

PURVIS GRAY

Honorable Mayor and City Council
City of Williston
Williston, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Williston, Florida (the City) for the year ended September 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 9, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- *Estimation of the Allowance for Doubtful Accounts*—Management's estimate for the allowance for doubtful accounts is based on historical collection rates and an analysis of the collectability of individual receivables.
- *Useful Lives of Assets*—Management's estimate of the useful lives of assets is based upon known historical facts and industry standards for similar assets.
- *Pension Actuarial Methods and Assumptions*—Management's estimates are based upon risk and market factors affecting governmental entities of similar sizes and employee census information. Management uses the assistance of an actuary hired by the City to project estimated contributions. This information includes the net pension liability (asset), deferred inflows, and outflows of resources.

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- *FRS Pension Actuarial Methods and Assumptions*—As a participating employer in the Florida Retirement System (FRS), the City has recorded its share of the FRS net pension liability and related deferred outflows/inflows on its statement of net position. These numbers are estimates based on assumptions embedded in the employer allocations. If these assumptions were changed, the reported amounts could be significantly affected. In addition, because the FRS operates on a fiscal year ended June 30, there is a difference between the measurement date of these numbers (June 30, 2020) and the reporting date (September 30, 2020).
- *Other Postemployment Benefits (OPEB) Actuarial Methods and Assumptions*—The unfunded accrued actuarial liability and deferred inflows/outflows for OPEB is determined based on employee census data and assumptions based on industry trends. Management uses the assistance of an actuary hired by the City to project estimated contributions. There are significant underlying assumptions in the actuarial report which, if changed, would affect the reported amounts.
- *Compensated Absences*—Management utilizes assumptions to best estimate the value of the balance for employee vacation and sick time available at year-end.

We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was *the disclosure in Note 12 regarding COVID-19 and its potential impact to the City*.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material corrected or uncorrected misstatements noted.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 11, 2021.

Honorable Mayor and City Council
City of Williston
Williston, Florida

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

The following are audit matters that we would like to bring to the attention of the Mayor, City Council, and management of the City:

Upcoming New Accounting Standards

- The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 84, *Fiduciary Activities*, with an effective date for reporting periods beginning after December 15, 2019 (fiscal year ending September 30, 2021). The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on: (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists.

- GASB has issued GASB Statement No. 87, *Leases*, with an effective date for reporting periods beginning after June 15, 2021 (fiscal year ending September 30, 2022). The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources, or outflows of resources, based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

Other Auditor’s Comments

Fund Balance Reserve Policy

In the past several years, we have noted a continued decline in most funds of the City wherein expenditures were greater than revenues causing a decline in reserves of fund balances. Of particular concern is the decline in the General Fund and Airport Fund. The decline in reserves is approaching a level

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Williston, Florida

that is less than what best practices in governmental management guidelines recommends. Currently, the General Fund unassigned fund balance is approximately 15.7% of expenditures (including interfund advance) and best practices recommends a reserve rate of 20%-25% of expenditures. Additionally, the Airport Fund is showing a negative \$21,953 of unassigned fund balance indicating that there are zero reserves in the fund, which may result in an interfund borrowing from other funds to maintain operations.

We recommend that management of the City and the City Council develop a fund balance/net position policy that would set limitations and budgetary guidelines to target a desired fund balance/net position reserve. Having an established reserve level in fund balances will assist the City in future operational planning and help to restore balances to a level that would assist the City in case of unexpected financial emergencies.

Building Department

As of December 30, 2020, Florida Statute 553.80(7)(b) requires governments to provide a building permit and inspection utilization report posted to the City's website. As of the reporting date, no such report has been made available on the website. We recommend the City disclose a building permit and inspection utilization report to their website to comply with Florida Statutes.

During our review of the Building Department revenues and expenditures, we observed the department has had several years of losses, wherein the fees assessed for building permits were not enough to cover the costs of the department. Upon further review of permitting fees, a system calculation issue was noted for rates of certain permits. Of the sample reviewed, there were four exceptions noted. We recommend management review their permitting software to ensure fees are being assessed appropriately and, if necessary, create mitigating controls to test that building permits rates are being charged based on existing ordinances. Additionally, we recommend management review costs associated within the department to ensure fees are set to cover the costs of operating the department.

Airport Billing Routine

During our 2020 audit, we noted the Airport revenues received from land, t-hangar, and corporate t-hangar space rentals were not being reconciled month to month. We recommend reconciling revenues received from airport space rentals monthly to ensure timely review of any collections outstanding.

Information Technology (IT General Controls)

Our review of the IT General Controls is ongoing as the City recently hired an internal employee to manage the City's IT structure and governance. As the process is ongoing, we will assist management with recommendations as necessary.

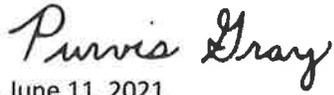
Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Retirement Plans' Schedules, and Other Postemployment Benefits Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Honorable Mayor and City Council
City of Williston
Williston, Florida

Restriction on Use

This information is intended solely for the information and use of the Honorable Mayor, City Council, and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.



June 11, 2021
Ocala, Florida

2020

City of Williston, Florida

Financial Statements
and Independent Auditor's Report

September 30, 2020

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CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**CITY OF WILLISTON, FLORIDA
WILLISTON, FLORIDA**

SEPTEMBER 30, 2020

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**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**CITY OF WILLISTON, FLORIDA
WILLISTON, FLORIDA**

SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Williston
Williston, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Williston (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Williston, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, the Airport Development and Community Redevelopment Special Revenue Funds and, where applicable, cash flows, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter - COVID-19

As more fully described in Note 12 to the financial statements, the City may be operationally and financially impacted by the outbreak of the novel coronavirus (COVID-19) pandemic.

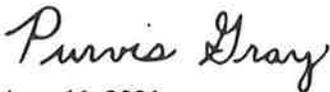
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Pension Plans' Schedules, and Other Postemployment Benefits Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



June 11, 2021
Ocala, Florida

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The Management Discussion and Analysis (MD&A) serves as an introduction to the City of Williston, Florida's (the City) basic financial statements. It also provides assistance to the readers by focusing on significant financial issues, providing an overview of the City's financial activities, and identifying the City's ability to meet future challenges; it assists in identifying significant deviations from the financial plan and addresses any individual fund issues or concerns. Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the City's financial statements (beginning on page 18). Please note the City provides prior year comparative financial information as required by Governmental Accounting Standards Board (GASB) Statement No. 34.

As management of the City, we offer readers of the City's annual financial statements this narrative overview and analysis of financial activities of the City for fiscal year ended September 30, 2020. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

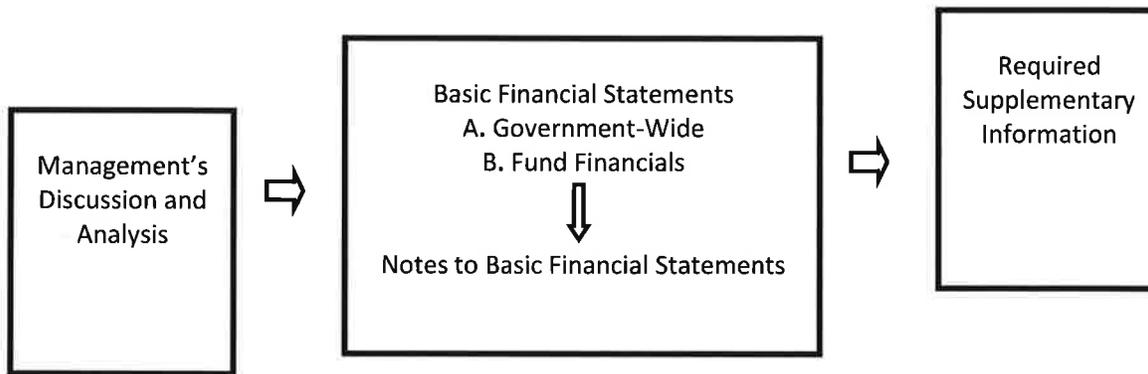
FINANCIAL HIGHLIGHTS

- The City's net position exceeded its liabilities at the close of the current fiscal year by \$25,811,307.
- The City's total net position decreased by \$1,408,211 for the current fiscal year. Governmental activities assets decreased by \$1,040,241, and business-type activities decreased by \$367,970 for the fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$873,636. The non-spendable portion of the fund balance totaled \$42,052 and the restricted portion totaled \$436,339. Approximately 45.2% of the ending fund balance, \$395,245, is available for spending at the City's discretion (unassigned fund balance).
- The City maintains two single employer defined benefit plans that separately cover full-time police officers and all other general employees. The net change in the fiduciary fund's assets was an increase of \$65,105 from the prior year.
- The City's total long-term debt decreased by \$102,522 or 6.6% during the current fiscal year. The decrease was the result of principal payments as well as a net reduction in the City's total compensated absences and other special benefits.
- The City's total net position of \$25,811,307 is divided into the following classifications:
 - Net Investment in Capital Assets in the amount of \$21,743,128. This includes land, buildings, improvements, and equipment less accumulated depreciation and any outstanding debt that is related to the purchase or construction of those assets.
 - Restricted assets of \$436,339 for specific use in law enforcement, local option gas tax, building department, and community redevelopment expenditures.
 - Unrestricted assets in the amount of \$3,631,840 are available for the City to meet the ongoing activities and obligations to citizens and creditors.

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Overview of the Financial Statements

The MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. For the fiscal year ended September 30, 2020, the City has prepared the financial statements based on the guidelines provided in the GASB Statement No. 34 reporting model illustrated below:



Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances as a whole. This broad overview is similar to the financial reporting of private-sector businesses. The government-wide financial statements have separate columns for governmental activities and business-type activities. Governmental activities are primarily supported by taxes, charges for services and grants, while business-type activities are self-supporting through user fees and charges.

- The *statement of net position* presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The *statement of activities* presents information on how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenditures are reported in this statement for some items that will result in cash flows in future fiscal periods. (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions within the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of these costs through user fees and charges (*business-type activities*). Governmental activities include, among other things, general government (city council, finance, and administration), public safety (police and fire control), public works (streets and sidewalks), culture, and recreation. Business activities include electric, gas, water, sewer, and sanitation utilities. The government-wide financial statements can be found on pages 18 and 19 of this report.

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds in the City can be divided into governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

This fund is used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows (revenues) and outflows (expenditures of spendable resources)*, as well as on *balances of spendable resources* available at the end of the fiscal year. The government-wide financial statements include both *near-term and long-term inflows (revenues) and outflows (expenditures)*, as well as on *balances of spendable resources* available at the end of the fiscal year. Information in the governmental funds may be useful in evaluating a government's *near-term* financing requirements.

The focus of *governmental funds* is narrower than that of the government-wide financial statements. It is useful to compare the information presented in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's *near-term* financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains three (3) individual *governmental funds*. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balance for the general fund, airport development special revenue fund, and community redevelopment special revenue fund, all of which are considered to be major funds. The basic governmental fund financial statements can be found on pages 20 through 26 of this report.

Proprietary Funds

The City maintains one type of *proprietary fund*, which is the *enterprise fund*, used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to separately account for its utility activities. Business-type activities charge a fee for the specific goods or services provided to customers. The basic proprietary fund financial statements can be found on pages 27 through 29 of this report.

Fiduciary Funds

This fund accounts for resources held in a trustee capacity or as an agent for parties outside of the government. Fiduciary funds are not included in the government-wide financial statements because their resources or assets are not available to support the City's activities. The City has two fiduciary fund-type pension trusts for its pension funds. The accounting used for fiduciary funds is much like that used in proprietary funds. The basic fiduciary fund financial statements can be found on pages 30 and 31 of this report.

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Notes to the Financial Statements

The notes to the financial statements provide additional information that is important in order to gain a full understanding of the data in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements on pages 32 through 65 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its general employees and police officers. Required supplementary information can be found on pages 66 through 72 of this report.

Government-Wide Financial Analysis

As noted earlier, the statement of net position on the following page may serve over time as a useful indicator of the City's financial position. The City's net position exceeded liabilities by \$25,811,307 at the close of the fiscal year ended September 30, 2020, resulting in a decrease in net position of \$1,408,211, or approximately 5.2% less than the prior year total of \$27,219,518.

By far, the largest portion of the City's net position is reflected in its investment in capital assets such as land, buildings, improvements, and equipment, less any debt used to acquire those assets that are still outstanding, which totals \$21,743,128, or 84.2% of the overall net position mentioned above. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the City's investment in capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position are resources subject to external restrictions on how they may be used and represent \$436,339, or 1.7% of total net position. Restricted assets increased by \$89,759, or 20.6%, from the prior year. The remaining balance of \$3,631,840 is unrestricted and may be used to meet the City's ongoing obligations to its citizens, customers, and creditors.

The statement of net position on the following page illustrates the increases or decreases in net position from the prior fiscal year both for governmental-type and business-type activities.

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

**Statement of Net Position
September 30, 2020**

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 1,246,924	\$ 2,616,341	\$ 4,235,443	\$ 4,117,201	\$ 5,482,367	\$ 6,733,542
Prepays and other	520,344	476,513	414,950	416,452	935,294	892,965
Capital assets, net of accumulated depreciation	15,667,595	13,421,565	8,501,012	8,259,696	24,168,607	21,681,261
Total assets	17,434,863	16,514,419	13,151,405	12,793,349	30,586,268	29,307,768
Deferred Outflows - OPEB	13,237	50,118	8,793	34,239	22,030	84,357
Deferred Outflows - Pension	1,209,662	1,282,563	359,624	299,720	1,569,286	1,582,283
Total Deferred Outflows of Resources	1,222,899	1,332,681	368,417	333,959	1,591,316	1,666,640
Long-term liabilities	1,244,856	1,750,391	1,397,473	1,384,894	2,642,329	3,135,285
Other liabilities	487,478	316,124	890,540	902,963	1,378,018	1,219,087
Total liabilities	1,732,334	2,066,515	2,288,013	2,287,857	4,020,347	4,354,372
Deferred Inflows - OPEB	14,805	63,236	9,835	42,921	24,640	106,157
Deferred Inflows - Pension	562,448	409,415	350,631	293,157	913,079	702,572
Total Deferred Inflows of Resources	577,253	472,651	360,466	336,078	937,719	808,729
Net assets:						
Net Investment in Capital Assets	15,394,649	14,684,542	7,255,473	7,058,586	22,650,122	21,743,128
Restricted	346,880	436,339	-	-	346,880	436,339
Unrestricted	606,646	187,053	3,615,870	3,444,787	4,222,516	3,631,840
Total net assets	\$ 16,348,175	\$ 15,307,934	\$ 10,871,343	\$ 10,503,373	\$ 27,219,518	\$ 25,811,307

Normal Impacts

There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation.

1. Net results of activities will impact (increase/decrease current assets and unrestricted net position).
2. Borrowing of capital will increase current assets and long-term debt.
3. Spending borrowed proceeds on new capital will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets, and an increase in related net debt will not change the invested in capital assets, net of debt.
4. Spending of non-borrowed current assets on new capital will reduce current assets, increase capital assets, reduce unrestricted net position, and increase invested in capital assets, net of debt.
5. Principal payment of debt will reduce current assets and reduce long-term debt, reduce unrestricted net position, and increase invested in capital assets, net of debt.
6. Reduction of capital assets through depreciation will reduce capital assets and invested in capital assets, net of debt.

