB 12431	4/15/90 - 4/15/91	Statutory Police Officers and Firefighters	\$ 75,000	\$ 524
<u>BUSINESS AUTOMOBILE</u>				
<u>POLICY</u>				
Aetna Casualty & Surety - #35 FJ 919854 CCA	4/15/90 - 4/15/91	Automobile liability	\$100,000 PIO \$25,000 property damage	\$ 47,041
<u>PUBLIC OFFICIALS AND</u>				
<u>EMPLOYEES LIABILITY</u>				
International Surplus Lines Insurance Co. 5241161016	7/21/90 - 7/21/91	Wrongful acts	\$1,000,000	\$ 11,250
<u>LAW ENFORCEMENT</u>				
<u>PROFESSIONAL LIABILITY</u>				
Florida Municipal Liability Self- Insurers Program FML427	10/1/89 - 9/30/90	Police officers bodily injury, property damage and personal injury	\$100,000 each person \$200,000 each occurrence	\$ 13,915

TABLE VIII
CITY OF HOLLY HILL, FLORIDA
REVENUE BOND COVERAGE
WATER AND SEWER SYSTEM FUND
LAST TEN FISCAL YEARS
SEPTEMBER 30, 1990

FISCAL YEAR ENDED	GROSS REVENUES(1)	OPERATING EXPENSE	NET REVENUES	DEBT SERVICE REQUIREMENTS			DEBT SERVICE COVER- AGE
				PRINCIPAL	INTEREST	TOTAL	
1981	\$ 1,141,404 (2)	\$ 795,191	\$ 346,213	\$ 120,000	\$ 180,258	\$ 300,258 (3)	1.15
1982	1,299,165 (2)	826,682	472,483	130,000	174,115	304,115 (3)	1.55
1983	1,311,901 (2)	965,911	345,990	135,000	167,517	302,517 (3)	1.14
1984	1,974,903 (2)	949,548	1,025,355	145,000	269,906	414,906 (4)	2.47
1985	1,976,862 (2)	1,021,753	955,109	330,000	448,133	778,133 (4)	1.23
1986	1,969,097 (2)	1,133,524	835,573	340,000	350,787	690,787 (4)	1.21
1987	2,125,117 (2)	1,158,456	966,661	345,000	310,558	655,558 (4)	1.47
1988	2,223,898 (2)	1,109,408	1,114,490	355,000	287,137	642,137 (4)	1.74
1989	2,589,078 (2)	1,102,148	1,486,930	389,167	303,584	692,751 (5)	2.15
1990	2,524,793	1,126,021 (7)	1,597,529	-	995,516	995,516 (6)	1.60

- (1) Included in gross revenues for debt service coverage are water and sewer connection charges which are reclassified as contributions from customers for financial statement presentation.
- (2) 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.
- (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.
- (6) Debt service for Series 1989.
- (7) Operating expense for debt service coverage excludes depreciation and amortization and administrative charges.

TABLE IX
 CITY OF HOLLY HILL, FLORIDA
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS
 SEPTEMBER 30, 1990

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)
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
1990	11,830	*	*	*	1,955	6.0

(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, 1990

FISCAL YEAR	(1) COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		(2) BANK DEPOSITS (In Thousands)	(3) PROPERTY VALUE NON-TAXABLE		
	UNITS	VALUE	UNITS	VALUE	COMMERCIAL	RESIDENTIAL	TAXABLE	
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	2,476,048,000	5,958,834,734	3,395,221,291
1990	5	429,920	16	671,000	68,450	2,668,861,388	6,560,125,159	3,577,220,030

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

(2) Florida Bankers Association

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

TABLE XI
 CITY OF HOLLY HILL, FLORIDA
 SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
 SEPTEMBER 30, 1990

<u>TITLE OF OFFICIAL</u>	<u>ANNUAL SALARY</u>	<u>YEARS OF SERVICE</u>	<u>AMOUNT OF SURETY BOND</u>
Mayor	\$ 5,400	8 years 9 months	\$50,000 blanket amount on all positions
Mayor Pro-Tem	3,600	2 year 9 months	
City Councilmen (3)	3,600	10 months to 2 years 9 months	
City Attorney (retainer)	7,500	14 1/2 years	
Deputy Clerk	40,144	11 1/2 years	
Finance Director	44,346	25 1/2 years	
Police Chief	46,550	7 years 7 months	
Public Services Director	46,550	2 year 11 months	
Recreation Director	31,221	4 years 9 months	
Fire Chief	42,245	10 years 4 months	
Building Official	32,906	10 years	

