

2021

City of Williston, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

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

SEPTEMBER 30, 2021

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**FINANCIAL STATEMENTS
AND
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**CITY OF WILLISTON, FLORIDA
WILLISTON, FLORIDA**

SEPTEMBER 30, 2021

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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, 2021, 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.

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, 2021, 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.

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Honorable Mayor and City Council
City of Williston
Williston, Florida

INDEPENDENT AUDITOR'S REPORT

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.

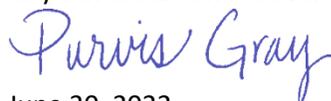
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, 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 30, 2022
Ocala, Florida

CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021

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, 2021. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

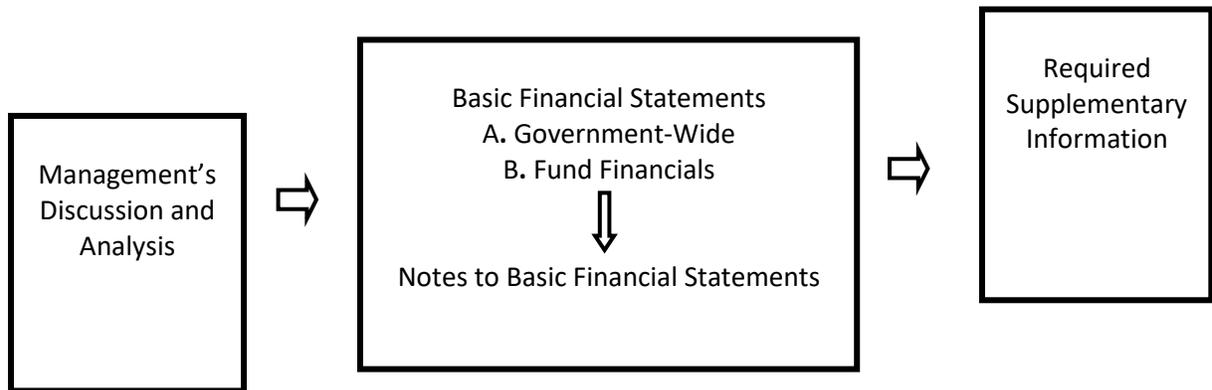
FINANCIAL HIGHLIGHTS

- The City's net position exceeded its liabilities at the close of the current fiscal year by \$25,931,206.
- The City's total net position increased by \$124,997 for the current fiscal year. Governmental activities assets decreased by \$358,046 and business-type activities increased by \$477,945 for the fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$1,353,034. The non-spendable portion of the fund balance totaled \$55,090 and the restricted portion totaled \$698,031. Approximately 44% of the ending fund balance, \$599,913, 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 \$1,221,104 from the prior year.
- The City's total long-term debt decreased by \$1,018,291 or approximately 31% 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 \$25,931,206 is divided into the following classifications:
 - Net Investment in Capital Assets in the amount of \$21,387,653. 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 Net Position of \$1,910,561 for specific use in law enforcement, local option gas tax, building department, airport operations, net pension asset and the community redevelopment expenditures.
 - Unrestricted Net Position in the amount of \$2,632,992 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, 2021**

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, 2021, 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, 2021**

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, 2021**

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 64 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 65 through 71 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 \$25,931,3206 at the close of the fiscal year ended September 30, 2021, resulting in an increase in net position of \$119,899, or approximately .5% more than the prior year total of \$25,811,307.

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 \$21,387,653, or approximately 82% 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 \$1,910,561, or approximately 7% of total net position. Restricted Net Position increased by \$1,474,222, or approximately 339%, from the prior year. The remaining balance of \$2,632,992 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, 2021**

**Statement of Net Position
September 30, 2021**

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current and other assets	\$ 2,616,341	\$ 1,523,355	\$ 4,117,201	\$ 4,260,524	\$ 6,733,542	\$ 5,783,879
Prepays and other	476,513	1,343,723	416,452	919,076	892,965	2,262,799
Capital assets, net of accumulated depreciation	13,421,565	14,029,274	8,259,696	8,773,649	21,681,261	22,802,923
Total assets	16,514,419	16,896,352	12,793,349	13,953,249	29,307,768	30,849,601
Deferred Outflows - OPEB	50,118	105,598	34,239	65,023	84,357	170,621
Deferred Outflows - Pension	1,282,563	840,670	299,720	226,418	1,582,283	1,067,088
Total Deferred Outflows of Resources	1,332,681	946,268	333,959	291,441	1,666,640	1,237,709
Long-term liabilities	1,750,391	759,528	1,384,894	1,352,296	3,135,285	2,111,824
Other liabilities	316,124	237,819	902,963	1,188,971	1,219,087	1,426,790
Total liabilities	2,066,515	997,347	2,287,857	2,541,267	4,354,372	3,538,614
Deferred Inflows - OPEB	63,236	142,252	42,921	78,931	106,157	221,183
Deferred Inflows - Pension	409,415	1,753,133	293,157	643,174	702,572	2,396,307
Total Deferred Inflows of Resources	472,651	1,895,385	336,078	722,105	808,729	2,617,490
Net assets:						
Net Investment in Capital Assets	14,684,542	13,800,350	7,058,586	7,587,303	21,743,128	21,387,653
Restricted	436,339	1,422,016	-	493,643	436,339	1,915,659
Unrestricted	187,053	(272,478)	3,444,787	2,900,372	3,631,840	2,627,894
Total net assets	\$ 15,307,934	\$ 14,949,888	\$ 10,503,373	\$ 10,981,318	\$ 25,811,307	\$ 25,931,206

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, 2021**

**Changes in Net Position
For the Year Ended September 30, 2021**

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues						
Program revenues:						
Charges for services	\$ 1,354,811	\$ 1,845,498	\$ 5,557,317	\$ 5,538,198	\$ 6,912,128	\$ 7,383,696
Capital grants & contributions	138,151	128,007	196,956	912,223	335,107	1,040,230
General revenues:						
Property taxes	851,451	855,234	-	-	851,451	855,234
Public service tax	358,562	368,921	-	-	358,562	368,921
Other taxes	455,831	469,537	-	-	455,831	469,537
Other	782,342	1,037,014	2,748	38,379	785,090	1,075,393
Total revenues	3,941,148	4,704,211	5,757,021	6,488,800	9,698,169	11,193,011
Expenses						
General government	666,100	743,012	-	-	666,100	743,012
Law enforcement	1,589,794	984,983	-	-	1,589,794	984,983
Fire control	802,046	833,323	-	-	802,046	833,323
Streets and sidewalks	373,484	473,091	-	-	373,484	473,091
Parks and recreation	65,165	89,742	-	-	65,165	89,742
Community redevelopment	127,094	131,608	-	-	127,094	131,608
Animal control	67,031	63,401	-	-	67,031	63,401
Airport operations & development	2,172,682	2,535,304	-	-	2,172,682	2,535,304
Interest on long-term debt	1,650	1,088	-	-	1,650	1,088
Utility	-	-	5,234,991	5,210,855	5,234,991	5,210,855
Non Departmental	6,343	6,705	-	-	6,343	6,705
Total expenses	(5,871,389)	(5,862,257)	(5,234,991)	(5,210,855)	(11,106,380)	(11,073,112)
Increase / (Decrease) in net position before transfers:	(1,930,241)	(1,158,046)	522,030	1,277,945	(1,408,211)	119,899
Transfers	890,000	800,000	(890,000)	(800,000)	-	-
Change in net position	(1,040,241)	(358,046)	(367,970)	477,945	(1,408,211)	119,899
Net position, beginning of year	16,348,175	15,307,934	10,871,343	10,503,373	27,219,518	25,811,307
Net position, end of year	\$ 15,307,934	\$ 14,949,888	\$ 10,503,373	\$ 10,981,318	\$ 25,811,307	\$ 25,931,206

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, 2021**

Governmental Activities

As shown on the previous page, the City's total net position for governmental activities decreased by \$358,046 for the current fiscal year. Key elements of these changes are as follows:

Revenues

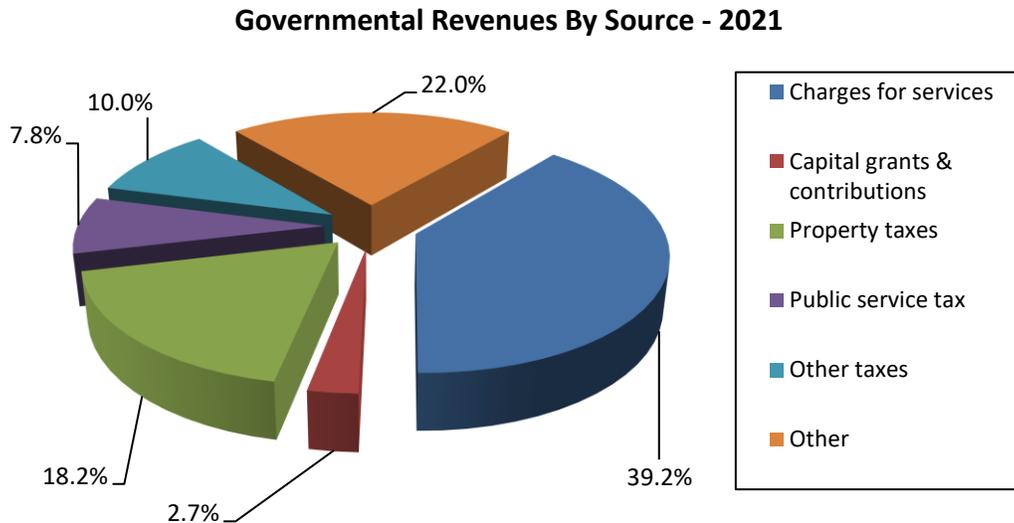
Overall, the total revenue for governmental activities increased by \$763,063 compared to the prior fiscal year. The activity was as follows:

Charges for services increased by \$490,687, or approximately 36%, from the prior fiscal year-end. The increase was primarily the result of higher fuel sales at the Airport as well as timber sales which did not occur in the prior year.

Capital grants and contributions decreased by \$10,144 or approximately 7%, compared to the prior fiscal year. The decrease was the result of less grant-funded projects at the Airport in comparison to the prior fiscal year.

