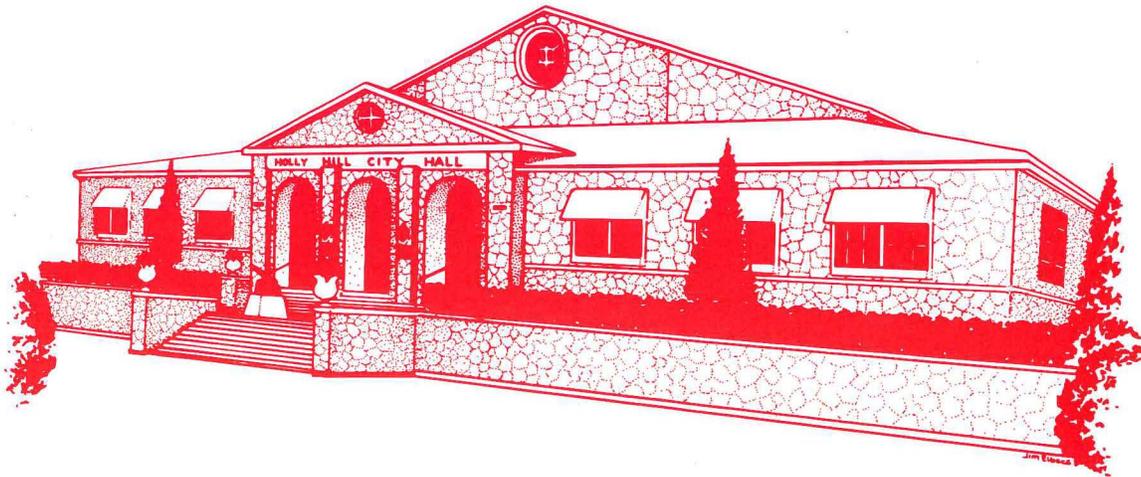


CITY OF HOLLY HILL, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDING SEPTEMBER 30, 1992

Comprehensive Annual Financial Report

City of Holly Hill, Florida

For the Fiscal Year Ended September 30, 1992

Prepared by:
Finance Department

Brenda Gubernator, Finance Director

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Introductory Section

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City of Holly Hill, Florida
Comprehensive Annual Financial Report
September 30, 1992

Councilmen

Thomas C. Ryan, Mayor

Robert E. Chesnowitz, Mayor Pro-Tem

Arthur J. Byrnes

James M. Gaither, Sr.

J. D. Mellette

City Manager

Ralph K. Hester

City Attorney

Edward F. Simpson, Jr.

Finance Director

Brenda Gubernator

City Auditors

Ernst & Young

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City of Holly Hill, Florida
 Comprehensive Annual Financial Report
 For the year ended September 30, 1992

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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

FAX# 904/253-0042

March 23, 1993

The Honorable Mayor, City Council and
City Manager
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, 1992, 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, City Council and
City Manager
City of Holly Hill
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March 23, 1993

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 7.9% unemployment rate as compared to a state-wide rate of 5.9%. During the past three years, property assessments have increased 13.8%.

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.

Two new baseball fields were built to replace two of the existing fields in Hollyland Park. The completed fields include new dugouts, scorer's areas and lighting for night play.

Additional picnic shelters and a walkway were constructed at Sunrise Park on the north side. Many residents enjoy walking the perimeter of the park on a daily basis and the new picnic shelters are popular for family and club outings.

Annexation of a 16 acre parcel west of Nova Road between 13th and 15th Streets was accomplished in June 1992. This annexation will eventually provide a much needed boost to the local tax base. Currently, a plan for a 42-unit condominium/duplex housing development is being considered.

Great Oaks, a new subdivision west of Chippewa Trail and north of 10th Street, was initiated during the year. Twenty-three units are planned for Phase 1 and an additional twenty units are planned for Phase 2.

In-service training for police officers and ranking personnel was initiated during the year. All officers attended sensitivity training classes to provide them with a better understanding of residents' concerns and ranking personnel also attended classes on public relations. Another program, LETN or Law Enforcement Television Network, links officers with up to date police training 24 hours a day. LETN programs feature comprehensive training in areas such as officer survival skills, technical investigations and management concerns.

The Honorable Mayor, City Council and
City Manager
City of Holly Hill
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March 23, 1993

For the Future.

A storm water system improvements program was adopted for implementation in fiscal year 1992-93. The program includes the installation of improvements to alleviate flooding along the Grove Canal in the area of Eighth and Sixth Streets which have been hit hard with flooding during heavy rains. The scheduled improvements include new culverts at the Grove Canal at Tenth and Eighth Streets, and new storm sewers along Orange, Grove, Magnolia and Marlene Avenues.

Curbside recycling will be implemented in January 1993. The City will provide recycling containers to each household for disposal of aluminum, newspapers, tin, plastic and glass recyclables. Pickup of the containers will be done once each week.

Construction of a new Fire Station at the corner of Daytona Avenue and Tenth Street will be completed in 1993. The Fire Department offices and personnel now located in City Hall will move to the new station and renovations will begin on City Hall. The renovation plans include a central reception area for visitors, revamped police department offices on the first floor, new administration offices on the second floor and a council chamber on the third floor.

The City anticipates installing a wastewater re-use system and furnishing wastewater to selected areas for use as sprinkling water. This enables the City to re-use a portion of the wastewater and reduce the total groundwater withdrawal from the freshwater aquifer. The estimated re-use water will constitute approximately 35% of present wastewater plant flow.

Departmental Focus.

Parks beautification and improvement projects will continue in the next year. A gazebo overlooking the Intracoastal Waterway and landscaping improvements are planned for Sunrise Park. Improvements for Ross Point Park that will enhance its natural beauty are anticipated and reconstruction of another existing ballfield in Hollyland Park will be completed.

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, expendable trust 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 and Finance Director. This budgetary control is communicated to the department heads.

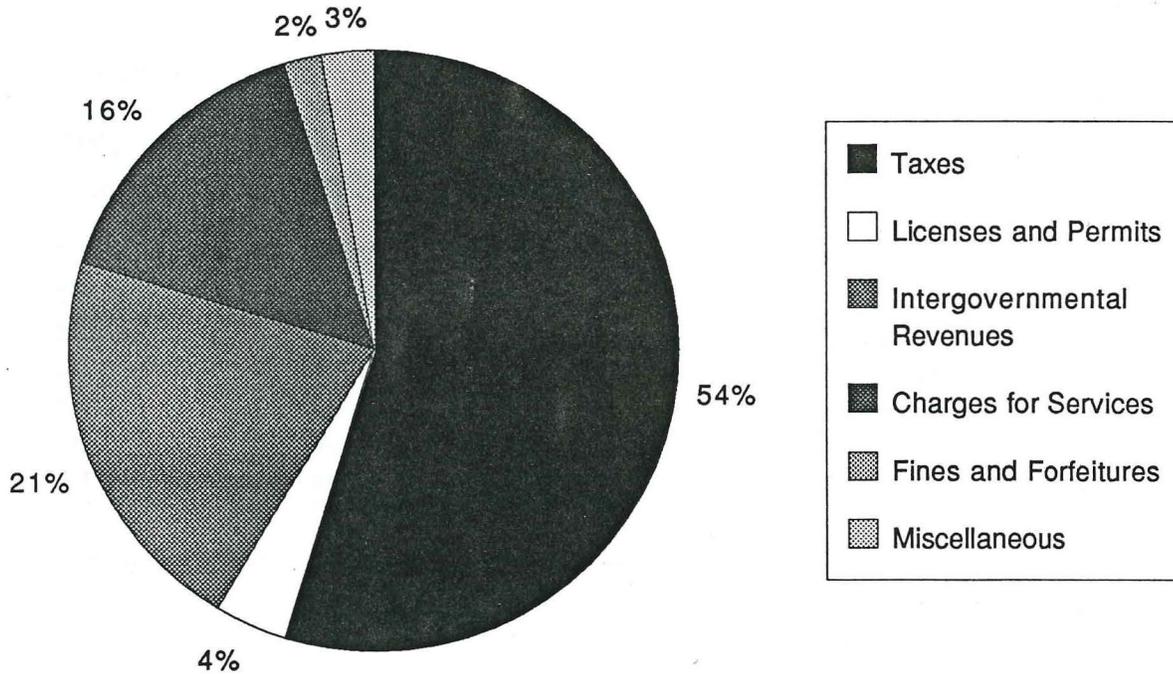
As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Governmental Functions.

The following schedule presents a summary of General Fund revenues and other sources for the fiscal year ended September 30, 1992 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 1991 (Thousands)</u>
Taxes (all sources)	\$2,460,486	54.81 %	\$ 48
Licenses and permits	182,537	4.06	21
Intergovernmental revenues	946,091	21.07	(23)
Charges for services	700,084	15.60	(969)
Fines and forfeitures	87,325	1.95	21
Miscellaneous	112,513	2.51	(33)
Totals	\$4,489,036	100.00 %	\$ (935)

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



Revenues and other sources for the general fund functions totaled \$4,489,036 for the year ended September 30, 1992, a decrease of 17% from the previous year. Budgeted revenues for the General Fund exceeded actual revenues and other sources by \$91,764.

Ad valorem taxes continue to be the most significant revenue source. The total nonexempt valuation for ad valorem taxes amounts to \$263.3 million, an increase of 3.3% 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>1991/92</u>	<u>1990/91</u>
General Fund	<u>4.434 mills</u>	<u>4.463 mills</u>

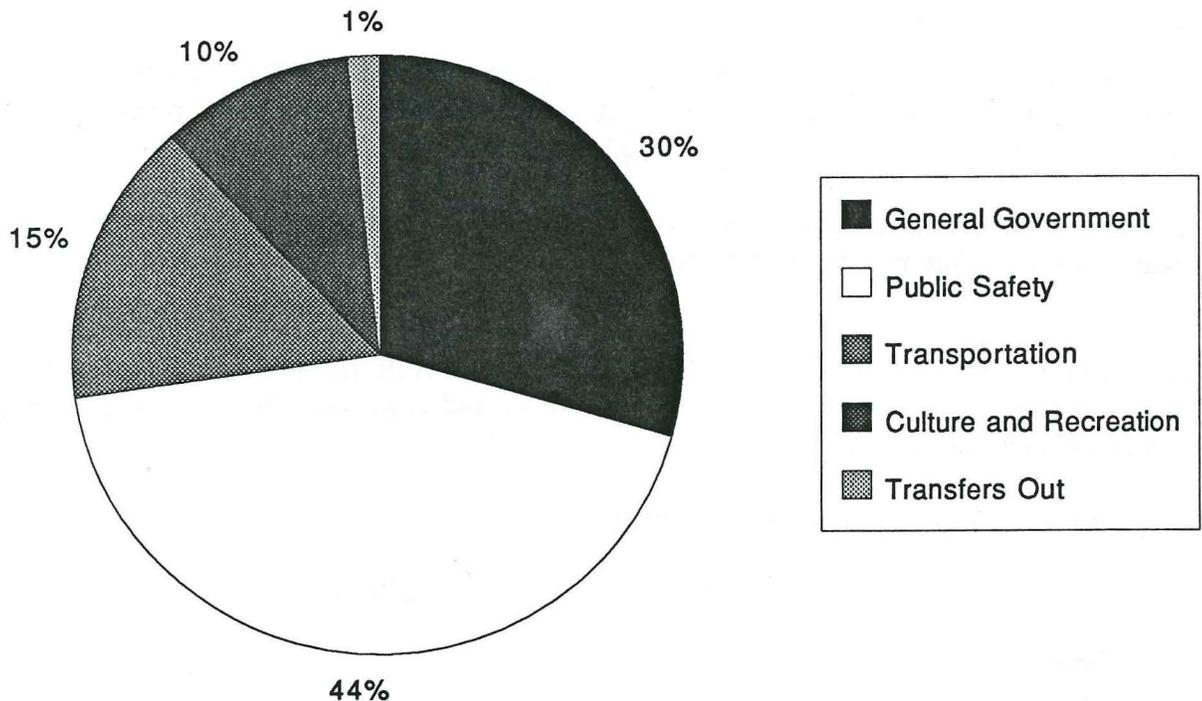
The most significant increase in actual combined revenue sources was derived from taxes.

The Honorable Mayor, City Council and
 City Manager
 City of Holly Hill
 Page 6
 March 23, 1993

The following schedule presents a summary of General Fund expenditures and transfers for the fiscal year ended September 30, 1992 and the increases and decreases in relation to prior year amounts.

Function	Amount	Percent of Total	Increase (Decrease) over 1991 (Thousands)
General Government	\$ 1,375,415	29.57 %	\$ 5
Public Safety	2,014,405	43.31	155
Physical Environment	—	—	(1,006)
Transportation	714,072	15.35	(107)
Culture and Recreation	479,212	10.30	(93)
Transfers out	67,538	1.47	(66)
Totals	\$ 4,650,642	100.00 %	\$ (1,112)

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



The Honorable Mayor, City Council and
City Manager
City of Holly Hill
Page 7
March 23, 1993

Expenditures and other uses for the General Fund amounted to \$4,650,642 for the year, a decrease of 18% over the preceding year.

Expenditures for General Government functions decreased 3.54% over the previous year and accounted for 29.57% of total General Fund expenditures.

Public Safety, which includes Police, Fire and Protective Inspection Departments, accounted for 43.31% of the General Fund expenditures, as compared to 33.04% for the preceding fiscal year.

Physical Environment/Sanitation Services accounted for 17.86% of General Fund expenditures in the previous fiscal year. These services are now accounted for in the City's Solid Waste Enterprise Fund.

Transportation/Road and Street Facilities represented 15.35% of the General Fund expenditures, as compared to 14.59% for the preceding year.

The Culture and Recreation Department accounted for 10.30% of the General Fund expenditures, as compared to 10.18% for the previous fiscal year.

Transfers to other funds represented 1.47% of General Fund expenditures, these funds were transferred to the new Solid Waste Enterprise Fund.

Capital improvements are included in each of the above functions. Expenditures for capital improvements amounted to \$267,697 for the fiscal year, a decrease of 38% over the preceding fiscal year.

General Fund Balance.