TABLE XII
 CITY OF HOLLY HILL, FLORIDA
 SCHEDULE OF MAJOR TAXPAYERS
 SEPTEMBER 30, 1990

NAME	TYPE OF BUSINESS	ASSESSED VALUES	PERCENT OF TOTAL ASSESSED VALUE
Holly Hill R.H.F. Housing, Inc.	Bishop Glen Retirement Center	\$ 15,224,979	4.45 %
Southern Bell Telephone Co.	Communications	4,728,486	1.38
Holly Hill Associates Winn Dixie	Shopping Center	4,327,344	1.27
Florida Power & Light	Electrical Utility	3,887,274	1.14
Polyvers, Ltd.	Apartment Complex	3,189,243	.93
Barchester Corp.	Mobile Home Park	3,106,600	.91
Holly Point Apartments, Ltd.	Apartment Complex	3,086,353	.90
Life Insurance Co. of Georgia Publix Super Markets, Inc.	Shopping Center	2,957,053	.87
Dendrite Enterprises	Business Park	1,849,414	.54
Sun Bank of Volusia County	Bank	<u>1,509,870</u>	<u>.44</u>
		<u>\$ 43,866,616</u>	<u>12.83 %</u>

Source: Volusia County Property Appraiser

TABLE XIII
CITY OF HOLLY HILL, FLORIDA
CLIMATOLOGICAL SUMMARY

SEPTEMBER 30, 1990

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, 1990

Date of Incorporation: Under the General Laws of Florida as the Town of Holly Hill - July 1, 1901	Education: Volusia County Schools - Elementary 1 Secondary 1
Present Charter incorporating the City of Holly Hill adopted - 1941	Students: Pre-Kindergarten - Grade 5 = 955 Grades 6 - 8 = 1,000
Form of Government: Council/Manager	Personnel:
Area: 3.79 square miles	Instructional 109 Noninstructional 80 Administrative 6
50.3 miles pave streets 2.3 miles unpaved streets 22.2 miles sidewalks 28.7 miles storm sewers 65.0 miles sanitary sewer	Street Lights: <u>High Pressure Sodium Vapor</u> 5,800 lumen - 649 9,500 lumen - 76 16,000 lumen - 47 22,000 lumen - 94 50,000 lumen - 2
258 fire hydrants	<u>White Way Underground</u> 1,000 lumen - 6
Fire Protection: 1 Fire Station 10 Full-time Firefighters 10 Volunteer Firefighters	Employees as of September 30, 1989: 114 Civil Service <u>2</u> Exempt
Police Protection: 1 Police Station Holding facility 12 Vehicular patrol units 1 Animal Control unit 1 Motorcycle unit	<u>116</u> Total
Recreation: 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	Water Treatment Plant: Design capacity - 2.3 MGD Current production rate - 1.1 MGD Number of customers - 5,454
	Water Pollution Control Plant: Capacity - 1.6 MGD Current production rate - 1.2 MGD Collection system users - 4,632

SINGLE AUDIT REPORTS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTARY INFORMATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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

We have audited the general purpose financial statements of City of Holly Hill, Florida, for the year ended September 30, 1990, and have issued our report thereon dated November 30, 1990. These general purpose financial statements are the responsibility of 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Our audit was made for the purpose of expressing an opinion on the general purpose financial statements of City of Holly Hill, Florida, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the 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.



November 30, 1990

CITY OF HOLLY HILL, FLORIDA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 1990

FEDERAL GRANTOR/ PROGRAM TITLE	IDENTI- FICATION NUMBER	AWARD AMOUNT	REVENUES	EXPENDI- TURES
Senate Bill #1192 Solid Waste Management Act 1988 Florida Department of Environmental Regulation Recycling and Education Grant	RE-89 RE-90	\$ 28,264	<u>\$ 28,264</u>	<u>\$ 28,264</u>

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE RELATED TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

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

In connection with our audit of the 1990 general purpose financial statements of City of Holly Hill, Florida, and with our study and evaluation of City of Holly Hill, Florida, internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended September 30, 1990.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, and reporting requirements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on City of Holly Hill, Florida, compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that City of Holly Hill, Florida, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying schedule of findings.

This report is intended for the information of management and the City Council. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

November 30, 1990



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

Our study included all of the applicable control categories listed above. During the year ended September 30, 1990, City of Holly Hill, Florida, had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor federal financial assistance program: Recycling and Education Grant. With respect to internal control systems used in administering this nonmajor federal financial assistance program, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

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

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

This report is intended solely for the use of management and other governmental audit agencies, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by City of Holly Hill, Florida, is a matter of public record.