The general revenues increased by \$282,520 compared to the prior year primarily because of land sold during the year as well as a slight increase in property taxes, public service taxes, other taxes, and miscellaneous revenues.

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.

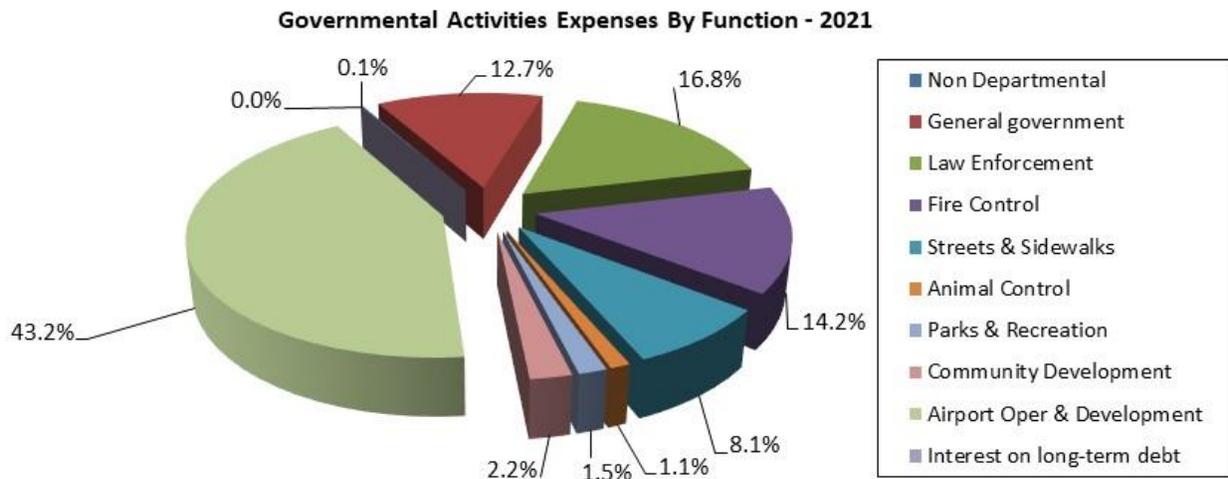


**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Expenses

The City's governmental expenses decreased to \$5,862,257, a \$9,132 or .2% decrease from the previous fiscal year's total of \$5,871,389. The decrease includes a reduction in law enforcement expenses and was offset by increases in fuel purchase at the airport.

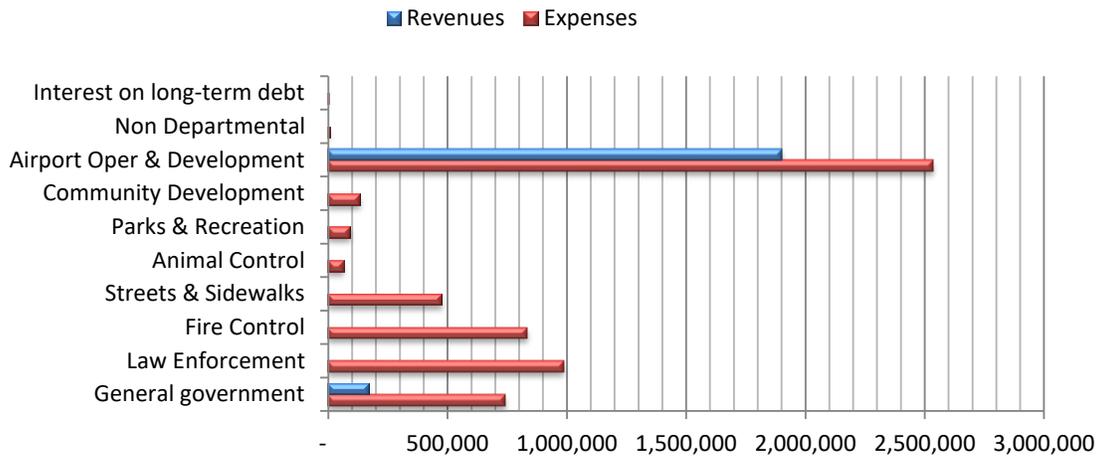
The following illustration shows the percentage each functional area represents within the City as a whole. The percentages may not equate to 100 percent due to rounding.



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, 2021**

Governmental Activities Expenses & Program Revenues - 2021



Business-Type Activities

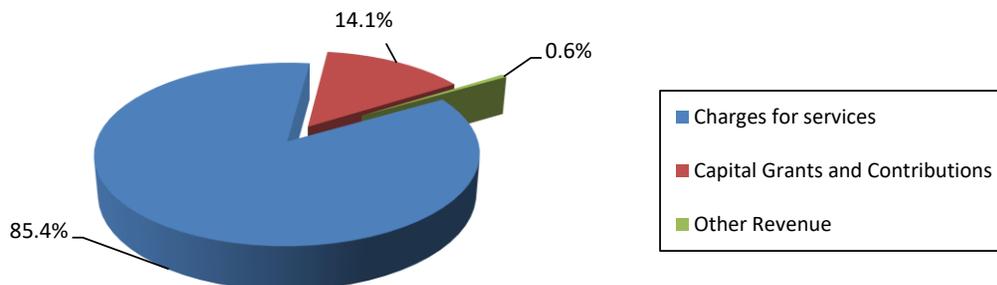
Business-type activities increased the City’s net position by \$477,945 from the previous fiscal year-end. The increase in the City’s net position was primarily the result of approximately \$912,223 in grant and contribution revenue. Other contributing factors are discussed below.

Revenues

Overall, total revenue for business-type activities increased by \$731,779 compared to the prior fiscal year. The increase was primarily the result of grant revenue as well as increases in gas and sewer utility billings, infrastructure reimbursements and fixed asset sales. These increases were offset by decreases in electricity and solid waste utility billings.

The activity for the fiscal year was as follows: charges for services decreased by \$19,119, capital grants and contributions increased by \$715,267, and other revenues and interest increased by \$35,631 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.

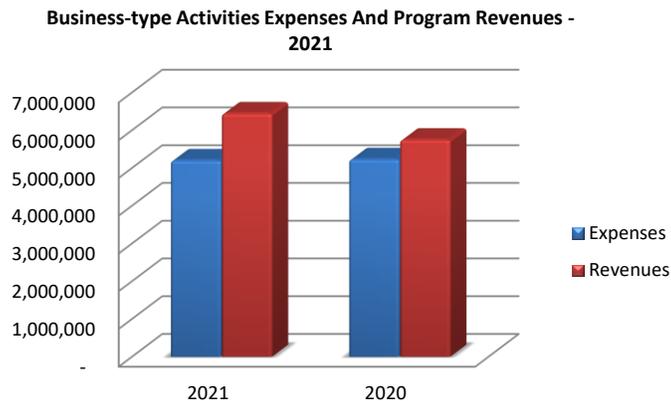
Business-type Activities Revenues By Source - 2021



**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

Business-type activity expenses decreased by \$24,136 from the prior fiscal year-end. The decrease was the result of lower electricity purchases related to utility billing services as well as a decrease in personal services, depreciation expenses, professional services, and materials & supplies. These decreases were offset by an increase in capital projects and gas purchases related to utility billing services.

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 \$1,353,034. The fund balance in the general fund was \$690,336. The fund balance in the two special revenue funds was a combined ending balance of \$662,698. The City ended the current fiscal year with an overall increase in its combined fund balance of \$479,398 as compared to the prior year end balance of \$873,636.

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, 2021**

The general fund is the main operating fund for the City and is shown below. The fund balance after transfers increased by \$186,361 for the fiscal year, as compared to an increase of \$7,085 in the previous fiscal year, a net increase in 2021 of \$179,276.

General Fund			
	2020	2021	Incr. / (Decr.)
Revenues			
Taxes	\$ 1,647,438	\$ 1,666,030	\$ 18,592
Licenses and permits	95,223	129,409	34,186
Intergovernmental	605,076	763,499	158,423
Fines and forfeitures	26,955	16,400	(10,555)
Interest Earnings	712	489	(223)
Other	13,827	32,127	18,300
Total revenues	2,389,231	2,607,954	218,723
Expenditures			
Current:			
General Government	297,978	338,792	40,814
Law enforcement	1,128,224	1,177,526	49,302
Communications	240,313	247,693	7,380
Roads & Streets	292,391	366,303	73,912
Fire Control	670,341	634,685	(35,656)
Parks and recreation	2,763	23,328	20,565
Library	6,344	6,437	93
Planning and zoning	163,495	182,707	19,212
Legislative and legal	45,621	54,868	9,247
Animal Control	58,342	53,847	(4,495)
Non-departmental	5,883	5,675	(208)
Capital Outlay	239,403	115,038	(124,365)
Debt Service:			
Principal	21,730	22,292	563
Interest	1,650	1,088	(562)
Total expenditures	(3,174,478)	(3,230,279)	(55,802)
Excess (deficiency) of revenues over (under) expenditures	(785,247)	(622,325)	162,922
Other financing sources (uses)			
Transfers in	890,000	800,000	(90,000)
Transfers out	(97,668)	(112,464)	(14,796)
Sale of capital assets	-	121,150	121,150
Total other financing	792,332	808,686	16,354
Net change in fund balances	7,085	186,361	179,276
Fund balances, beginning of year	496,890	503,975	
Fund balances, end of year	\$ 503,975	\$ 690,336	

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

The special revenue fund - airport development is another operating fund of the City. The fund balance increased by \$173,865 for the current fiscal year, as compared to an increase of \$2,340 in the previous year, a net increase in 2021 of \$171,525 as illustrated below:

