

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2017

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

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

SEPTEMBER 30, 2017

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

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INDEPENDENT AUDITORS' 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, 2017, 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.

Auditors' 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.

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and City Council
City of Williston
Williston, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

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, 2017, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and 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.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018, 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 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 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.

Purvis, Gray and Company, LLP

June 26, 2018
Ocala, Florida

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

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, 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, 2017. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

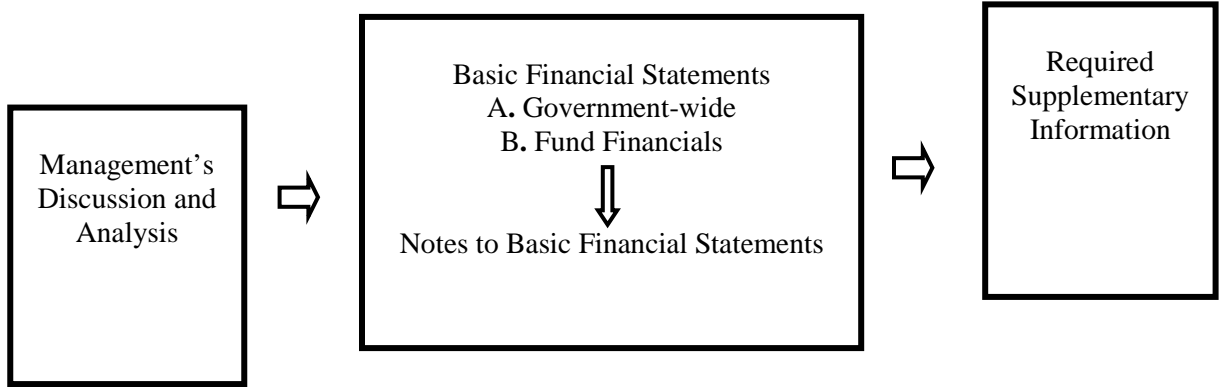
- The City's net position exceeded its liabilities at the close of the current fiscal year by \$28,784,402.
- The City's total net position decreased by \$498,565 for the current fiscal year. Governmental activities assets decreased by \$832,063, and business-type activities increased by \$333,498 for the fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$1,718,133. The non-spendable portion of the fund balance totaled \$95,222 and the restricted portion totaled \$501,094. Approximately 65.3% of the ending fund balance, \$1,121,817, 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 \$561,360 from the prior year.
- The City's total long-term debt increased by \$269,471, or 32.2% during the current fiscal year. Long-term debt decreased during the year by \$101,867 due to principal payments made on promissory notes. These decreases were offset by a net increase of \$371,338 during the fiscal year in the net pension liability, compensated absences, OPEB obligations, and special termination benefits.
- The City's total net position of \$28,784,402 are divided into the following classifications:
 - Net Investment in Capital Assets in the amount of \$21,279,157. This includes land, buildings, improvements and equipment less accumulated depreciation and any outstanding debt that related to the purchase or construction of those assets.
 - Restricted assets of \$573,451 for specific use in law enforcement, airport operations, building department and community redevelopment expenditures.
 - Unrestricted assets in the amount of \$6,931,794 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, 2017**

(Continued)

Overview of the Financial Statements

The Management Discussion and Analysis (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, 2017, 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, 2017**

(Continued)

Overview of the Financial Statements *(Continued)*

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 statement. 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 trust 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, 2017**

(Continued)

Overview of the Financial Statements (Concluded)

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 66 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 67 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 \$28,784,402 at the close of the current fiscal year ended September 30, 2017, resulting in a decrease in net position of \$498,565, or approximately 1.7% less than the prior year total of \$29,282,967.

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 \$21,279,157, or 73.9% 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 \$573,451, or 2.0% of total net position. Restricted assets increased by \$104,948, or 22.5%, from the prior year. The increase was primarily the result of revenue at the Airport and the Community Redevelopment Area exceeding its operating and capital improvements costs for the fiscal year. The remaining balance of \$6,931,794 is unrestricted and may be used to meet the City's ongoing obligations to its citizens, customers, and creditors.

The City's governmental activities account for \$1,552,726 or 22.4% of the total unrestricted net position. The business-type activities account for \$5,379,068, or 77.6% of the remaining unrestricted net position. Governmental activities unrestricted net position decreased by \$252,232, or 14.0% from the prior year. Unrestricted business-type net position decreased by \$801,006 or 13.0% from prior fiscal year.

Governmental-type activities' total investment in capital assets, net of related debt decreased by \$684,779 or 4.3% for the fiscal year-end. Business type activities increased in the total invested capital assets net of related debt by \$1,134,504 or 22.6%.

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, 2017**

(Continued)

Government-Wide Financial Analysis (Continued)

**Statement of Net Position
September 30, 2017**

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$ 1,938,052	\$ 1,963,239	\$ 6,857,898	\$ 5,997,800	\$ 8,795,950	\$ 7,961,039
Prepays and other	354,905	446,254	278,736	262,359	633,641	708,613
Capital assets, net of accumulated depreciation	15,945,655	15,240,729	5,250,668	6,303,452	21,196,323	21,544,181
Total assets	18,238,612	17,650,222	12,387,302	12,563,611	30,625,914	30,213,833
Deferred Outflows - Pension	952,657	1,384,804	461,154	474,252	1,413,811	1,859,056
Total Deferred Outflows of Resources	952,657	1,384,804	461,154	474,252	1,413,811	1,859,056
Long-term liabilities	484,285	861,213	353,529	246,072	837,814	1,107,285
Other liabilities	183,556	284,879	1,055,253	965,014	1,238,809	1,249,893
Total liabilities	667,841	1,146,092	1,408,782	1,211,086	2,076,623	2,357,178
Deferred Inflows - Pension	441,171	638,740	238,964	292,569	680,135	931,309
Total Deferred Inflows of Resources	441,171	638,740	238,964	292,569	680,135	931,309
Net assets:						
Net Investment in						
Capital Assets	15,808,796	15,124,017	5,020,636	6,155,140	20,829,432	21,279,157
Restricted	468,503	573,451	-	-	468,503	573,451
Unrestricted	1,804,958	1,552,726	6,180,074	5,379,068	7,985,032	6,931,794
Total net assets	\$ 18,082,257	\$ 17,250,194	\$ 11,200,710	\$ 11,534,208	\$ 29,282,967	\$ 28,784,402