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

**Changes in Net Position
For the Year Ended September 30, 2020**

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues						
Program revenues:						
Charges for services	\$ 1,537,398	\$ 1,354,811	\$ 5,619,449	\$ 5,557,317	\$ 7,156,847	\$ 6,912,128
Capital grants & contributions	882,946	138,151	9,886	196,956	892,832	335,107
General revenues:						
Property taxes	750,847	851,451	-	-	750,847	851,451
Public service tax	373,899	358,562	-	-	373,899	358,562
Other taxes	416,304	455,831	-	-	416,304	455,831
Other	734,509	782,342	2,240	2,748	736,749	785,090
Total revenues	4,695,903	3,941,148	5,631,575	5,757,021	10,327,478	9,698,169
Expenses						
General government	651,225	666,100	-	-	651,225	666,100
Law enforcement	1,594,189	1,589,794	-	-	1,594,189	1,589,794
Fire control	676,821	802,046	-	-	676,821	802,046
Streets and sidewalks	427,334	373,484	-	-	427,334	373,484
Parks and recreation	97,307	65,165	-	-	97,307	65,165
Community redevelopment	152,905	127,094	-	-	152,905	127,094
Animal control	56,359	67,031	-	-	56,359	67,031
Airport operations & development	2,323,806	2,172,682	-	-	2,323,806	2,172,682
Interest on long-term debt	2,196	1,650	-	-	2,196	1,650
Utility	-	-	5,408,421	5,234,991	5,408,421	5,234,991
Non Departmental	4,085	6,343	-	-	4,085	6,343
Total expenses	(5,986,227)	(5,871,389)	(5,408,421)	(5,234,991)	(11,394,648)	(11,106,380)
Increase / (Decrease) in net position before transfers:	(1,290,324)	(1,930,241)	223,154	522,030	(1,067,170)	(1,408,211)
Transfers	636,570	890,000	(636,570)	(890,000)	-	-
Change in net position	(653,754)	(1,040,241)	(413,416)	(367,970)	(1,067,170)	(1,408,211)
Net position, beginning of year	17,001,929	16,348,175	11,284,759	10,871,343	28,286,688	27,219,518
Net position, end of year	\$16,348,175	\$15,307,934	\$10,871,343	\$10,503,373	\$27,219,518	\$25,811,307

The statement shown above illustrates the increase or decrease in net position for the City resulting from its operating activities.

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Governmental Activities

As shown on the previous page, the City's total net position for governmental activities decreased by \$1,040,241 for the current fiscal year. Key elements of these changes are as follows:

Revenues

Overall, the total revenue for governmental activities decreased by \$754,755 compared to the prior fiscal year. The activity was as follows:

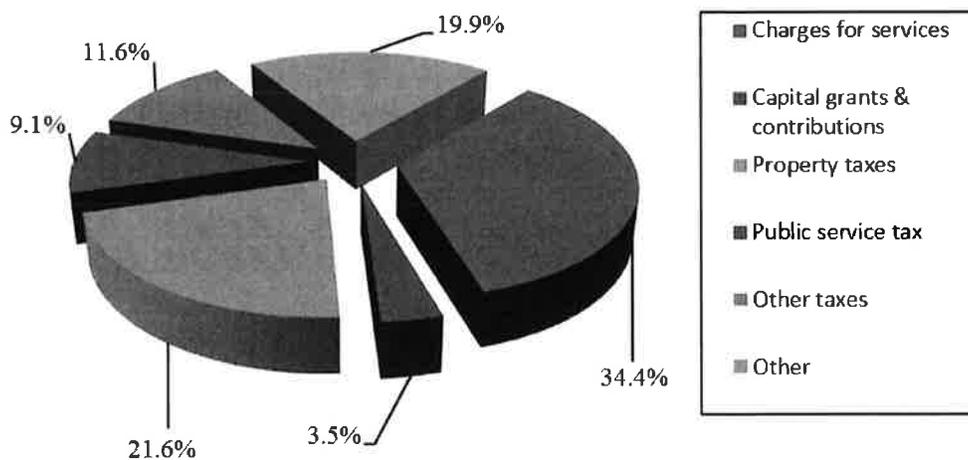
Charges for services decreased by \$182,587, or 11.9%, from the prior fiscal year-end. The decrease was the result of lower fuel sales at the Airport during the current year. The decrease was offset by increasing in building permit revenue as well as other miscellaneous revenue at the Airport.

Capital grants and contributions decreased by \$744,795 or 84.4%, from the prior fiscal year. The decrease was the result of less grant-related projects at the Airport during the current year in comparison to the prior fiscal year.

The general revenues increased by \$172,627 compared to the previous year primarily because of an increase in property taxes, franchise fees, code enforcement fees, telecommunication tax and other local infrastructure taxes. These increases were offset by a reduction in public service taxes.

The following chart shows the percentage each revenue source represents within the City as a whole. The percentages may not equate to 100 percent due to rounding.

Governmental Revenues By Source - 2020

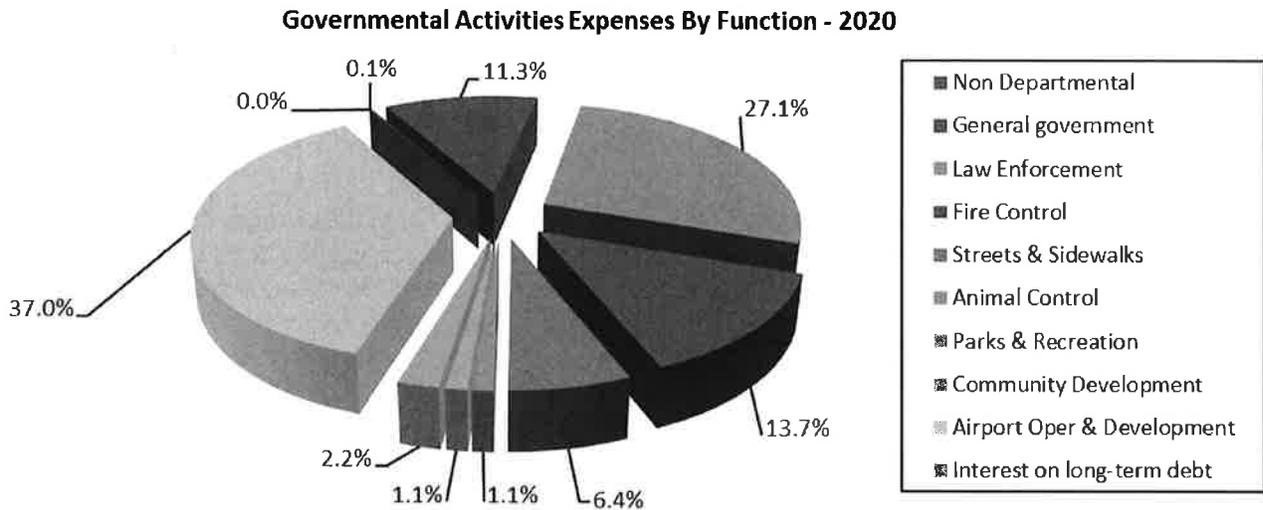


**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Expenses

The City's governmental expenses decreased to \$5,871,389, a \$114,838 or 1.9% decrease from the previous fiscal year's total of \$5,986,227. The decrease is primarily the result of lower fuel purchases required at the Airport as well as open staff positions during the year. These decreases for offset by an increase in payroll-related costs in the fire department, as well as a small increase in depreciation expenses.

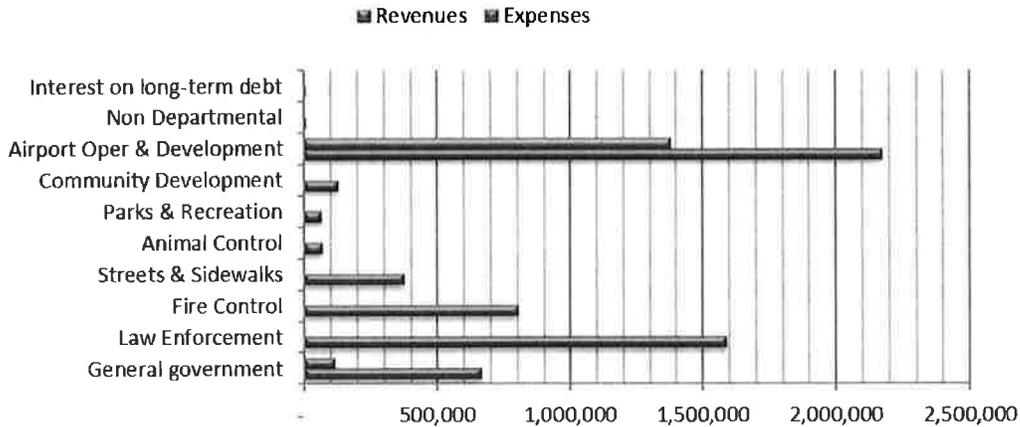
The following illustration shows the percentage each functional area represents within the City as a whole. The percentages may not equate to 100 percent due to rounding.



The bar chart on the next page compares governmental activity expenses against program revenues that each department generates, without any associated general revenues such as property, franchise, public service and telecommunication taxes, as well as interest and other miscellaneous income.

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Governmental Activities Expenses & Program Revenues - 2020



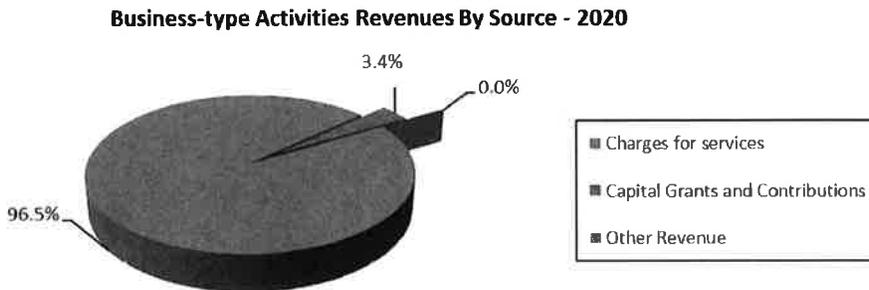
Business-Type Activities

Business-type activities decreased the City's net position by \$367,970 from the previous fiscal year-end. The decrease in the City's net position was primarily the result of an increase in the City's transfer to the General fund as well as an increase in the depreciation during the current fiscal year. Other contributing factors are discussed below.

Revenues

Overall, total revenue for business-type activities increased by \$125,446 compared to the prior fiscal year. The increase was primarily the result of revenue from grant projects as well as increases in water and sewer utility billings. These increases were offset by decreases in electricity utility billings.

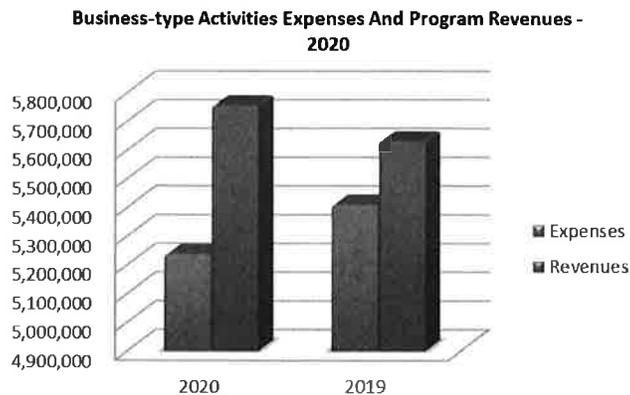
The activity for the fiscal year was as follows: charges for services decreased by \$62,132, capital grants and contributions increased by \$187,070, and other revenues and interest increased by \$508 from the prior fiscal year. The chart below illustrates the breakdown as a percentage of total revenues by each source for the City's business-type activities.



**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Business-type activity expenses decreased by \$173,430 from the prior fiscal year-end. The decrease was primarily the result of lower electricity and gas purchases related to utility billing services as well as a decrease in materials & supplies. These decreases were offset by an increase in professional services and depreciation expenses for the current fiscal year.

The bar chart shown below compares expenses and program revenues for the current fiscal year and the previous one, to illustrate how business-type activities support themselves without the aid of general revenues such as interest earnings and before any transfers are made to governmental funds.



Fund Financial Analysis

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The primary function of the City's governmental funds is to report on *near-term* revenues (inflows), expenditures (outflows) and balance of spendable resources. This information is useful in assessing the government's financial requirements in the near future. In particular, fund balance is a good indicator of the City's net resources that are available for spending at the end of the fiscal year. At the end of the current fiscal year the City's combined ending governmental fund balance was \$873,636. The fund balance in the general fund was \$503,975. The fund balance in the two special revenue funds was a combined ending balance of \$369,661. The City ended the current fiscal year with an overall increase in its combined fund balance of \$35,552 as compared to the prior year end balance of \$838,084.

The City has three major governmental funds as shown below. The following pages illustrate the net change in fund balance for each of the three funds for the fiscal year.

Major Funds

- General Fund
- Special Revenue Fund - Airport Development
- Special Revenue Fund - Community Redevelopment Agency (CRA)

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The general fund is the main operating fund for the City and is shown below. The fund balance after transfers increased by \$7,085 for the fiscal year, as compared to a decrease of \$290,637 in the previous fiscal year, a net increase in 2020 of \$297,722.

General Fund			
	2019	2020	Incr. / (Decr.)
Revenues			
Taxes	\$ 1,528,906	\$ 1,647,438	\$ 118,532
Licenses and permits	79,240	95,223	15,983
Intergovernmental	661,836	605,076	(56,760)
Fines and forfeitures	9,677	26,955	17,278
Interest Earnings	1,081	712	(369)
Other	30,775	13,827	(16,949)
Total revenues	2,311,515	2,389,231	77,716
Expenditures			
Current:			
General Government	437,578	297,978	(139,600)
Law enforcement	1,180,888	1,128,224	(52,664)
Communications	222,721	240,313	17,592
Streets and sidewalks	349,037	292,391	(56,646)
Fire Control	569,153	670,341	101,188
Parks and recreation	33,146	2,763	(30,383)
Library	6,794	6,344	(450)
Planning and zoning	103,874	163,495	59,621
Legislative and legal	55,241	45,621	(9,620)
Animal Control	53,294	58,342	5,048
Non-departmental	3,907	5,883	1,976
Capital Outlay	108,641	239,403	130,762
Debt Service:			
Principal	21,184	21,730	546
Interest	2,196	1,650	(546)
Total expenditures	(3,147,654)	(3,174,478)	(26,824)
Excess (deficiency) of revenues over (under) expenditures	(836,139)	(785,247)	50,892
Other financing sources (uses)			
Transfers in	636,570	890,000	253,430
Transfers out	(91,068)	(97,668)	(6,600)
Total other financing	545,502	792,332	246,830
Net change in fund balances	(290,637)	7,085	297,722
Fund balances, beginning of year	787,527	496,890	
Fund balances, end of year	\$ 496,890	\$ 503,975	

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The special revenue fund - airport development is another operating fund of the City. The fund balance increased by \$2,340 for the current fiscal year, as compared to a decrease of \$99,254 in the previous year, a net increase in 2020 of \$101,594 as illustrated below:

Special Revenue Fund Airport Development			
	2019	2020	Incr. / (Decr.)
Revenues			
Intergovernmental	\$ 796,946	\$ 131,923	\$ (665,023)
Interest Earnings	740	461	(279)
Rental Income	323,332	338,120	14,788
Timber and hay sales	1,405	1,628	223
Fuel Sales	1,112,722	906,985	(205,737)
Other	12,892	14,089	1,197
Total revenues	2,248,037	1,393,206	(854,831)
Expenditures			
Current:			
Airport Development	1,449,682	1,259,168	(190,514)
Capital Outlay	897,609	131,698	(765,911)
Total expenditures	(2,347,291)	(1,390,866)	956,425
Excess (deficiency) of revenues over (under) expenditures	(99,254)	2,340	101,594
Net change in fund balances	(99,254)	2,340	101,594
Fund balances, beginning of year	115,825	16,571	
Fund balances, end of year	\$ 16,571	\$ 18,911	

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

The community redevelopment fund is another special revenue fund the City includes in its statements as illustrated below. The fund balance after transfers associated with this fund increased by \$26,127 for the current fiscal year-end, as compared to a decrease of \$143,056 in the prior year, a net increase in 2020 of \$169,183. The fund was established to account for the Community Redevelopment Agency's (CRA) activities. The CRA's sole purpose is eliminating and preventing the development of slum and blighted areas within the community in order to serve the interest of the citizens.