Special Revenue Fund Airport Development			
	2020	2021	Incr. / (Decr.)
Revenues			
Intergovernmental	\$ 131,923	\$ 114,802	\$ (17,121)
Interest Earnings	461	276	(185)
Rental Income	338,120	338,710	590
Timber and Hay Sales	1,628	193,862	192,234
Fuel Sales	906,985	1,157,914	250,929
Other	14,089	13,392	(697)
Total revenues	1,393,206	1,818,956	425,750
Expenditures			
Current:			
Airport Development	1,259,168	1,481,449	222,281
Capital Outlay	131,698	163,642	31,944
Total expenditures	(1,390,866)	(1,645,091)	(254,225)
Excess (deficiency) of revenues over (under) expenditures	2,340	173,865	171,525
Net change in fund balances	2,340	173,865	171,525
Fund balances, beginning of year	16,571	18,911	
Fund balances, end of year	\$ 18,911	\$ 192,776	

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021**

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 \$119,172 for the current fiscal year-end, as compared to an increase of \$26,127 in the prior year, a net increase in 2021 of \$93,045. 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			
	2020	2021	Incr. / (Decr.)
Revenues			
Taxes	\$ 135,226	\$ 155,721	\$ 20,495
Interest Earnings	142	130	(12)
Miscellaneous Revenue	2,750	300	(2,450)
Total revenues	138,118	156,151	18,033
Expenditures			
Community Redevelopment	72,172	77,599	5,427
Capital Outlay	137,487	71,844	(65,643)
Total expenditures	(209,659)	(149,443)	60,216
Excess (deficiency) of revenues over (under) expenditures	(71,541)	6,708	78,249
Other financing sources (uses)			
Transfers in	97,668	112,464	14,796
Total Other financing	97,668	112,464	14,796
Net change in fund balances	26,127	119,172	93,045
Fund balances, beginning of year	324,623	350,750	
Fund balances, end of year	\$ 350,750	\$ 469,922	

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 \$2,905,470 which was \$539,317 or approximately 16% less than the prior year. The remaining balance was made up of \$488,545 which was restricted for the net pension asset and \$7,587,303 being invested in capital assets net of any related debt.

The City's total net position for business-type activities increased by \$477,945 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, 2021**

General Fund Budgetary Highlights with Variances

Overall, the general fund ended the current fiscal year with a positive variance between its final operating revenues budgeted and actual operating revenues in the amount of \$154,494. This was mainly due to an increase in taxes, licenses, permits and fees, as well as intergovernmental revenues.

The general fund experienced a positive variance between its final operating expenditures budget and actual operating expenditures in the amount of \$114,566. The positive variance was largely the result of less spending on law enforcement, communications, and capital outlay than was anticipated in the budget. These variances were offset by increased spending in general government, fire & animal control, street & sidewalks, planning & zoning, legal and parks & recreation.

Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$22,802,923 (net of accumulated depreciation) as compared to the prior year-end total of \$23,174,861 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 \$371,938 or 1.6%. Governmental activities decreased by \$885,891 and the business-type activities increased by \$513,953 as illustrated below. The decrease in governmental activities assets was primarily the result of depreciation recorded in the current fiscal year offset by additions in equipment and building & improvements. The increase in business-type activities was primarily the result of construction projects in progress offset by depreciation recorded in the current fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Land	\$1,509,235	\$1,475,235	\$133,966	\$133,966	\$1,643,201	\$1,609,201
Construction In Progress	150,274	150,274	188,055	1,179,973	338,329	1,330,247
Buildings and Improvements	11,889,794	11,195,972	-	-	11,889,794	11,195,972
Plant and Distribution Systems	-	-	6,816,690	6,425,609	6,816,690	6,425,609
Machinery and Equipment	1,365,862	1,207,793	1,120,985	1,034,101	2,486,847	2,241,894
Total Capital Assets, Net	\$14,915,165	\$14,029,274	\$8,259,696	\$8,773,649	\$23,174,861	\$22,802,923

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, 2021**

Debt Administration

At the end of the current fiscal year, the City had a total long-term debt balance of \$2,235,591. Of that amount, \$1,049,785 is comprised of general obligation debt and backed by the credit of the government. The remaining \$1,185,806 represents notes secured solely by specific revenue sources. Governmental activities account for \$818,903 while business-type activities account for \$1,416,688 of the overall debt as shown below.

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

	Governmental Activities	
	2020	2021
Fire Vehicle	\$53,141	\$30,849
Compensated Absences & Other	1,753,059	788,054
Total Governmental Activities	<u>\$1,806,200</u>	<u>\$818,903</u>
	Business-Type Activities	
	2020	2021
City Hall	1,201,110	1,154,957
Compensated Absences & Other	246,572	261,731
Total Business-Type Activities	<u>\$1,447,682</u>	<u>\$1,416,688</u>
Total Outstanding Debt	<u><u>\$3,253,882</u></u>	<u><u>\$2,235,591</u></u>

Additional information on the City's long-term debt can be found in Note 6 on pages 44 through 45 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, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 1,201,412	\$ 1,715,565	\$ 2,916,977
Investments - Certificates of Deposit	-	87,130	87,130
Cash and Cash Equivalents, Restricted	-	292,400	292,400
Receivables (Net of Allowance for Uncollectable Accounts)	190,386	1,003,507	1,193,893
Due from Other Governments	282,666	714,418	997,084
Interfund Balances	(198,075)	198,075	-
Inventories	46,966	249,429	296,395
Prepaid Items	8,124	13,775	21,899
Net Pension Asset	1,335,599	905,301	2,240,900
Capital Assets Not Being Depreciated	1,625,509	1,313,939	2,939,448
Capital Assets Net of Accumulated Depreciation	12,403,765	7,459,710	19,863,475
Total Assets	16,896,352	13,953,249	30,849,601
Deferred Outflow of Resources			
Deferred Outflow - OPEB Related	105,598	65,023	170,621
Deferred Outflow - Pension Related	840,670	226,418	1,067,088
Total Deferred Outflow of Resources	946,268	291,441	1,237,709
Total Assets and Deferred Outflow of Resources	17,842,620	14,244,690	32,087,310
Liabilities			
Accounts Payable and Accrued Expenses	178,444	753,923	932,367
Customer Deposits	-	292,400	292,400
Power Costs Recovered in Advance	-	78,256	78,256
Liabilities:			
Due Within One Year	59,375	64,392	123,767
Due in More Than One Year	759,528	1,352,296	2,111,824
Total Liabilities	997,347	2,541,267	3,538,614
Deferred Inflow of Resources			
Deferred Inflow - OPEB Related	142,252	78,931	221,183
Deferred Inflow - Pension Related	1,753,133	643,174	2,396,307
Total Deferred Inflow of Resources	1,895,385	722,105	2,617,490
Total Liabilities and Deferred Inflow of Resources	2,892,732	3,263,372	6,156,104
Net Position			
Net Investment in Capital Assets	13,800,350	7,587,303	21,387,653
Restricted for:			
Law Enforcement	1,598	-	1,598
Community Redevelopment	469,922	-	469,922
Building Department	2,585	-	2,585
Local Option Gas Tax	81,406	-	81,406
Airport Operations	142,520	-	142,520
Net Pension Asset	723,985	488,545	1,212,530
Unrestricted	(272,478)	2,905,470	2,632,992
Total Net Position	\$ 14,949,888	\$ 10,981,318	\$ 25,931,206

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

CITY OF WILLISTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>General</u>	<u>Special Revenue Airport Development</u>	<u>Special Revenue Community Redevelopment</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Cash Equivalents	\$ 795,863	\$ 47,387	\$ 358,162	\$ 1,201,412
Accounts Receivables (Net of Allowance For Uncollectible Accounts)	4,825	185,011	550	190,386
Due from Other Governments	273,351	9,315	-	282,666
Due from Other Funds	66,474	-	116,585	183,059
Inventories	-	46,966	-	46,966
Prepaid Items	4,834	3,290	-	8,124
Total Assets	<u>1,145,347</u>	<u>291,969</u>	<u>475,297</u>	<u>1,912,613</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Expenses	140,351	32,719	5,375	178,445
Due to Other Funds	116,585	66,474	-	183,059
Advance from Other Funds	198,075	-	-	198,075
Total Liabilities	<u>455,011</u>	<u>99,193</u>	<u>5,375</u>	<u>559,579</u>
Fund Balances				
Non-Spendable	4,834	50,256	-	55,090
Restricted:				
Law Enforcement	1,598	-	-	1,598
Community Redevelopment	-	-	469,922	469,922
Building Department	2,585	-	-	2,585
Local Option Gas Tax	81,406	-	-	81,406
Airport Operations	-	142,520	-	142,520
Unassigned	599,913	-	-	599,913
Total Fund Balances	<u>690,336</u>	<u>192,776</u>	<u>469,922</u>	<u>1,353,034</u>
Total Liabilities and Fund Balances	<u>\$ 1,145,347</u>	<u>\$ 291,969</u>	<u>\$ 475,297</u>	<u>\$ 1,912,613</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, 2021

Total Fund Balance for Governmental Funds \$ 1,353,034

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. 14,029,274

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	(161,330)
Net Pension Liability - HIS	(124,066)
Net Pension Asset - Police	508,701
Net Pension Asset - General	826,898

Deferred Inflow - OPEB	(142,252)
Deferred Inflow - FRS	(734,381)
Deferred Inflow - HIS	(16,138)
Deferred Inflow - Police	(415,142)
Deferred Inflow - General	(587,472)

Deferred Outflow - OPEB	105,598
Deferred Outflow - FRS	380,988
Deferred Outflow - HIS	68,682
Deferred Outflow - Police	181,191
Deferred Outflow - General	209,809

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:

Note Payable	(30,849)
Compensated Absences	(145,997)
OPEB Obligation	(356,660)