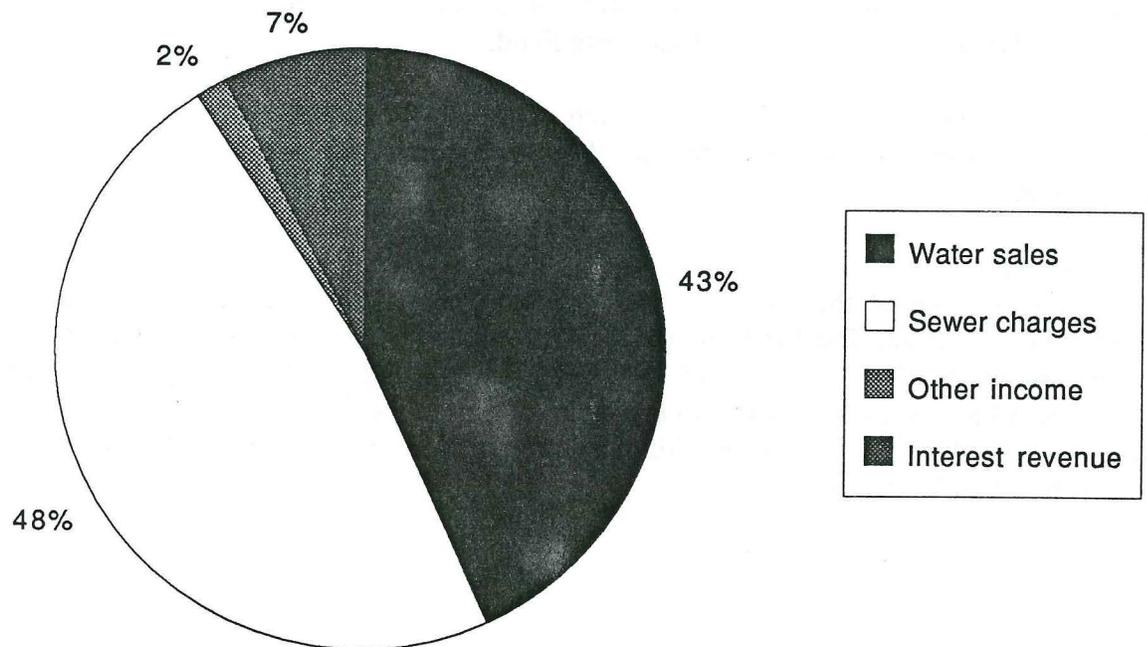
The fund balance of the General Fund decreased by 10.28% during the fiscal year ended September 30, 1992. The \$161,606 decrease provided the City with a fund balance that is the equivalent of 28.3% or approximately three and one half months of the budgeted expenditures of the current fiscal year. This 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 in for the fiscal year ended September 30, 1992 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 1991 (Thousands)</u>
Water sales	\$1,341,449	43.25 %	\$ 99
Sewer charges	1,478,779	47.68	81
Other income	49,882	1.61	(9)
Grant revenue	-	-	(19)
Interest revenue	231,218	7.46	1
Totals	\$3,101,328	100.00 %	\$ 153

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



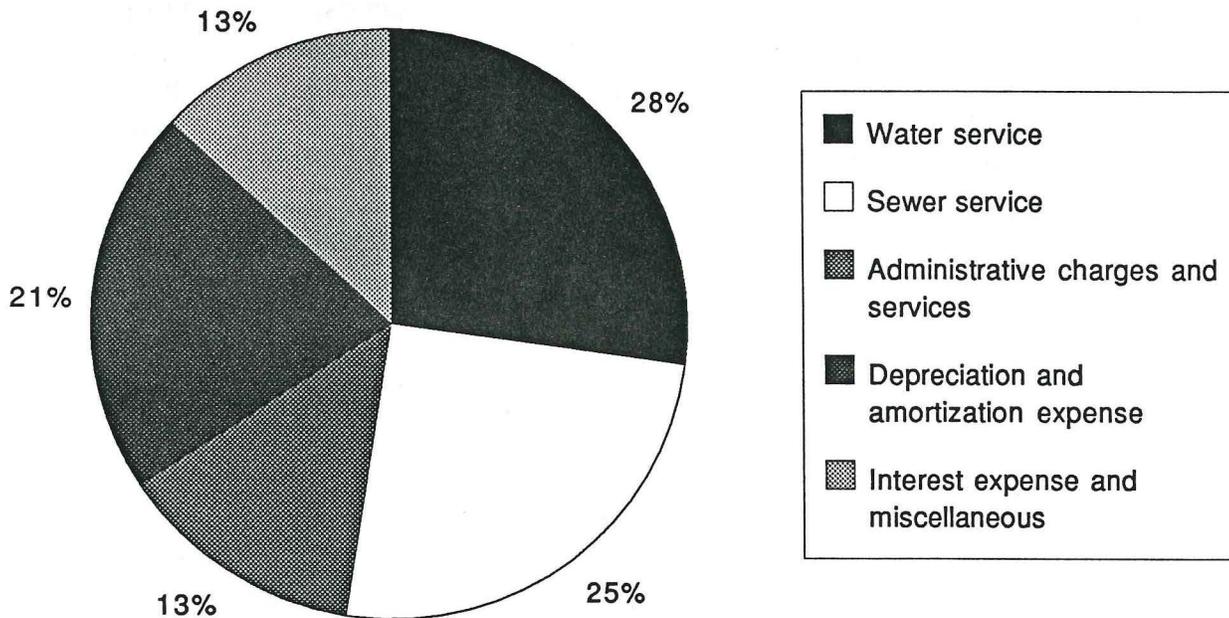
The City's Water and Sewer System Fund has increased revenues and the number of customers served over the past year. Revenue (excluding connection and impact fees) increases from the previous year were caused mainly by a rate increase.

The City records connection charges and impact fees as contributed capital. During the year, connection charges and impact fees amounted to \$174,712, an increase of 207% from the previous year.

The following schedule presents a summary of Water and Sewer Fund expenses for the fiscal year ended September 30, 1992 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 1991 (Thousands)</u>
Water service	\$ 774,698	27.31 %	\$ 169
Sewer service	716,194	25.25	27
Administrative charges and services	379,700	13.39	23
Depreciation and amortization expense	600,807	21.18	161
Interest expense and miscellaneous	365,152	12.87	(9)
Totals	\$ 2,836,551	100.00 %	\$ 371

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



The Honorable Mayor, City Council and
 City Manager
 City of Holly Hill
 Page 10
 March 23, 1993

This year, the City had net income of \$264,777 in the Water and Sewer System Fund.

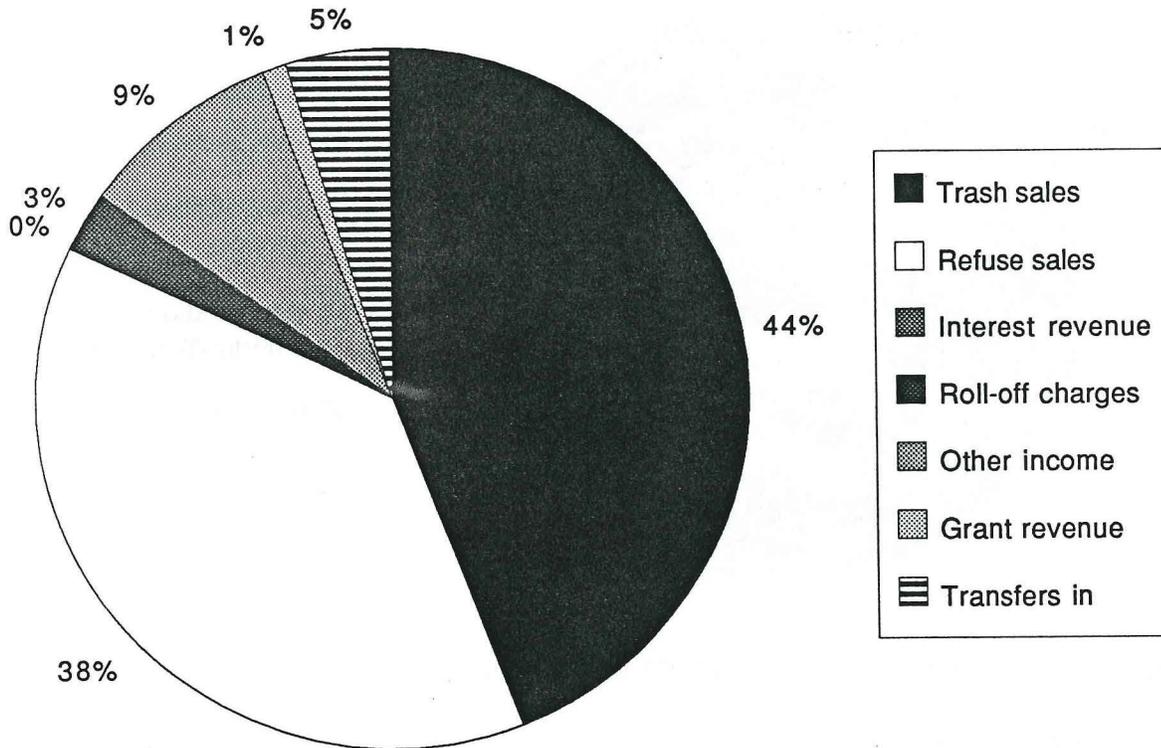
Bonded debt coverage from the operations of the system are shown in the following tabulation:

	<u>1991/92</u>
Gross revenue (includes connection charges)	\$ 3,276,040
Income available for debt service	1,776,108
Annual debt service requirement	1,160,369
Coverage (income available for debt service divided by annual debt service requirement)	153 %

The Solid Waste Fund is a new enterprise fund that accounts for the City's Physical Environment/Sanitation Services. The following schedule presents a summary of Solid Waste Fund revenues and transfers for the fiscal year ended September 30, 1992.

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Trash sales	\$ 643,244	44.44 %
Refuse sales	547,250	37.81
Roll-off charges	38,786	2.68
Other income	133,288	9.21
Grant revenue	16,188	1.12
Interest revenue	1,040	.07
Transfers in	67,538	4.67
	<u>\$ 1,447,334</u>	<u>100.00 %</u>

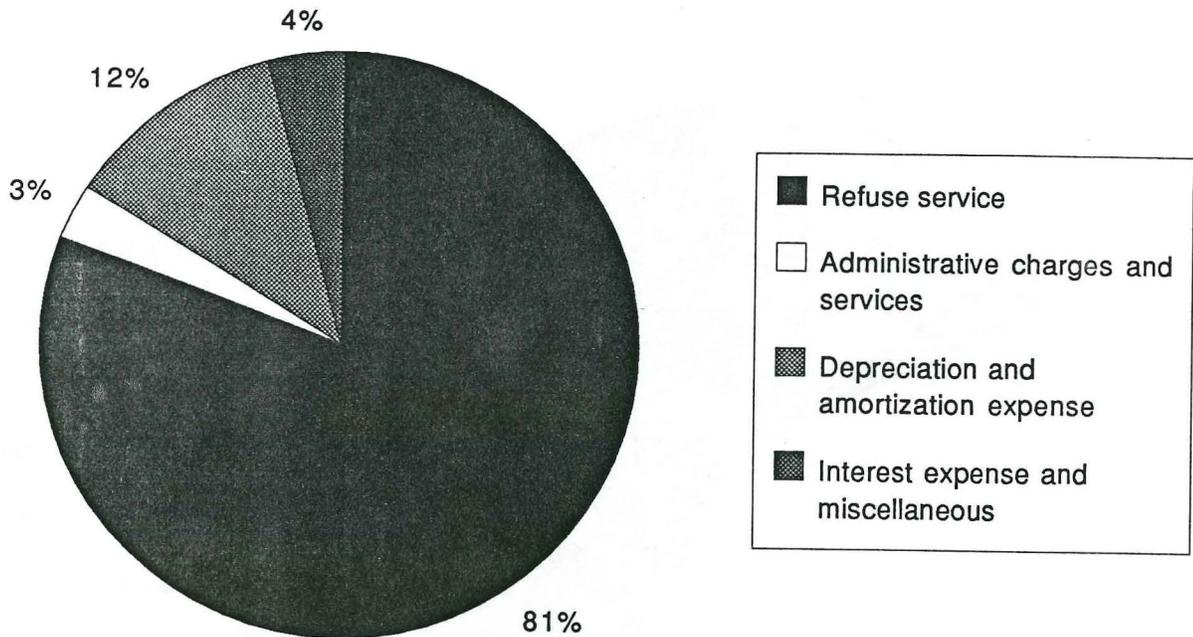
The percentage of each revenue to total revenues and transfers is displayed in the following graph:



The following schedule presents a summary of Solid Waste Fund expenses for the fiscal year ended September 30, 1992.

<u>Expenses</u>	<u>Amount</u>	<u>Percent of Total</u>
Refuse service	\$ 1,121,659	81.00 %
Administrative charges and services	43,300	3.13
Depreciation and amortization expense	162,139	11.71
Interest expense and miscellaneous	57,653	4.16
	<u>\$ 1,384,751</u>	<u>100.00 %</u>

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



This year, the City has a net loss of \$4,955 in the Solid Waste Fund.

Debt Administration.

At September 30, 1991, 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 of \$175,000 in principal maturities and \$985,369 of interest.

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 the Police Officers' Retirement Trust and Firefighters' Retirement System had unfunded pension benefit obligations of \$3,301 and \$186,135, respectively. The two pension funds are included in the financial statements of the City.

During the year, the Firefighters' Retirement System revenues were derived from State of Florida contributions of \$22,161, employee contributions of \$32,808, and investment income of \$110,868. Fund balance at the end of the year is \$886,552 as compared to \$843,324 for the preceding year. For the Police Officers' Retirement Trust Fund, the revenues were derived from State of Florida contributions of \$40,236, employee contributions of \$50,837, City contributions of \$109,854 and investment income of \$154,206. Fund balance at the end of the year is \$1,767,909 as compared to \$1,488,589 for the preceding year.

General Fixed Assets.

This group of accounts represents the fixed assets of the General Government operations of the City. These assets have been recorded on the books at cost and carrying value bears no relation to the actual value of the assets. The total cost of general fixed assets at September 30, 1992 amounted to \$7,522,731 as compared to \$8,412,952 for the preceding year, a decrease of 10.58%. This decrease came as a result of the City's transfer of fixed assets used in sanitation operations to the new Solid Waste Enterprise Fund.

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, 1992, unrestricted cash was invested as follows: in demand deposits, 2.9%; in time deposits, 5.1% and with the State Board of Administration, 92.0%.

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

<u>Fund</u>	<u>Interest Earned</u>	
	<u>1992</u>	<u>1991</u>
General Fund	\$ 73,786	\$ 116,494
Water and Sewer System Fund	83,352	114,126
Solid Waste Fund	1,040	-
Total interest earnings for the City	<u>\$ 158,178</u>	<u>\$ 230,620</u>

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

The Honorable Mayor, City Council and
City Manager
City of Holly Hill
Page 14
March 23, 1993

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 of the United States and Canada (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, 1991. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last fifteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

In addition, the City received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning October 1, 1991. This is the fourth 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.

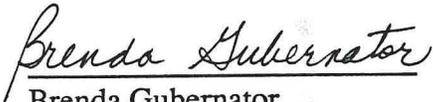
Acknowledgments.

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.