Special Revenue Fund Community Redevelopment			
	2019	2020	Incr. / (Decr.)
Revenues			
Taxes	\$ 131,137	\$ 135,226	\$ 4,089
Interest Earnings	213	142	(71)
Miscellaneous Revenue	5,000	2,750	(2,250)
Total revenues	136,350	138,118	1,768
Expenditures			
Community Redevelopment	112,016	72,172	(39,844)
Capital Outlay	258,458	137,487	(120,971)
Total expenditures	(370,474)	(209,659)	160,815
Excess (deficiency) of revenues over (under) expenditures	(234,124)	(71,541)	162,583
Other financing sources (uses)			
Transfers in	91,068	97,668	6,600
Total Other financing	91,068	97,668	6,600
Net change in fund balances	(143,056)	26,127	169,183
Fund balances, beginning of year	467,679	324,623	
Fund balances, end of year	\$ 324,623	\$ 350,750	

The Statement of Revenues, Expenditures, and Changes in Fund Balance for all illustrations shown on the previous pages 13 through 15 are provided on page 22 of this report.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the business-type activities totaled \$3,444,787, with the remaining \$7,058,586 being invested in capital assets net of any related debt at the end of the 2020 fiscal year.

The City's total net position for business-type activities decreased by \$367,970 from the prior fiscal year-end. Key elements of the decrease have been addressed in the discussion of the City's business-type activities found on pages 11 and 12 of this report.

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

General Fund Budgetary Highlights with Variances

Overall, the general fund ended the current fiscal year with a negative variance between its final operating revenues budgeted and actual operating revenues in the amount of \$7,884. This was mainly due to an increase in taxes, which was offset by a decrease in licenses, permits and fees, intergovernmental, interest earnings along with fines and forfeiture revenues.

The general fund experienced a positive variance between its final operating expenditures budget and actual operating expenditures in the amount of \$158,689. The positive variance was largely the result of less spending on law enforcement, fire control, street & sidewalks and parks & recreation than was anticipated in the budget.

Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$23,174,861 (net of accumulated depreciation) as compared to the prior year-end total of \$24,168,607 as shown below. The investment in capital assets includes land, buildings, utility distribution systems, improvements, machinery and equipment, streets, roads, and construction in progress. The total decrease in capital assets for the current fiscal year was \$993,746 or 4.1%. Governmental activities decreased by \$752,430 and the business-type activities decreased by \$241,316 as illustrated below. The decrease in capital assets was primarily the result of depreciation record in the current fiscal year.

**Capital Assets - Net of depreciation
(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land	\$1,413,225	\$1,509,235	\$133,966	\$133,966	\$1,547,191	\$1,643,201
Construction In Progress	55,354	150,274	-	188,055	55,354	338,329
Buildings and Improvements	12,714,017	11,889,794	-	-	12,714,017	11,889,794
Plant and Distribution Systems	-	-	7,293,470	6,816,690	7,293,470	6,816,690
Machinery and Equipment	1,484,999	1,365,862	1,073,576	1,120,985	2,558,575	2,486,847
Total Assets, Net	\$15,667,595	\$14,915,165	\$8,501,012	\$8,259,696	\$24,168,607	\$23,174,861

Additional information on the City's capital assets can be found in Note 4 starting on page 42 of this report.

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Debt Administration

At the end of the current fiscal year, the City had a total long-term debt balance of \$1,452,311. Of that amount, \$198,060 is comprised of general obligation debt and backed by the credit of the government. The remaining \$1,254,251 represents notes secured solely by specific revenue sources. Governmental activities account for \$187,131 while business-type activities account for \$1,265,180 of the overall debt as shown below.

**Long-Term Debt
General Obligation and Revenue Bonds**

	Governmental Activities	
	2019	2020
Fire Vehicle	\$74,871	\$53,141
Compensated Absences & Other	159,297	133,990
Total Governmental Activities	\$234,168	\$187,131
	Business-Type Activities	
	2019	2020
City Hall	1,245,539	1,201,110
Compensated Absences & Other	75,126	64,070
Total Business-Type Activities	\$1,320,665	\$1,265,180
Total Outstanding Debt	\$1,554,833	\$1,452,311

Additional information on the City's long-term debt can be found in Note 6 on pages 44 through 46 of this report.

Request for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the City Manager or Finance Director, at 50 N.W. Main Street, Williston, Florida 32696.

BASIC FINANCIAL STATEMENTS

**CITY OF WILLISTON, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 948,598	\$ 2,285,475	\$ 3,234,073
Investments - Certificates of Deposit	-	86,935	86,935
Cash and Cash Equivalents, Restricted	-	268,938	268,938
Receivables (Net of Allowance for Uncollectable Accounts)	53,664	910,078	963,742
Due from Other Governments	287,712	91,648	379,360
Interfund Balances	(198,075)	198,075	-
Inventories	30,842	276,052	306,894
Prepaid Items	11,210	16,525	27,735
Net Pension Asset	465,303	399,927	865,230
Capital Assets Not Being Depreciated	1,659,509	322,021	1,981,530
Capital Assets Net of Accumulated Depreciation	13,255,656	7,937,675	21,193,331
Total Assets	16,514,419	12,793,349	29,307,768
Deferred Outflow of Resources			
Deferred Outflow - OPEB Related	50,118	34,239	84,357
Deferred Outflow - Pension Related	1,282,563	299,720	1,582,283
Total Deferred Outflow of Resources	1,332,681	333,959	1,666,640
Total Assets and Deferred Outflow of Resources	17,847,100	13,127,308	30,974,408
Liabilities			
Accounts Payable and Accrued Expenses	229,752	506,898	736,650
Due to Pensions	30,563	-	30,563
Customer Deposits	-	268,938	268,938
Power Costs Recovered in Advance	-	64,339	64,339
Liabilities:			
Due Within One Year	55,809	62,788	118,597
Due in More Than One Year	1,750,391	1,384,894	3,135,285
Total Liabilities	2,066,515	2,287,857	4,354,372
Deferred Inflow of Resources			
Deferred Inflow - OPEB Related	63,236	42,921	106,157
Deferred Inflow - Pension Related	409,415	293,157	702,572
Total Deferred Inflow of Resources	472,651	336,078	808,729
Total Liabilities and Deferred Inflow of Resources	2,539,166	2,623,935	5,163,101
Net Position			
Net Investment in Capital Assets	14,684,542	7,058,586	21,743,128
Restricted for:			
Law Enforcement	1,598	-	1,598
Community Redevelopment	350,750	-	350,750
Building Department	2,585	-	2,585
Local Option Gas Tax	81,406	-	81,406
Unrestricted	187,053	3,444,787	3,631,840
Total Net Position	\$ 15,307,934	\$ 10,503,373	\$ 25,811,307

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Change in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
Governmental Activities							
General Government	\$ 666,100	\$ 108,078	\$ -	\$ 6,228	\$ (551,794)	\$ -	\$ (551,794)
Law Enforcement	1,589,794	-	-	-	(1,589,794)	-	(1,589,794)
Fire Control	802,046	-	-	-	(802,046)	-	(802,046)
Streets and Sidewalks	373,484	-	-	-	(373,484)	-	(373,484)
Animal Control	67,031	-	-	-	(67,031)	-	(67,031)
Parks and Recreation	65,165	-	-	-	(65,165)	-	(65,165)
Community Redevelopment	127,094	-	-	-	(127,094)	-	(127,094)
Non-Departmental	6,343	-	-	-	(6,343)	-	(6,343)
Airport Operations	2,172,682	1,246,733	-	131,923	(794,026)	-	(794,026)
Interest on Long-Term Debt	1,650	-	-	-	(1,650)	-	(1,650)
Total Governmental Activities	5,871,389	1,354,811	-	138,151	(4,378,427)	-	(4,378,427)
Business-Type Activities							
Utility Services	5,234,991	5,557,317	-	196,956	-	519,282	519,282
Total Government	\$ 11,106,380	\$ 6,912,128	\$ -	\$ 335,107	(4,378,427)	519,282	(3,859,145)
General Revenues							
Property Taxes					851,451	-	851,451
Fines and Forfeitures					26,955	-	26,955
Franchise Taxes					92,320	-	92,320
Public Service Tax					358,562	-	358,562
Local Government Infrastructure Tax					280,427	-	280,427
State Revenue Sharing					665,667	-	665,667
Telecommunication Tax					83,084	-	83,084
Interest Earnings					1,315	1,165	2,480
Miscellaneous					87,432	-	87,432
Gain on Sale of Fixed Assets					973	1,583	2,556
Total General Revenues					2,448,186	2,748	2,450,934
Transfers							
Transfers					890,000	(890,000)	-
Total Transfers					890,000	(890,000)	-
Change in Net Position					(1,040,241)	(367,970)	(1,408,211)
Net Position, Beginning of Year					16,348,175	10,871,343	27,219,518
Net Position, End of Year					\$ 15,307,934	\$ 10,503,373	\$ 25,811,307

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General	Special Revenue Airport Development	Special Revenue Community Redevelopment	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 661,571	\$ 848	\$ 286,179	\$ 948,598
Accounts Receivables (Net of Allowance For Uncollectible Accounts)	11,673	41,991	-	53,664
Due from Other Governments	185,789	101,923	-	287,712
Due from Other Funds	71,474	-	66,470	137,944
Inventories	-	30,842	-	30,842
Prepaid Items	1,188	10,022	-	11,210
Total Assets	<u>931,695</u>	<u>185,626</u>	<u>352,649</u>	<u>1,469,970</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Expenses	132,612	95,241	1,899	229,752
Due to Pension Fund	30,563	-	-	30,563
Due to Other Funds	66,470	71,474	-	137,944
Advance from Other Funds	198,075	-	-	198,075
Total Liabilities	<u>427,720</u>	<u>166,715</u>	<u>1,899</u>	<u>596,334</u>
Fund Balances				
Non-Spendable	1,188	40,864	-	42,052
Restricted:				
Law Enforcement	1,598	-	-	1,598
Community Redevelopment	-	-	350,750	350,750
Building Department	2,585	-	-	2,585
Local Option Gas Tax	81,406	-	-	81,406
Unassigned	417,198	(21,953)	-	395,245
Total Fund Balances	<u>503,975</u>	<u>18,911</u>	<u>350,750</u>	<u>873,636</u>
Total Liabilities and Fund Balances	<u>\$ 931,695</u>	<u>\$ 185,626</u>	<u>\$ 352,649</u>	<u>\$ 1,469,970</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Total Fund Balance for Governmental Funds \$ 873,636

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds. The cost of the assets is \$27,184,970 and the accumulated depreciation is \$12,269,805. 14,915,165

Net pension assets and liabilities, deferred outflows and inflows of resources related to the pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

Net Pension Liability - FRS	(1,214,136)
Net Pension Liability - HIS	(137,791)
Net Pension Asset - Police	91,806
Net Pension Asset - General	373,497

Deferred Inflow - OPEB	(63,236)
Deferred Inflow - FRS	-
Deferred Inflow - HIS	(8,118)
Deferred Inflow - Police	(127,516)
Deferred Inflow - General	(273,781)

Deferred Outflow - OPEB	50,118
Deferred Outflow - FRS	664,643
Deferred Outflow - HIS	91,168
Deferred Outflow - Police	246,841
Deferred Outflow - General	279,911

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term are reported in the statement of net position. Long-term liabilities at year-end consist of:

Capital Lease Payable	(53,141)
Compensated Absences	(133,990)
OPEB Obligation	(267,142)

Net Position of Governmental Activities \$ 15,307,934

The accompanying notes to financial statements are an integral part of this statement.

CITY OF WILLISTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>General</u>	<u>Special Revenue Airport Development</u>	<u>Special Revenue Community Redevelopment</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes:				
Property Tax	\$ 716,225	\$ -	\$ 135,226	\$ 851,451
Sales and Fuel Tax	397,246	-	-	397,246
Franchise Tax	533,967	-	-	533,967
Licenses, Permits, and Fees	95,223	-	-	95,223
Intergovernmental	605,076	131,923	-	736,999
Fines and Forfeitures	26,955	-	-	26,955
Interest Earnings	712	461	142	1,315
Rental Income	-	338,120	-	338,120
Timber and Hay Sales	-	1,628	-	1,628
Fuel Sales	-	906,985	-	906,985
Miscellaneous Revenues	13,827	14,089	2,750	30,666
Total Revenues	<u>2,389,231</u>	<u>1,393,206</u>	<u>138,118</u>	<u>3,920,555</u>
Program Expenditures				
Current:				
General Government	297,978	-	-	297,978
Law Enforcement	1,128,224	-	-	1,128,224
Communications	240,313	-	-	240,313
Roads and Streets	292,391	-	-	292,391
Fire Control	670,341	-	-	670,341
Parks and Recreation	2,763	-	-	2,763
Library	6,344	-	-	6,344
Planning and Zoning	163,495	-	-	163,495
Legislative and Legal	45,621	-	-	45,621
Animal Control	58,342	-	-	58,342
Airport Operations	-	1,259,168	-	1,259,168
Community Redevelopment	-	-	72,172	72,172
Non-Departmental	5,883	-	-	5,883
Capital Outlay	239,403	131,698	137,487	508,588
Debt Service:				
Principal	21,730	-	-	21,730
Interest	1,650	-	-	1,650
(Total Expenditures)	<u>(3,174,478)</u>	<u>(1,390,866)</u>	<u>(209,659)</u>	<u>(4,775,003)</u>
(Deficiency) Excess of Revenues				
(Under) Over Expenditures	<u>(785,247)</u>	<u>2,340</u>	<u>(71,541)</u>	<u>(854,448)</u>
Other Financing Sources (Uses)				
Transfers in	890,000	-	97,668	987,668
Transfers (out)	(97,668)	-	-	(97,668)
Total Other Financing Sources (Uses)	<u>792,332</u>	<u>-</u>	<u>97,668</u>	<u>890,000</u>
Net Change in Fund Balances	7,085	2,340	26,127	35,552
Fund Balances, Beginning of Year	<u>496,890</u>	<u>16,571</u>	<u>324,623</u>	<u>838,084</u>
Fund Balances, End of Year	<u>\$ 503,975</u>	<u>\$ 18,911</u>	<u>\$ 350,750</u>	<u>\$ 873,636</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds \$ 35,552

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Additions	395,396
Depreciation Expense	(1,147,827)

The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Repayment of Long-Term Debt	21,730
Removal of Special Termination Benefit	20,593

Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Net Change in Compensated Absences	4,714
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Governmental funds report pension contributions as expenditures. However, in the statement of activities, changes in pension and OPEB liabilities are reported as a pension and OPEB expense. The following changes affected pension and OPEB related expense:

Pension Expense - FRS	(244,661)
Pension Expense - HIS	(20,600)
Pension Expense - Police	(16,344)
Pension Expense - General	(21,985)
OPEB Expense - General	(66,809)
	(1,040,241)

Change in Net Position of Governmental Activities	\$ (1,040,241)
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The accompanying notes to financial statements are an integral part of this statement.