Net Position of Governmental Activities \$ 14,949,888

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, 2021

	<u>General</u>	<u>Special Revenue Airport Development</u>	<u>Special Revenue Community Redevelopment</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes:				
Property Tax	\$ 699,513	\$ -	\$ 155,721	\$ 855,234
Sales and Fuel Tax	452,571	-	-	452,571
Franchise Tax	513,946	-	-	513,946
Licenses, Permits, and Fees	129,409	-	-	129,409
Intergovernmental	763,499	114,802	-	878,301
Fines and Forfeitures	16,400	-	-	16,400
Interest Earnings	489	276	130	895
Rental Income	-	338,710	-	338,710
Timber and Hay Sales	-	193,862	-	193,862
Contributions and Donations	6,350	-	-	6,350
Fuel Sales	-	1,157,914	-	1,157,914
Miscellaneous Revenues	25,777	13,392	300	39,469
Total Revenues	<u>2,607,954</u>	<u>1,818,956</u>	<u>156,151</u>	<u>4,583,061</u>
Program Expenditures				
Current:				
General Government	338,792	-	-	338,792
Law Enforcement	1,177,526	-	-	1,177,526
Communications	247,693	-	-	247,693
Roads and Streets	366,303	-	-	366,303
Fire Control	634,685	-	-	634,685
Parks and Recreation	23,328	-	-	23,328
Library	6,437	-	-	6,437
Planning and Zoning	182,707	-	-	182,707
Legislative and Legal	54,868	-	-	54,868
Animal Control	53,847	-	-	53,847
Airport Operations	-	1,481,449	-	1,481,449
Community Redevelopment	-	-	77,599	77,599
Non-Departmental	5,675	-	-	5,675
Capital Outlay	115,038	163,642	71,844	350,524
Debt Service:				
Principal	22,292	-	-	22,292
Interest	1,088	-	-	1,088
(Total Expenditures)	<u>(3,230,279)</u>	<u>(1,645,091)</u>	<u>(149,443)</u>	<u>(5,024,813)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(622,325)</u>	<u>173,865</u>	<u>6,708</u>	<u>(441,752)</u>
Other Financing Sources (Uses)				
Transfers in	800,000	-	112,464	912,464
Transfers (out)	(112,464)	-	-	(112,464)
Sale of Capital Assets	121,150	-	-	121,150
Total Other Financing Sources (Uses)	<u>808,686</u>	<u>-</u>	<u>112,464</u>	<u>921,150</u>
Net Change in Fund Balances	186,361	173,865	119,172	479,398
Fund Balances, Beginning of Year	503,975	18,911	350,750	873,636
Fund Balances, End of Year	<u>\$ 690,336</u>	<u>\$ 192,776</u>	<u>\$ 469,922</u>	<u>\$ 1,353,034</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, 2021**

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

Net Change in Fund Balances - Total Governmental Funds \$ 479,398

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	259,620
Depreciation Expense	(1,145,511)

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	22,292
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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	(12,007)
------------------------------------	----------

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	34,770
Pension Expense - HIS	(16,781)
Pension Expense - Police	63,619
Pension Expense - General	69,608
OPEB Expense - General	(113,054)
	(113,054)

Change in Net Position of Governmental Activities	\$ (358,046)
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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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,545,347	\$ 1,621,847	\$ 1,666,030	\$ 44,183
Licenses, Permits, and Fees	106,850	105,350	129,409	24,059
Intergovernmental	640,113	669,113	763,499	94,386
Fines and Forfeitures	19,050	19,050	16,400	(2,650)
Interest Earnings	4,000	4,000	489	(3,511)
Contributions and Donations	-	3,500	6,350	2,850
Misc. Revenues	38,800	30,600	25,777	(4,823)
Total Revenues	<u>2,354,160</u>	<u>2,453,460</u>	<u>2,607,954</u>	<u>154,494</u>
Expenditures				
Current:				
General Government	301,925	296,926	338,792	(41,866)
Law Enforcement	1,231,283	1,232,034	1,177,526	54,508
Communications	268,953	268,202	247,693	20,509
Streets and Sidewalks	309,732	309,733	366,303	(56,570)
Fire Control	587,580	554,100	634,685	(80,585)
Parks and Recreation	20,797	20,797	23,328	(2,531)
Library	6,199	6,199	6,437	(238)
Planning and Zoning	164,753	169,753	182,707	(12,954)
Legislative and Legal	41,000	41,000	54,868	(13,868)
Animal Control	50,116	50,116	53,847	(3,731)
Non-Departmental	19,357	19,354	5,675	13,679
Capital Outlay	50,000	343,150	115,038	228,112
Debt Service:				
Principal	-	31,701	22,292	9,409
Interest	-	1,780	1,088	692
(Total Expenditures)	<u>(3,051,695)</u>	<u>(3,344,845)</u>	<u>(3,230,279)</u>	<u>114,566</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(697,535)</u>	<u>(891,385)</u>	<u>(622,325)</u>	<u>269,060</u>
Other Financing Sources (Uses)				
Transfers in	800,000	800,000	800,000	-
Transfers (out)	(112,465)	(112,465)	(112,464)	1
Issuance of Debt	10,000	199,650	-	(199,650)
Sale of Capital Assets	-	4,200	121,150	116,950
Total Other Financing Sources (Uses)	<u>697,535</u>	<u>891,385</u>	<u>808,686</u>	<u>(82,699)</u>
Net Change in Fund Balance	-	-	186,361	186,361
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>503,975</u>	<u>(45,322)</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 690,336</u>	<u>\$ 141,039</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ 440,523	\$ 440,523	\$ 114,802	\$ (325,721)
Interest Earnings	600	600	276	(324)
Rental Income	304,695	301,795	338,710	36,915
Timber and Hay Sales	-	2,900	193,862	190,962
Fuel Sales	1,031,253	1,031,253	1,157,914	126,661
Miscellaneous	16,860	16,860	13,392	(3,468)
Total Revenues	<u>1,793,931</u>	<u>1,793,931</u>	<u>1,818,956</u>	<u>25,025</u>
Expenditures				
Current:				
Airport Operations	1,353,408	1,353,408	1,481,449	(128,041)
Capital Outlay	440,523	440,523	163,642	276,881
(Total Expenditures)	<u>(1,793,931)</u>	<u>(1,793,931)</u>	<u>(1,645,091)</u>	<u>148,840</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>173,865</u>	<u>173,865</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>173,865</u>	<u>173,865</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>18,911</u>	<u>18,911</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,776</u>	<u>\$ 192,776</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, 2021

	<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	\$ 155,721	\$ 20,496
Interest and Other	150	150	130	(20)
Miscellaneous	-	-	300	300
Total Revenues	<u>135,375</u>	<u>135,375</u>	<u>156,151</u>	<u>20,776</u>
Expenditures				
Current:				
Community Redevelopment	76,113	135,436	77,599	57,837
Capital Outlay	436,135	376,811	71,844	304,967
Total Expenditures	<u>512,248</u>	<u>512,247</u>	<u>149,443</u>	<u>362,804</u>
Excess (Deficiency) of Over (Under)				
Revenues Over Expenditures	<u>(376,873)</u>	<u>(376,872)</u>	<u>6,708</u>	<u>383,580</u>
Other Financing Sources (Uses)				
Transfer in	112,465	112,464	112,464	-
Total Other Financing Sources (Uses)	<u>112,465</u>	<u>112,464</u>	<u>112,464</u>	<u>-</u>
Net Change in Fund Balance	(264,408)	(264,408)	119,172	383,580
Fund Balances, Beginning of Year	<u>264,408</u>	<u>264,408</u>	<u>350,750</u>	<u>86,342</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 469,922</u>	<u>\$ 469,922</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, 2021

	Business-Type Activities - Enterprise Funds
	Utility Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 1,715,565
Investments - Certificates of Deposits	87,130
Accounts Receivable, Net	1,003,507
Due from Other Governments	714,418
Advance from Other Funds	198,075
Inventories	249,429
Prepays	13,775
Total Current Assets	3,981,899
Non-Current Assets:	
Restricted Cash and Cash Equivalents	292,400
Net Pension Asset	905,301
Capital Assets:	
Land and Land Improvements	133,966
Construction in Progress	1,179,973
Electric Distribution System	4,955,718
Water Distribution System	4,666,753
Sewer Plant and Distribution System	5,836,354
Natural Gas Distribution System	1,920,248
Machinery and Equipment	3,139,471
(Accumulated Depreciation)	(13,058,834)
Total Capital Assets, Net	8,773,649
Total Non-Current Assets	9,971,350
Total Assets	13,953,249
Deferred Outflow of Resources	
OPEB Related	65,023
Pension Related	226,418
Total Deferred Outflow of Resources	291,441
Total Assets and Deferred Outflow of Resources	14,244,690
Liabilities	
Current Liabilities:	
Accounts Payable and Accrued Expenses	753,923
Compensated Absences - Current	15,957
Liabilities Payable from Restricted Assets - Customer Deposits	292,400
Note Payable - Current	48,435
Power Costs Recovered in Advance	78,256
Total Current Liabilities	1,188,971
Non-Current Liabilities:	
Compensated Absences	47,873
OPEB Obligation	197,901
Note Payable	1,106,522
Total Non-Current Liabilities	1,352,296
Total Liabilities	2,541,267
Deferred Inflow of Resources	
OPEB Related	78,931
Pension Related	643,174
Total Deferred Inflow of Resources	722,105
Total Liabilities and Deferred Inflow of Resources	3,263,372
Net Position	
Net Investment in Capital Assets	7,587,303
Restricted for Net Pension Asset	488,545
Unrestricted	2,905,470
Total Net Position	\$ 10,981,318

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, 2021**

	Business-Type Activities - Enterprise Funds
	Utility Fund
Operating Revenues	
Charges for Services	\$ 5,538,198
Total Operating Revenues	5,538,198
Operating Expenses	
Electric Power Purchased	1,835,950
Natural Gas Purchased	205,863
Personal Services	1,015,613
Professional Fees and Services	700,711
Insurance	52,270
Operations and Maintenance	310,150
Depreciation and Amortization	685,760
Materials and Supplies	193,705
Other	27,774
Capital Projects	141,186
Total Operating Expenses	5,168,982
Operating Income	369,216
Non-Operating Revenues (Expenses)	
Capital Grants and Contributions	912,223
Interest Income	752
Interest Expense	(41,873)
Total Non-Operating Revenues (Expenses)	871,102
Income Before Capital Contributions and Transfers	1,240,318
Capital Contributions and Transfers	
Gain on Disposition of Fixed Assets	37,627
Transfers (out)	(800,000)
Total Contributions and Transfers	(762,373)
Change in Net Position	477,945
Net Position, Beginning of Year	10,503,373
Net Position, End of Year	\$ 10,981,318