The Honorable Mayor, City Council and
City Manager
City of Holly Hill
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March 23, 1993

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

Sincerely,



Brenda Gubernator
Brenda Gubernator
Finance Director

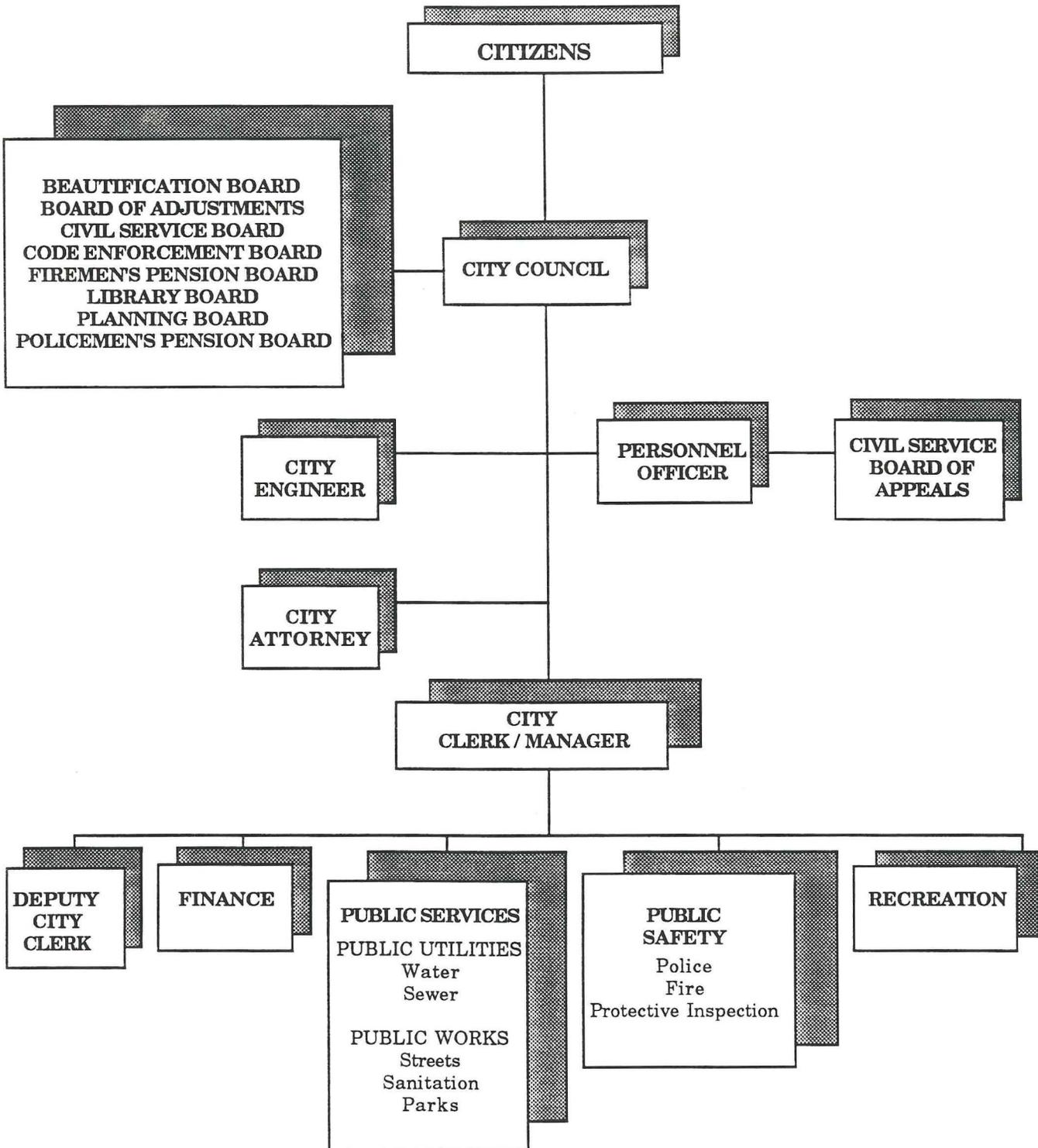
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Organization Chart

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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, 1991

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



[Signature]
President

[Signature]
Executive Director

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Financial Section

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Report of Independent Certified Public Accountants

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Report of Independent Certified Public Accountants

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

We have audited the accompanying general purpose financial statements of the City of Holly Hill, Florida as of and for the year ended September 30, 1992 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 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 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 the City of Holly Hill, Florida, at September 30, 1992, and the results of its operations and the cash flows of its proprietary fund type 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 the City of Holly Hill, Florida. Such 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 auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.



January 29, 1993

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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, 1992

	<u>Governmental</u> <u>Fund Type</u>	<u>Proprietary</u> <u>Fund Type</u>
	<u>General</u>	<u>Enterprise</u>
Assets		
Cash and cash equivalents	\$ 1,108,754	\$ 1,631,534
Investments	150,000	-
Accounts receivable - net	20,278	365,268
Taxes receivable	48,613	-
Other receivables	24,218	1,660
Due from other funds	209,096	15,930
Due from other governments	56,630	-
Prepaid insurance	-	6,570
Restricted assets:		
Sinking Funds:		
Cash and cash equivalents	-	1,175,586
Construction Fund:		
Cash and cash equivalents	-	-
Renewal and Replacement Fund:		
Cash and cash equivalents	-	213,319
Accrued interest receivable	-	200
Impact fee:		
Cash and cash equivalents	-	244,986
Investments	-	225,200
Land	-	136,602
Buildings	-	8,668,592
Improvements other than buildings	-	5,693,527
Machinery and equipment	-	6,902,943
Accumulated depreciation	-	(4,845,393)
Construction in progress	-	1,416,700
Unamortized bond issue costs	-	226,812
Amount to be provided for retirement of general long-term debt	-	-
Total assets	<u>\$ 1,617,589</u>	<u>\$ 22,080,036</u>

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	Trust and Agency	General Fixed Assets	General Long-Term Debt	1992
\$ 220,862	\$ —	\$ —	\$ 2,961,150	\$ 2,276,843
2,562,621	—	—	2,712,621	3,164,558
—	—	—	385,546	363,344
—	—	—	48,613	48,613
34,755	—	—	60,633	65,347
148	—	—	225,174	161,229
—	—	—	56,630	18,755
—	—	—	6,570	6,570
—	—	—	1,175,586	1,180,165
—	—	—	—	830,358
—	—	—	213,319	247,738
—	—	—	200	1,321
—	—	—	244,986	130,082
—	—	—	225,200	325,200
—	1,319,219	—	1,455,821	1,393,315
—	765,442	—	9,434,034	9,133,990
—	3,858,252	—	9,551,779	9,407,023
—	1,579,818	—	8,482,761	8,133,953
—	—	—	(4,845,393)	(3,418,397)
—	—	—	1,416,700	164,751
—	—	—	226,812	235,213
—	—	245,927	245,927	476,814
<u>\$ 2,818,386</u>	<u>\$ 7,522,731</u>	<u>\$ 245,927</u>	<u>\$ 34,284,669</u>	<u>\$ 34,346,785</u>

See accompanying notes.

City of Holly Hill, Florida
 Combined Balance Sheet
 All Fund Types and Account Groups (continued)
 September 30, 1992

	<u>Governmental</u> <u>Fund Type</u>	<u>Proprietary</u> <u>Fund Type</u>
	<u>General</u>	<u>Enterprise</u>
Liabilities, fund equity and other credits		
Liabilities:		
Accounts payable	\$ 93,023	\$ 132,302
Accrued liabilities	63,470	26,577
Due to other funds	519	224,655
Customer deposits	—	381,281
Other liabilities	2,250	—
Deferred revenues	48,613	—
Payable from restricted assets:		
Accounts payable	—	161,963
Retainage payable	—	7,894
Arbitrage rebate liability	—	51,202
Current portion of revenue bonds payable	—	190,000
Deferred compensation payable	—	—
Revenue bonds payable - net	—	13,340,976
Notes payable	—	132,000
Obligation for compensated absences	—	141,327
Total liabilities	207,875	14,790,177
Commitments and contingencies		
Fund equity and other credits:		
Contributed capital	—	2,698,250
Investment in general fixed assets	—	—
Retained earnings:		
Reserved for renewal and replacement	—	43,662
Reserved for revenue bond retirement	—	934,384
Unreserved	—	3,613,563
Fund balances:		
Reserved for law enforcement trust	—	—
Reserved for encumbrances	145,015	—
Reserved for police and fire pensions	—	—
Reserved for police education	10,208	—
Reserved for stormwater drainage	485,432	—
Reserved for advance to Solid Waste Fund	118,269	—
Unreserved:		
Undesignated	650,790	—
Total fund equity and other credits	1,409,714	7,289,859
Total liabilities, fund equity and other credits	\$ 1,617,589	\$ 22,080,036

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	Trust and Agency	General Fixed Assets	General Long-Term Debt	1992
\$ 14,731	\$ —	\$ —	\$ 240,056	\$ 161,774
—	—	—	90,047	83,165
—	—	—	225,174	161,229
—	—	—	381,281	354,124
—	—	—	2,250	1,100
—	—	—	48,613	48,613
—	—	—	161,963	73,992
—	—	—	7,894	102,640
—	—	—	51,202	109,473
—	—	—	190,000	175,000
114,973	—	—	114,973	83,436
—	—	—	13,340,976	13,523,790
—	—	—	132,000	232,000
—	—	245,927	387,254	296,732
129,704	—	245,927	15,373,683	15,407,068
—	—	—	2,698,250	2,308,853
—	7,522,731	—	7,522,731	8,412,952
—	—	—	43,662	570,394
—	—	—	934,384	1,070,692
—	—	—	3,613,563	2,623,163
34,221	—	—	34,221	50,430
—	—	—	145,015	81,319
2,654,461	—	—	2,654,461	2,331,913
—	—	—	10,208	11,163
—	—	—	485,432	338,174
—	—	—	118,269	—
—	—	—	650,790	1,140,664
2,688,682	7,522,731	—	18,910,986	18,939,717
\$ 2,818,386	\$ 7,522,731	\$ 245,927	\$ 34,284,669	\$ 34,346,785

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, 1992

	<u>Governmental</u> <u>Fund Type</u>	<u>Fiduciary</u> <u>Fund Type</u> <u>Expendable</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
	General	Trust	1992	1991
Revenues:				
Taxes	\$ 2,460,486	\$ —	\$ 2,460,486	\$ 2,412,088
Licenses and permits	182,537	—	182,537	162,013
Intergovernmental revenues	946,091	—	946,091	969,513
Charges for services	700,084	—	700,084	1,669,189
Fines and forfeitures	87,325	7,903	95,228	94,915
Miscellaneous revenues	112,513	1,523	114,036	148,715
Total revenues	4,489,036	9,426	4,498,462	5,456,433
Expenditures:				
Current:				
General Government	1,266,671	—	1,266,671	1,313,108
Public Safety	1,935,458	16,120	1,951,578	1,865,247
Physical Environment	—	—	—	851,725
Transportation	678,002	—	678,002	646,566
Culture and Recreation	435,276	—	435,276	416,912
Capital outlay	267,697	9,515	277,212	437,205
Debt service:				
Principal retirement	—	—	—	100,000
Interest	—	—	—	18,184
Total expenditures	4,583,104	25,635	4,608,739	5,648,947
Deficiency of revenues over expenditures	(94,068)	(16,209)	(110,277)	(192,514)
Other financing sources (uses):				
Transfers to other funds	(67,538)	—	(67,538)	—
Deficiency of revenues over expenditures and other uses	(161,606)	(16,209)	(177,815)	(192,514)
Fund balances at beginning of year	1,571,320	50,430	1,621,750	1,814,264
Fund balances at end of year	<u>\$ 1,409,714</u>	<u>\$ 34,221</u>	<u>\$ 1,443,935</u>	<u>\$ 1,621,750</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, 1992

	Budget	1992 Actual	Variance (Unfavorable) Favorable	1991 Actual
Revenues:				
Taxes	\$ 2,498,000	\$ 2,460,486	\$ (37,514)	\$ 2,412,088
Licenses and permits	164,000	182,537	18,537	162,013
Intergovernmental revenues	1,015,700	946,091	(69,609)	969,513
Charges for services	702,400	700,084	(2,316)	1,669,189
Fines and forfeitures	83,500	87,325	3,825	65,862
Miscellaneous revenues	117,200	112,513	(4,687)	145,864
Total revenues	4,580,800	4,489,036	(91,764)	5,424,529
Expenditures:				
Current:				
General Government	1,334,000	1,266,671	67,329	1,313,108
Public Safety	2,026,030	1,935,458	90,572	1,849,538
Physical Environment	-	-	-	851,725
Transportation	697,550	678,002	19,548	646,566
Culture and Recreation	471,900	435,276	36,624	416,912
Capital outlay	460,200	267,697	192,503	432,938
Debt service:				
Principal retirement	-	-	-	100,000
Interest	-	-	-	18,184
Total expenditures	4,989,680	4,583,104	406,576	5,628,971
Excess (deficiency) of revenues over expenditures	(408,880)	(94,068)	314,812	(204,442)
Other financing sources (uses):				
Transfers to other funds	(67,538)	(67,538)	-	-
Excess (deficiency) of revenues over expenditures and other uses	(476,418)	(161,606)	314,812	(204,442)
Fund balances at beginning of year	1,571,320	1,571,320	-	1,775,762
Fund balances at end of year	\$ 1,094,902	\$ 1,409,714	\$ 314,812	\$ 1,571,320

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, 1992

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	Totals	
	Enterprise	Pension Funds	(Memorandum Only)	
			1992	1991
Operating revenues:				
Charges for services	\$ 4,090,261	\$ —	\$ 4,090,261	\$ 2,682,211
Contributions	—	255,896	255,896	211,903
Investment income	—	265,074	265,074	180,887
Total operating revenues	<u>4,090,261</u>	<u>520,970</u>	<u>4,611,231</u>	<u>3,075,001</u>
Operating expenses:				
Personal services	1,377,239	—	1,377,239	714,592
Benefit payments	—	121,483	121,483	36,666
Contractual services	804,086	73,265	877,351	429,740
Materials and supplies	398,721	—	398,721	197,150
Other charges and services	423,000	—	423,000	357,000
Depreciation and amortization	762,946	—	762,946	439,617
Miscellaneous expenses	32,505	3,674	36,179	33,062
Loss on sale of investments	—	—	—	4,582
Total operating expenses	<u>3,798,497</u>	<u>198,422</u>	<u>3,996,919</u>	<u>2,212,409</u>
Operating income	291,764	322,548	614,312	862,592
Nonoperating revenues (expenses):				
Interest income	232,258	—	232,258	230,238
Grant revenue	16,188	—	16,188	19,287
Other income	142,417	—	142,417	16,674
Interest expense	(373,750)	—	(373,750)	(366,966)
Loss on disposal of equipment	(49,055)	—	(49,055)	(7,037)
Total nonoperating revenues (expenses)	<u>(31,942)</u>	<u>—</u>	<u>(31,942)</u>	<u>(107,804)</u>
Income before operating transfers	259,822	322,548	582,370	754,788
Operating transfers:				
Transfers from other funds	67,538	—	67,538	—
Net income	<u>327,360</u>	<u>322,548</u>	<u>649,908</u>	<u>754,788</u>
Retained earnings/fund balances at beginning of year	<u>4,264,249</u>	<u>2,331,913</u>	<u>6,596,162</u>	<u>5,841,374</u>
Retained earnings/fund balances at end of year	<u>\$ 4,591,609</u>	<u>\$ 2,654,461</u>	<u>\$ 7,246,070</u>	<u>\$ 6,596,162</u>

See accompanying notes.

City of Holly Hill, Florida
 Combined Statement of Cash Flows
 Proprietary Fund Type
 Year ended September 30, 1992

	1992	1991
Operating activities		
Operating income	\$ 291,764	\$ 590,472
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	762,946	439,617
Accounts receivable, net	(90,676)	(87,082)
Other receivables	1,936	(2,646)
Due from other funds	(15,930)	140,527
Accounts payable	86,470	25,012
Accrued liabilities	11,320	11,976
Due to other funds	63,919	91,915
Customer deposits	43,211	21,677
Obligation for compensated absences	89,409	—
Net cash provided by operating activities	1,244,369	1,231,468
Noncapital financing activities		
Nonoperating income	158,605	16,674
Operating transfer	67,538	—
Net cash (used) provided by noncapital financing activities	226,143	16,674
Capital and related financing activities		
Acquisition and construction of capital assets	(1,315,346)	(2,440,694)
Principal paid on bond maturities	(175,000)	(165,000)
Principal paid on note payable	(100,000)	—
Interest paid on note payable	(17,638)	—
Interest paid on bonds	(985,369)	(995,517)
Capital contributions from customers	174,712	56,938
Grant revenue	—	19,287
Net cash used by capital and related financing activities	(2,418,641)	(3,524,986)
Investing activities		
Purchase of investments	(225,200)	(825,200)
Proceeds from maturities of investments	625,200	956,684
Interest on investments	191,919	369,403
Net cash provided by investing activities	591,919	500,887
Net decrease in cash and cash equivalents	(356,210)	(1,775,957)
Cash and cash equivalents at beginning of year	3,621,635	5,397,592
Cash and cash equivalents at end of year	\$ 3,265,425	\$ 3,621,635

See accompanying notes.