CITY OF WILLISTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,509,546	\$ 1,509,546	\$ 1,647,438	\$ 137,892
Licenses, Permits, and Fees	165,580	195,580	95,223	(100,357)
Intergovernmental	620,514	620,514	605,076	(15,438)
Fines and Forfeitures	39,935	39,935	26,955	(12,980)
Interest Earnings	12,000	12,000	712	(11,288)
Misc. Revenues	19,500	19,500	13,827	(5,673)
Total Revenues	<u>2,367,075</u>	<u>2,397,075</u>	<u>2,389,231</u>	<u>(7,844)</u>
Expenditures				
Current:				
General Government	306,268	293,276	297,978	(4,702)
Law Enforcement	1,163,724	1,163,724	1,128,224	35,500
Communications	247,103	247,103	240,313	6,790
Streets and Sidewalks	324,641	324,641	292,391	32,250
Fire Control	577,622	722,622	670,341	52,281
Parks and Recreation	21,036	21,036	2,763	18,273
Library	6,970	6,970	6,344	626
Planning and Zoning	132,218	180,149	163,495	16,654
Legislative and Legal	41,000	51,000	45,621	5,379
Animal Control	51,159	51,159	58,342	(7,183)
Non-Departmental	18,887	18,887	5,883	13,004
Capital Outlay	232,600	252,600	239,403	13,197
Debt Service:				
Principal	39,751	39,751	21,730	18,021
Interest	17,716	17,716	1,650	16,066
(Total Expenditures)	<u>(3,180,695)</u>	<u>(3,390,634)</u>	<u>(3,174,478)</u>	<u>216,156</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(813,620)</u>	<u>(993,559)</u>	<u>(785,247)</u>	<u>208,312</u>
Other Financing Sources (Uses)				
Transfers in	745,000	920,000	890,000	(30,000)
Transfers (out)	(36,440)	(46,440)	(97,668)	(51,228)
Total Other Financing Sources (Uses)	<u>708,560</u>	<u>873,560</u>	<u>792,332</u>	<u>(81,228)</u>
Net Change in Fund Balance	(105,060)	(119,999)	7,085	127,084
Fund Balances, Beginning of Year	<u>496,890</u>	<u>496,890</u>	<u>496,890</u>	<u>(172,406)</u>
Fund Balances, End of Year	<u>\$ 391,830</u>	<u>\$ 376,891</u>	<u>\$ 503,975</u>	<u>\$ (45,322)</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND
AIRPORT DEVELOPMENT
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ 465,678	\$ 465,678	\$ 131,923	\$ (333,755)
Interest Earnings	1,600	1,600	461	(1,139)
Rental Income	355,000	355,000	338,120	(16,880)
Timber and Hay Sales	2,900	2,900	1,628	(1,272)
Fuel Sales	1,165,275	1,165,275	906,985	(258,290)
Miscellaneous	16,360	16,360	14,089	(2,271)
Total Revenues	<u>2,006,813</u>	<u>2,006,813</u>	<u>1,393,206</u>	<u>(613,607)</u>
Expenditures				
Current:				
Airport Operations	1,541,135	1,541,135	1,259,168	281,967
Capital Outlay	465,678	465,678	131,698	333,980
(Total Expenditures)	<u>(2,006,813)</u>	<u>(2,006,813)</u>	<u>(1,390,866)</u>	<u>615,947</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>2,340</u>	<u>2,340</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>2,340</u>	<u>2,340</u>
Fund Balances, Beginning of Year	<u>16,571</u>	<u>16,571</u>	<u>16,571</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 16,571</u>	<u>\$ 16,571</u>	<u>\$ 18,911</u>	<u>\$ 2,340</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND
COMMUNITY REDEVELOPMENT
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 135,225	\$ 135,225	\$ 135,226	\$ 1
Interest and Other	200	200	142	(58)
Miscellaneous	-	-	2,750	2,750
Total Revenues	<u>135,425</u>	<u>135,425</u>	<u>138,118</u>	<u>2,693</u>
Expenditures				
Current:				
Community Redevelopment	146,006	146,006	72,172	73,834
Capital Outlay	390,436	390,436	137,487	252,949
Total Expenditures	<u>536,442</u>	<u>536,442</u>	<u>209,659</u>	<u>326,783</u>
Excess (Deficiency) of Over (Under) Revenues Over Expenditures	<u>(401,017)</u>	<u>(401,017)</u>	<u>(71,541)</u>	<u>329,476</u>
Other Financing Sources (Uses)				
Transfer in	93,907	93,907	97,668	3,761
Total Other Financing Sources (Uses)	<u>93,907</u>	<u>93,907</u>	<u>97,668</u>	<u>3,761</u>
Net Change in Fund Balance	(307,110)	(307,110)	26,127	333,237
Fund Balances, Beginning of Year	<u>324,623</u>	<u>324,623</u>	<u>324,623</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 17,513</u>	<u>\$ 17,513</u>	<u>\$ 350,750</u>	<u>\$ 333,237</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020**

	Business-Type Activities - Enterprise Funds
	Utility Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 2,285,475
Investments - Certificates of Deposits	86,935
Accounts Receivable, Net	910,078
Due from Other Governments	91,648
Advance from Other Funds	198,075
Inventories	276,052
Prepays	16,525
Total Current Assets	3,864,788
Non-Current Assets:	
Restricted Cash and Cash Equivalents	268,938
Net Pension Asset	399,927
Capital Assets:	
Land and Land Improvements	133,966
Construction in Progress	188,055
Electric Distribution System	4,961,025
Water Distribution System	4,584,318
Sewer Plant and Distribution System	5,836,354
Natural Gas Distribution System	1,920,248
Machinery and Equipment	3,050,684
(Accumulated Depreciation)	(12,414,954)
Total Capital Assets, Net	8,259,696
Total Non-Current Assets	8,928,561
Total Assets	12,793,349
Deferred Outflow of Resources	
OPEB Related	34,239
Pension Related	299,720
Total Deferred Outflow of Resources	333,959
Total Assets and Deferred Outflow of Resources	13,127,308
Liabilities	
Current Liabilities:	
Accounts Payable and Accrued Expenses	506,898
Compensated Absences - Current	16,017
Liabilities Payable from Restricted Assets - Customer Deposits	268,938
Note Payable - Current	46,771
Power Costs Recovered in Advance	64,339
Total Current Liabilities	902,963
Non-Current Liabilities:	
Compensated Absences	48,053
OPEB Obligation	182,502
Note Payable	1,154,339
Total Non-Current Liabilities	1,384,894
Total Liabilities	2,287,857
Deferred Inflow of Resources	
OPEB Related	42,921
Pension Related	293,157
Total Deferred Inflow of Resources	336,078
Total Liabilities and Deferred Inflow of Resources	2,623,935
Net Position	
Net Investment in Capital Assets	7,058,586
Unrestricted	3,444,787
Total Net Position	\$ 10,503,373

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Business-Type Activities - Enterprise Funds Utility Fund
Operating Revenues	
Charges for Services	\$ 5,557,317
Total Operating Revenues	5,557,317
Operating Expenses	
Electric Power Purchased	1,943,874
Natural Gas Purchased	124,988
Personal Services	1,066,180
Professional Fees and Services	742,962
Insurance	48,143
Operations and Maintenance	307,473
Depreciation and Amortization	729,824
Materials and Supplies	205,518
Other	5,947
Capital Projects	16,485
Total Operating Expenses	5,191,394
Operating Income	365,923
Non-Operating Revenues (Expenses)	
Capital Grants	196,956
Interest Income	1,165
Interest Expense	(43,597)
Total Non-Operating Revenues (Expenses)	154,524
Income Before Capital Contributions and Transfers	520,447
Capital Contributions and Transfers	
Gain on Disposition of Fixed Assets	1,583
Transfers (out)	(890,000)
Total Contributions and Transfers	(888,417)
Change in Net Position	(367,970)
Net Position, Beginning of Year	10,871,343
Net Position, End of Year	\$ 10,503,373

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Business-Type Activities - Enterprise Funds Utility Fund</u>
Cash Flows from Operating Activities	
Cash Received from Customers/Others	\$ 5,422,918
Cash Payments to Suppliers for Goods and Services	(1,016,298)
Cash Payments to Employees for Services	(3,331,546)
Net Cash Provided by (Used in) Operating Activities	<u>1,075,074</u>
Cash Flows from Non-Capital Financing Activities	
Operating Transfers to Other Funds	(890,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(890,000)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(486,926)
Interest Paid on Notes Payable	(43,597)
Payments on Notes Payable	(44,429)
Capital Grant Proceeds	105,308
Net Cash Used for Capital and Related Financing Activities	<u>(469,644)</u>
Cash Flows from Investing Activities	
Changes in Certificates of Deposit, Net	272,298
Interest Received	1,165
Net Cash Used for Investing Activities	<u>273,463</u>
Net Increase in Cash and Cash Equivalents	(11,107)
Cash and Cash Equivalents, Beginning of Year	<u>2,565,520</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,554,413</u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>	
Operating Income	\$ 365,923
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	729,824
(Increase) Decrease in Assets and Deferred Outflows:	
(Increase) in Accounts Receivable	(39,503)
(Increase) in Inventories	(34,012)
Decrease in Net Pension Asset	9,120
Decrease in Deferred Outflows	34,458
(Increase) in Prepaids	(10,622)
Increase (Decrease) in Liabilities and Deferred Inflows:	
(Decrease) in Power Costs Recovered in Advance	(70,531)
Increase in Accounts Payable and Accrued Expenses	109,025
Increase in OPEB Obligation	41,748
(Decrease) in Compensated Absences	(11,056)
(Decrease) in Customer Deposits Payable	(24,365)
(Decrease) in Deferred Inflows	(24,388)
(Decrease) in Due to Other Governments	(547)
Total Adjustments	<u>709,151</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,075,074</u>
As Shown in the Accompanying Financial Statements	
Cash and Cash Equivalents	\$ 2,285,475
Restricted Cash and Cash Equivalents	268,938
Total Cash and Cash Equivalents	<u>\$ 2,554,413</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2020**

	<u>Pension Trust Funds</u>
Assets	
Cash and Cash Equivalents	\$ 61,038
Investments, at Fair Value	7,568,653
Contributions Receivable	50,944
Due from Other Governments	<u>30,565</u>
Total Assets	<u><u>7,711,200</u></u>
Liabilities	
Accrued Expenses	<u>5,815</u>
Total Liabilities	<u><u>5,815</u></u>
Net Position - Held in Trust for Pension Benefits	<u><u>\$ 7,705,385</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF WILLISTON, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 135,052
State	30,563
Employees	90,996
Total Contributions	<u>256,611</u>
Investment Earnings	<u>482,214</u>
Total Additions	<u>738,825</u>
Benefits Paid	644,097
Administrative Expenses	29,623
Total Deductions	<u>673,720</u>
Change in Net Position	65,105
Net Position - Held in Trust for Pension Benefits, Beginning of Year	<u>7,640,280</u>
Net Position - Held in Trust for Pension Benefits, End of Year	<u>\$ 7,705,385</u>

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Note 1 - Description and Summary of Significant Accounting Policies

Reporting Entity

The City of Williston, Florida (the City) was established in 1897 under Florida Statutes, Section 165.031(4). The government operates under a Mayor-Council form of government and provides the following services as authorized by its charter: Public safety (law enforcement, fire, and animal control), public utilities, streets and sidewalks, parks and playgrounds, airport development, and general government services.

The financial statements of the government have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations.

Blended Component Units—The Williston Community Redevelopment Agency (the Agency) is included in the financial reporting entity as a blended component unit. The Agency is established under Florida Statutes, Chapter 163, for the purpose of rehabilitation, conservation, and redevelopment of certain slum and blighted areas in order to serve the interest of public health, safety, morals, and welfare of the community residents. Members of the Agency's Board are appointed by the government's City Council for which certain limited power may be delegated to the Agency in carrying out its activities. However, other powers, including final approval of redevelopment plans and the determination of areas as slum or blighted, vest in the City Council. The Agency is presented as a special revenue fund in the accompanying financial statements.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

Basis of Presentation—Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are inter-related. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

As discussed earlier, the government has one blended component unit. The Agency is included in the governmental activities column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's electric and water functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, blended component units and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *special revenue airport development fund* accounts for operations of the government's airport development and operational related activities.
- The *special revenue community redevelopment fund* accounts for the governmental community redevelopment activities for the purpose of eliminating and preventing the development of slum and blighted areas.

The government reports the following major enterprise fund:

- The *utility fund* accounts for all utility activities of the government. The utility fund reflects activities of the electric systems, the sewage treatment plant and collections systems, the water system, natural gas distribution systems, and the solid waste department.

Additionally, the government reports the following fiduciary fund:

- The *pension trust funds* account for the activities of the government's Police Officers and General Employees Retirement Plans and Trusts, which accumulate resources for pension benefit payments to all qualified employees.
- *Basis of Accounting*—The government's financial statements for the foregoing pension plans and trusts are prepared using the accrual basis of accounting for trust funds. Employer and participant contributions are recognized in the period that contributions are due and payable in accordance with the terms of each plan.
- *Method Used to Value Investments*—Investments in the plans are reported at fair value according to the independent custodian for each plan using various third-party pricing sources.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

- **Contribution Requirements and Contributions Made**—Florida Statutes and the Government’s Pension Board govern employer and employee contribution requirements for each plan. The government’s contributions are actuarially determined to ensure sufficient assets will be available to pay benefits when due.
- **Administrative Costs**—The costs of administering each plan are funded using investment earnings.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds that are included in the governmental activities column. Similarly, balances between the funds are included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be generally available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, airport fund, and community redevelopment fund. The appropriated budget is prepared by fund, function, and department. The government's department heads and City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the fund level.

Assets, Liabilities, and Fund Balances

Cash and Cash Equivalents and Investments—The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For the purposes of the statement of cash flows, all demand deposits in the proprietary fund are included in the statement.

State statutes and the government's investment policy authorize the government to invest in obligations of the U.S. Treasury, interest bearing time deposits or savings accounts in qualified public depositories, money market funds, and certain governmental investment pools authorized by the state.

Investments for the government are reported at fair value. The certificates of deposits are purchased with maturities of greater than three months and are considered investments. The government's pension funds are invested in a pooled account under the Florida Municipal Investment Trust Fund, including cash and cash equivalents, and government and corporate securities. The Fund operates in accordance with state laws and regulations. The reported value of the pension funds' investments is the same as the fair value of the pool shares.

Accounts Receivable and Due from Other Governments—Utility operating revenues are generally recognized on the basis of cycle billings rendered monthly. The amount of services delivered after the last billing date and up to September 30 is estimated and accrued at year-end.

Due from Other Governments represent amounts due from the federal, state or local governments, State of Florida, or Levy County for shared revenues or costs. The amount is considered collectible in full within 60 days of fiscal year-end.

Inventories and Prepaids—All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Capital Assets—Capital assets, which include land, plant distribution systems, machinery and equipment, and infrastructure assets (if purchased after 2003) (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land, plant and equipment of the government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Plant Distribution System	5-50
Improvements	5-50
Vehicles	3-10
Machinery and Equipment	5-40

Long-Term Obligations—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Governmental Fund Balances—The GASB has promulgated Statement No. 54, entitled *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement is designed to do two things: 1) it clarifies the definition of what activities are to be reported within different types of governmental funds (general fund, special revenue fund type, capital project fund type, debt service fund type, and permanent fund type); and 2) it provides clearer fund balance definitions that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds as follows:

- **Non-Spendable**—Amounts that are not in spendable form (such as inventory) are required to be maintained intact.
- **Restricted**—Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- **Committed**—Amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the highest level action to remove or the City Council approves the change.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

- **Assigned**—Amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates authority.
- **Unassigned**—Amounts that are available for any purpose. Positive amounts are only reported in the General Fund.

The City Council is the highest level of decision-making authority of the City, and approves the establishment, increase, and reduction in *Committed* fund balances by budget resolutions and amendments. *Restricted* and *Committed* fund balances are always used first for the purposes for which they were designated. Changes to this practice require prior City Council approval. A minimum fund balance amount has not been formally adopted.