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, 2021**

	Business-Type Activities - Enterprise Funds Utility Fund
Cash Flows from Operating Activities	
Cash Received from Customers/Others	\$ 5,482,148
Cash Payments to Suppliers for Goods and Services	(3,196,311)
Cash Payments to Employees for Services	(1,072,184)
Net Cash Provided by (Used in) Operating Activities	1,213,653
Cash Flows from Non-Capital Financing Activities	
Operating Transfers to Other Funds	(800,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(800,000)
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(1,199,712)
Interest Paid on Notes Payable	(41,873)
Payments on Notes Payable	(46,153)
Capital Grant Proceeds	289,453
Net Cash Used for Capital and Related Financing Activities	(960,658)
Cash Flows from Investing Activities	
Changes in Certificates of Deposit, Net	(195)
Interest Received	752
Net Cash Used for Investing Activities	557
Net Increase in Cash and Cash Equivalents	(546,448)
Cash and Cash Equivalents, Beginning of Year	2,554,413
Cash and Cash Equivalents, End of Year	\$ 2,007,965
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by (Used in) Operating Activities</u>	
Operating Income	\$ 369,216
Adjustments to Reconcile Operating Income to Net Cash	
Provided by (Used in) Operating Activities:	
Depreciation Expense	685,760
(Increase) Decrease in Assets and Deferred Outflows:	
(Increase) in Accounts Receivable	(93,429)
Decrease in Inventories	26,623
(Increase) in Net Pension Asset	(505,373)
Decrease in Deferred Outflows	42,518
Decrease in Prepays	2,749
Increase (Decrease) in Liabilities and Deferred Inflows:	
Increase in Power Costs Recovered in Advance	13,917
Increase in Accounts Payable and Accrued Expenses	247,024
Increase in OPEB Obligation	15,399
(Decrease) in Compensated Absences	(240)
Increase in Customer Deposits Payable	23,462
Increase in Deferred Inflows	386,027
Total Adjustments	844,437
Net Cash Provided by (Used in) Operating Activities	\$ 1,213,653
As Shown in the Accompanying Financial Statements	
Cash and Cash Equivalents	\$ 1,715,565
Restricted Cash and Cash Equivalents	292,400
Total Cash and Cash Equivalents	\$ 2,007,965

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, 2021**

	<u>Pension Trust Funds</u>
Assets	
Cash and Cash Equivalents	\$ 62,406
Investments, at Fair Value	8,852,792
Contributions Receivable	<u>18,499</u>
Total Assets	<u>8,933,697</u>
 Liabilities	
Accrued Expenses	<u>7,208</u>
Total Liabilities	<u>7,208</u>
 Fiduciary Net Position - Restricted for Pensioners	 <u><u>\$ 8,926,489</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, 2021

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 124,990
State	32,834
Employees	92,184
Total Contributions	<u>250,008</u>
Investment Earnings	<u>1,477,740</u>
Total Additions	<u>1,727,748</u>
Deductions	
Benefits Paid	468,489
Administrative Expenses	38,155
Total Deductions	<u>506,644</u>
Net Increase in Fiduciary Net Position	1,221,104
Fiduciary Net Position	
Beginning of Year	<u>7,705,385</u>
End of Year	<u><u>\$ 8,926,489</u></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.

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.

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

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, the solid waste department, and the newly developing COWLink system.

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.

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

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

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.

Fiduciary fund 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. Investments in the plans are reported at fair value according to the independent custodian for each plan using various third-party pricing source. 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.

Contribution requirements and contributions made are required by the 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. The costs of administering each plan are funded using investment earnings.

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.

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

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.

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 acquisition 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.

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

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

Assets	Years
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.
- **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.

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

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 6.50 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.

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.

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

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.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. In the statement of net position, the deferred outflow for pensions is an aggregate of items related to pensions and the deferred outflow for OPEB is an aggregate of items related to OPEB. The deferred outflows related to pensions and OPEB will be recognized as either expense or a reduction in the related liability in future reporting years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the statement of net position, the deferred inflow for pensions is an aggregate of items related to pensions and the deferred inflows for OPEB is an aggregate of items related to OPEB. The deferred inflows related to pensions and OPEB will be recognized as reductions to expense in future reporting years.

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 \$32,834 for the year ended September 30, 2021. 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	\$ 3,207,376	N/A	N/A	N/A
Petty Cash	2,000	N/A	N/A	N/A
Investments:				
Certificates of Deposit	<u>87,130</u>	N/A	N/A	N/A
Total	<u><u>3,296,506</u></u>			

Pension Cash and Investments:

Police Officer Pension:

FMiVT Cash and Money Market	23,720	N/A		N/A
FMiVT Broad Market High Quality Bond	525,229	6.30 Years	2	AAf/S4
FMiVT Core Plus	535,395	8.21 Years	3	Not Rated
FMiVT Diversified Large Cap Equity	857,309	Not Rated	2	Not Rated
FMiVT Small to Mid-Cap Equity Fund	471,012	Not Rated	2	Not Rated
FMiVT International Equity Portfolio	691,269	Not Rated	2	Not Rated
FMiVT Core Real Estate Portfolio	284,640	Not Rated	3	Not Rated

Regular Employee Pension:

FMiVT Cash and Money Market	\$ 38,686	N/A		N/A
FMiVT Broad Market High Quality Bond	856,626	6.30 Years	2	AAf/S4
FMiVT Core Plus	873,206	8.21 Years	3	Not Rated
FMiVT Diversified Large Cap Equity	1,398,239	Not Rated	2	Not Rated
FMiVT Small to Mid-Cap Equity Fund	768,201	Not Rated	2	Not Rated
FMiVT International Equity Portfolio	1,127,431	Not Rated	2	Not Rated
FMiVT Core Real Estate Portfolio	<u>464,236</u>	Not Rated	3	Not Rated

Total Pension Cash and Investments

Total \$ 12,211,705

<u>Type</u>	<u>Fair Value</u>
As shown in the Statement of Net Position:	
Entity-Wide Cash and Cash Equivalents	\$ 2,916,977
Entity-Wide Non-Pension Investments	87,130
Entity-Wide Restricted Cash and Cash Equivalents	292,400
Pension Cash and Money Market	62,406
Pension Investments	<u>8,852,792</u>
Total	<u><u>\$ 12,211,705</u></u>

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

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.

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.

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

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, 2021, 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, 2021, is as follows:

Asset Allocation	Asset Allocation Percentage
Cash and Money Market	0.7%
Broad Market High Quality Bond	15.5%
Core Plus	15.8%
Diversified Large Cap Equity	25.3%
Diversified Small to Mid-Cap Equity	13.9%
International Equity	20.4%
Core Real Estate Portfolio	8.4%
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, 2021, was as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/ Adjustments</u>	<u>Ending</u>
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,509,235	\$ -	\$ (34,000)	\$ -	\$ 1,475,235
Construction in Progress	150,274	-	-	-	150,274
Total Capital Assets, Not Being Depreciated	<u>1,659,509</u>	<u>-</u>	<u>(34,000)</u>	<u>-</u>	<u>1,625,509</u>
Capital Assets, Being Depreciated:					
Buildings and Improvements	20,817,979	180,528	-	-	20,998,507
Equipment	4,707,482	113,092	(24,785)	-	4,795,789
Total Capital Assets, Being Depreciated	<u>25,525,461</u>	<u>293,620</u>	<u>(24,785)</u>	<u>-</u>	<u>25,794,296</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(8,928,185)	(874,350)	-	-	(9,802,535)
Equipment	(3,341,620)	(271,161)	24,785	-	(3,587,996)
Total Accumulated Depreciation	<u>(12,269,805)</u>	<u>(1,145,511)</u>	<u>24,785</u>	<u>-</u>	<u>(13,390,531)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,255,656</u>	<u>(851,891)</u>	<u>-</u>	<u>-</u>	<u>12,403,765</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 14,915,165</u>	<u>\$ (851,891)</u>	<u>\$ (34,000)</u>	<u>\$ -</u>	<u>\$ 14,029,274</u>
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land and Land Improvements	\$ 133,966	\$ -	\$ -	\$ -	\$ 133,966
Construction in Progress	188,055	314,960	-	-	503,015
Construction in Progress - Non-CDBG	-	676,958	-	-	676,958
Total Capital Assets, Not Being Depreciated	<u>322,021</u>	<u>991,918</u>	<u>-</u>	<u>-</u>	<u>1,313,939</u>
Capital Assets, Being Depreciated:					
Plant and Distribution Systems	17,296,637	82,435	-	-	17,379,072
Machinery and Equipment	3,055,992	125,360	(41,880)	-	3,139,472
Total Capital Assets, Being Depreciated	<u>20,352,629</u>	<u>207,795</u>	<u>(41,880)</u>	<u>-</u>	<u>20,518,544</u>
Less Accumulated Depreciation for:					
Plant and Distribution Systems	(10,479,947)	(473,516)	-	-	(10,953,463)
Machinery and Equipment	(1,935,007)	(212,244)	41,880	-	(2,105,371)
Total Accumulated Depreciation	<u>(12,414,954)</u>	<u>(685,760)</u>	<u>41,880</u>	<u>-</u>	<u>(13,058,834)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,937,675</u>	<u>(477,965)</u>	<u>-</u>	<u>-</u>	<u>7,459,710</u>
Business-Type Activities Capital Assets, Net	<u>\$ 8,259,696</u>	<u>\$ 513,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,773,649</u>

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

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

General Government	\$ 2,943
Law Enforcement	82,077
Planning and Zoning	1,827
Streets and Sidewalks	55,789
Fire Control	83,443
Parks and Playgrounds	41,416
Library	13,168
Community Redevelopment	48,575
Animal Control	4,725
Airport Operations	<u>811,548</u>

Total Depreciation Expense - Governmental Activities \$ 1,145,511

Business-Type Activities

Electric	\$ 68,276
Water	182,541
Natural Gas	106,766
Sewer	136,503
Sanitation	99,657
Administrative Services - Utility	<u>92,017</u>

Total Depreciation Expense - Business-Type Activities \$ 685,760

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, 2021, 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	66,474

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**

	Interfund	
	<u>Transfers In</u>	<u>Transfers (Out)</u>
Major Funds		
General Fund	\$ 800,000	\$ 112,464
Utility Fund	-	800,000
Community Redevelopment Fund	<u>112,464</u>	<u>-</u>
Total Interfund Transfers	<u>\$ 912,464</u>	<u>\$ 912,464</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, 2021, total interest paid on this note was \$1,088 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, 2021, the interest rate was 3.5% and total interest paid on this note was \$41,873.