City of Holly Hill, Florida
 Combined Statement of Cash Flows (continued)
 Proprietary Fund Type
 Year ended September 30, 1992

	1992	1991
Significant transactions not affecting cash		
Transfer of fixed assets from General Fixed Assets Account Group	\$ 446,685	\$ —
Transfer of note payable from General Long-term Debt Account Group	(232,000)	—
	\$ 214,685	\$ —

See accompanying notes.

City of Holly Hill, Florida
Notes to Financial Statements
September 30, 1992

1. 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.

Reporting Entity

The accompanying financial statements present the financial position, results of operations and cash flows 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

City of Holly Hill, Florida

Notes to Financial Statements (continued)

1. Accounting Policies (continued)

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.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

1. Accounting Policies (continued)

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.

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 (continued)

1. Accounting Policies (continued)

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.

The Proprietary Fund Type 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.

Budgets and Budgetary Accounting

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

- (1) On or before the first day of August of each year the City Manager submits to the City Council a budget for the ensuing fiscal year, along with an accompanying budget message.
- (2) Budget workshop sessions are scheduled by the City Manager as needed.
- (3) The general summary of the budget and notice of public hearing is published in the local newspaper.
- (4) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (5) The City Council, by ordinance, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated.
- (6) The City Manager is authorized to transfer part or all of an unencumbered appropriation balance among programs within a department and upon written request by the City Manager, the City Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one department to another.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

1. Accounting Policies (continued)

- (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.
- (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 1991/92 fiscal year, one (1) such appropriation, increasing the budget by \$144,765 was approved for the budget on August 25, 1992 through Ordinance #2332 in accordance with the City Charter.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Water and Sewer System Fund considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

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

Property Taxes - Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Finance Director. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method state-wide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The current millage rate assessed by the City is 4.434.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

1. Accounting Policies (continued)

The property tax calendar is as follows:

Valuation Date January 1, 1991

Property Appraiser prepares the assessment roll with values as of January 1, 1991, submits this preliminary roll for approval by the State and notifies each taxing authority of their respective valuations. July 1, 1991

City Council holds two required public hearings and adopts a budget and ad valorem tax millage rate(s) for the coming fiscal year. September 1991

Property Appraiser certified the assessment roll and all real and tangible personal property taxes are due and payable. (Levy date) November 1, 1991

A Notice of Taxes is mailed to each property owner on the assessment roll. Taxes may be paid November 1991 through March 1992, with the following applicable discounts -

<u>Month</u>	<u>Discount Percent</u>	
November	4 %	
December	3	
January	2	November 1, 1991
February	1	through
March	0	March 31, 1992

All unpaid taxes on real and tangible personal property become delinquent. April 1, 1992

A list of unpaid tangible personal property taxes and a list of unpaid real property taxes are advertised. May 1992

Tax certificates are sold on all real estate parcels with unpaid real property taxes. (Lien date) June 1, 1992

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 1992

City of Holly Hill, Florida

Notes to Financial Statements (continued)

1. Accounting Policies (continued)

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.

Investments

Investments are stated at cost, except for investments in the deferred compensation fund which are stated at market value.

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 - 30

Capitalization of Interest

Net interest cost relating to construction is capitalized during the construction period.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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.

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.

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.

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.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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.

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.

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.

Reclassifications

Certain September 30, 1991 account balances have been reclassified in this report to conform with the financial statement presentation used in 1992.

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." Earnings on pooled cash and investments are allocated to participating funds on a monthly basis based on each fund's portion of the pool. 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.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

2. Cash and Investments (continued)

Deposits

The carrying amount of the City's deposits and petty cash was \$660,033 and the bank balance was \$704,378. Of the bank balance, \$520,325 was secured by the bank through participation in the Florida Security for Public Deposits Act, and \$184,053 was held in a money market account by the Police and Fire Pension Funds. The money market account is invested in United States Government Obligations held in the name of the trust department and is, therefore, considered to be uncollateralized.

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.

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.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

2. Cash and Investments (continued)

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, 1992:

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.

Following is a summary of risk levels assumed by the City at September 30, 1992:

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Pension Fund Investments -					
Common stock	\$1,019,919	\$ -	\$ -	\$1,019,919	\$1,230,017
U.S. Treasury Notes	<u>1,427,729</u>	-	-	<u>1,427,729</u>	<u>1,492,274</u>
	<u>\$2,447,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,447,648</u>	<u>2,722,291</u>
Deferred Compensation					
Investment Pool				114,973	114,973
State Board				<u>4,310,208</u>	<u>4,310,208</u>
Total investments				<u>\$6,872,829</u>	<u>\$7,147,472</u>

Market values are based on quoted market prices.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

3. Accounts Receivable - Net

The accounts receivable - net amount at September 30, 1992 consists of the following:

	General Fund	Water and Sewer System Enterprise Fund
Accounts receivable	\$ 22,057	\$ 383,842
Less: Allowance for doubtful accounts	(1,779)	(18,574)
Accounts receivable - net	<u>\$ 20,278</u>	<u>\$ 365,268</u>

4. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance October 1, 1991	Additions	Deletions	Balance September 30, 1992
Land	\$ 1,256,713	\$ 62,506	\$ -	\$ 1,319,219
Buildings	768,593	34,900	38,051	765,442
Improvements other than buildings	3,781,440	76,812	-	3,858,252
Machinery and equipment	2,606,206	137,783	1,164,171	1,579,818
Total general fixed assets	<u>\$ 8,412,952</u>	<u>\$ 312,001</u>	<u>\$ 1,202,222</u>	<u>\$ 7,522,731</u>

5. Changes in General Long-Term Debt Account Group

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

	Balance October 1, 1991	Notes Payable Issued	Retired	Net Accumulation of Compensated Absences	Balance September 30, 1992
Notes payable :					
Sun Bank of Volusia County - Sanitation truck and containers	\$ 232,000	\$ -	\$ 232,000	\$ -	\$ -
Obligation for compensated absences	244,814	-	-	1,113	245,927
Total general long-term debt	<u>\$ 476,814</u>	<u>\$ -</u>	<u>\$ 232,000</u>	<u>\$ 1,113</u>	<u>\$ 245,927</u>

City of Holly Hill, Florida

Notes to Financial Statements (continued)

6. Legal Debt Margin

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

7. 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, 1992 are as follows:

Fiscal Year Ending <u>September 30,</u>	
1993	\$ 104,006
1994	<u>32,562</u>
Total debt service	136,568
Less: Interest	<u>4,568</u>
Principal due	<u>\$ 132,000</u>

Compensated Absences

Compensated absences are accrued as a liability in the General Long-Term Debt Account Group and enterprise funds at pay rates effective September 30, 1992 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 (continued)

8. Revenue Bonds Payable

Revenue bonds payable at September 30, 1992 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 Outstanding
	(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	\$13,725,000
Less: Unamortized discount Current portion					(194,024) (190,000)
Bonds payable - long-term portion					<u>\$13,340,976</u>

The annual debt service requirements to amortize the above bonds outstanding at September 30, 1992 are as follows:

Fiscal Year Ending <u>September 30,</u>	
1993	\$ 1,164,431
1994	1,162,366
1995	1,159,466
1996	1,160,816
1997	1,160,966
1998 - 2002	5,813,539
2003 - 2007	5,809,237
2008 - 2012	5,807,356
2013 - 2017	5,810,282
2018 - 2019	<u>2,325,550</u>
Total debt service	31,374,009
Less: Interest	<u>17,649,009</u>
Principal due	<u>\$ 13,725,000</u>

City of Holly Hill, Florida

Notes to Financial Statements (continued)

8. Revenue Bonds Payable (continued)

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

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.

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 (continued)

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, 1992, the following outstanding bonds are considered defeased:

1964 Series A Water and Sewer Revenue Bonds	\$ 1,005,000
1972 Series B Water and Sewer Revenue Bonds	<u>765,000</u>
	<u>\$ 1,770,000</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 \$612,445. Interest expense incurred during the current fiscal year totalled \$985,369 and was comprised of \$356,112 on debt associated with nonconstruction activities and \$629,257 on debt associated with construction activities. Capitalized interest for 1992 was calculated as follows:

Total interest expense	\$ 629,257
Less: Interest revenue	<u>16,812</u>
Total interest capitalized	<u>\$ 612,445</u>

11. Interfund Accounts

Individual fund interfund receivables and payables at September 30, 1992 consist of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 209,096	\$ 519
Water and Sewer System Fund	100	55,729
Solid Waste	15,830	168,926
Police Officers' Retirement Trust Fund	99	-
Law Enforcement Trust Fund	49	-
	<u>\$ 225,174</u>	<u>\$ 225,174</u>

City of Holly Hill, Florida

Notes to Financial Statements (continued)

12. Pension Plans

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 \$3,418,824 for the fiscal year ended September 30, 1992. Payroll expenditures for employees covered by the police and fire pensions were \$1,007,494 and \$312,446 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 8% of the salary of participating Police Department employees to the Police Pension Plan in accordance with union contracts. 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:

	<u>September 30, 1992</u>	
	<u>Police Officers</u>	<u>Firefighters</u>
Retirees and beneficiaries		
currently receiving benefits	3	6
Vested terminated employees	2	1
Active employees:		
Fully vested	10	6
Nonvested	12	4

City of Holly Hill, Florida

Notes to Financial Statements (continued)

12. Pension Plans (continued)

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 obligation applicable to the Police Officers' Retirement System is calculated using the unit credit actuarial cost method and is as follows:

	October 1 1991	October 1 1990	January 1 1989
Retirees and beneficiaries receiving benefits and vested terminated employees entitled to future benefits	\$ 211,938	\$ 147,831	\$ 201,697
Current employees:			
Accumulated employee contributions	137,964	99,193	56,824
Employer-financed vested	942,352	696,710	507,504
Employer-financed nonvested	329,480	422,624	285,149
Total pension benefit obligation (PBO)	1,621,734	1,366,358	1,051,174
Net assets available for benefits valued at cost (market value for January 1, 1989)	1,488,589	1,283,123	1,149,190
Unfunded pension benefit obligation (UPBO) (net assets in excess of pension benefit obligation)	\$ 133,145	\$ 83,235	\$ (98,016)
Increase in PBO resulting from plan amendments and changes in assumptions	\$ -	\$ -	\$ 282,944
Ratio of assets to PBO	91.8 %	93.9 %	109.3 %
Covered payroll	\$1,007,494	\$ 701,736	\$ 622,675
Ratio of UPBO (assets in excess of PBO to payroll)	13.2 %	11.7 %	(15.8)%

At September 30, 1991 and 1990, net assets available for benefits, valued at market, were \$1,618,433 and \$1,233,453, respectively.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

12. Pension Plans (continued)

The pension benefit obligation applicable to the Firefighters' Retirement System is calculated using the unit credit actuarial cost method and is as follows:

	September 30 1992	September 30 1991	October 1 1990
Retirees and beneficiaries receiving benefits and vested terminated employees entitled to future benefits	\$ 671,014	\$ 115,500	\$ 120,817
Current employees:			
Accumulated employees contributions	122,215	215,000	184,643
Employer-financed vested	217,781	574,100	341,427
Employer-financed nonvested	144,110	78,000	46,336
Total pension benefit obligation (PBO)	1,155,120	982,600	693,223
Net assets available for benefits (valued at cost)	886,552	843,324	776,670
Unfunded pension benefit obligation (UPBO) (net assets in excess of pension benefit obligation)	\$ 268,568	\$ 139,276	\$ (83,447)
Increase in PBO resulting from plan amendments and changes in assumptions	\$ 187,789	\$ 207,500	\$ 69,928
Ratio of assets to PBO	76.7 %	85.8 %	112.0 %
Covered payroll	\$ 312,446	\$ 323,029	\$ 345,155
Ratio of UPBO (assets in excess of PBO) to covered payroll	86.0 %	43.1 %	(24.2)%

At September 30, 1992 and 1991 net assets available for benefits, valued at market, were \$968,985 and \$837,335, respectively.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

12. Pension Plans (continued)

Combined information for Police Officers' and Firefighters' Retirement Systems:

	Pension Benefit Obligation	Net Assets Available for Benefits, at Cost
Police Officers' Retirement System	\$ 1,621,734	\$ 1,488,589
Firefighters' Retirement System	<u>1,155,120</u>	<u>886,552</u>
	<u>\$ 2,776,854</u>	<u>\$ 2,375,141</u>

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.

Age	% Becoming Disabled During the Year	% Terminating During the Year	Current Salary as % of Salary at Retirement
20	.03 %	6.0 %	9.2 %
30	.04 %	5.0 %	18.9 %
40	.07 %	2.6 %	39.1 %
50	.18 %	0.8 %	80.5 %

There were no significant changes to benefit provision or actuarial assumptions since the January 1, 1989 valuation.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

12. Pension Plans (continued)

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	52
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 (continued)

12. Pension Plans (continued)

The following plan amendments have been reflected in the September 30, 1992 pension benefit obligation: (1) normal retirement age has been changed from 55 to 52; (2) the monthly retirement benefit has been changed from two and one-half percent to two and three-quarters percent of average monthly earnings, for each year of credited service; (3) the method of calculating disability benefits has been reviewed; and (4) additional death benefit options have been provided to deceased actively employed members who are eligible for Normal or Delayed Retirement at their date of death. There were no significant changes to actuarial assumptions since the October 1, 1990 valuation.

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 of this report. This trend information provides information about progress made in accumulating sufficient assets to pay benefits.

For the three fiscal periods ended September 30, 1992, 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>
1992	\$ 109,854	10.9 %	\$ 50,837	5.0 %
1991	69,549	9.4 %	48,570	6.6 %
1990	34,895	5.0 %	44,271	6.6 %

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>
1992	\$ -	- %	\$ 32,808	10.5 %
1991	-	- %	32,303	10.0 %
1990	-	- %	34,515	10.0 %

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

City of Holly Hill, Florida

Notes to Financial Statements (continued)

12. Pension Plans (continued)

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) administered by the State of Florida Department of Administration. The payroll for employees covered by the System for the year ended September 30, 1992 was \$2,233,930. The City's total payroll was \$3,418,824.

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>1/1/90</u>	<u>1/1/91</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.	15.72%	16.51%

Employer contributions include .48% for a post retirement health insurance subsidy. The System also provides disability and survivors benefits. Employees do not contribute to the System. Contribution obligations and benefits are established by State Statute.

The contribution requirement for the year ended September 30, 1992 was \$369,117; these contributions represented 16.52% 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, 1992 (the date of the latest actuarial update information) for the System as a whole, was \$37.89 billion. The System's net assets available for benefits on that date (valued at market) were \$28.75 billion leaving an unfunded pension benefit obligation of \$9.14 billion. The City's fiscal year 1992 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 (continued)

12. Pension Plans (continued)

There were no significant changes to benefit provision or actuarial assumptions since the June 30, 1991 actuarial valuation. Significant actuarial assumptions used for the July 1, 1992 valuation 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, 1992.