Revenues and Expenditures/Expenses

Program Revenues—Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Property Tax Revenue Recognition—Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method state-wide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City levied a rate of 6.25 mills in the 2019 tax roll.

The tax levy of the City is established by the City Council prior to October 1 of each year and the Levy County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County and the County School Board tax requirements.

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

The City does not accrue its portion of the County-held tax sale certificates or personal property tax warrants because such amounts are not measurable and available as of the balance sheet date.

Compensated Absences—It is the government’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for three quarters of the unpaid accumulated sick leave since the government has a policy to pay only one quarter of such pay benefits when employees separate from service with the government. All vacation pay and one quarter of sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Operating and Non-Operating Revenues and Expenses—Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the government’s utility system enterprise fund are charges to customers for sales and services. The government also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

On-Behalf Payments for Fringe Benefits

The City receives on-behalf payments from the State of Florida to be used for Police Officers’ Retirement Plan Contributions. On-behalf payments to the City totaled \$30,563 for the year ended September 30, 2020. Such payments are recorded as intergovernmental revenue and public safety expenditures in the generally accepted accounting principles basis government-wide and general fund financial statements.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, enterprise, and pension trust funds. All annual appropriations lapse at fiscal year-end. Project-length financial budgets are adopted for all capital projects funds.

Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted in August and September to obtain taxpayer comments. Prior to October 1, the budget is legally adopted and approved. Revisions that alter the total expenditures of any fund must be approved by the City Council.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

The appropriated budget is prepared by fund, function, and department. The government's City Manager may make transfers of appropriations within a department. Transfers of appropriations between departments require approval by the City Council by resolution under the government's charter. The legal level of budgetary control is the fund level. Further, Florida Statutes, Section 166.241, requires the government to expend or contract for expenditures only in pursuance of budgeted appropriations. There were no material violations of budgetary or other legal and contractual provisions requiring disclosure.

Note 3 - Deposits and Investments

<u>Type</u>	<u>Fair Value</u>	<u>Interest Rate Risk WAM</u>	<u>Level</u>	<u>Credit Ratings</u>
Cash and Cash Equivalents				
(Non-Pension Investments):				
Cash Deposits	\$ 3,501,011	N/A	N/A	N/A
Petty Cash	2,000	N/A	N/A	N/A
Investments:				
Certificates of Deposit	<u>86,935</u>	N/A	N/A	N/A
Total	<u>3,589,946</u>			
Pension Cash and Investments:				
Police Officer Pension:				
FMiVT Cash and Money Market	22,401	N/A		N/A
FMiVT Broad Market High Quality Bond	389,212	6.6 Years	2	AAf/S4
FMiVT Core Plus	392,012	5.82 Years	3	Not Rated
FMiVT Diversified Large Cap Equity	1,010,830	Not Rated	2	Not Rated
FMiVT Small to Mid-Cap Equity Fund	285,608	Not Rated	2	Not Rated
FMiVT International Equity Portfolio	445,213	Not Rated	2	Not Rated
FMiVT Core Real Estate Portfolio	254,808	Not Rated	3	Not Rated
Regular Employee Pension:				
FMiVT Cash and Money Market	38,637	N/A		N/A
FMiVT Broad Market High Quality Bond	671,315	6.6 Years	2	AAf/S4
FMiVT Core Plus	676,145	5.82 Years	3	Not Rated
FMiVT Diversified Large Cap Equity	1,743,488	Not Rated	2	Not Rated
FMiVT Small to Mid-Cap Equity Fund	492,620	Not Rated	2	Not Rated
FMiVT International Equity Portfolio	767,908	Not Rated	2	Not Rated
FMiVT Core Real Estate Portfolio	<u>439,494</u>	Not Rated	3	Not Rated
Total Pension Cash and Investments	<u>7,629,691</u>			
Total	<u>\$ 11,219,637</u>			

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

<u>Type</u>	<u>Fair Value</u>
As shown in the Statement of Net Position:	
Entity-Wide Cash and Cash Equivalents	\$ 3,234,073
Entity-Wide Non-Pension Investments	86,935
Entity-Wide Restricted Cash and Cash Equivalents	268,938
Pension Cash and Money Market	61,038
Pension Investments	<u>7,568,653</u>
Total	<u>\$ 11,219,637</u>

Fair Value Hierarchy

The City holds assets that are defined as short-term investments. The City's investments are recorded at fair value unless the investment qualifies as an external investment pool under the guidance in GASB Statement No. 79. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1—Inputs - are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2—Inputs - are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. These inputs are derived from, or corroborated by, observable market data through correlation or by other means.

Level 3—Inputs - are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Custodial Credit Risk—Cash Deposits

The City's cash deposits are covered by Federal depository insurance or by collateral held by the City's custodial bank, which is pledged to a state trust fund that provides security for amounts held in excess of Federal Deposit Insurance Corporation (FDIC) coverage in accordance with the *Florida Security for Public Deposits Act*, Chapter 280, Florida Statutes.

The *Florida Security for Public Deposits Act* (the 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 conditions set forth in the Act.

The government's investment policies are governed by state statutes and local ordinance. The basic allowable investment instruments include Local Government Surplus Funds, or any governmental investments pool authorized pursuant to the *Florida Interlocal Act*, as provided by Section 163, Florida Statutes, SEC registered money market funds with the highest credit quality rating, interest bearing time deposits or savings accounts in qualified public depositories, and direct obligations of the U.S. Treasury.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

The government’s pension trust funds are held in the Florida Municipal Pension Trust Fund (FMPTF). The FMPTF is established as a trust whereby governmental entities with employee pension or other postemployment benefit plans may elect to join the trust and with the trust providing the plans with administrative and investment services for the benefit of Participating Employers, Participating Employees, and Beneficiaries. All employee pension plan assets with the FMPTF are included in the trust’s Master Trust Fund. Employee pension plan assets of the defined benefit type are invested by the FMPTF through the Florida Municipal Investment Trust (FMIvT) for the benefit of the Participating Employers, participating Employees, and Beneficiaries.

The FMIvT, administered by the Florida League of Cities, Inc., is an interlocal governmental entity created under the laws of the State of Florida. The FMIvT is an Authorized Investment under Sec. 163.01 Florida Statutes. The FMIvT is a Local Government Investment Pool (LGIP) and is considered an external investment pool for GASB reporting purposes; however, subject to the fair value reporting under GASB Statement No. 72.

At September 30, 2020, the government’s investment balances consisted of certificates of deposit with local banks and the pension trust funds held in the FMPTF. Asset allocation in the FMPTF external investment pool at September 30, 2020, is as follows:

Asset Allocation	Asset Allocation Percentage
Cash and Money Market	0.8%
Broad Market High Quality Bond	13.9%
Core Plus	14.0%
Diversified Large Cap Equity	36.1%
Diversified Small to Mid-Cap Equity	10.2%
International Equity	15.9%
Core Real Estate Portfolio	9.1%
Total	100.0%

Interest Rate Risk—Interest rate risk exists when there is a possibility the change in interest rates could adversely affect an investment’s fair value. The City does not have a policy for interest rate risk. The weighted average maturity (WAM) of the underlying debt investments in the FMPTF pool is used to determine interest rate risk when applicable.

Credit Risk—Credit risk exists when there is a probability that the issuer or other counterparty to an investment may be unable to fulfill its obligations. The government’s investment policy limits exposure to credit risk.

Custodial Credit Risk—Under GASB Statement No. 40, disclosure is only required if investments are uninsured, unregistered, and held by either the counterpart of the counterparty’s trust department or agent but not in the City’s name. The City’s investments are through the FMPTF in the FMIvT, which are evidenced by shares in the pool. Investments in the pools should be disclosed but not categorized because they are not evidenced by securities that exist in a physical or book entry form. The City’s investments are with the pool, not the securities that make up the pool and, therefore, no disclosure is required.

Foreign Current Risk—The City’s investments are part of FMIvT and those investments are not subject to foreign current risk.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Adjustments	Ending Balance
Governmental Activities					
Capital Assets, Not Being					
Depreciated:					
Land	\$ 1,413,225	\$ 96,010	\$ -	\$ -	\$ 1,509,235
Construction in Progress	55,354	94,920	-	-	150,274
Total Capital Assets, Not Being					
Depreciated	1,468,579	190,930	-	-	1,659,509
Capital Assets, Being					
Depreciated:					
Buildings and Improvements	20,768,396	49,583	-	-	20,817,979
Equipment	4,552,599	154,883	-	-	4,707,482
Total Capital Assets, Being					
Depreciated	25,320,995	204,466	-	-	25,525,461
Less Accumulated					
Depreciation for:					
Buildings and Improvements	(8,054,379)	(873,806)	-	-	(8,928,185)
Equipment	(3,067,600)	(274,020)	-	-	(3,341,620)
Total Accumulated Depreciation	(11,121,979)	(1,147,826)	-	-	(12,269,805)
Total Capital Assets, Being					
Depreciated, Net	14,199,016	(943,360)	-	-	13,255,656
Total Governmental Activities					
Capital Assets, Net	\$ 15,667,595	\$ (752,430)	\$ -	\$ -	\$ 14,915,165
Business-Type Activities					
Capital Assets, Not Being					
Depreciated:					
Land and Land Improvements	\$ 133,966	\$ -	\$ -	\$ -	\$ 133,966
Construction in Progress - CDBG	-	-	-	-	-
Construction in Progress - Non-CDBG	-	188,055	-	-	188,055
Total Capital Assets, Not					
Being Depreciated	133,966	188,055	-	-	322,021
Capital Assets, Being					
Depreciated:					
Plant and Distribution					
Systems	17,226,049	70,588	-	-	17,296,637
Machinery and Equipment	2,826,127	229,865	-	-	3,055,992
Total Capital Assets, Being					
Depreciated	20,052,176	300,453	-	-	20,352,629
Less Accumulated					
Depreciation for:					
Plant and Distribution					
Systems	(9,932,579)	(547,368)	-	-	(10,479,947)
Machinery and Equipment	(1,752,551)	(182,456)	-	-	(1,935,007)
Total Accumulated Depreciation	(11,685,130)	(729,824)	-	-	(12,414,954)
Total Capital Assets, Being					
Depreciated, Net	8,367,046	(429,371)	-	-	7,937,675
Business-Type Activities Capital					
Assets, Net	\$ 8,501,012	\$ (241,316)	\$ -	\$ -	\$ 8,259,696

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Depreciation expense was charged to functions/programs as follows:

Governmental Activities		
General Government	\$	2,955
Law Enforcement		82,694
Communications		875
Planning and Zoning		827
Streets and Sidewalks		57,647
Building and Permitting		1,108
Fire Control		79,357
Parks and Playgrounds		42,178
Library		13,168
Community Redevelopment		48,945
Animal Control		3,938
Airport Operations		<u>814,135</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,147,827</u>
Business-Type Activities		
Electric	\$	82,726
Water		189,755
Natural Gas		109,744
Sewer		158,995
Sanitation		97,008
Administrative Services - Utility		<u>91,596</u>
Total Depreciation Expense - Business-Type Activities		<u>\$ 729,824</u>

Note 5 - Interfund Receivable, Payables, Transfers, and Advances

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. All amounts are expected to be paid within one year. Noted no amounts receivable and/or payable as of fiscal year-end.

The composition of interfund advances as September 30, 2020, is as follows:

<u>Advanced To (Due To)</u>	<u>Advanced From (Due From)</u>	<u>Amount</u>
General Fund	Utility Fund	\$ 198,075
General Fund	Airport Fund	71,474

The advance to the Utility Fund was to fund the purchase of a fire truck. No payments were made in the current year. The due to the Airport Fund was to fund operating and capital shortfalls in the fund.

The City makes transfers among its funds in the course of the fiscal year. The principal purpose of the transfers is to allocate resources from the enterprise funds to the general fund to assist with various governmental activities. Also, transfers are used to move unrestricted general fund revenues to finance various activities that the government must account for in the other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. A summary of interfund transfers follows:

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

	<u>Interfund Transfers In</u>	<u>Transfers (Out)</u>
Major Funds		
General Fund	\$ 890,000	\$ 97,668
Utility Fund	-	890,000
Community Redevelopment Fund	<u>97,668</u>	<u>-</u>
Total Interfund Transfers	<u>\$ 987,668</u>	<u>\$ 987,668</u>

Note 6 - Long-Term Debt

Bank Notes Related to Governmental Activities—The government has one bank promissory note, which was for the purpose of financing a fire truck. Interest rate on the note is 2.50%. The original loan amount was \$148,900 and is secured by a pledge of revenues received from Levy County for fire protection services. At September 30, 2020, total interest paid on this note was \$1,650 and the final payment will be made during the 2022-2023 fiscal year.

New City Hall Bank Note—In May 2018, the City obtained a bank note with a local bank for up to \$3,000,000 to finance the demolition of the old City Hall building and construction of the new City Hall building. The interest rate is 3.5% from May 8, 2018 through May 8, 2039. The City will make 12 monthly payments of interest only, beginning May 8, 2018, followed by 240 payments in the amount required to amortize the unpaid principal balance. All outstanding principal and interest are due on May 8, 2039. At September 30, 2020, the interest rate was 3.5% and total interest paid on this note was \$43,597.

General Long-Term Debt Schedules:

<u>Note Payable Year Ended September 30, 2020</u>	<u>Direct Borrowings Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 22,311	\$ 1,069
2022	22,876	505
2023	<u>7,954</u>	<u>40</u>
Total	<u>\$ 53,141</u>	<u>\$ 1,614</u>

Business-Type Long-Term Debt Schedules:

<u>Year Ended September 30, 2020</u>	<u>Direct Borrowings Business-Type Activities - Utility System</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 46,771	\$ 41,255
2022	48,435	39,591
2023	50,158	37,869
2024	51,942	36,085
2025	53,789	34,237
2026-2030	299,039	141,091
2031-2035	356,139	83,992
2036-2040	<u>294,837</u>	<u>19,075</u>
Total	<u>\$ 1,201,110</u>	<u>\$ 433,195</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Changes in Long-Term Liabilities—Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Direct Borrowing					
Note Payable - Fire Truck	\$ 74,871	\$ -	\$ (21,730)	\$ 53,141	\$ 22,311
Compensated Absences	138,704	133,990	(138,704)	133,990	33,498
Special Termination Benefits Payable ***	20,593	1,125	(21,718)	-	-
Other Postemployment Benefits	211,883	55,259	-	267,142	-
Net Pension Liability (FRS and HIS)	856,742	495,185	-	1,351,927	-
Total Governmental Activities					
Long-Term Activities	<u>\$ 1,302,793</u>	<u>\$ 685,559</u>	<u>\$ (182,152)</u>	<u>\$ 1,806,200</u>	<u>\$ 55,809</u>
Business-Type Activities					
Direct Borrowings					
Note Payable:					
City Hall	1,245,539	(44,429)	-	1,201,110	46,771
Compensated Absences	75,126	68,650	(79,706)	64,070	16,017
Other Postemployment Benefits	140,754	41,748	-	182,502	-
Total Business-Type Activities	<u>\$ 1,461,419</u>	<u>\$ 65,969</u>	<u>\$ (79,706)</u>	<u>\$ 1,447,682</u>	<u>\$ 62,788</u>

*** Special termination benefits consist of monthly retirement benefits payable to the former Mayor of the City. This benefit was based on services rendered to the City for greater than 20 years and is payable over the former Mayor's remaining life. On July 1, 2020, the Mayor passed away and the estimated balance of the benefits payable as of September 30, 2020, was \$0.00.