Ernst + Young

November 30, 1990

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE RELATED TO THE FINANCIAL STATEMENTS

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

We have audited the general purpose financial statements of City of Holly Hill, Florida, as of and for the year ended September 30, 1990, and have issued our report thereon dated November 30, 1990.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Compliance with laws, regulations, contracts, and grants applicable to City of Holly Hill, Florida, is the responsibility of City of Holly Hill, Florida, management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, City of Holly Hill, Florida, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those provisions.

This report is intended for the information of the audit committee, management, and other governmental audit agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



November 30, 1990

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OTHER REPORTS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON THE INTERNAL CONTROL STRUCTURE AND
MANAGEMENT COMMENTS

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

We have audited the general purpose financial statements of City of Holly Hill, Florida, as of and for the year ended September 30, 1990, and have issued our report thereon dated November 30, 1990.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

In planning and performing our audit of the general purpose financial statements of City of Holly Hill, Florida, for the year ended September 30, 1990, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of City of Holly Hill, Florida, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories

General Ledger/EDP	Payroll and Personnel
Billings/Receivables and	Fixed Assets
Cash Receipts	Investments
Accounts payable and	Long-Term Debt
Cash Disbursements	Budget

Our consideration of the internal control structure included all of the control categories listed above. The purpose of our consideration of the internal control structure was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the general purpose financial statements.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of Holly Hill, Florida, in the management comments which follow.

This report is intended for the information of management and other government audit agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

MANAGEMENT COMMENTS

Our report on the internal control structure 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, 1990

We noted, during the course of our audit of the financial statements of the City, that while appropriate action had been taken upon recommendations and suggested accounting procedures as outlined in the Management Comments section of the Report on Internal Controls and Management Comments for the year ended September 30, 1989, other items, described below, are still in need of attention. We understand that actions to address these matters have, in many cases, already begun.

1. **FIREFIGHTERS' RETIREMENT SYSTEM INVESTMENTS**

The investments of the Firefighters' Retirement System include investments in various limited partnership investments. Chapters 175 and 185.06 of the Florida Statutes and City Ordinances describe a variety of investment alternatives available to Retirement Trust Funds. These alternatives do not include limited partnerships. We recommend that the Pension Board continue its review of these investments in light of the Statutes.

2. **POLICIES AND PROCEDURES**

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, 1990, the updated procedures manual had not been completed.

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.

1. **DATA PROCESSING**

During our review of the City's new EDP system, we noted that adoption of various security controls would significantly enhance the effectiveness of the data processing control environment. Specifically, menu options should be restricted to authorized personnel, passwords should be changed periodically, and a formal disaster recovery plan should be adopted. We have noted that the City is considering implementation of these controls in connection with the current year's computer conversion, and strongly encourage the City to formalize these plans.

2. RECORD MAINTENANCE

Supporting documentation for grant related payroll transactions was maintained outside of the finance department, and was misplaced by the department having custody. While it is often appropriate for departments other than the finance department to maintain grant or other financial documentation, controls should be established to ensure that such documentation is properly maintained.

3. FIXED ASSETS

While reviewing the detail of fixed asset additions, we noted several items, with costs under \$500, which were capitalized. A city policy exists which states that capital expenditures of less than \$500 should not be accounted for as fixed assets. Processing of expenditures through the fixed asset system can be time consuming. Therefore, when many small items are processed through the system, resources may not be used efficiently. Adherence to the City's capitalization policy will provide for more efficient use of accounting staff time. Additionally, a periodic review of the capitalization limit will ensure that the optimum cost benefit is being obtained.

4. UNCOLLATERALIZED DEPOSITS

At September 30, 1990 the Police and Fire Pension Funds have cash deposits which are not covered by federal depository insurance or the Florida Security for Public Deposits Act. In light of current trends in the financial institution industry, we recommend that uninvested funds be placed in insured or collateralized accounts to minimize risk.

OTHER REQUIRED DISCLOSURES

Certain additional disclosures concerning reporting of noncompliance with laws rules and regulations discovered during the course of our audit and the extent to which the annual financial report required by Section 218.32 of the Florida Statutes agrees with the audited financial statements are required for disclosure in the management letter under the Rules of the Auditor General. The following comments fulfill these additional disclosure requirements.

1. ANNUAL FINANCIAL REPORT

The City filed its annual report for the fiscal year ended September 30, 1989, as required by Section 218.32 of the Florida Statutes, with the Department of Banking and Finance. Based on our review of the financial information contained in this report, no material differences were found in comparing this information to that of the City's audited financial statements. The 1990 annual report will be reviewed during the 1991 fiscal year.

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

Very truly yours,

Ernst + Young

November 30, 1990

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