13. Investment Portfolio

Police Officers' Retirement Trust Fund:

At September 30, 1992, the investments of the Police Officers' Retirement Trust Fund are as follows -

Police Officers' Retirement Trust Fund
Investment Portfolio
as of September 30, 1992

<u>Equity/Debt Portfolio</u>	<u>Carrying Value</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>
<u>Investments held by Investment Custodian</u>			
U.S. Treasury Notes	\$ 827,973	\$ 867,070	\$ 39,097
Common stock	778,222	931,335	153,113
Total investments	<u>\$ 1,606,195</u>	<u>\$ 1,798,405</u>	<u>\$ 192,210</u>

A net realized loss of \$66,099 on the sale of securities was included in the determination of net income for 1992. No valuation allowances were required at September 30, 1992.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

13. Investment Portfolio (continued)

At September 30, 1992, the investments of the Firefighters' Retirement System are as follows -

Firefighters' Retirement System
Investment Portfolio
as of September 30, 1992

<u>Equity/Debt Portfolio</u>	<u>Carrying Value</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>
<u>Investments held by Investment Custodian</u>			
U.S. Treasury Notes	\$ 599,756	\$ 625,204	\$ 25,448
Common stock	241,697	298,682	56,985
Total investments	<u>\$ 841,453</u>	<u>\$ 923,886</u>	<u>\$ 82,433</u>

A net realized gain of \$54,096 on the sale of securities was included in the determination of net income for 1992. No valuation allowances were required at September 30, 1992.

14. Deferred Compensation Plan

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

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

City of Holly Hill, Florida

Notes to Financial Statements (continued)

15. Contributed Capital

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

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Contributed capital at beginning of year	\$2,308,853	\$ —	\$2,308,853
Meter connection charges	17,954	—	17,954
Sewer connection charges	5,600	—	5,600
Impact fees	151,158	—	151,158
Contributions from General Fund	—	214,685	214,685
Contributed capital at end of year	<u>\$2,483,565</u>	<u>\$ 214,685</u>	<u>\$2,698,250</u>

The Solid Waste Fund was established in fiscal year 1992 to account for sanitation operations previously accounted for in the general fund. Fixed assets used in sanitation operations were transferred to the Solid Waste Fund at their net book value and a note payable related to the purchase of a sanitation truck and refuse containers was transferred from the General Long-Term Debt Account Group.

16. Commitments and Contingencies

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.

The Police and Fire Pension Funds have filed two lawsuits against their former investment manager and the firms with which he was associated. The suits seek damages related to the purchase of investments which were in violation of State Statutes and local ordinances. The Funds' Boards of Trustees believe that the Funds are entitled to damages claimed in the suits, but are not able to predict the outcome at this stage of the proceedings.

City of Holly Hill, Florida

Notes to Financial Statements (continued)

16. Commitments and Contingencies (continued)

Contracts

During 1992, the City entered into the following contract:

Construction of a fire station	\$	67,600
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No significant costs had been incurred under this contract as of September 30, 1992.

The City also entered into agreements with the Florida Department of Transportation to relocate water and sewer lines on Nova Road and the I-95, 11th Street Interchange. The estimated costs of these projects is \$144,018 and \$209,291, respectively, and will be reimbursed by the Florida Department of Transportation. No significant costs had been incurred under these agreements as of September 30, 1992.

17. Segment Information for Enterprise Funds

The City maintains two enterprise funds which provide water and sewer services and solid waste collection services. Segment information for the year ended September 30, 1992 is as follows:

	Water and Sewer	Solid Waste
Operating revenues	\$ 2,860,981	\$ 1,229,280
Depreciation and amortization expense	600,807	162,139
Operating income (loss)	422,087	(97,818)
Operating grants	-	16,188
Operating transfers	-	67,538
Net income	264,777	62,583
Current capital contributions	174,712	214,685
Fixed assets:		
Additions	1,642,059	1,465,217
Disposals	(532)	(108,460)
Net working capital	1,171,917	(57,097)
Total assets	21,352,487	727,549
Long-term liabilities	13,340,976	132,000
Total equity	7,012,591	277,268

City of Holly Hill, Florida

Notes to Financial Statements (continued)

18. Subsequent Event

On December 3, 1992, the City issued \$15,390,000 Water and Sewer System Improvement and Refunding Revenue Bonds, Series 1992 for the purpose of advance refunding the Water and Sewer System Improvement and Refunding Revenue Bonds, Series 1989 and financing improvements to the City's Water and Sewer System.

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.

Solid Waste Fund

The Solid Waste Fund accounts for the City's solid waste collection services as well as the funding and payment of related debt.

City of Holly Hill, Florida

Combining Balance Sheet

All Enterprise Funds

	Water and Sewer	Solid Waste	September 30	
			1992	1991
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,504,420	\$ 127,114	\$ 1,631,534	\$ 1,233,292
Investments	-	-	-	300,000
Accounts receivable - net	247,028	118,240	365,268	274,592
Other receivables	1,660	-	1,660	3,596
Due from other funds	100	15,830	15,930	-
Prepaid insurance	6,570	-	6,570	6,570
Total current assets	1,759,778	261,184	2,020,962	1,818,050
Restricted assets:				
Sinking Funds:				
Cash and cash equivalents	1,175,586	-	1,175,586	1,180,165
Construction Fund:				
Cash and cash equivalents	-	-	-	830,358
Renewal and Replacement Fund:				
Cash and cash equivalents	213,319	-	213,319	247,738
Accrued interest receivable	200	-	200	1,321
Impact fee:				
Cash and cash equivalents	244,986	-	244,986	130,082
Investments	225,200	-	225,200	325,200
Total restricted assets	1,859,291	-	1,859,291	2,714,864
Property, plant and equipment:				
Land	136,602	-	136,602	136,602
Buildings	8,630,541	38,051	8,668,592	8,365,397
Improvements other than buildings	5,693,527	-	5,693,527	5,625,583
Machinery and equipment	5,584,237	1,318,706	6,902,943	5,527,747
	20,044,907	1,356,757	21,401,664	19,655,329
less: accumulated depreciation	3,955,001	890,392	4,845,393	3,418,397
	16,089,906	466,365	16,556,271	16,236,932
Construction in progress	1,416,700	-	1,416,700	164,751
	17,506,606	466,365	17,972,971	16,401,683
Other assets:				
Unamortized bond issue costs	226,812	-	226,812	235,213
Total assets	\$ 21,352,487	\$ 727,549	\$ 22,080,036	\$ 21,169,810

	Water and Sewer	Solid Waste	September 30	
			1992	1991
Liabilities and Fund Equity				
Current liabilities (payable from current assets):				
Accounts payable	\$ 71,958	\$ 60,344	\$ 132,302	\$ 45,832
Accrued liabilities	14,234	12,343	26,577	15,257
Due to other funds	55,729	168,926	224,655	160,736
Deposits	360,494	20,787	381,281	338,070
Total current liabilities (payable from current assets)	502,415	262,400	764,815	559,895
Current liabilities (payable from restricted assets):				
Accounts payable	161,963	-	161,963	73,992
Retainage payable	7,894	-	7,894	102,640
Current portion of revenue bonds payable	190,000	-	190,000	175,000
Total current liabilities (payable from restricted assets)	359,857	-	359,857	351,632
Long-term debt:				
Revenue bonds payable - net	13,340,976	-	13,340,976	13,523,790
Notes payable	-	132,000	132,000	-
Other liabilities:				
Arbitrage rebate liability	51,202	-	51,202	109,473
Obligation for compensated absences	85,446	55,881	141,327	51,918
Total liabilities	14,339,896	450,281	14,790,177	14,596,708
Commitments and contingencies				
Fund equity:				
Contributed capital:				
Contribution from federal government	919,421	-	919,421	919,421
Contribution from customers	1,564,144	-	1,564,144	1,389,432
Contribution from other funds and account groups	-	214,685	214,685	-
Retained earnings:				
Reserved for Renewal and Replacement	43,662	-	43,662	570,394
Reserved for retirement of revenue bonds	934,384	-	934,384	1,070,692
Unreserved	3,550,980	62,583	3,613,563	2,623,163
Total fund equity	7,012,591	277,268	7,289,859	6,573,102
Total liabilities and fund equity	\$ 21,352,487	\$ 727,549	\$ 22,080,036	\$ 21,169,810

City of Holly Hill, Florida
Combining Statement of Revenues, Expenses and
Changes in Retained Earnings
All Enterprise Funds

	Water and Sewer	Solid Waste	Year ended September 30	
			1992	1991
Operating revenues:				
Water sales	\$ 1,341,449	\$ -	\$ 1,341,449	\$ 1,242,752
Sewer charges	1,478,779	-	1,478,779	1,397,356
Service charges	15,610	-	15,610	15,600
Cut-off charges	15,525	-	15,525	16,942
Hydrant rental	9,618	-	9,618	9,561
Trash sales	-	643,244	643,244	-
Refuse sales	-	547,250	547,250	-
Roll-off charges	-	38,786	38,786	-
Total operating revenues	2,860,981	1,229,280	4,090,261	2,682,211
Operating expenses:				
Water service	774,698	-	774,698	605,990
Sewer service	716,194	-	716,194	689,132
Refuse service	-	1,121,659	1,121,659	-
Administrative charges and services	379,700	43,300	423,000	357,000
Depreciation and amortization expense	600,807	162,139	762,946	439,617
Total operating expenses	2,471,399	1,327,098	3,798,497	2,091,739
Operating income (loss)	389,582	(97,818)	291,764	590,472
Nonoperating revenues (expenses):				
Interest revenue	231,218	1,040	232,258	230,238
Grant revenue	-	16,188	16,188	19,287
Other income	9,129	133,288	142,417	16,674
Interest expense	(356,112)	(17,638)	(373,750)	(366,966)
Gain (loss) on disposal of equipment	(9,040)	(40,015)	(49,055)	(7,037)
Total nonoperating revenues (expenses)	(124,805)	92,863	(31,942)	(107,804)
Income (loss) before operating transfers	264,777	(4,955)	259,822	482,668
Operating transfers:				
Transfers from other funds	-	67,538	67,538	-
Net income	264,777	62,583	327,360	482,668
Retained earnings at beginning of year	4,264,249	-	4,264,249	3,781,581
Retained earnings at end of year	<u>\$ 4,529,026</u>	<u>\$ 62,583</u>	<u>\$ 4,591,609</u>	<u>\$ 4,264,249</u>

City of Holly Hill, Florida
Combining Statement of Cash Flows
All Enterprise Funds

	Water and Sewer	Solid Waste	Year ended September 30	
			1992	1991
Operating activities				
Operating income (loss)	\$ 389,582	\$ (97,818)	\$ 291,764	\$ 590,472
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	600,807	162,139	762,946	439,617
Accounts receivable, net	27,564	(118,240)	(90,676)	(87,082)
Other receivables	1,936	-	1,936	(2,646)
Due from other funds	(100)	(15,830)	(15,930)	140,527
Accounts payable	26,126	60,344	86,470	25,012
Accrued liabilities	(1,023)	12,343	11,320	11,976
Due to other funds	(105,007)	168,926	63,919	91,915
Customer deposits	22,424	20,787	43,211	21,677
Obligation for compensated absences	33,528	55,881	89,409	-
Net cash provided by operating activities	995,837	248,532	1,244,369	1,231,468
Noncapital financing activities				
Nonoperating income	9,129	149,476	158,605	16,674
Operating transfer	-	67,538	67,538	-
Net cash (used) provided by noncapital financing activities	9,129	217,014	226,143	16,674
Capital and related financing activities				
Acquisition and construction of capital assets	(1,093,512)	(221,834)	(1,315,346)	(2,440,694)
Principal paid on bond maturities	(175,000)	-	(175,000)	(165,000)
Principal paid on note payable	-	(100,000)	(100,000)	-
Interest paid on note payable	-	(17,638)	(17,638)	-
Interest paid on bonds	(985,369)	-	(985,369)	(995,517)
Capital contributions from customers	174,712	-	174,712	56,938
Grant revenue	-	-	-	19,287
Net cash used by capital and related financing activities	(2,079,169)	(339,472)	(2,418,641)	(3,524,986)
Investing activities				
Purchase of investments	(225,200)	-	(225,200)	(825,200)
Proceeds from maturities of investments	625,200	-	625,200	956,684
Interest on investments	190,879	1,040	191,919	369,403
Net cash provided by investing activities	590,879	1,040	591,919	500,887
Net increase (decrease) in cash and cash equivalents	(483,324)	127,114	(356,210)	(1,775,957)
Cash and cash equivalents at beginning of year	3,621,635	-	3,621,635	5,397,592
Cash and cash equivalents at end of year	\$ 3,138,311	\$ 127,114	\$ 3,265,425	\$ 3,621,635

City of Holly Hill, Florida
 Combining Statement of Cash Flows (continued)
 All Enterprise Funds

	Water and Sewer	Solid Waste	Year ended September 30	
			1992	1991
Significant transaction not affecting cash:				
Transfer of fixed assets from General Fixed Assets Account Group	\$ -	\$ 446,685	\$ 446,685	\$ -
Transfer of note payable from General Long-Term Debt Account Group	-	(232,000)	(232,000)	-
	\$ -	\$ 214,685	\$ 214,685	\$ -
	\$ -	\$ 214,685	\$ 214,685	\$ -

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

	Pension Trust Funds	
	Police Officers' Retirement Trust	Fire- Fighters' Retirement System
Assets		
Current assets:		
Cash and cash equivalents	\$ 141,969	\$ 44,721
Investments	1,606,195	841,453
Interest receivable	21,077	13,678
Due from other funds	99	-
Total current assets	1,769,340	899,852
Total assets	\$ 1,769,340	\$ 899,852
 Liabilities and fund equity		
Current liabilities:		
Accounts payable	\$ 1,431	\$ 13,300
Due to other funds	-	-
Deferred compensation payable	-	-
Total current liabilities	1,431	13,300
 Fund equity:		
Fund balances:		
Reserved -		
Reserved for law enforcement	-	-
Reserved for police and fire pensions	1,767,909	886,552
Total fund equity	1,767,909	886,552
Total liabilities and fund equity	\$ 1,769,340	\$ 899,852

<u>Expendable Trust</u>	<u>Agency Fund</u>	Totals September 30	
Law Enforcement Trust	Deferred Compensation	1992	1991
\$ 34,172	\$ -	\$ 220,862	\$ 249,550
-	114,973	2,562,621	2,180,792
-	-	34,755	42,302
49	-	148	493
<u>34,221</u>	<u>114,973</u>	<u>2,818,386</u>	<u>2,473,137</u>
<u>\$ 34,221</u>	<u>\$ 114,973</u>	<u>\$ 2,818,386</u>	<u>\$ 2,473,137</u>
\$ -	\$ -	\$ 14,731	\$ 6,865
-	-	-	493
-	114,973	114,973	83,436
<u>-</u>	<u>114,973</u>	<u>129,704</u>	<u>90,794</u>
34,221	-	34,221	50,430
-	-	2,654,461	2,331,913
<u>34,221</u>	<u>-</u>	<u>2,688,682</u>	<u>2,382,343</u>
<u>\$ 34,221</u>	<u>\$ 114,973</u>	<u>\$ 2,818,386</u>	<u>\$ 2,473,137</u>

City of Holly Hill, Florida
Combining Statement of Revenues, Expenses and
Changes in Fund Balances
All Pension Trust Funds