Pledged Revenues

The City has pledged certain revenues, to repay loans outstanding as of September 30, 2020. The following table reports the revenues, pledged for each note issued, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue, which is pledged to meet the note obligation, the date through which the revenue is pledged under the note agreement, and the total pledged future revenues for each note, which is the amount of the remaining principal and interest on the notes at September 30, 2020:

Description of Notes	Pledge Revenue	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Governmental						
Activity						
Note Payable:						
Fire Truck	Levy County Board of County Commissioners for Revenues Fire Protection Services	\$ 248,522	\$ 23,380	7%	\$ 54,755	2023

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Description of Notes	Pledge Revenue	Revenue Received	Principal and Interest Paid	Estimated Percentage Pledged	Outstanding Principal and Interest	Pledged Through
Business-Type						
Activity						
Note Payable:						
City Hall Loan	Net System					
	Revenues (1)(2)	\$ 1,058,633	\$ 88,026	8%	\$ 1,634,305	2039

- (1) Net System Revenues - all excess revenues received by the City for the operation of utility system (after payment of associated operation and maintenance expense).
- (2) Per the loan agreement, pledged revenues for the City Hall Note will be "all utility system revenues". Additionally, the City agrees to pledge such additional non-ad valorem tax revenues as is necessary. Information for pledged revenue amounts will be included when loan balance outstanding is finalized.

Note 7 - Other Postemployment Benefits (OPEB)

Plan Description – OPEB Plan is a single employer benefit plan administered by the City.

Pursuant to the provision of Section 112.0801, Florida Statutes, former employees who retire from the City and their dependents are eligible to participate in the City's Health Plan for health and life insurance, as long as they pay a full premium applicable to the coverage elected.

Benefits Provided – The OPEB Plan is a single employer benefit plan administered by the City. The retirees are charged the same premium amount the insurance company charges for the type of coverage elected. However, the premiums set by the insurance company are based on average experiences among younger active employees and older retired employees. The older retirees would have a higher cost for health insurance coverage without the City's subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employees. Per GASB Statement No. 75, this is called the "implicit rate subsidy".

Employees Covered by Benefit Terms – At October 1, 2019, the date of the most recent actuarial valuation, plan participation consisted of the following covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	1
Active Plan Members	<u>51</u>
Total Participants	<u><u>52</u></u>

Contributions – For the OPEB Plan, contribution requirements of the City are established and may be amended through action from the City Council. Currently the City's OPEB benefits are unfunded. The actual contributions are based on pay-as-you-go financing requirements. There is not a separate trust fund or equivalent arranged in which the City would make contributions to advance-fund the obligation, as it does for its pension funds.

Net OPEB Liability – The City's net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Actuarial Assumptions – The total OPEB liability in the September 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.14% per annum; this rate was used to discount all future benefit payments and based on the return on the S & P Municipal Bond 20-year High Grade Index as of the measurement date.
Inflation:	3.50%
Salary Increases:	3.00% per annum
Investment Rate of Return:	2.14%
Healthcare Cost Trend Rates:	Increases in healthcare costs are assumed to be 7.00% for the 2019/2020 fiscal year graded down by 0.50% per year to 5.00% for the 2023/24 and later fiscal years.
Mortality Basis:	Sex-distinct rates set forth in the PUB-2010 Mortality Table for general and public safety employees, with full generational improvements in mortality using Scale MP-2017.
Changes:	Since the prior measurement date, the discount rate was decreased from 3.58% per annum to 2.14% per annum and the monthly implied subsidy at age 55 for the 2019/20 fiscal year for the retiree and his spouse was decreased from \$215.00 to \$250.00. The mortality basis was changed from the RP-2000 Mortality Table with generational improvements in mortality using Scale BB to the PUB-2010 Mortality Table with generational improvements in mortality using Scale MP-2017 Employees Covered: Regular, full-time employees for the City.
Types of Benefits Offered:	Post-retirement medical, dental, vision, and life insurance benefits.
Premium:	Retirees must pay the full monthly premium as determined by the insurance carrier for coverage other than medical and life insurance coverage for the retiree himself and must pay the full cost of health insurance coverage for himself above any explicit subsidies provided by the City. The City pays any applicable premiums for single coverage under the medical insurance program until age 65 for those employees who retire on or after age 62 with at least 25 years of service and who were covered under the City's health insurance program for at least five years immediately prior to their retirement. In addition, the City pays the entire premium for a \$15,000 life insurance policy to each retiree. Life insurance coverage decreases by 35% upon the attainment of age 65 and decreases by another 15% upon the attainment of age 70.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Changes in the OPEB Liability – for the fiscal year ended September 30, 2020, were as follows:

	Total OPEB Liability
Balance at September 30, 2019	\$ 352,637
Changes for a Year:	
Service Cost	91,224
Demographic Gain/Loss	(91,515)
Assumption Changes	91,882
Expected Interest Growth	9,456
Benefit Payments and Refunds	(4,040)
Net Changes	97,007
Balance at September 30, 2020	\$ 449,644

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current discount rate:

Comparison of Net OPEB Liability Using Alternative Discount Rates

	1% Decrease	3.58% Discount Rate	1% Increase
Net OPEB Liability	\$ 501,009	\$ 449,644	\$ 403,681

Comparison of Net OPEB Liability Using Alternative Healthcare Cost Trend Rates

	1% Decrease	7.5% Graded Down to 5%	1% Increase
Net OPEB Liability	\$ 380,053	\$ 449,644	\$ 536,817

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources – For the year ended September 30, 2020, the City recognized OPEB expense of \$94,166. At September 30, 2020, the City reported \$84,357 of deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB of \$106,157.

Fiscal Year	Deferred Outflows	Deferred Inflows
2021	\$ 7,525	\$ 9,999
2022	7,525	9,999
2023	7,525	9,999
2024	7,525	9,999
2025	7,525	9,999
Thereafter	46,732	56,162
Total	\$ 84,357	\$ 106,157

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Note 8 - Employee Retirement Plans

Defined Contribution Plan

The City provides a 457 Deferred Compensation Plan for the City Manager. Contributions to the Plan for the year ended September 30, 2020, were \$7,269.

Defined Benefits Plans

The City maintains two single employer, defined benefit plans that separately cover full-time police officer employees and all other general employees. Prior to October 1, 2004, the City's police officers were covered under the same defined benefit plan along with the City's general employees. Effective October 1, 2004, the City established a separate plan and trust for police officers and transferred all liabilities for any accrued benefits, and the cash equivalents equal to the present value to pay the accrued benefits, to the new plan and trust.

Police Officers Plan

Retirement Plan and Trust for Police Officers—The City sponsors and administers the Retirement Plan for the Police Officers of the City of Williston (the Plan). The Plan is considered a defined benefit single-employer plan and is accounted for as a separate pension trust fund. The Plan covers all full-time police officers. A City employee shall become a participant of the Plan at the time of employment. Participants contribute 5% of compensation to the Plan, whereas the City is required to contribute an amount actuarially determined using the aggregate actuarial cost method, currently 20.52% (October 1, 2020) of covered payroll. The cost of administering the Plan is financed by investment earnings.

Name of the Pension Plan:	Retirement Plan and Trust for Police Officers of the City of Williston.
Legal Plan Administrator:	Board of Trustees of the Retirement Plan for the Police Officers of the City of Williston Single-Employer Defined Benefit Pension Plan.
Pension Plan Reporting:	The Plan issues a stand-alone financial report each year, which contains information about the Plan's fiduciary net position. The Plan's fiduciary net position has been determined on the same basis used by the pension plan and is equal to the market value of the assets as calculated under the accrual basis of accounting. This report is available to the public at the Plan's administrative office: Retirement Department, Florida League of Cities, Inc. P.O. Box 1757, Tallahassee, Florida 32302, (800) 342-8112.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Description of Benefit Terms:

Employees Covered:	Full-time police officers employed by the City of Williston.
Types of Benefits Offered:	Retirement, disability, and pre-retirement death benefits.
Basic Pension Formula:	3.00% of average earnings times service.
Early Retirement Adjustment:	Early retirement pension is reduced by 3% for each year by which the early retirement date precedes the normal retirement date.
Disability Pension:	Larger of basic pension formula or 42% of average earnings (for service-connected disabilities). Larger of basic pension formula or 25% of average earnings (for non-service-connected disabilities). Disability benefits are offset as necessary to preclude the total of the disability compensation from exceeding average earnings.
Pre-Retirement Death Benefit:	Basic pension formula payable for 10 years at early or normal retirement age (payable to the beneficiary of vested participant). Return of accumulated employee contributions (payable to the beneficiary of a non-vested participant).
Normal Retirement Age:	Age 55 with at least five years of service (only for participants who were fully vested at the time of their transfer into the Plan from the general employees' plan prior to June 1, 2008), or Age 55 with at least 10 years of service, or Age 52 with at least 25 years of service, or any age with at least 30 years of service.
Early Retirement Age:	Age 50 with at least 10 years of service.
Vesting Requirement:	100% vesting after five years of service (only for participants who were fully vested at the time of their transfer into the Plan from the general employees' plan prior to June 1, 2008), or 100% vesting after 10 years of service.
Form of Payment:	Actuarially increased single life annuity 10-year certain and life annuity. Actuarially equivalent 50%, 66 ^{2/3} %, 75%, or 100% joint and contingent annuity. Any other actuarially equivalent form of payment approved by the Board of Trustees.
Average Earnings:	Average of the highest five-years of pensionable earnings out of the last 10 years.
Cost-of-Living Adjustment:	No automatic cost-of-living adjustment is provided.
Deferred Retirement Option Plan (DROP):	A participant who has attained their normal retirement age is eligible to participate in the DROP for a period of up to 60 months. The DROP accounts are credited with interest at the rate of 6.50% per annum.
Legal Authority:	The Plan was established effective October 1, 2004, pursuant to City ordinance and has been amended several times since that date.
Plan Amendments:	Since the completion of the previous valuation, Ordinances 638 and 641 were adopted. These Ordinances added a DROP provision. This addition of the DROP had no actuarial impact.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Information used to determine the Net Pension Liability:

Employer's Reporting Date:	September 30, 2020
Measurement Date:	September 30, 2020
Actuarial Valuation Date:	October 1, 2019

Additional information as of the latest actuarial valuation is as follows:

Actuarial Cost Method	Aggregate
Amortization Method	Level Percentage, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Non-Investment Expenses	Liabilities have been loaded by 2.75% to account for non-investment expenses.
Mortality Basis	Sex-distinct rates set forth in the RP-2000 Blue Collar Mortality Table, with full generational improvements in mortality using Scale BB.
Retirement	Retirement is assumed to occur at normal retirement age.
Future Contributions	Contributions from the employer and employees are assumed to be made as legally required.
Changes	No assumptions were changed since the prior measurement date.
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Projected Salary Increases	4.50% per annum
Non-Investment Expenses	Liabilities have been loaded by 2.75%
Includes Inflation at *	2.92%
Discount Rate	7.00% (2.77% per annum is due to inflation)
Cost of Living Adjustments	0.0%
Changes	No assumptions were changed since the prior measurement date.

*Same assumptions as used for the actuarial valuation of system.

Determination of Long-Term Expected Rate of Return on Plan Assets:

Investment Category	Target Allocation	Expected Long-Term Real Return
Core Bonds	15.00%	1.60% per annum
Core Plus	15.00%	2.10% per annum
U.S. Large Cap Equity	34.00%	4.60% per annum
U.S. Small Cap Equity	11.00%	5.50% per annum
Non-U.S. Equity	15.00%	6.70% per annum
Core Real Estate	10.00%	5.00% per annum
Total or Weighted Arithmetic Average	100.00%	4.23% per annum

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Current membership in the Plan is comprised of the following:

Group	October 1, 2020
Retirees and Beneficiaries Currently Receiving Benefits	4
Terminated Plan Participants Entitled to but not yet Receiving Benefits	6
Active Plan Participants	12
Total	22

The components of the net pension liability (asset) of the sponsor on September 30, 2020, were as follows:

Total Pension Liability	\$ 2,532,869
Plan Fiduciary Net Position	(2,624,675)
Sponsor's Net Pension Liability (Asset)	\$ (91,806)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	103.62%

The differences between the actuarial financial statements and the pension financial statement were due to timing differences.

The investments in the Police Officers separate Share Plan are not included in the calculation of the Plan Fiduciary Net Position, however, are included in the Statement of Fiduciary Net Position. These investments totaled \$205,606 as of September 30, 2020.

Pension Expense

Service Cost	\$ 138,458
Other Recognized Changes in Net Pension Liability:	
Expected Interest Growth	5,999
Investment Gain/Loss	(20,512)
Demographic Gain/Loss	(2,145)
Employee Contributions	(26,958)
Administrative Expenses	10,160
Assumption Changes	20,920
Total Pension Expense	\$ 125,922

Deferred Inflows and Deferred Outflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2019	\$ 295,763	\$ 175,015
Amortization Payments	(65,650)	(67,387)
Investment Gain/Loss	16,728	-
Demographic Gain/Loss	-	19,888
Balance as of September 30, 2020	\$ 246,841	\$ 127,516

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Amortization schedule for deferred outflows and inflows of resources:

<u>Year Ending September 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 65,650	\$ 63,116
2022	65,649	37,658
2023	63,205	8,393
2024	47,735	6,491
2025	4,602	5,989
Thereafter	-	5,869
Total	\$ 246,841	\$ 127,516

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate:

	Discount		
	1% Decrease	Rate – 7.00%	1% Increase
Total Pension Liability	\$ 2,832,963	\$ 2,532,869	\$ 2,281,226
Less Fiduciary Net Position	(2,624,675)	(2,624,675)	(2,624,675)
Net Pension Liability (Asset)	\$ 208,288	\$ (91,806)	\$ (343,449)

Changes in Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a+b)
Reporting Period Ended September 30, 2019	\$ 2,585,525	\$ (2,692,252)	\$ (106,727)
Change for a Year:			
Service Cost	138,458	-	138,458
Interest	186,496	(180,497)	5,999
Unexpected Investment Income	-	16,728	16,728
Demographic Experience	(19,888)	-	(19,888)
Employer Contributions	-	(109,578)	(109,578)
Employee Contributions	-	(26,958)	(26,958)
Benefit Payments and Refunds	(357,722)	357,722	-
Administrative Expenses	-	10,160	10,160
Assumption Changes	-	-	-
Reporting Period Ended September 30, 2020	\$ 2,532,869	\$ (2,624,675)	\$ (91,806)

General Employees Plan

Retirement Plan and Trust for General Employees—The government sponsors and administers the Retirement Plan and Trust for the General Employees of the government (the Plan). The Plan is considered a defined benefit single-employer plan and is accounted for as a separate pension trust fund. The Plan covers all full-time general employees. A government employee shall become a participant of the Plan at the time of employment.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Name of Pension Plan:	Retirement Plan for the General Employees of the City of Williston.
Legal Plan Administrator:	Board of Trustees of the Retirement Plan for the General Employees of the City of Williston Single-Employer Defined Benefit Pension Plan.
Type of Plan:	Single-Employer Defined Benefit Pension Plan.
Current Contribution Requirements:	Employer contributions are actuarially determined, employees contribute 5.00% of pensionable earnings; employee contribution requirement may be amended by City ordinance but employer contribution requirement is subject to State minimums.
Pension Plan Reporting:	The Plan issues a stand-alone financial report each year, which contains information about the Plans fiduciary net position. The Plan's fiduciary net position has been determined on the same basis used by the pension plan and is equal to the market value of the assets as calculated under the accrual basis of accounting. This report is available to the public at the Plan's administrative office: Retirement Department, Florida League of Cities, Inc. P.O. Box 1757, Tallahassee, Florida 32302, (800) 342-8112.
Description of Benefit Terms:	
Employees Covered:	Full-time employees of the City of Williston, other than Police Officers and the City Manager.
Types of Benefits Offered:	Retirement, disability, and pre-retirement death benefits.
Basic Pension Formula:	2.25% of average earnings times service.
Early Retirement Adjustment:	The early retirement pension is actuarially equivalent to the normal retirement pension.
Disability Pension:	The disability pension is actuarially equivalent to the normal retirement pension.
Pre-Retirement Death Benefit:	The pre-retirement death benefit is actuarially equivalent to the normal retirement pension and is payable as a single life annuity or as a single lump sum payment to the beneficiary of a vested participant. Return of accumulated employee contributions (payable to the beneficiary of a non-vested participant).
Normal Retirement Age:	Age 62 with at least five years of service.
Early Retirement Age:	Age 55 with at least five years of service.
Vesting Requirement:	100% vesting after five years of service.
Form of Payment:	Single life annuity. Actuarially equivalent 10-year certain and life annuity. Actuarially equivalent 50%, 66 ^{2/3} %, 75%, or 100% joint and contingent annuity. Actuarially equivalent single lump sum payment. Any other actuarially equivalent form of payment approved by the Board of Trustees.
Average Earnings:	Average of the highest five years of pensionable earnings out of the last 10 years; pensionable earnings include total compensation other than bonuses, lump sum payments, overtime pay, and extraordinary compensation.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Cost-of-Living Adjustment: None

DROP: A deferred retirement option plan (DROP) is available to those participants who have attained their early or normal retirement age and individuals may participate in the DROP for up to 60 months; DROP accounts are credited with interest at the rate of 6.50% per annum.