Fire Department and Police Building Renovation – In July 2021 the City entered into a loan agreement for \$100,000 to renovate the Fire Department and Police Buildings. As of fiscal year end, none of the funds were drawn down.

General Long-Term Debt Schedules:

Note Payable Year Ended <u>September 30, 2021</u>	Direct Borrowings Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
	2022	\$ 22,876
2023	<u>7,973</u>	<u>40</u>
Total	<u>\$ 30,849</u>	<u>\$ 545</u>

Business-Type Long-Term Debt Schedules:

Year Ended <u>September 30, 2021</u>	Direct Borrowings Business-Type Activities - Utility System	
	<u>Principal</u>	<u>Interest</u>
	2022	\$ 48,435
2023	50,158	37,869
2024	51,942	36,085
2025	53,789	34,237
2026	55,702	32,234
2027-2031	309,675	130,456
2032-2036	368,805	71,325
2037-2039	<u>216,451</u>	<u>10,054</u>
Total	<u>\$ 1,154,957</u>	<u>\$ 391,851</u>

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

Changes in Long-Term Liabilities—Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Direct Borrowing					
Note Payable - Fire Truck	\$ 53,141	\$ -	\$ (22,292)	\$ 30,849	\$ 22,876
Compensated Absences	133,990	148,830	(136,823)	145,997	36,499
Other Postemployment Benefits	267,142	89,518	-	356,660	-
Net Pension Liability (FRS and HIS)	1,351,927	-	(1,066,530)	285,397	-
Total Governmental Activities					
Long-Term Activities	<u>\$ 1,806,200</u>	<u>\$ 238,348</u>	<u>\$ (1,225,645)</u>	<u>\$ 818,903</u>	<u>\$ 59,375</u>
Business-Type Activities					
Direct Borrowings					
Note Payable:					
City Hall	1,201,110	-	(46,153)	1,154,957	48,435
Compensated Absences	64,070	60,996	(61,236)	63,830	15,957
Other Postemployment Benefits	182,502	15,399	-	197,901	-
Total Business-Type Activities	<u>\$ 1,447,682</u>	<u>\$ 76,395</u>	<u>\$ (107,389)</u>	<u>\$ 1,416,688</u>	<u>\$ 64,392</u>

Pledged Revenues

The City has pledged certain revenues, to repay loans outstanding as of September 30, 2021. 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, 2021:

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	\$ 297,655	\$ 23,380	5%	\$ 31,394	2023
Business-Type Activity						
Note Payable:						
City Hall Loan	Net System Revenues (1)(2)	\$ 395,141	\$ 88,026	22%	\$ 1,546,808	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.

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

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, 2020, the date of the most recent actuarial valuation, plan participation consisted of the following covered by the benefit terms:

Active Plan Members	55
Total Participants	55

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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the October 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.43% 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:	2.43%
Healthcare Cost Trend Rates:	Increases in healthcare costs are assumed to be 8.50% for the 2020/2021 fiscal year graded down by 0.50% per year to 5.00% for the 2027/28 and later fiscal years.

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

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-2020.

Changes: Since the prior measurement date, the discount rate was increased from 2.14% per annum to 2.43% per annum; the healthcare cost trend rates were changed from 6.50% for the 2020/21 fiscal year graded down to 5.00% per year to 8.50% for the 2020/21 fiscal year graded down to 5.00% per year; and the monthly implied subsidy at age 55 for the 2020/21 fiscal year for the retiree and his spouse was increased from \$267.50 to \$350.00.

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.

Changes in the OPEB Liability – for the fiscal year ended September 30, 2021, were as follows:

	Total OPEB Liability
Balance at September 30, 2020	\$ 449,644
Changes for a Year:	
Service Cost	127,835
Demographic Gain/Loss	(136,289)
Assumption Changes	102,240
Expected Interest Growth	13,998
Benefit Payments and Refunds	(2,867)
Net Changes	104,917
Balance at September 30, 2021	\$ 554,561

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 (1.43 percent) or 1-percentage-point higher (3.43 percent) than the current discount rate:

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

Comparison of Net OPEB Liability Using Alternative Discount Rates

	<u>1% Decrease</u>	<u>2.43% Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 616,380	\$ 554,561	\$ 449,479

Comparison of Net OPEB Liability Using Alternative Healthcare Cost Trend Rates

	<u>1% Decrease</u>	<u>8.5% Graded Down to 5%</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 471,826	\$ 554,561	\$ 658,513

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources – For the year ended September 30, 2021, the City recognized OPEB expense of \$136,545. At September 30, 2021, the City reported \$170,621 of deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB of \$221,183.

<u>Fiscal Year</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
2022	\$ 15,975	\$ 21,263
2023	15,975	21,263
2024	15,975	21,263
2025	15,975	21,263
2026	15,975	21,263
Thereafter	<u>90,746</u>	<u>114,868</u>
Total	<u>\$ 170,621</u>	<u>\$ 221,183</u>

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, 2021, were \$10,894.

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.

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

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.
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.

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

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.

Information used to determine the Net Pension Liability:

Employer's Reporting Date:	September 30, 2021
Measurement Date:	September 30, 2021
Actuarial Valuation Date:	October 1, 2020

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. For non-retired participants, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year (pre-retirement mortality); for non-disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for disabled retirees, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018
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.

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

Changes

Contributions from the employer and employees are assumed to be made as legally required. Since the prior measurement date, the mortality basis was changed from the RP-2000 Blue Collar Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.

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	25.00%	4.60% per annum
U.S. Small Cap Equity	14.00%	5.50% per annum
Non-U.S. Equity	21.00%	6.70% per annum
Core Real Estate	10.00%	5.00% per annum
Total or Weighted Arithmetic Average	100.00%	4.38% per annum

Current membership in the Plan is comprised of the following:

<u>Group</u>	<u>October 1, 2021</u>
Retirees and Beneficiaries Currently Receiving Benefits	5
Terminated Plan Participants Entitled to but not yet Receiving Benefits	5
Active Plan Participants	<u>11</u>
Total	<u><u>21</u></u>

The components of the net pension liability (asset) of the sponsor on September 30, 2021, were as follows:

Total Pension Liability	\$ 2,578,162
Plan Fiduciary Net Position	<u>(3,086,863)</u>
Sponsor's Net Pension Liability (Asset)	<u>\$ (508,701)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	119.73%

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

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 \$314,648 as of September 30, 2021.

Pension Expense

Service Cost	\$	130,047
Other Recognized Changes in Net Pension Liability:		
Expected Interest Growth		(432)
Investment Gain/Loss		(80,389)
Demographic Gain/Loss		(11,431)
Employee Contributions		(26,986)
Administrative Expenses		12,234
Assumption Changes		11,376
Total Pension Expense	\$	<u>34,419</u>

Deferred Inflows and Deferred Outflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2020	\$ 246,841	\$ 127,516
Amortization Payments	(65,650)	(146,094)
Investment Gain/Loss	-	320,739
Demographic Gain/Loss	-	55,717
Assumption Changes	-	57,264
Balance as of September 30, 2021	<u>\$ 181,191</u>	<u>\$ 415,142</u>

Amortization schedule for deferred outflows and inflows of resources:

Year Ending September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2022	\$ 65,649	\$ 120,636
2023	63,205	91,371
2024	47,735	89,469
2025	4,602	88,966
2026	-	23,600
Thereafter	-	1,100
Total	<u>\$ 181,191</u>	<u>\$ 415,142</u>

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

	1% Decrease	Discount Rate 7.00%	1% Increase
Total Pension Liability	\$ 2,868,251	\$ 2,578,162	\$ 2,333,245
Less Fiduciary Net Position	(3,086,863)	(3,086,863)	(3,086,863)
Net Pension Liability (Asset)	<u>\$ 218,612</u>	<u>\$ (508,701)</u>	<u>\$ (753,618)</u>

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

Changes in Net Pension Liability (Asset):

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Asset (a+b)</u>
Reporting Period Ended September 30, 2020	\$ 2,532,869	\$ (2,624,675)	\$ (91,806)
Change for a Year:			
Service Cost	130,047	-	130,047
Interest	181,889	(182,321)	(432)
Unexpected Investment Income	-	(320,739)	(320,739)
Demographic Experience	(55,717)	-	(55,717)
Employer Contributions	-	(98,038)	(98,038)
Employee Contributions	-	(26,986)	(26,986)
Benefit Payments and Refunds	(153,662)	153,662	-
Administrative Expenses	-	12,234	12,234
Assumption Changes	(57,264)	-	(57,264)
Reporting Period Ended September 30, 2021	<u>\$ 2,578,162</u>	<u>\$ (3,086,863)</u>	<u>\$ (508,701)</u>

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.

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.

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

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.
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, 2020
Actuarial Cost Method	Aggregate
Amortization Method	Level Percentage, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Mortality Basis	Pre-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; post-retirement mortality is based on the sex-distinct

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

Retirement	rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year. 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	Since the prior measurement date, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.
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.