	Police Officers' Retirement Trust	Firefighters' Retirement System	Totals Year ended September 30	
			1992	1991
Operating revenues:				
Contributions	\$ 200,927	\$ 54,969	\$ 255,896	\$ 211,903
Interest and dividends	88,107	56,772	144,879	177,629
Gain on sale of investments	66,099	54,096	120,195	3,258
Total operating revenues	<u>355,133</u>	<u>165,837</u>	<u>520,970</u>	<u>392,790</u>
Operating expenses:				
Benefit payments	42,046	79,437	121,483	36,666
Contract services	31,464	41,801	73,265	67,396
Miscellaneous	2,303	1,371	3,674	12,026
Loss on sale of investments	-	-	-	4,582
Total operating expenses	<u>75,813</u>	<u>122,609</u>	<u>198,422</u>	<u>120,670</u>
Net income	279,320	43,228	322,548	272,120
Fund balances at beginning of year	1,488,589	843,324	2,331,913	2,059,793
Fund balances at end of year	<u>\$ 1,767,909</u>	<u>\$ 886,552</u>	<u>\$ 2,654,461</u>	<u>\$ 2,331,913</u>

City of Holly Hill, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Expendable Trust Fund
Law Enforcement Trust Fund

	September 30	
	1992	1991
Revenues:		
Fines and forfeitures	\$ 7,903	\$ 29,053
Miscellaneous revenues	1,523	2,851
Total revenues	9,426	31,904
Expenditures:		
Current:		
Public Safety	16,120	15,709
Capital outlay	9,515	4,267
Total expenditures	25,635	19,976
Excess of revenues (under) over expenditures	(16,209)	11,928
Fund balance at beginning of year	50,430	38,502
Fund balance at end of year	\$ 34,221	\$ 50,430

City of Holly Hill, Florida
Statement of Changes in Assets and Liabilities
Agency Fund
Deferred Compensation Fund

	Balance October 1, 1991	Additions	Deletions	Balance September 30, 1992
Assets:				
Investments	\$ 83,436	\$ 51,753	\$ 20,216	\$ 114,973
Liabilities:				
Deferred compensation payable	\$ 83,436	\$ 51,753	\$ 20,216	\$ 114,973

Supporting Schedules

City of Holly Hill, Florida
 General Fund
 Schedule of Revenues - Budget and Actual
 Year ended September 30, 1992

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
Taxes:				
Ad valorem taxes	\$ 1,138,500	\$ 1,115,702	\$ (22,798)	\$ 1,104,519
Delinquent ad valorem taxes	20,000	19,601	(399)	10,339
Utility taxes	815,500	815,145	(355)	794,180
Utility franchise fees	524,000	510,038	(13,962)	503,050
Total taxes	2,498,000	2,460,486	(37,514)	2,412,088
Licenses and permits:				
Professional and occupational licenses	106,000	118,023	12,023	109,191
City share/County licenses	20,000	19,652	(348)	20,544
Building permits	14,000	16,584	2,584	14,255
Other licenses and permits	24,000	28,278	4,278	18,023
Total licenses and permits	164,000	182,537	18,537	162,013
Intergovernmental revenues:				
State shared revenues:				
General Government -				
State Revenue Sharing	288,000	274,511	(13,489)	294,228
DNR State Grant	74,000	49,095	(24,905)	(63,584)
Mobile home licenses	13,000	13,204	204	12,499
Alcoholic beverage licenses	10,000	9,688	(312)	11,451
Local government half-cent sales tax	403,000	401,378	(1,622)	406,533
Two-cent cigarette tax	42,000	42,660	660	44,601
Department of community affairs	7,000	3,483	(3,517)	21,447
Physical environment -				
Solid waste management grant	-	-	-	20,258
Transportation -				
Rebate on municipal vehicles	3,700	1,219	(2,481)	4,946
Local option gas tax	150,000	150,853	853	153,258
Shared revenues from other local units:				
Port Authority	25,000	-	(25,000)	31,250
Land acquisition fund	-	-	-	31,250
Local alternative fuel decal user fee	-	-	-	1,376
Total intergovernmental revenues	1,015,700	946,091	(69,609)	969,513

City of Holly Hill, Florida
General Fund
Schedule of Revenues - Budget and Actual (continued)

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
Charges for services:				
General Government charges:				
Zoning fees	3,900	2,871	(1,029)	3,974
Sale of maps and publications	600	305	(295)	258
Certificates and copies	1,000	1,103	103	1,037
Legal ad reimbursements	1,900	1,419	(481)	1,755
Public Safety charges:				
Police services	3,500	2,784	(716)	3,195
Physical Environment charges:				
Trash sales	-	-	-	546,053
Refuse sales	-	-	-	490,992
Stormwater drainage	205,000	212,708	7,708	203,515
Culture and Recreation charges:				
Other special events - Promotional events	1,000	433	(567)	-
Program activity fees	54,000	47,181	(6,819)	54,179
Sica Hall	8,500	8,280	(220)	7,231
Other charges for services:				
Transfer from Enterprise operations	423,000	423,000	-	357,000
Total charges for services	702,400	700,084	(2,316)	1,669,189
Fines and forfeitures:				
Court fines	80,000	83,559	3,559	62,775
Police education	3,500	3,556	56	3,087
Code enforcement fines	-	210	210	-
Total fines and forfeitures	83,500	87,325	3,825	65,862
Miscellaneous revenues:				
Miscellaneous revenue	10,000	4,501	(5,499)	9,774
Interest earnings	64,000	73,786	9,786	116,494
Surplus sales, equipment, etc.	10,000	-	(10,000)	8,779
Scrap sales	1,000	1,815	815	-
Drainage improvement	31,000	31,007	7	-
Outstanding checks written off	-	27	27	-
Lime and sludge bed cleaning	-	-	-	958
Contributions and donations	1,200	1,377	177	6,333
Recycling revenues	-	-	-	3,526
Total miscellaneous revenues	117,200	112,513	(4,687)	145,864
Total revenues	\$ 4,580,800	\$ 4,489,036	\$ (91,764)	\$ 5,424,529

City of Holly Hill, Florida
 General Fund
 Schedule of Expenditures - Budget and Actual
 Year ended September 30, 1992

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
General government				
City Council:				
Personal services -				
Executive salaries	\$ 15,900	\$ 15,840	\$ 60	\$ 23,760
FICA taxes	1,250	1,212	38	1,817
Retirement contributions	2,750	2,731	19	3,786
Life and health insurance contributions	7,600	7,424	176	6,215
Training and travel	10,000	8,944	1,056	10,418
	<u>37,500</u>	<u>36,151</u>	<u>1,349</u>	<u>45,996</u>
Operating expenses -				
Other charges and obligations	11,900	11,284	616	206
Subscriptions and memberships	5,400	4,673	727	4,965
	<u>17,300</u>	<u>15,957</u>	<u>1,343</u>	<u>5,171</u>
Total City Council	54,800	52,108	2,692	51,167
City Manager:				
Personal services -				
Executive salaries	65,600	64,129	1,471	56,196
Regular salaries and wages	72,200	71,811	389	60,696
Overtime - regular employees	1,500	1,235	265	1,385
Uniforms	500	409	91	324
FICA taxes	10,800	10,003	797	8,810
Retirement contributions	28,500	28,318	182	21,263
Life and health insurance contributions	9,500	9,312	188	6,954
Training and travel	3,500	3,124	376	1,334
	<u>192,100</u>	<u>188,341</u>	<u>3,759</u>	<u>156,962</u>
Operating expenses -				
Telephone/communication services	1,300	1,250	50	730
Repair and maintenance services	1,900	1,407	27	1,075
Other charges and obligations	9,400	9,294	493	18,082
Office supplies	2,800	2,771	106	1,225
Subscriptions and memberships	2,400	2,344	29	1,314
Vehicle expenses	1,500	1,273	56	2,527
Rentals and leases	200	173	227	49
	<u>19,500</u>	<u>18,512</u>	<u>988</u>	<u>25,002</u>
Total City Manager	211,600	206,853	4,747	181,964

City of Holly Hill, Florida
 General Fund
 Schedule of Expenditures - Budget and Actual (continued)

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
General governments (continued)				
Finance and Administration:				
Personal services -				
Executive salaries	91,600	90,641	959	80,369
Regular salaries and wages	180,600	180,404	196	155,487
Overtime - regular employees	36,000	35,025	975	40,526
FICA taxes	22,700	22,342	358	20,754
Retirement contributions	47,000	46,223	777	44,306
Life and health insurance contributions	13,800	12,949	851	10,873
Training and travel	6,000	5,261	739	4,948
	<u>397,700</u>	<u>392,845</u>	4,855	<u>357,263</u>
Operating expenses -				
Professional services	146,000	145,908	92	170,471
Engineering services	14,500	14,348	152	26,456
Accounting and auditing services	44,000	43,440	560	45,620
Telephone/communication services	6,000	5,969	31	4,527
Postage, freight and express	24,000	23,898	102	23,302
Rentals and leases	9,000	8,561	439	1,624
Repair and maintenance service	13,000	12,010	990	14,428
Other charges and obligations	2,000	1,892	108	1,749
Office supplies	15,000	14,877	123	13,666
Subscriptions and memberships	1,500	957	543	1,136
Printing and binding	12,000	11,417	583	9,386
	<u>287,000</u>	<u>283,277</u>	3,723	<u>312,365</u>
Total Finance and Administration	684,700	676,122	8,578	669,628
Civil Services:				
Personal services -				
Salaries and wages - part-time	6,000	5,400	600	10,320
FICA taxes	500	413	87	789
Retirement contributions	1,000	906	94	1,645
Training and travel	200	-	200	-
	<u>7,700</u>	<u>6,719</u>	981	<u>12,754</u>

City of Holly Hill, Florida
General Fund
Schedule of Expenditures - Budget and Actual (continued)

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
General Governments (continued)				
Civil Services - (continued):				
Operating expenses -				
Professional services	5,200	5,180	20	-
Telephone/communication services	500	380	120	287
Utility services	1,000	961	39	923
Repair and maintenance service	500	453	47	328
Other charges and obligations	500	376	124	281
Advertising	3,400	3,355	45	1,077
Office supplies	300	263	37	405
	<u>11,400</u>	<u>10,968</u>	<u>432</u>	<u>3,301</u>
Total Civil Service	19,100	17,687	1,413	16,055
Other Services:				
Personal services -				
Workers' compensation	111,500	106,579	4,921	120,598
Unemployment insurance	3,000	913	2,087	14,347
Other personal services	22,000	20,278	1,722	25,702
Reserves/Retiree and others	54,700	45,418	9,282	79,949
	<u>191,200</u>	<u>173,188</u>	<u>18,012</u>	<u>240,596</u>
Operating expenses -				
Utility services	11,000	10,814	186	10,373
Nonemployee insurance	116,000	88,908	27,092	106,035
Repair and maintenance service	5,000	4,213	787	5,231
Advertising	9,000	8,331	669	5,715
Operating supplies	13,500	13,102	398	5,812
Election expenses	9,000	8,574	426	-
Grants and aid	9,100	6,771	2,329	20,532
	<u>172,600</u>	<u>140,713</u>	<u>31,887</u>	<u>153,698</u>
Capital outlay -				
Land	62,600	62,507	93	50,000
Buildings	35,700	34,900	800	695
Machinery and equipment	11,500	11,337	163	5,111
Improvements other than buildings	1,500	-	1,500	1,145
	<u>111,300</u>	<u>108,744</u>	<u>2,556</u>	<u>56,951</u>
Total other services	475,100	422,645	52,455	451,245
Total General Government	1,445,300	1,375,415	69,885	1,370,059

City of Holly Hill, Florida
 General Fund
 Schedule of Expenditures - Budget and Actual (continued)

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
Public Safety				
Law Enforcement:				
Personal services -				
Executive salaries	57,700	57,070	630	51,429
Regular salaries and wages	849,700	828,537	21,163	792,784
Other salaries and wages	42,000	41,012	988	18,714
Overtime - regular employees	80,900	80,875	25	81,683
Incentive pay and award	16,000	14,120	1,880	15,500
Uniforms	18,600	16,738	1,862	14,564
FICA taxes	80,000	76,147	3,853	72,865
Retirement contributions	145,000	140,459	4,541	99,509
Life and health insurance contributions	43,500	41,159	2,341	39,895
Training and travel	5,200	5,115	85	2,396
Training and travel/2nd \$ Fund	6,000	4,511	1,489	2,894
	1,344,600	1,305,743	38,857	1,192,233
Operating expenses -				
Contractual services/animal control	11,500	11,281	219	13,269
Telephone/communication services	10,600	10,568	32	9,443
Postage, freight and express	1,200	1,079	121	896
Utility services	8,500	8,455	45	7,567
Rentals and leases	5,000	4,631	369	1,136
Repair and maintenance service	17,000	15,560	1,440	15,517
Other charges and obligations	3,000	2,800	200	2,370
Office supplies	7,000	4,907	2,093	5,233
Operating supplies	16,000	15,064	936	14,774
Subscriptions and memberships	900	887	13	638
Vehicle expenses	55,000	53,712	1,288	59,985
Program expense/Police Explorers	1,000	403	597	732
	136,700	129,347	7,353	131,560
Capital outlay -				
Machinery and equipment	56,000	54,770	1,230	4,864
Total Law Enforcement	1,537,300	1,489,860	47,440	1,328,657

City of Holly Hill, Florida
General Fund
Schedule of Expenditures - Budget and Actual (continued)

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
Public Safety (continued)				
Fire Control:				
Personal services -				
Executive salaries	47,200	47,133	67	47,366
Regular salaries and wages	214,400	207,077	7,323	251,171
Other salaries and wages	30,300	30,237	63	23,625
Overtime - regular employees	32,000	27,999	4,001	26,827
Uniforms	4,200	3,221	979	3,776
FICA taxes	22,900	22,819	81	24,503
Retirement contributions	20,000	-	20,000	-
Life and health insurance contributions	14,000	13,392	608	12,793
Training and travel	3,500	1,925	1,575	2,859
	388,500	353,803	34,697	392,920
Operating expenses -				
Professional services	500	225	275	-
Telephone/communication services	3,800	3,243	557	4,166
Postage, freight and express	400	333	67	243
Utility services	2,000	1,922	78	1,846
Rentals and leases	9,600	9,348	252	9,291
Repair and maintenance service	7,000	5,484	1,516	6,137
Other charges and obligations	700	693	7	1,009
Office supplies	1,000	583	417	694
Operating supplies	18,500	17,802	698	11,408
Subscriptions and memberships	500	272	228	284
Vehicle expenses	12,000	11,110	890	10,563
Other public safety/fire prevention	3,200	3,158	42	2,620
	59,200	54,173	5,027	48,261
Capital outlay -				
Machinery and equipment	150,000	21,514	128,486	5,264
Total Fire Control	597,700	429,490	168,210	446,445

City of Holly Hill, Florida
General Fund
Schedule of Expenditures - Budget and Actual (continued)