Legal Authority: The Plan was established effective October 1, 1983, pursuant to City ordinance and has been amended several times since that date.

Changes: The benefit terms did not change from the prior measurement date.

Additional information as of the latest actuarial valuation is as follows:

Valuation Date	October 1, 2019
Actuarial Cost Method	Aggregate
Amortization Method	Level Percentage, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Mortality Basis	Sex-distinct rates set forth in the RP-2000 Mortality Table, with full generational improvements in mortality using Scale BB.
Retirement	Retirement is assumed to occur at normal retirement age.
Non-Investment Expenses	Liabilities have been loaded by 2.75% to account for non-investment expenses.
Future Contributions	Contributions from the employer and employees are assumed to be made as legally required.
Changes	The benefit terms did not change from the prior measurement date.
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Projected Salary Increases	4.00%
Non-Investment Expenses	Liabilities have been loaded by 2.25%
Includes Inflation at *	3.25%
Discount Rate	7.00% (2.77% per annum is due to inflation)
Cost of Living Adjustments	0.0%
Changes	No assumptions were changed since the prior measurement date.

*Same assumptions as used for the actuarial valuation of system.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Current membership in the Plan is comprised of the following:

Group	October 1, 2020
Retirees and Beneficiaries Currently Receiving Benefits	20
Terminated Plan Participants Entitled to but not yet Receiving Benefits	41
Plan Participants:	
Active	34
Total	95

Net Pension Liability (Asset)

The components of the net pension liability of the sponsor on September 30, 2020, were as follows:

Total Pension Liability	\$ 4,076,931
Plan Fiduciary Net Position	(4,850,355)
Sponsor's Net Pension Liability (Asset)	\$ (773,424)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	118.97%

The differences between the actuarial financial statements and the pension financial statement were due to timing differences related to investments.

Pension Expense

Service Cost	\$ 189,719
Other Recognized Changes in Net Pension Liability:	
Expected Interest Growth	(45,913)
Investment Gain/Loss	(50,492)
Demographic Gain/Loss	(70,988)
Employee Contributions	(64,038)
Administrative Expenses	19,065
Assumption Changes	81,651
Pension Expense (Negative)	\$ 59,004

Determination of Long-Term Expected Rate of Return on Plan Assets:

Investment Category	Target Allocation	Expected Long-Term Real Return
Core Bonds	15.00%	1.60% per annum
Core Plus	15.00%	2.10% per annum
U.S. Large Cap Equity	34.00%	4.60% per annum
U.S. Small Cap Equity	11.00%	5.50% per annum
Non-U.S. Equity	15.00%	6.70% per annum
Core Real Estate	10.00%	5.00% per annum
Total or Weighted Arithmetic Average	100.00%	4.23% per annum

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Deferred Inflows and Deferred Outflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Total of Components:		
Balance as of September 30, 2019	\$ 705,120	\$ 687,371
Amortization Payments	(146,404)	(186,233)
Investment Gain/Loss	20,915	-
Demographic Gain/Loss	-	65,801
Balance as of September 30, 2020	\$ 579,631	\$ 566,939

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year Ending September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 146,404	\$ 176,106
2022	141,356	120,633
2023	95,946	115,885
2024	80,274	102,263
2025	76,091	46,527
Thereafter	39,560	5,525
Total	\$ 579,361	\$ 566,939

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate:

	1% Decrease	Discount Rate – 7.00%	1% Increase
Total Pension Liability	\$ 4,606,538	\$ 4,076,931	\$ 3,638,830
Less Fiduciary Net Position	(4,850,355)	(4,850,355)	(4,850,355)
Net Pension Liability (Asset)	\$ (243,817)	\$ (773,424)	\$ (1,211,525)

Changes in Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a+b)
Reporting Period Ended September 30, 2019	\$ 3,920,647	\$ (4,722,611)	\$ (801,964)
Change for a Year:			
Service Cost	189,719	-	189,719
Interest	278,616	(324,529)	(45,913)
Unexpected Investment Income	-	20,915	20,915
Demographic Experience	(65,801)	-	(65,801)
Employer Contributions	-	(25,407)	(25,407)
Employee Contributions	-	(64,038)	(64,038)
Benefit Payments and Refunds	(246,250)	246,250	-
Administrative Expenses	-	19,065	19,065
Assumption Changes	-	-	-
Reporting Period Ended September 30, 2020	\$ 4,076,931	\$ (4,850,355)	\$ (773,424)

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

**Combining Schedule of Fiduciary
Net Position
Pension Trust Funds
September 30, 2020**

	Retirement Plan and Trust for the Police Officers	Retirement Plan and Trust for the General Employees	Total
Assets			
Cash and Money Market	\$ 22,401	\$ 38,637	\$ 61,038
Investment in External Investment Pool at Fair Value	2,777,682	4,790,970	7,568,652
Due from Other Governments	30,565	-	30,565
Contributions Receivable	30,197	20,748	50,945
Total Assets	2,860,845	4,850,355	7,711,200
Liabilities			
Accrued Expenses	2,400	3,415	5,815
Total Liabilities	2,400	3,415	5,815
Net Positions - Held in Trust for Pension Benefits	\$ 2,858,445	\$ 4,846,940	\$ 7,705,385

**Combining Schedule of Changes in Fiduciary Net Position
Pension Trust Funds
For The Fiscal Year Ended September 30, 2020**

	Retirement Plan and Trust for the Police Officers	Retirement Plan and Trust for the General Employees	Total
Additions			
Contribution:			
Employer	\$ 109,578	\$ 25,474	\$ 135,052
State	30,563	-	30,563
Employees	26,958	64,038	90,996
Total Contributions	167,099	89,512	256,611
Investment Earnings	178,601	303,613	482,214
Total Additions	345,700	393,125	738,825
Deductions			
Benefits Paid	149,162	216,949	366,111
Lump Sum Distributions	248,685	29,301	277,986
Administrative Expenses	10,502	19,121	29,623
Total Deductions	408,349	265,371	673,720
Change in Net Position	(62,649)	127,754	65,105
Net Position Held in Trust for Pension Benefits, Beginning of Year	2,921,095	4,719,185	7,640,280
Net Position Held in Trust for Pension Benefits, End of Year	\$ 2,858,446	\$ 4,846,939	\$ 7,705,385

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Florida State Retirement System – Pension Plan

Beginning in 2017, all Fire Fighters of the City are eligible to participate in the Florida State Retirement System (the System). This System was created by the Florida Legislature and is a cost-sharing, multiple-employer defined benefit, and public retirement plan available to governmental units within the State of Florida. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-5706.

All fire employees of the City are eligible to participate in the System. Special risk employees who retire at or after age 55, with six years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to the product of: 1) average monthly compensation in the highest five years of creditable service; 2) creditable service during the appropriate period; and 3) the appropriate benefit percentage. Benefits fully vest on reaching six years of service. Vested employees may retire after six years of creditable service and receive reduced retirement benefits. The System also provides death benefits, disability benefits, and annual cost-of-living adjustments. Benefits are established by Florida Statute. Beginning in 2011, the state mandated a 3% contribution to the plan by the employees. The City currently only has fire employees that participate in Florida Retirement System.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the City, are required to contribute 24.45% of the compensation for Regular Special Risk and 35.84% for Administrative (with 1.66% for HIS) as of September 30, 2020. In addition, employees that are not participating in the DROP program are required to contribute 3% of their gross salary.

The City contributed 100% of the required contributions to the System for the year ended September 30, 2020, as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 99,554

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2020, the City reported a net pension liability of \$1,214,136 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City’s proportionate share of the net pension liability was based on projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the City’s proportionate share of the FRS liability was .00280132583% an increase of .00060415078% from the prior year. The City opted to pay retirement on the fire employees in the 2019/2020 budget process.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources—For the year ended September 30, 2020, the Sponsor will recognize a Pension Expense of \$585,549. On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Inflow Funds	Deferred Outflow Funds
Differences Between Expected and Actual Experience	\$ -	\$ 46,467
Change in Assumptions	-	219,797
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	72,291
Changes in Proportion and Differences Between the City Contributions and Proportionate Share of Contributions	-	303,762
City Contributions Subsequent to Measurement Date	-	22,326
Total	\$ -	\$ 664,643

The Deferred Outflows of Resources related to pensions totaling \$22,326 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Total Inflows/Outflows
2021	\$ 153,665
2022	192,556
2023	158,813
2024	97,869
2025	39,414
Thereafter	-
Total	\$ 642,317

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Including Inflation
Investment Rate of Return 7.10%, Net Pension Plan	Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2020 valuation, were based on the results of an actuarial experience study for the period June 30, 2013 through June 30, 2020.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	<u>100%</u>			

Discount Rate—The discount rate used to measure the total pension liability was 7.00 percent. In general, the discount rate for calculating the total pension liability under GASB Statement No. 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. The discount rate used in the 2020 valuation was not changed from 2019. The rate of return assumption is a prescribed assumption as defined by ASOP 27. The 7.00 percent assumption was adopted by the 2018 FRS Actuarial Assumption Conference.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.80 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	<u>1% Decrease 5.80%</u>	<u>Current Discount Rate – 6.80%</u>	<u>1% Increase 7.80%</u>
City's Proportionate Share of the Net Pension Liability	\$ 1,938,771	\$ 1,214,136	\$ 608,918

FRS Pension Plan Fiduciary Net Position—Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan

Plan Description—The HIS Pension Plan (HIS Plan) is a cost-sharing, multiple-employer defined benefit pension plan established to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance. Persons are eligible for HIS payments who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system, except those individuals who are pension recipients under Sections 121.40, 237.08(18)(a), and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes, or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the FRS and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.
- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

Any person retiring on or after July 1, 2001, as a member of the FRS, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes. Additionally, participants in the Senior Management Service Optional Annuity Program and the State City System Optional Retirement Program are not eligible to receive benefits from the HIS Plan.

Benefits Provided—The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement.

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions—The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll. The state contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

The City's contributions to the HIS defined benefit pension plan are reported as a total with the pension plan contributions listed above.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIS—At September 30, 2020, the City reported a net pension liability of \$155,201 for its proportionate share of the net pension liability for HIS. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020 the City's proportionate share was .00112852489%, which was an increase of .00023438889% from its proportionate share measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense is listed above. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflow Funds	Deferred Outflow Funds
Differences Between Expected and Actual Experience	\$ 106	\$ 5,636
Change in Assumptions	8,012	14,816
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	110
Changes in Proportion and Differences Between the City Contributions and Proportionate Share of Contributions	-	68,977
City Contributions Subsequent to Measurement Date	-	1,628
Total	\$ 8,118	\$ 91,167

The deferred outflows of resources related to pensions totaling \$1,628 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

September 30,	Inflows/Outflows
2021	\$ 19,354
2022	18,465
2023	16,608
2024	12,386
2025	8,191
Thereafter	6,417
Total	\$ 81,421

Actuarial Assumptions—The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Inflation	2.40%
Salary Increase	3.25% Average, Including Inflation
Bond Buyer General Obligation 20-Bond Municipal Bond	3.50%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate—The discount rate used to measure the total pension liability was 3.87 percent. In general, the discount rate for calculating the total pension liability under GASB Statement No. 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate used in the 2020 valuation was updated from 3.50 percent to 2.21 percent, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2020.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 2.21 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	<u>1% Decrease</u> <u>1.21%</u>	<u>Current Discount</u> <u>Rate 2.21%</u>	<u>1% Increase</u> <u>3.21%</u>
City's Proportionate Share of the Net Pension Liability	\$ 159,280	\$ 137,791	\$ 120,202

Pension Plan Fiduciary Net Position—Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS Annual Comprehensive Financial Report.

Note 9 - Other Disclosures

Allowances for Doubtful Accounts

Allowances for doubtful accounts at September 30, 2020, are as follows:

Utility Fund	\$ 58,314
General Fund	16,339
Airport Fund	<u>58,195</u>
Total Allowances for Doubtful Accounts	<u><u>\$ 132,848</u></u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA**

Note 10 - Other Information

Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and natural disasters for which the government carries commercial insurance. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Note 11 - Federal Awards and State Financial Assistance

During the fiscal year, the City did not expend greater than \$750,000 in federal awards or state financial assistance, therefore an audit in accordance with Title 2 (Uniform Guidance) *U.S. Code of Federal Regulation* (CFR) Part 200 and the *Florida Single Audit Act* was not required.

Note 12 - Risk and Uncertainties

The COVID-19 pandemic has created economic disruptions throughout the country as of the date of our report, which could cause significant declines in user fees, state shared revenues, financial markets, and economic activity overall. The ultimate effect of these items to the City and all local governments is expected to be significant but is not quantifiable at this time.

Note 13 - Subsequent Events

Subsequent events were evaluated through the date of the financial statements were available to be issued. The financial statements were approved and authorized to be issued by management on June 11, 2021. There were no items that required disclosure as of that date.

REQUIRED SUPPLEMENTARY INFORMATION

The following supplementary schedules present trend information regarding the retirement plans for the City's General Employees and Police Officers retirement plans; retirement plans for the City's Firefighters and Other Postemployment Benefits. This information is necessary for a fair presentation in conformity with generally accepted accounting principles.