Current membership in the Plan is comprised of the following:

Group	October 1, 2021
Retirees and Beneficiaries Currently Receiving Benefits	19
Terminated Plan Participants Entitled to but not yet Receiving Benefits	49
Plan Participants:	
Active	32
Total	100

Net Pension Liability (Asset)

The components of the net pension liability of the sponsor on September 30, 2021, were as follows:

Total Pension Liability	\$ 3,802,225
Plan Fiduciary Net Position	(5,534,424)
Sponsor's Net Pension Liability (Asset)	\$ (1,732,199)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	145.5%

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

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

Pension Expense

Service Cost	\$	182,311
Other Recognized Changes in Net Pension Liability:		
Expected Interest Growth		(42,619)
Investment Gain/Loss		(159,847)
Demographic Gain/Loss		(78,869)
Employee Contributions		(67,437)
Administrative Expenses		24,017
Assumption Changes		<u>20,732</u>
Pension Expense (Negative)	\$	<u>(121,712)</u>

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	25.00%	4.60% per annum
U.S. Small Cap Equity	14.00%	5.50% per annum
Non-U.S. Equity	21.00%	6.70% per annum
Core Real Estate	10.00%	5.00% per annum
Total or Weighted Arithmetic Average	100.00%	4.38% per annum

Deferred Inflows and Deferred Outflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Total of Components:		
Balance as of September 30, 2020	\$ 579,631	\$ 566,939
Amortization Payments	(146,404)	(364,388)
Investment Gain/Loss	-	597,410
Demographic Gain/Loss	-	49,335
Assumption Changes	-	<u>381,350</u>
Balance as of September 30, 2021	<u>\$ 433,227</u>	<u>\$ 1,230,646</u>

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

<u>Year Ending September 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2022	\$ 141,356	\$ 308,915
2023	95,946	304,167
2024	80,274	290,545
2025	76,091	234,809
2026	39,560	74,325
Thereafter	-	17,885
Total	<u>\$ 443,227</u>	<u>\$ 1,230,646</u>

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

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

	<u>1% Decrease</u>	<u>Discount Rate – 7.00%</u>	<u>1% Increase</u>
Total Pension Liability	\$ 4,284,324	\$ 3,802,225	\$ 3,402,718
Less Fiduciary Net Position	(5,534,424)	(5,534,424)	(5,534,424)
Net Pension Liability (Asset)	<u>\$ (1,250,100)</u>	<u>\$ (1,732,199)</u>	<u>\$ (2,131,706)</u>

Changes in Net Pension Liability (Asset):

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Asset (a+b)</u>
Reporting Period Ended September 30, 2020	\$ 4,076,931	\$ (4,850,355)	\$ (773,424)
Change for a Year:			
Service Cost	182,311	-	182,311
Interest	288,495	(331,114)	(42,619)
Unexpected Investment Income	-	(597,410)	(597,410)
Demographic Experience	(49,335)	-	(49,335)
Employer Contributions	-	(26,952)	(26,952)
Employee Contributions	-	(67,437)	(67,437)
Benefit Payments and Refunds	(314,827)	314,827	-
Administrative Expenses	-	24,017	24,017
Assumption Changes	(381,350)	-	(381,350)
Reporting Period Ended September 30, 2021	<u>\$ 3,802,225</u>	<u>\$ (5,534,424)</u>	<u>\$ (1,732,199)</u>

**Combining Schedule of Fiduciary
Net Position
Pension Trust Funds
September 30, 2021**

	<u>Retirement Plan and Trust for the Police Officers</u>	<u>Retirement Plan and Trust for the General Employees</u>	<u>Total</u>
Assets			
Cash and Money Market	\$ 23,720	\$ 38,686	\$ 62,406
Investment in External Investment Pool at Fair Value	3,364,854	5,487,938	8,852,792
Contributions Receivable	10,755	7,744	18,499
Total Assets	<u>3,399,329</u>	<u>5,534,368</u>	<u>8,933,697</u>
Liabilities			
Accrued Expenses	3,070	4,138	7,208
Total Liabilities	<u>3,070</u>	<u>4,138</u>	<u>7,208</u>
Net Positions - Held in Trust for Pension Benefits	<u>\$ 3,396,259</u>	<u>\$ 5,530,230</u>	<u>\$ 8,926,489</u>

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

**Combining Schedule of Changes in Fiduciary Net Position
Pension Trust Funds
For The Fiscal Year Ended September 30, 2021**

	Retirement Plan and Trust for the Police Officers	Retirement Plan and Trust for the General Employees	Total
Additions			
Contribution:			
Employer	\$ 98,038	\$ 26,952	\$ 124,990
State	32,834	-	32,834
Employees	<u>24,805</u>	<u>67,379</u>	<u>92,184</u>
Total Contributions	155,677	94,331	250,008
Investment Earnings	<u>549,215</u>	<u>928,525</u>	<u>1,477,740</u>
Total Additions	<u>704,892</u>	<u>1,022,856</u>	<u>1,727,748</u>
Deductions			
Benefits Paid	109,037	216,670	325,707
Lump Sum Distributions	44,627	98,155	142,782
Administrative Expenses	<u>13,415</u>	<u>24,740</u>	<u>38,155</u>
Total Deductions	<u>167,079</u>	<u>339,565</u>	<u>506,644</u>
Change in Net Position	537,813	683,291	1,221,104
Net Position Held in Trust for			
Pension Benefits, Beginning of Year	<u>2,858,446</u>	<u>4,846,939</u>	<u>7,705,385</u>
Net Position Held in Trust for			
Pension Benefits, End of Year	<u>\$ 3,396,259</u>	<u>\$ 5,530,230</u>	<u>\$ 8,926,489</u>

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.

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

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 25.89% of the compensation for Regular Special Risk and 37.76% for Administrative (with 1.66% for HIS) as of September 30, 2021. 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, 2021, as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 90,882

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2021, the City reported a net pension liability of \$161,330 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2021, the City’s proportionate share of the FRS liability was .0021357397% an decrease of .00066559286% from the prior year. The City opted to pay retirement on the fire employees in the 2020/2021 budget process.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources—For the year ended September 30, 2021, the Sponsor will recognize a Pension Expense of \$47,347. On September 30, 2021, 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	\$ 27,653	\$ -
Change in Assumptions	110,390	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	562,842
Changes in Proportion and Differences Between the City Contributions and Proportionate Share of Contributions	219,865	171,539
City Contributions Subsequent to Measurement Date	23,080	-
Total	\$ 380,988	\$ 734,381

The Deferred Outflows of Resources related to pensions totaling \$23,080 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

Year	Total Inflows/Outflows
2022	\$ (27,419)
2023	(57,289)
2024	(109,407)
2025	(157,727)
2026	(24,631)
Thereafter	-
Total	\$ 376,473

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.

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:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.2%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	100%			

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.

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

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 Position 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:

	1% Decrease 5.80%	Current Discount Rate – 6.80%	1% Increase 7.80%
City’s Proportionate Share of the Net Pension Liability	\$ 721,480	\$ 161,330	\$ (306,892)

*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.

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.

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

For the fiscal year ended June 30, 2021, 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, 2021, 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.

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, 2021, the City reported a net pension liability of \$124,066 for its proportionate share of the net pension liability for HIS. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2021 the City’s proportionate share was .00101142522%, which was an decrease of .00011709967% from its proportionate share measured as of June 30, 2019.

For the year ended September 30, 2021, the City recognized pension expense is \$22,683. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflow Funds</u>	<u>Deferred Outflow Funds</u>
Differences Between Expected and Actual Experience	\$ 4,152	\$ 52
Change in Assumptions	9,749	5,112
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	129	-
Changes in Proportion and Differences Between the City Contributions and Proportionate Share of Contributions	53,067	10,974
City Contributions Subsequent to Measurement Date	<u>1,585</u>	<u>-</u>
Total	<u>\$ 68,682</u>	<u>\$ 16,138</u>

The deferred outflows of resources related to pensions totaling \$1,585 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:

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

September 30,	Inflows/Outflows
2022	\$ 16,320
2023	14,656
2024	10,338
2025	6,083
2026	3,364
Thereafter	198
Total	\$ 50,959

Actuarial Assumptions—The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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, 2021, 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 2.21 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 2021 valuation was updated from 2.21 percent, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2021.

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:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
City's Proportionate Share of the Net Pension Liability	\$ 143,433	\$ 124,066	\$ 108,200

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.

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

Note 9 - Other Disclosures

Allowances for Doubtful Accounts

Allowances for doubtful accounts at September 30, 2021, are as follows:

Utility Fund	\$ 58,314
General Fund	16,339
Airport Fund	<u>62,195</u>
Total Allowances for Doubtful Accounts	<u>\$ 136,848</u>

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 - 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 30, 2022. 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, 2021
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 130,047	\$ 138,458	\$ 113,336	\$ 101,591	\$ 91,379	\$ 81,601	\$ 59,909	\$ 62,994
Interest on the Total Pension Liability	181,889	186,496	169,828	157,781	141,704	103,951	136,436	114,442
Demographic Experience	(55,717)	(19,888)	5,253	(28,525)	(17,330)	26,226	19,567	-
Assumption Changes	(57,264)	-	-	-	65,439	354,990	(216,983)	-
Benefit Payments, Including Refunds of Employee Contributions	(153,662)	(357,722)	(69,746)	(71,101)	(54,371)	(37,231)	(37,236)	(85,337)
Net Change in Total Pension Liability	45,293	(52,656)	218,671	159,746	226,821	529,537	(38,307)	92,099
Total Pension Liability, Beginning of Year	2,532,869	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)	\$ 2,578,162	\$ 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	\$ (98,038)	\$ (109,578)	\$ (97,045)	\$ (90,446)	\$ (74,311)	\$ (79,553)	\$ (75,005)	\$ (119,278)
Contributions - Employee	(26,986)	(26,958)	(24,421)	(21,005)	(18,698)	(18,330)	(18,053)	(21,100)
Net Investment Income	(503,060)	(163,769)	(137,328)	(173,485)	(269,174)	(149,871)	2,555	(134,338)
Benefit Payments	153,662	357,722	69,746	71,101	54,371	37,231	37,236	44,390
Administrative Expense	12,234	10,160	10,954	10,325	9,711	8,354	10,065	7,685
Net Change in Plan Fiduciary Net Position	(462,188)	67,577	(178,094)	(203,510)	(298,101)	(202,169)	(43,202)	(222,641)
Plan Fiduciary Net Position, Beginning of Year	(2,624,675)	(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)	\$ (3,086,863)	\$ (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)	\$ (508,701)	\$ (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	119.73%	103.62%	104.13%	106.22%	104.69%	101.63%	124.79%	118.68%
Covered Payroll**	\$ 514,896	\$ 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%	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 POLICE OFFICERS
FOR YEAR ENDED SEPTEMBER 30, 2021
SCHEDULE OF CONTRIBUTIONS**