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
Public Safety (continued)				
Protective Inspection:				
Personal services -				
Executive salaries	41,700	40,696	1,004	37,620
Regular salaries and wages	25,100	24,630	470	21,512
Overtime - regular employees	700	390	310	377
FICA taxes	5,200	4,884	316	4,480
Uniforms	350	307	43	-
Retirement contributions	11,900	11,039	861	9,392
Life and health insurance contributions	3,080	3,009	71	2,893
Training and travel	300	215	85	498
	<u>88,330</u>	<u>85,170</u>	<u>3,160</u>	<u>76,772</u>
Operating expenses -				
Telephone/communication services	700	676	24	489
Postage, freight and express	500	275	225	281
Utility services	1,000	961	39	923
Repair and maintenance service	700	625	75	563
Other charges and obligations	200	102	98	134
Office supplies	2,600	2,573	27	2,009
Operating supplies	1,000	904	96	795
Subscriptions and memberships	500	252	248	205
Vehicle expense	1,500	854	646	2,393
	<u>8,700</u>	<u>7,222</u>	<u>1,478</u>	<u>7,792</u>
Capital outlay -				
Machinery and equipment	4,000	2,663	1,337	-
Total Protective Inspection	<u>101,030</u>	<u>95,055</u>	<u>5,975</u>	<u>84,564</u>
Total Public Safety	<u>2,236,030</u>	<u>2,014,405</u>	<u>221,625</u>	<u>1,859,666</u>
Physical Environment				
Solid Waste Control Services:				
Personal services -				
Executive salaries	-	-	-	26,288
Regular salaries and wages	-	-	-	240,488
Overtime - regular employees	-	-	-	20,690
Uniforms	-	-	-	1,986
FICA taxes	-	-	-	25,787
Retirement contributions	-	-	-	53,377
Life and health insurance contributions	-	-	-	13,860
Workers' compensation insurance	-	-	-	41,864
Training and travel	-	-	-	2,388
	<u>-</u>	<u>-</u>	<u>-</u>	<u>426,728</u>

City of Holly Hill, Florida
 General Fund
 Schedule of Expenditures - Budget and Actual (continued)

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
Physical Environment (continued)				
Solid Waste Control Services (continued):				
Operating expenses -				
Telephone/communication services	-	-	-	753
Postage, freight and express	-	-	-	102
Rentals and leases	-	-	-	241,847
Insurance/nonemployee	-	-	-	26,328
Repair and maintenance service	-	-	-	1,442
Office supplies	-	-	-	1,274
Operating supplies	-	-	-	22,112
Subscriptions and memberships	-	-	-	543
Vehicle expenses	-	-	-	133,733
Bad debt recovery	-	-	-	(3,137)
	-	-	-	424,997
Capital outlay -				
Machinery and equipment	-	-	-	35,383
Debt service -				
Principal retirement - sanitation trucks note	-	-	-	100,000
Interest	-	-	-	18,184
	-	-	-	118,184
Total Physical Environment	-	-	-	1,005,292
Transportation				
Road and Street Facilities:				
Personal services -				
Executive salaries	29,500	28,964	536	26,959
Regular salaries and wages	320,000	318,778	1,222	321,145
Other salaries and wages	6,400	5,949	451	-
Overtime - regular employes	9,500	8,986	514	5,514
Uniforms	3,600	3,488	112	3,339
FICA taxes	28,000	27,397	603	26,210
Retirement contributions	60,700	60,440	260	55,479
Life and health insurance contributions	25,200	25,170	30	24,387
Training and travel	4,000	2,892	1,108	4,384
	486,900	482,064	4,836	467,417

City of Holly Hill, Florida
 General Fund
 Schedule of Expenditures - Budget and Actual (continued)

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
Transportation (continued)				
Road and Street Facilities (continued):				
Operating expenses -				
Professional services	14,000	9,736	4,264	-
Street lighting	89,000	88,790	210	84,803
Traffic lights	12,600	12,518	82	10,754
Telephone/communication services	1,200	982	218	928
Traffic light repairs	14,000	6,539	7,461	4,390
Postage, freight and express	200	107	93	138
Utility services	2,400	2,318	82	1,650
Rentals and leases	2,000	1,965	35	2,530
Repair and maintenance service	3,500	3,322	178	3,938
Other charges and obligations	4,000	3,517	483	3,621
Office supplies	1,000	535	465	620
Operating supplies	23,000	22,637	363	24,879
Signs and materials	4,000	3,626	374	9,430
Road materials and supplies	13,000	12,946	54	11,453
Subscriptions and memberships	250	110	140	153
Vehicle expenses	26,500	26,290	210	19,862
	<u>210,650</u>	<u>195,938</u>	<u>14,712</u>	<u>179,149</u>
Capital outlay -				
Buildings	-	-	-	32,142
Improvements other than buildings	2,000	1,120	880	37,854
Machinery and equipment	7,000	2,345	4,655	74,906
Drainage	51,000	32,605	18,395	29,544
	<u>60,000</u>	<u>36,070</u>	<u>23,930</u>	<u>174,446</u>
Total Transportation	<u>757,550</u>	<u>714,072</u>	<u>43,478</u>	<u>821,012</u>
Culture and Recreation				
Parks:				
Personal services -				
Executive salaries	9,300	9,199	101	8,370
Regular salaries and wages	102,000	93,742	8,258	94,686
Other salaries and wages	11,900	7,059	4,841	2,145
Overtime - regular employees	2,500	2,078	422	3,287
Uniforms	1,300	966	334	1,125
FICA taxes	8,900	8,637	263	7,161
Retirement contributions	19,700	17,904	1,796	15,269
Life and health insurance contributions	9,500	9,307	193	9,022
Training and travel	200	176	24	388
	<u>165,300</u>	<u>149,068</u>	<u>16,232</u>	<u>141,453</u>

City of Holly Hill, Florida
General Fund
Schedule of Expenditures - Budget and Actual (continued)

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
Culture and Recreation (continued)				
Parks:(continued):				
Operating expenses -				
Professional services	5,000	4,609	391	-
Telephone/communication services	1,500	1,410	90	1,070
Postage, freight and express	100	30	70	74
Utility services	17,000	16,333	667	14,955
Repair and maintenance service	4,200	4,184	16	3,155
Other charges and obligations	500	431	69	130
Office supplies	400	343	57	222
Operating supplies	22,000	21,990	10	21,537
Vehicle expenses	4,900	3,715	1,185	5,097
Beautification	3,900	1,705	2,195	8,974
	<u>59,500</u>	<u>54,750</u>	<u>4,750</u>	<u>55,214</u>
Capital outlay -				
Improvements other than Buildings	78,000	43,086	34,914	1,745
Machinery and equipment	-	-	-	12,043
	<u>78,000</u>	<u>43,086</u>	<u>34,914</u>	<u>13,788</u>
Total Parks	302,800	246,904	55,896	210,455
Recreation Facilities:				
Personal services -				
Executive salaries	23,200	22,725	475	33,969
Regular salaries	84,200	81,666	2,534	65,455
Other salaries	18,000	17,930	70	17,506
Overtime - regular employees	1,700	1,629	71	907
Uniforms	600	515	85	543
FICA taxes	9,700	9,232	468	8,993
Retirement contributions	20,000	18,887	1,113	17,126
Life and health insurance contributions	6,100	6,004	96	5,776
Training and travel	1,000	729	271	1,074
	<u>164,500</u>	<u>159,317</u>	<u>5,183</u>	<u>151,349</u>

City of Holly Hill, Florida
 General Fund
 Schedule of Expenditures - Budget and Actual (continued)

	Budget (Revised)	1992 Actual	Variance Favorable (Unfavorable)	1991 Actual
Culture and Recreation (continued)				
Recreation Facilities (continued):				
Operating expenses -				
Telephone/communication services	2,500	2,216	284	2,307
Postage, freight and express	1,000	731	269	661
Utility services	15,000	14,698	302	15,046
Repair and maintenance service	4,500	4,107	393	2,202
Promotional services	1,000	180	820	474
Other charges and obligations	1,100	1,095	5	612
Office supplies	1,300	1,161	139	1,294
Operating supplies	7,000	4,092	2,908	6,223
Subscriptions and memberships	200	135	65	177
Vehicle expense	2,000	789	1,211	998
Program expenses	47,000	42,937	4,063	38,902
	<u>82,600</u>	<u>72,141</u>	<u>10,459</u>	<u>68,896</u>
Capital outlay -				
Land	-	-	-	125,134
Buildings	-	-	-	12,800
Machinery and equipment	900	850	50	4,308
	<u>900</u>	<u>850</u>	<u>50</u>	<u>142,242</u>
Total Recreation Facilities	<u>248,000</u>	<u>232,308</u>	<u>15,692</u>	<u>362,487</u>
Total Culture and Recreation	<u>550,800</u>	<u>479,212</u>	<u>71,588</u>	<u>572,942</u>
Total expenditures	<u>\$ 4,989,680</u>	<u>\$ 4,583,104</u>	<u>\$ 406,576</u>	<u>\$ 5,628,971</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, 1992

Revenues by Source

	Employee Contributions	<u>Employer Contributions</u>		% of Covered Payroll	State Contributions	Investment Income	Total
		Amount	Amount				
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
1991	48,570	69,549		9.4 %	42,017	110,187	270,323
1992	50,837	109,854		10.9 %	40,236	154,206	355,133

Expenses by Type

	Benefits	Refunds	Administrative and Other	Total
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
1991	22,301	7,496	35,060	64,857
1992	42,046	—	33,767	75,813

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, 1992

Revenues by Source

	Employee Contributions	<u>Employer Contributions</u>			State Contributions	Investment Income	Total
		Amount	% of Covered Payroll				
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	
1991	32,303	-	- %	19,464	70,700	122,467	
1992	32,808	-	- %	22,161	110,868	165,837	

Expenses by Type

	Benefits	Refunds	Administrative and Other	Total
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	96,895	118,557
1991	14,365	-	41,448	55,813
1992	79,437	-	43,172	122,609

City of Holly Hill, Florida
 Police Officers' Retirement Trust Fund and
 Firefighters' Retirement System
 Required Supplementary Information
 Analysis of Funding Progress
 September 30, 1992

Fiscal Year	(1) Net Assets Available For Benefit (Cost)	(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 (Overfunded) Pension Benefit Obligation as a Percentage of Covered Payroll (4) + (5)
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Police Officers' Retirement Trust Fund

1990 (7)	\$ 1,149,190	\$ 1,051,174	109.3 %	\$ (98,016)	\$ 622,675	(15.8)%
1991 (8)	1,283,123	1,366,358	93.9 %	83,235	701,736	11.7 %
1992 (9)	1,488,589	1,621,734	91.8 %	133,145	1,007,494	13.2 %

Firefighters' Retirement System

1990	\$ 776,670	\$ 693,223	112.0 %	\$ (83,447)	\$ 345,155	(24.2)%
1991	843,324	982,600	85.8 %	139,276	323,029	43.1 %
1992	886,552	1,155,120	76.7 %	268,568	312,446	86.0 %

(7) Valuation is as of January 1, 1989. Net assets available for benefits are valued at market.

(8) Valuation is as of October 1, 1990.

(9) Valuation is as of October 1, 1991.

(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, 1992

Function and Activity	Total	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment
General Government	\$ 608,899	\$ 178,463	\$ 185,414	\$ -	\$ 245,022
Public Safety					
Police	487,645	-	30,521	2,350	454,774
Fire	333,747	29,493	9,970	-	294,284
Total Public Safety	821,392	29,493	40,491	2,350	749,058
Public Works					
Streets	3,953,983	28,418	42,939	3,444,576	438,050
Total Public Works	3,953,983	28,418	42,939	3,444,576	438,050
Culture and Recreation					
Parks	1,697,069	1,082,845	149,443	389,003	75,778
Recreation Facilities	251,488	-	198,706	22,323	30,459
Library	189,900	-	148,449	-	41,451
Total Culture and Recreation	2,138,457	1,082,845	496,598	411,326	147,688
Total general fixed assets allocated to functions	\$ 7,522,731	\$ 1,319,219	\$ 765,442	\$ 3,858,252	\$ 1,579,818

City of Holly Hill, Florida
Schedule of Changes in General Fixed Assets
by Function and Activity
For the Year ended September 30, 1992

<u>Function and Activity</u>	<u>General Fixed Assets October 1, 1991</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets September 30, 1992</u>
General Government	\$ 501,311	\$ 111,407	\$ 3,819	\$ 608,899
Public Safety				
Police	410,793	76,852	—	487,645
Fire	303,934	29,813	—	333,747
Total Public Safety	714,727	106,665	—	821,392
Public Works				
Streets	3,915,743	49,694	11,454	3,953,983
Sanitation	1,186,949	—	1,186,949	—
Total Public Works	5,102,692	49,694	1,198,403	3,953,983
Culture and Recreation				
Parks	1,652,834	44,235	—	1,697,069
Recreation Facilities	251,488	—	—	251,488
Library	189,900	—	—	189,900
Total Culture and Recreation	2,094,222	44,235	—	2,138,457
Total general fixed assets	<u>\$ 8,412,952</u>	<u>\$ 312,001</u>	<u>\$ 1,202,222</u>	<u>\$ 7,522,731</u>

Statistical Section

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Statistical Tables

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City of Holly Hill, Florida
Comments Relative to Statistical Section
September 30, 1992

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

Fiscal Year Ended	September 30 Total General Fund	General Government	Public Safety
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%
1991	5,628,971	1,370,059 24%	1,859,666 33%
1992	4,650,642	1,375,415 30%	2,014,405 43%

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
\$ 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%	— —%
1,005,292 18%	821,012 15%	572,942 10%	— —%
— —%	714,072 15%	479,212 10%	67,538 2%

Table II
City of Holly Hill, Florida
General Fund Revenues and Other Sources by Function
Last Ten Fiscal Years

Fiscal Year Ended	September 30 Total	Taxes Real and Personal	Licenses and Permits	Inter- Governmental Revenues
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%
1991	5,424,529	2,412,088 44%	162,013 3%	969,513 18%
1992	4,489,036	2,460,486 54%	182,537 4%	946,091 21%

(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
\$ 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%	- -	- -
1,669,189 31%	65,862 1%	145,864 3%	- -	- -
700,084 16%	87,325 2%	112,513 3%	- -	- -

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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, 1992

Fiscal Year Ended	Assessed Value (1)	Estimated Actual Value (2)		Total Tax Levy	Current Tax Collections	Percent of Levy Collected
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
1991	352,549,073	352,549,073	100%	1,161,647	1,104,519	95.082
1992	359,263,905	359,263,905	100%	1,167,426	1,115,702	95.569

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

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

Source: Volusia County Property Appraiser

Table IV
City of Holly Hill, Florida
Property Tax Rates and Tax Levies - All Direct and
Overlapping Governments
Last Ten Fiscal Years
September 30, 1992

Fiscal Year Ended	Holly Hill	School District	Volusia County	Advertising District	Mosquito Control
<u>Taxes Rates</u>					
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
1991	4.463	9.548	4.941	—	.324
1992	4.434	9.548	4.820	—	.316
<u>City's Share of Tax Levies</u>					
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
1991	1,161,647	2,485,190	1,286,062	—	84,332
1992	1,167,426	2,513,889	1,269,056	—	83,200

* 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 Management District	Florida Inland Navigation	Endangered and Recreation Lands
.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
.095	.259	2.874	.358	.055	.250
.093	.310	2.818	.358	.053	.250
\$ 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
24,727	67,414	748,056	93,182	14,316	65,071
24,486	81,620	741,950	94,258	13,955	65,823

Table V
City of Holly Hill, Florida
Debt Service Requirements to Maturity
Water and Sewer Revenue Bonds
September 30, 1992