CITY OF WILLISTON, FLORIDA
RETIREMENT PLAN AND TRUST FOR POLICE OFFICERS
FOR YEAR ENDED SEPTEMBER 30, 2020
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 138,458	\$ 113,336	\$ 101,591	\$ 91,379	\$ 81,601	\$ 59,909	\$ 62,994
Interest on the Total Pension Liability	186,496	169,828	157,781	141,704	103,951	136,436	114,442
Demographic Experience	(19,888)	5,253	(28,525)	(17,330)	26,226	19,567	-
Assumption Changes	-	-	-	65,439	354,990	(216,983)	-
Benefit Payments, Including Refunds of Employee Contributions	(357,722)	(69,746)	(71,101)	(54,371)	(37,231)	(37,236)	(85,337)
Net Change in Total Pension Liability	(52,656)	218,671	159,746	226,821	529,537	(38,307)	92,099
Total Pension Liability, Beginning of Year	2,585,525	2,366,854	2,207,108	1,980,287	1,450,750	1,489,057	1,396,958
Total Pension Liability, End of Year (a)	\$ 2,532,869	\$ 2,585,525	\$ 2,366,854	\$ 2,207,108	\$ 1,980,287	\$ 1,450,750	\$ 1,489,057
Plan Fiduciary Net Position							
Contributions - Employer	\$ (109,578)	\$ (97,045)	\$ (90,446)	\$ (74,311)	\$ (79,553)	\$ (75,005)	\$ (119,278)
Contributions - Employee	(26,958)	(24,421)	(21,005)	(18,698)	(18,330)	(18,053)	(21,100)
Net Investment Income	(163,769)	(137,328)	(173,485)	(269,174)	(149,871)	2,555	(134,338)
Benefit Payments	357,722	69,746	71,101	54,371	37,231	37,236	44,390
Administrative Expense	10,160	10,954	10,325	9,711	8,354	10,065	7,685
Net Change in Plan Fiduciary Net Position	67,577	(178,094)	(203,510)	(298,101)	(202,169)	(43,202)	(222,641)
Plan Fiduciary Net Position, Beginning of Year	(2,692,252)	(2,514,158)	(2,310,648)	(2,012,547)	(1,810,378)	(1,767,176)	(1,544,535)
Plan Fiduciary Net Position, End of Year (b)	\$ (2,624,675)	\$ (2,692,252)	\$ (2,514,158)	\$ (2,310,648)	\$ (2,012,547)	\$ (1,810,378)	\$ (1,767,176)
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (91,806)	\$ (106,727)	\$ (147,304)	\$ (103,540)	\$ (32,260)	\$ (359,628)	\$ (278,119)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.62%	104.13%	106.22%	104.69%	101.63%	124.79%	118.68%
Covered Payroll**	\$ 533,995	\$ 444,302	\$ 402,249	\$ 363,641	\$ 331,296	\$ 337,006	\$ 306,244
Net Pension Liability as a Percentage of Covered Payroll	0.00%						

* GASB Statement No. 67 was adopted for the 2014 Fiscal Year and the 10-year trend information will be developed from that date forward.

**For the 2017 fiscal year, the covered payroll was based on pensionable salary.

**CITY OF WILLISTON, FLORIDA
RETIREMENT PLAN AND TRUST FOR POLICE OFFICERS
FOR YEAR ENDED SEPTEMBER 30, 2020
SCHEDULE OF CONTRIBUTIONS**

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 110,636	\$ 100,309	\$ 94,683	\$ 82,868	\$ 80,725	\$ 75,174	\$ 117,485
Contributions in Relation to the							
Actuarially Determined Contribution	109,578	97,045	90,446	74,311	79,553	75,005	119,278
Contribution Deficiency (Excess)	<u>\$ 1,058</u>	<u>\$ 3,264</u>	<u>\$ 4,237</u>	<u>\$ 8,557</u>	<u>\$ 1,172</u>	<u>\$ 169</u>	<u>\$ (1,793)</u>
Covered Payroll	<u>\$ 533,995</u>	<u>\$ 444,302</u>	<u>\$ 402,249</u>	<u>\$ 363,641</u>	<u>\$ 331,296</u>	<u>\$ 337,066</u>	<u>\$ 306,244</u>
Contributions as a Percentage of Covered Payroll	20.52%	21.84%	22.49%	20.44%	24.01%	22.25%	38.95%

CITY OF WILLISTON, FLORIDA
RETIREMENT PLAN AND TRUST FOR GENERAL EMPLOYEES
FOR YEAR ENDED SEPTEMBER 30, 2020
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability							
Service Cost	\$ 189,718	\$ 170,840	\$ 141,746	\$ 121,584	\$ 128,374	\$ 95,658	\$ 101,093
Interest on the Total Pension Liability	278,616	280,605	286,840	268,562	212,271	297,696	260,459
Demographic Experience	(65,801)	(223,621)	(115,227)	32,335	104,482	(250,574)	-
Assumption Changes	-	-	-	265,359	695,988	(302,502)	-
Benefit Payments, Including Refunds of Employee Contributions	(246,250)	(276,669)	(423,229)	(446,417)	(322,256)	(201,578)	(211,313)
Net Change in Total Pension Liability	<u>156,283</u>	<u>(48,845)</u>	<u>(109,870)</u>	<u>241,423</u>	<u>818,859</u>	<u>(361,300)</u>	<u>150,239</u>
Total Pension Liability, Beginning of Year	<u>3,920,647</u>	<u>3,969,492</u>	<u>4,079,362</u>	<u>3,837,939</u>	<u>3,019,080</u>	<u>3,380,380</u>	<u>3,230,141</u>
Total Pension Liability, End of Year (a)	<u>\$ 4,076,930</u>	<u>\$ 3,920,647</u>	<u>\$ 3,969,492</u>	<u>\$ 4,079,362</u>	<u>\$ 3,837,939</u>	<u>\$ 3,019,080</u>	<u>\$ 3,380,380</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ (25,474)	\$ (30,143)	\$ (107,990)	\$ (76,582)	\$ (32,832)	\$ (50,643)	\$ (112,114)
Contributions - Employee	(64,038)	(60,484)	(53,296)	(53,684)	(41,937)	(48,533)	(48,537)
Net Investment Income	(303,613)	(242,575)	(338,157)	(573,325)	(343,551)	(3,205)	(368,167)
Benefit Payments	246,250	276,669	423,229	446,417	322,256	201,578	384,331
Administrative Expense	19,065	20,221	20,487	19,911	17,752	18,972	18,141
Net Change in Plan Fiduciary Net Position	<u>(127,810)</u>	<u>(36,312)</u>	<u>(55,727)</u>	<u>(237,263)</u>	<u>(78,312)</u>	<u>118,169</u>	<u>(126,346)</u>
Plan Fiduciary Net Position, Beginning of Year	<u>(4,722,544)</u>	<u>(4,686,232)</u>	<u>(4,630,505)</u>	<u>(4,393,242)</u>	<u>(4,314,930)</u>	<u>(4,433,099)</u>	<u>(4,306,753)</u>
Plan Fiduciary Net Position, End of Year (b)	<u>\$ (4,850,354)</u>	<u>\$ (4,722,544)</u>	<u>\$ (4,686,232)</u>	<u>\$ (4,630,505)</u>	<u>\$ (4,393,242)</u>	<u>\$ (4,314,930)</u>	<u>\$ (4,433,099)</u>
Net Pension Liability (Asset) - Ending (a) + (b)	<u>\$ (773,424)</u>	<u>\$ (801,897)</u>	<u>\$ (716,740)</u>	<u>\$ (551,143)</u>	<u>\$ (555,303)</u>	<u>\$ (1,295,850)</u>	<u>\$ (1,052,719)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	118.97%	120.45%	118.06%	113.51%	114.47%	142.92%	131.14%
Covered Payroll**	<u>\$ 1,166,771</u>	<u>\$ 1,053,876</u>	<u>\$ 895,351</u>	<u>\$ 787,576</u>	<u>\$ 880,740</u>	<u>\$ 941,185</u>	<u>\$ 824,054</u>
Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* GASB Statement No. 67 was adopted for the 2014 Fiscal Year and the 10-year trend information will be developed from that date forward.

**For the 2017 fiscal year, the covered payroll was based on pensionable salary.

**CITY OF WILLISTON, FLORIDA
RETIREMENT PLAN AND TRUST FOR GENERAL EMPLOYEES
FOR YEAR ENDED SEPTEMBER 30, 2020
SCHEDULE OF CONTRIBUTIONS**

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 89,095	\$ 75,498	\$ 56,834	\$ 106,400	\$ 57,705	\$ 34,167	\$ 50,478
Contributions in Relation to the Actuarially Determined Contribution	25,474	30,143	107,990	76,582	32,832	50,643	112,114
Contribution Deficiency (Excess)	<u>\$ 63,621</u>	<u>\$ 45,355</u>	<u>\$ (51,156)</u>	<u>\$ 29,818</u>	<u>\$ 24,873</u>	<u>\$ (16,476)</u>	<u>\$ (61,636)</u>
Covered Payroll	<u>\$ 1,166,771</u>	<u>\$ 1,053,876</u>	<u>\$ 895,351</u>	<u>\$ 787,576</u>	<u>\$ 880,740</u>	<u>\$ 941,185</u>	<u>\$ 824,054</u>
Contributions as a Percentage of Covered Payroll	2.18%	2.86%	12.06%	9.72%	3.73%	5.38%	13.61%

*GASB Statement No. 67 was adopted for the 2014 Fiscal Year and the 10-Year trend information will be developed from that date forward.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1: Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of contributions are calculated as of October 1, 2019, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

	Police Officers' Pension Plan	General Employees' Pension Plan
Valuation Date	October 1, 2019	October 1, 2019
Actuarial Cost Method	Aggregate	Aggregate
Amortization Method	Level Percentage, Open	Level Percentage, Open
Remaining Amortization Period	30 Years	30 Years
Asset Valuation Method	Market Value	Market Value
Salary Increase	4.5% per Annum	4.00% per Annum
Discount Rate	7.00%	7.00%

Note 2: Changes in Assumptions

There were no changes in assumptions in either plan.

**CITY OF WILLISTON, FLORIDA
FLORIDA RETIREMENT SYSTEM PENSION PLAN (1)
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.0028013258%	0.0021972346%	0.0019285260%	0.00120060470%
City's Proportionate Share of the Net Pension Liability	\$ 1,214,136	\$ 756,697	\$ 580,882	\$ 355,131
City's Covered Payroll (June 30)	\$ 302,438	\$ 299,039	\$ 255,001	\$ 154,244
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	401.45%	253.04%	227.80%	230.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	84.26%	83.89%

SCHEDULE OF CITY CONTRIBUTIONS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 94,233	\$ 73,666	\$ 59,700	\$ 55,327
Contributions in Relation to the Contribution	(94,233)	(73,666)	(59,700)	(55,327)
Contribution Deficiency (Excess)	-	-	-	-
City's Covered Payroll (September 30)	\$ 400,474	\$ 315,454	\$ 250,613	\$ 154,244
Contributions as a Percentage of Covered Payroll	23.53%	23.35%	23.82%	35.87%

(1) 2017 was the first year that the City's Firefighters were entered into the Plan. Information for the subsequent ten years' data will be accumulated.

CITY OF WILLISTON, FLORIDA
FLORIDA HEALTH INSURANCE SUBSIDY PENSION PLAN (1)
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.00112852490%	0.00089413716%	0.00078074600%	0.00047024182%
City's Proportionate Share of the Net Pension Liability	\$ 137,791	\$ 100,045	\$ 82,635	\$ 50,280
City's Covered Payroll (June 30)	\$ 302,438	\$ 299,039	\$ 255,001	\$ 154,244
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	45.56%	33.46%	32.41%	32.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	0.00%	2.15%	1.64%

SCHEDULE OF CITY CONTRIBUTIONS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 5,321	\$ 5,133	\$ 4,160	\$ 2,560
Contributions in Relation to the Contractually Contribution	(5,321)	(5,133)	(4,160)	\$ (2,560)
Contribution Deficiency (Excess)	-	-	-	-
City's Covered Payroll (September 30)	\$ 400,474	\$ 315,454	\$ 250,613	\$ 154,244
Contributions as a Percentage of Covered	1.33%	1.63%	1.66%	1.66%

(1) 2017 was the first year that the City's Firefighters were entered into the Plan. Information for the subsequent ten years' data will be accumulated.

**CITY OF WILLISTON, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**

	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018</u>
Total OPEB Liability:			
Service Cost	\$ 91,224	\$ 48,542	\$ 52,877
Expected Interest Growth	9,456	12,783	13,394
Demographic Gain/Loss	(1,624)	(1,654)	-
Difference Between Expected and Actual Expense			
Amortization	2,841	(24,641)	-
Changes in Assumptions and Other Inputs	(850)	(850)	-
Benefit Payments	<u>(4,040)</u>	<u>(37,793)</u>	<u>(51,738)</u>
Net Change in Total OPEB Liability	97,007	(3,613)	14,533
Total OPEB Liability - Beginning	352,637	356,250	341,717
Total OPEB Liability - Ending	<u>\$ 449,644</u>	<u>\$ 352,637</u>	<u>\$ 356,250</u>
Covered Payroll	\$ 2,125,527	\$ 1,730,542	\$ 1,586,211
Total OPEB Liability as a Percentage of Covered Payroll	21.15%	20.38%	22.46%

Note: No Plan assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Assumption Changes: Since the prior measurement date, the discount rate was decreased from 3.58% per annum to 3.00% per annum, the monthly implied subsidy at age 55 for the 2019/20 fiscal year for the retiree and his spouse was increased from \$215 to \$250, and the mortality basis was changed from the RP-2000 Mortality Table with generational improvements in mortality using Scale BB to the PUB-2010 Mortality Table with generational improvements in mortality using Scale MP-2017.

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be displayed as it becomes available for a period of up to 10 years.

OTHER REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
City of Williston
Williston, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Williston, Florida (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 11, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Honorable Mayor and City Council
City of Williston
Williston, Florida

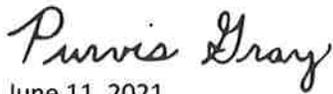
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 11, 2021
Ocala, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

Honorable Mayor and City Council
City of Williston
Williston, Florida

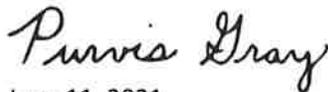
We have examined the City of Williston's (the City) compliance with the requirements of Section 218.415, Florida Statutes, with regards to the City's investments during the year ended September 30, 2020. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2020.

This report is intended solely for the information and use of the Florida Auditor General, the Mayor and Council Members, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 11, 2021
Ocala, Florida

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MANAGEMENT LETTER

Honorable Mayor and City Council
City of Williston
Williston, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Williston (the City) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 11, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 11, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the City is reported in Note 1 to the basic financial statements. The City included the following blended component unit:

- Williston Community Redevelopment Agency

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Honorable Mayor and City Council
City of Williston
Williston, Florida

MANAGEMENT LETTER

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. Please see the attached Management Letter Comment.

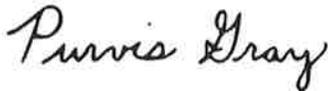
Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal, State, and other granting agencies, the Mayor and Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 11, 2021
Ocala, Florida

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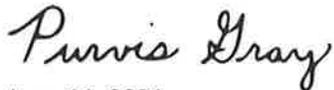
MANAGEMENT LETTER COMMENT

Honorable Mayor and City Council
City of Williston
Williston, Florida

2020-01 Utility Inventory Records

After reviewing the City's inventory records of the supplies on hand for the utility operations, we noted a necessary adjustment to reduce the inventory balance in the accounting records. It came to our attention that many of the supplies on hand, once removed from the inventory system, were not logged back into the inventory system if not used and there was a lack of overall organization in the inventory warehouse.

We recommend management begin to perform random counts of supplies throughout the year to ensure the account balances are correctly stated in both the physical location and in the accounting records.



June 11, 2021
Ocala, Florida

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MANAGEMENT'S RESPONSE TO AUDIT FINDINGS

June 11, 2021

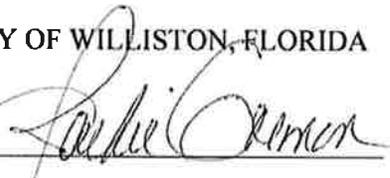
To the Auditor General, State of Florida:

This letter represents our required response and follow-up to audit findings under Section 10.558(1), Rules of the Auditor General, State of Florida, for the year ended September 30, 2020:

2020-1 Utility Inventory Records ---- The City agrees with the auditor's recommendation that the inventory team should perform random counts of supplies throughout the year to ensure the account balances are correctly stated in both the physical location and in the accounting system. The City also has established an inventory team to assist, review and monitor the inventory balances throughout the year.

Very truly yours,

CITY OF WILLISTON, FLORIDA

By 

Jackie Gorman
City Manager