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 119,604	\$ 110,636	\$ 100,309	\$ 94,683	\$ 82,868	\$ 80,725	\$ 75,174	\$ 117,485
Contributions in Relation to the Actuarially Determined Contribution	98,038	109,578	97,045	90,446	74,311	79,553	75,005	119,278
Contribution Deficiency (Excess)	<u>\$ 21,566</u>	<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>\$ 514,896</u>	<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	19.04%	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, 2021
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS

	<u>2021</u>	<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	\$ 182,311	\$ 189,718	\$ 170,840	\$ 141,746	\$ 121,584	\$ 128,374	\$ 95,658	\$ 101,093
Interest on the Total Pension Liability	288,495	278,616	280,605	286,840	268,562	212,271	297,696	260,459
Demographic Experience	(49,335)	(65,801)	(223,621)	(115,227)	32,335	104,482	(250,574)	-
Assumption Changes	(381,350)	-	-	-	265,359	695,988	(302,502)	-
Benefit Payments, Including								
Refunds of Employee Contributions	(314,826)	(246,250)	(276,669)	(423,229)	(446,417)	(322,256)	(201,578)	(211,313)
Net Change in Total Pension Liability	<u>(274,705)</u>	<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>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>	<u>3,230,141</u>
Total Pension Liability, End of Year (a)	<u>\$ 3,802,225</u>	<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	\$ (26,952)	\$ (25,474)	\$ (30,143)	\$ (107,990)	\$ (76,582)	\$ (32,832)	\$ (50,643)	\$ (112,114)
Contributions - Employee	(67,437)	(64,038)	(60,484)	(53,296)	(53,684)	(41,937)	(48,533)	(48,537)
Net Investment Income	(928,524)	(303,613)	(242,575)	(338,157)	(573,325)	(343,551)	(3,205)	(368,167)
Benefit Payments	314,827	246,250	276,669	423,229	446,417	322,256	201,578	384,331
Administrative Expense	24,016	19,065	20,221	20,487	19,911	17,752	18,972	18,141
Net Change in Plan Fiduciary Net Position	<u>(684,070)</u>	<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>(4,850,354)</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>	<u>(4,306,753)</u>
Plan Fiduciary Net Position, End of Year (b)	<u>\$ (5,534,424)</u>	<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>\$ (1,732,199)</u>	<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	145.56%	118.97%	120.45%	118.06%	113.51%	114.47%	142.92%	131.14%
Covered Payroll**	<u>\$ 1,144,391</u>	<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%	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, 2021
SCHEDULE OF CONTRIBUTIONS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 26,165	\$ 89,095	\$ 75,498	\$ 56,834	\$ 106,400	\$ 57,705	\$ 34,167	\$ 50,478
Contributions in Relation to the Actuarially Determined Contribution	26,952	25,474	30,143	107,990	76,582	32,832	50,643	112,114
Contribution Deficiency (Excess)	<u>\$ (787)</u>	<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>\$ 1,144,391</u>	<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	2.36%	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:

	<u>Police Officers' Pension Plan</u>	<u>General Employees' Pension Plan</u>
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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.0021357330%	0.0028013258%	0.0021972346%	0.0019285260%	0.00120060470%
City's Proportionate Share of the Net Pension Liability	\$ 161,330	\$ 1,214,136	\$ 756,697	\$ 580,882	\$ 355,131
City's Covered Payroll (June 30)	\$ 359,481	\$ 302,438	\$ 299,039	\$ 255,001	\$ 154,244
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	44.88%	401.45%	253.04%	227.80%	230.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	82.61%	78.85%	84.26%	83.89%

SCHEDULE OF CITY CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 86,024	\$ 94,233	\$ 73,666	\$ 59,700	\$ 55,327
Contributions in Relation to the Contribution	(86,024)	(94,233)	(73,666)	(59,700)	(55,327)
Contribution Deficiency (Excess)	-	-	-	-	-
City's Covered Payroll (September 30)	\$ 356,917	\$ 400,474	\$ 315,454	\$ 250,613	\$ 154,244
Contributions as a Percentage of Covered Payroll	24.10%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.00101142522%	0.00112852490%	0.00089413716%	0.00078074600%	0.00047024182%
City's Proportionate Share of the Net Pension Liability	\$ 124,066	\$ 137,791	\$ 100,045	\$ 82,635	\$ 50,280
City's Covered Payroll (June 30)	\$ 359,481	\$ 302,438	\$ 299,039	\$ 255,001	\$ 154,244
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	34.51%	45.56%	33.46%	32.41%	32.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.00%	2.63%	3.00%	2.15%	1.64%

SCHEDULE OF CITY CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 4,160	\$ 4,858	\$ 5,133	\$ 4,160	\$ 2,560
Contributions in Relation to the Contractually Required Contribution	<u>(4,160)</u>	<u>(4,858)</u>	<u>(5,133)</u>	<u>(4,160)</u>	<u>\$ (2,560)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's Covered Payroll (September 30)	\$ 356,917	\$ 400,474	\$ 315,454	\$ 250,613	\$ 154,244
Contributions as a Percentage of Covered Payroll	1.17%	1.21%	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**

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Total OPEB Liability:				
Service Cost	\$ 127,835	\$ 91,224	\$ 48,542	\$ 52,877
Expected Interest Growth	13,998	9,456	12,783	13,394
Demographic Gain/Loss	(136,289)	(1,624)	(1,654)	-
Difference Between Expected and Actual Expense Amortization	-	2,841	(24,641)	-
Changes in Assumptions and Other Inputs	102,240	(850)	(850)	-
Benefit Payments	(2,867)	(4,040)	(37,793)	(51,738)
Net Change in Total OPEB Liability	104,917	97,007	(3,613)	14,533
Total OPEB Liability - Beginning	449,644	352,637	356,250	341,717
Total OPEB Liability - Ending	\$ 554,561	\$ 449,644	\$ 352,637	\$ 356,250
Covered-Employee Payroll	\$ 2,150,285	\$ 2,125,527	\$ 1,730,542	\$ 1,586,211
Total OPEB Liability as a Percentage of Covered Payroll	25.79%	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.

Since the prior measurement date, the discount rate was increased from 2.14% per annum to 2.43% per annum; the healthcare cost trend rates were changed from 6.50% for the 2020/21 fiscal year graded down to 5.00% per year to 8.50% for the 2020/21 fiscal year graded down to 5.00% per year; and the monthly implied subsidy at age 55 for the 2020/21 fiscal year for the retiree and his spouse was increased from \$267.50 to \$350.00.

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, 2021, 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 30, 2022.

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 30, 2022
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Council
City of Williston
Williston, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of Williston, Florida's (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

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City of Williston
Williston, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



June 30, 2022
Ocala, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT
OF PUBLIC FUNDS**

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, *Local Government Investment Policies*, with regards to the City’s investments during the year ended September 30, 2021. 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, 2021.

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 30, 2022
Ocala, Florida

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**CITY OF WILLISTON, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/Project Title</u>	<u>Assistance Listing No.</u>	<u>Grantor's Contract Number</u>	<u>Project Award</u>	<u>Expenditures</u>
Federal Aviation Administration				
Florida Department of Transportation				
Airport Improvement Program	20.106-COVID-19	X60-SOG-3-12-0087-023-2020	\$ 30,000	\$ 30,000
Airport Improvement Program	20.106-COVID-19	X60-SOG-3-12-0087-023-2021	52,000	52,000
Total Federal Aviation Administration			<u>82,000</u>	<u>82,000</u>
U.S. Department of Agriculture				
Office of Rural Development				
Community Facilities Grant	10.766	USDA (FY2021)	64,600	64,600
Community Facilities Grant	10.766	USDA (FY2020)	45,846	8,338
Total Federal Aviation Administration			<u>110,446</u>	<u>72,938</u>
U.S. Department of Housing and Urban Development				
Florida Department of Economic Opportunity				
Community Redevelopment Block Grant	14.228	19DB-ON-05-48-02-N33	700,000	659,178
Total Federal Aviation Administration			<u>700,000</u>	<u>659,178</u>
Total Federal Awards			<u>\$ 892,446</u>	<u>\$ 814,116</u>

Note 1 - Basis of Presentation

The Schedule of Federal Awards includes the federal grant activity of the City of Williston City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 2 - Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARD PROGRAMS
CITY OF WILLISTON
YEAR ENDED SEPTEMBER 30, 2021**

1. Summary of Audit Results

I. Type of Audit Report Issued on Financial Statements:

Unmodified Opinion

II. Internal Control Over Financial Reporting:

Audit disclosed no significant deficiencies or material weaknesses in internal control.

III. Non-Compliance Material to Audited Financial Statements:

Audit disclosed no material instances of non-compliance.

IV. Significant Deficiencies and/or Material Weaknesses in Internal Control over Major Federal Award Programs:

Audit disclosed no material instances and/or significant deficiencies of non-compliance.

V. Type of Audit Report Issued on Compliance with Requirements Applicable to Major Federal Awards Programs:

Unmodified Opinion

VI. Major Programs:

Federal:

- U.S. Department of Housing and Urban Development
 - State of Florida Department of Economic Opportunity
 - ▶ Community Development Block Grants/State's Program and Non-Entitlement - No. 14.228

VII. Dollar Threshold Used to Distinguish Between Type A and Type B Federal Programs

\$750,000 for Federal Programs

VIII. Auditee Qualification as Low-Risk Auditee for Federal Programs

The auditee does *not* qualify as a low-risk auditee per the criteria set forth in Section .530 of the Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARD PROGRAMS
CITY OF WILLISTON
YEAR ENDED SEPTEMBER 30, 2021**

1. **Findings Related to the Financial Statements Required to be Reported under Generally Accepted Government Auditing Standards (GAGAS)**

Noted no current year recommendations.

2. **Findings and Questioned Costs for Major Federal Programs**

Noted no current year recommendations.

3. **Prior Audit Findings**

Noted no prior year findings.

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, 2021, and have issued our report thereon dated June 30, 2022.

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, Independent Auditor's report on Compliance for each Major Federal Program and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs* 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, 30, 2022, 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 financial audit report. All prior year comments have been addressed.

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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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 30, 2022
Ocala, Florida

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