Due October 1,	Series 1989		
	Principal	Interest	Total
1993	\$ 190,000	\$ 974,431	\$ 1,164,431
1994	200,000	962,366	1,162,366
1995	210,000	949,466	1,159,466
1996	225,000	935,816	1,160,816
1997	240,000	920,966	1,160,966
1998	255,000	905,006	1,160,006
1999	275,000	887,922	1,162,922
2000	295,000	869,359	1,164,359
2001	315,000	849,151	1,164,151
2002	335,000	827,101	1,162,101
2003	360,000	803,651	1,163,651
2004	385,000	778,092	1,163,092
2005	410,000	750,756	1,160,756
2006	440,000	721,544	1,161,544
2007	470,000	690,194	1,160,194
2008	505,000	656,706	1,161,706
2009	540,000	620,725	1,160,725
2010	580,000	582,250	1,162,250
2011	620,000	540,925	1,160,925
2012	665,000	496,750	1,161,750
2013	710,000	449,369	1,159,369
2014	765,000	398,750	1,163,750
2015	820,000	343,288	1,163,288
2016	880,000	283,837	1,163,837
2017	940,000	220,038	1,160,038
2018	1,010,000	151,887	1,161,887
2019	1,085,000	78,663	1,163,663
Totals	<u>\$ 13,725,000</u>	<u>\$ 17,649,009</u>	<u>\$ 31,374,009</u>

Table VI
City of Holly Hill, Florida
Computation of Overlapping Debt
End of Fiscal Year
September 30, 1992

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable To The Governmental Unit</u>	<u>City of Holly Hill - Share of Debt</u>
School District	\$ 204,922,585	2.19	\$ 4,487,805
County of Volusia	17,603,056	2.19	<u>385,507</u>
Total overlapping debt			<u>\$ 4,873,312</u>

(1) Independent Taxing Districts

Table VII
City of Holly Hill, Florida
Schedule of Insurance in Force
September 30, 1992

Type of Coverage, Name of Company and Policy Number	Policy Period From To	Details of Coverage	Liability Limits	Annual Premium (Gross)
<u>Municipal Liability</u>				
Hartford Penco 21CENQK6749	12/1/91 - 12/1/92	General Liability	\$300,000 \$300,000 ea. occurrence	\$ 42,281
<u>Fire, Extended Coverage, Vandalism and Malicious Mischief</u>				
Aetna Casualty and Surety - #35 FP 20881530 FCH	4/15/92 - 4/15/93	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 \$3,308,729 contents	\$ 11,609
<u>Commercial Crime</u>				
Aetna Casualty and Surety - 035 ACM 22426977	4/15/92 - 4/15/93	Office contents of City Hall building Money and securities	\$39,200 contents \$2,000 crime	\$ 403
<u>Accidental Death and Disability</u>				
Hartford Insurance Co. - 21VP480650	4/15/92- 4/15/93	Volunteer Fire Dept.	Loss of life \$5,000	\$ 384
<u>Workers' Compensation</u>				
Governmental Risk Insurance Trust 00053	12/1/91 - 12/1/92	Statutory	Statutory, employer's liability \$100,000	\$101,426
<u>Public Employees Blanket Bond</u>				
Continental Insurance Co. - #BND 002-01-56	4/15/92 - 4/15/93	Blanket bond	\$50,000 blanket on all positions	\$ 1,293
#BNS 132-23-02	6/28/92 - indefinitely		\$100,000 Finance Director	\$ 750

Table VII
City of Holly Hill, Florida
Schedule of Insurance in Force (continued)
September 30, 1992

Type of Coverage, Name of Company and Policy Number	Policy Period From To	Details of Coverage	Liability Limits	Annual Premium (Gross)
<u>Police and Firefighters</u>				
<u>Accident Policy</u>				
Hartford Life and Accident - ETB-12214	4/15/92 - 4/15/93	Accidental Death Police and firefighters Volunteer firefighters	\$ 25,000 \$ 75,000	\$ 1,431
<u>Contractors' Equipment</u>				
<u>Policy</u>				
Aetna Casualty & Surety - #35 IH 22350436 TCA	4/15/92 - 4/15/93	Off-road equipment	\$ 237,017	\$ 1,536
<u>Data Processing Policy</u>				
Aetna Casualty & Surety 035-IE 21882750 FCA	4/15/92 - 4/15/93	Hardware and Software Business interruption	\$ 150,292 \$ 10,000	\$ 800
<u>Business automobile</u>				
<u>Policy</u>				
Aetna Casualty & Surety - #35 FJ 108 7535 TCA	4/15/92 - 4/15/93	Automobile liability	\$200,000 PIO \$200,000 property damage	\$ 67,238
<u>Public Officials and</u>				
<u>Employees Liability</u>				
National Union Fire Insurance Co. POL 439-00-80	4/15/92 - 4/15/93	Wrongful acts	\$1,000,000	\$ 12,350
<u>Law Enforcement</u>				
<u>Professional Liability</u>				
Scottsdale Insurance Co. PPL 221352	12/1/91 - 12/1/92	Police officers bodily injury, property damage and personal injury	\$250,000 each person \$500,000 each occurrence	\$ 13,922
<u>Hartford Steam Boiler</u>				
All Systems Go Datamatic Leasing ASG-AT-9497065-02		Mechanical breakdowns Lightning damages City Hall equipment Leased equipment	\$ 282,933	\$ 914

Table VIII
City of Holly Hill, Florida
Revenue Bond Coverage
Water and Sewer System Funds
Last Ten Fiscal Years
September 30, 1992

Fiscal Year Ended	Gross Revenues(1)	Operating Expense (7)	Net Revenues	Debt Service Requirements			Debt Service Coverage
				Principal	Interest	Total	
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	2,830,436	1,150,074	1,680,362	-	995,516	995,516 (6)	1.69
1991	2,986,061	1,302,159	1,683,902	165,000	995,517	1,160,517 (6)	1.45
1992	3,276,040	1,499,932	1,776,108	175,000	985,369	1,160,369 (6)	1.53

- (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, 1992

Fiscal Year	Population (1)	School Enrollment (2)	Unemployment (3)
1983	10,618	1,710	7.8 %
1984	10,747	2,006	(4) 5.2 %
1985	11,003	2,662	(4) 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 %
1991	(5) 11,141	1,814	(7) 7.3 %
1992	(6) 11,198	1,876	(7) 7.9 %

- (1) County of Volusia, Planning Department
- (2) Volusia County School Board
- (3) Florida Department of Labor
- (4) Represents estimated unemployment
- (5) 1990 U.S. Census
- (6) Bureau of Economic and Business Research
- (7) Represents unemployment for Volusia County

Table X
City of Holly Hill, Florida
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years
September 30, 1992

Fiscal Year	(1) Commercial Construction		Residential Construction		(2) Bank Deposits (In Thousands)	(3) Property Value		
	Units	Value	Units	Value		Commercial	Residential	Nontaxable
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
1991	4	994,181	20	910,000	72,893	2,715,075,106	6,638,318,664	3,742,662,664
1992	7	412,800	68	1,909,500	N/A	2,682,243,301	6,900,287,052	3,836,512,427

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

(2) Florida Bankers Association

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

N/A Not available

Table XI
 City of Holly Hill, Florida
 Salaries and Surety Bonds of Principal Officials
 September 30, 1992

Title of Official	Annual Salary	Years of Service	Amount of Surety Bond
Mayor	\$ 6,480	9 months	\$50,000 blanket amount on all positions
Mayor Pro-Tem	4,320	4 years 9 months	
City Councilmen (3)	4,320	9 months to 4 years 9 months	
City Attorney (retainer)	7,500	16 1/2 years	
City Manager	62,475	1 year 5 months	
Deputy Clerk	44,866	13 1/2 years	
Finance Director	42,910	1 year 7 months	
Police Chief	56,639	9 years 7 months	
Public Services Director	55,266	4 years 11 months	
Fire Chief	48,514	2 months	
Building Official	40,061	12 years	

Table XII
City of Holly Hill, Florida
Schedule of Major Taxpayers
September 30, 1992

Name	Type of Business	Assessed Values	Percent of Total Assessed Value
Holly Hill R.H.F. Housing, Inc.	Bishop Glen Retirement Center	\$ 16,341,240	4.55 %
Southern Bell Telephone Co.	Communications	5,111,350	1.42
Florida Power & Light	Electrical Utility	4,095,081	1.14
John Hancock Mutual Life Ins.	Winn Dixie	3,557,950	.99
Barchester Corp.	Mobile Home Park	3,469,435	.97
Life Insurance Co. of Georgia Publix Super Markets, Inc.	Shopping Center	3,327,428	.93
Polyvers, Ltd.	Apartment Complex	3,299,992	.92
Holly Point Apartments, Ltd.	Apartment Complex	3,176,751	.88
Dendrite Enterprises	Business Park	1,616,408	.45
Jerome Unatin	Apartment Complex	<u>1,464,138</u>	<u>.41</u>
		<u>\$ 45,459,773</u>	<u>12.66 %</u>

Source: Volusia County Property Appraiser

Table XIII
City of Holly Hill, Florida
Climatological Summary
September 30, 1992

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, 1992

Date of Incorporation:

Under the General Laws of Florida as
 the Town of Holly Hill - July 1, 1901

Present Charter incorporating the City
 of Holly Hill adopted - 1941

Form of Government:

Council/Manager

Area: 3.79 square miles

50.3 miles pave streets
 2.3 miles unpaved streets
 22.7 miles sidewalks
 28.9 miles storm sewers
 65.0 miles sanitary sewer

258 fire hydrants

Fire Protection:

1 Fire Station
 10 Full-time Firefighters
 10 Volunteer Firefighters

Police Protection:

1 Police Station
 Holding facility
 12 Vehicular patrol units
 1 Animal Control unit
 1 Motorcycle unit

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

Education: Volusia County Schools -
 Elementary 1
 Secondary 1

Students:

Kindergarten - Grade 5 = 950
 Grades 6 - 8 = 864

Personnel:

Instructional 100
 Noninstructional 87
 Administrative 8

Street Lights:

High Pressure Sodium Vapor

6,300 lumen - 653
 9,500 lumen - 76
 16,000 lumen - 47
 22,000 lumen - 94
 50,000 lumen - 2

White Way Underground

1,000 lumen - 6

Employees as of September 30, 1991:

112 Civil Service
 3 Exempt

115 Total

Water Treatment Plant:

Design capacity - 2.3 MGD
 Current production rate - 1.1 MGD
 Number of customers - 5,490

Water Pollution Control Plant:

Capacity - 2.4 MGD
 Current production rate - 1.755 MGD
 Collection system users - 4,650

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 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, 1992, and have issued our report thereon dated January 29, 1993. 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 forming 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 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.



January 29, 1993

City of Holly Hill, Florida
 Schedule of Federal Financial Assistance
 For the Year ended September 30, 1992

Federal Grantor/ Program Title	CFDA Number	Identification Number	Award Amount	Revenues	Expenditures
Department of the Interior Florida Department of Natural Resources Land and Water Conservation Fund Grant	15-916	LWCF-1200315	\$ 50,000	\$ 49,095	\$ 125,134
Department of Health and Rehabilitative Services Public Health Dental Program	N/A	LP-531	19,287	-	19,287
			<u>\$ 69,287</u>	<u>\$ 49,095</u>	<u>\$ 144,421</u>

N/A - CFDA Number not available.

Report of Independent Certified Public Accountants
on Compliance with General Requirements
Applicable to Federal Financial Assistance Programs

The Honorable Mayor, City Council
and 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, 1992, and have issued our report thereon dated January 29, 1993.

We have applied procedures to test the City of Holly Hill, Florida's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended September 30, 1992: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, drug-free workplace, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Holly Hill, Florida's compliance with the requirements listed in the preceding paragraph. 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 second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the 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 and questioned costs.

This report is intended for the information of the City Council, management and agencies providing federal financial assistance. However, this report is a matter of public record, and its distribution is not limited.

January 29, 1993



City of Holly Hill, Florida
Schedule of Findings
For the Year ended September 30, 1992

Drug Free Workplace

The City currently has a policy outlining the possible actions that may be taken against employees using drugs in the workplace. During the year ended September 30, 1991, the City began revising its drug-free workplace policy to conform to the requirements of the Drug-Free Workplace Act of 1988. However, the revisions were not complete at September 30, 1992.

We recommend that the City continue its review of the provisions of the Drug-Free Workplace Act and revision of its current policy to encompass the requirements outlined in the Act. When complete, each employee engaged in the performance of a federal grant should be given a copy of the City's policy statement.

Report of Independent Certified Public Accountants
on Compliance Related to Nonmajor
Federal Financial Assistance Programs

The Honorable Mayor, City Council
and 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, 1992, and have issued our report thereon dated January 29, 1993.

In connection with our audit of the general purpose financial statements of City of Holly Hill, Florida and with our consideration of City of Holly Hill, Florida's internal control structure 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, 1992. As required by Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility 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's 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 the City of Holly Hill, Florida, had not complied, in all material respects, with those requirements.

This report is intended for the information of the City Council, management and agencies providing federal financial assistance. However, this report is a matter of public record and its distribution is not limited.



January 29, 1993

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Report of Independent Certified Public Accountants on Internal Control Structure used in Administering Federal Financial Assistance Programs

Honorable Mayor, City Council
and 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, 1992, and have issued our report thereon January 29, 1993.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 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, 1992, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on City of Holly Hill, Florida's general purpose financial statements and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated January 29, 1993.

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, that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of general purpose financial statements in conformity with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure errors, irregularities, or instances of noncompliance 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 the policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls -
Cash Receipts
Cash Disbursements

Administrative Controls -
General Requirements
. Political activity
. Civil Rights
. Cash management
. Federal financial reports
. Drug free workplace
. Allowable costs/cost principles
. Administrative requirements

For all the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1992, City of Holly Hill, Florida had no major federal financial assistance programs and expended 87 percent of its total federal financial assistance under the following nonmajor federal financial assistance program:

Land and Water Conservation Fund Grant

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor program. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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 noncompliance with laws and regulations that would be material to a federal financial assistance program 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 other matters involving the internal control structure and its operation that we have reported to the management of City of Holly Hill, Florida in a separate letter dated January 29, 1993.

This report is intended for the information of the City Council, management and agencies providing federal financial assistance. However, this report is a matter of public record and its distribution is not limited.

January 29, 1993

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Report of Independent Certified Public Accountants
on Supplementary Information
Schedule of State Financial Assistance

The Honorable Mayor, City Council
and 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, 1992, and have issued our report thereon dated January 29, 1993. These financial statements are the responsibility of City of Holly Hill, Florida 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 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of state financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the 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.



January 29, 1993

City of Holly Hill, Florida

Schedule of State Financial Assistance

For the Year ended September 30, 1992

	Identification Number	Award Amount	Program Receipts	Program Disbursements
State of Florida - Inland Navigation District Sunrise Park	VO-HH-90-8	\$ 40,000	\$ -	\$ 21,142
State of Florida - Department of Environmental Regulation Recycling and Education Grant	RE-91	16,188	16,188	16,188
State of Florida - Department of Community Affairs Resource Planning & Management	92-CA-49-06-74-02-644	6,965	3,483	3,483
		<u>\$ 63,153</u>	<u>\$ 19,671</u>	<u>\$ 40,813</u>

Report of Independent Certified Public Accountants
on Compliance with Requirements of
State Financial Assistance Programs

The Honorable Mayor, City Council
and 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, 1992, and have issued our report thereon dated January 29, 1993.

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 and regulations related to state financial assistance programs of City of Holly Hill, Florida is the responsibility of City of Holly Hill, Florida's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of City of Holly Hill Florida's compliance with certain provisions of laws and regulations, related to state financial assistance programs. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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 City of Holly Hill, Florida had not complied, in all material respects, with those provisions.

This report is intended for the information of the City Council and management and agencies providing state financial assistance. However, this report is a matter of public record and its distribution is not limited.



January 29, 1993

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