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, 2017**

(Continued)

Government-Wide Financial Analysis (Concluded)

**Changes in Net Position
For the Years Ended September 30, 2017**

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Revenues						
Program revenues:						
Charges for services	\$ 975,965	\$ 1,337,459	\$ 5,700,251	\$ 5,365,895	\$ 6,676,216	\$ 6,703,354
Capital grants & contributions	630,405	511,819	181,269	464,036	811,674	975,855
General revenues:						
Property taxes	638,886	655,548	-	-	638,886	655,548
Public service tax	330,806	332,593	-	-	330,806	332,593
Other taxes	373,008	371,194	-	-	373,008	371,194
Settlement Proceeds	-	-	31,251	-	31,251	-
Other	676,776	715,806	17,039	17,622	693,815	733,428
Total revenues	3,625,846	3,924,419	5,929,810	5,847,553	9,555,656	9,771,972
Expenses						
General government	387,653	584,927	-	-	387,653	584,927
Law enforcement	1,211,886	1,360,826	-	-	1,211,886	1,360,826
Fire control	493,796	584,371	-	-	493,796	584,371
Streets and sidewalks	339,089	410,169	-	-	339,089	410,169
Parks and recreation	92,686	105,809	-	-	92,686	105,809
Community redevelopment	111,250	135,129	-	-	111,250	135,129
Animal control	47,077	52,146	-	-	47,077	52,146
Airport operations & development	1,641,291	2,151,587	-	-	1,641,291	2,151,587
Interest on long-term debt	2,445	3,236	-	-	2,445	3,236
Utility	-	-	4,709,762	4,875,855	4,709,762	4,875,855
Non Departmental	7,965	6,482	-	-	7,965	6,482
Total expenses	4,335,138	5,394,682	4,709,762	4,875,855	9,044,900	10,270,537
Increase / (Decrease) in net position before transfers:	(709,292)	(1,470,263)	1,220,048	971,698	510,756	(498,565)
Transfers	638,200	638,200	(638,200)	(638,200)	-	-
Change in net position	(71,092)	(832,063)	581,848	333,498	510,756	(498,565)
Net position, beginning of year	18,153,349	18,082,257	10,618,862	11,200,710	28,772,211	29,282,967
Net position, end of year	\$ 18,082,257	\$ 17,250,194	\$ 11,200,710	\$ 11,534,208	\$ 29,282,967	\$ 28,784,402

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, 2017**

(Continued)

Governmental Activities

As shown on the previous page, the City's total net position for governmental activities decreased by \$832,063 for the current fiscal year. Key elements of these changes are as follows:

Revenues

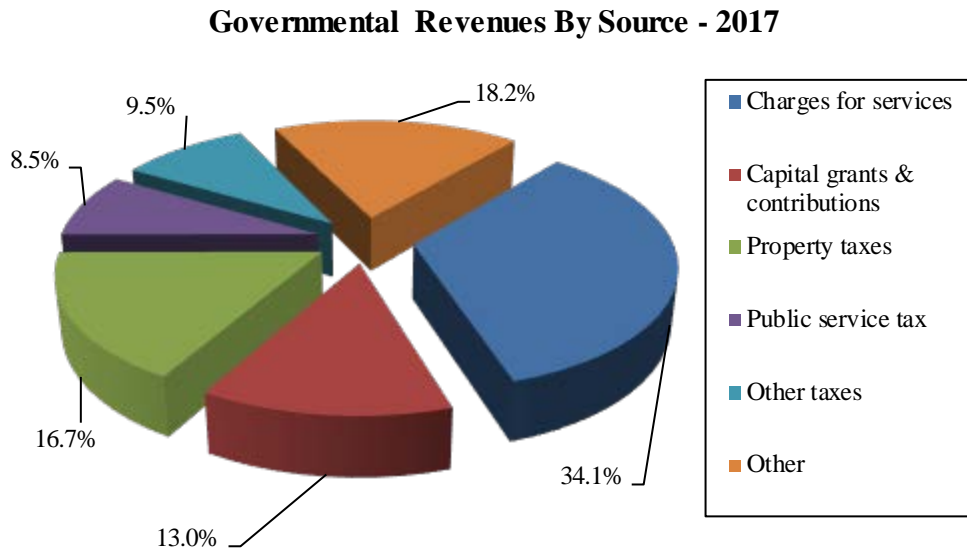
Overall, the total revenue for governmental activities decreased by \$298,573 compared to the prior fiscal year. The activity was as follows:

Charges for services increased by \$361,494, or 37.0% from the prior fiscal year-end. The increase was primarily due to an increase in fuel sales at the airport.

Capital grants and contributions decreased by \$118,586 or 18.8% from the prior fiscal year. The decrease was a result of lower grant revenue at the airport due to a reduced number of projects during the fiscal year.

The general revenues increased by \$55,665 compared to the previous year primarily as a result of an increase in property taxes, state revenue sharing and other local infrastructure taxes. These increases were offset by a reduction in franchise taxes and other miscellaneous revenue.

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, 2017**

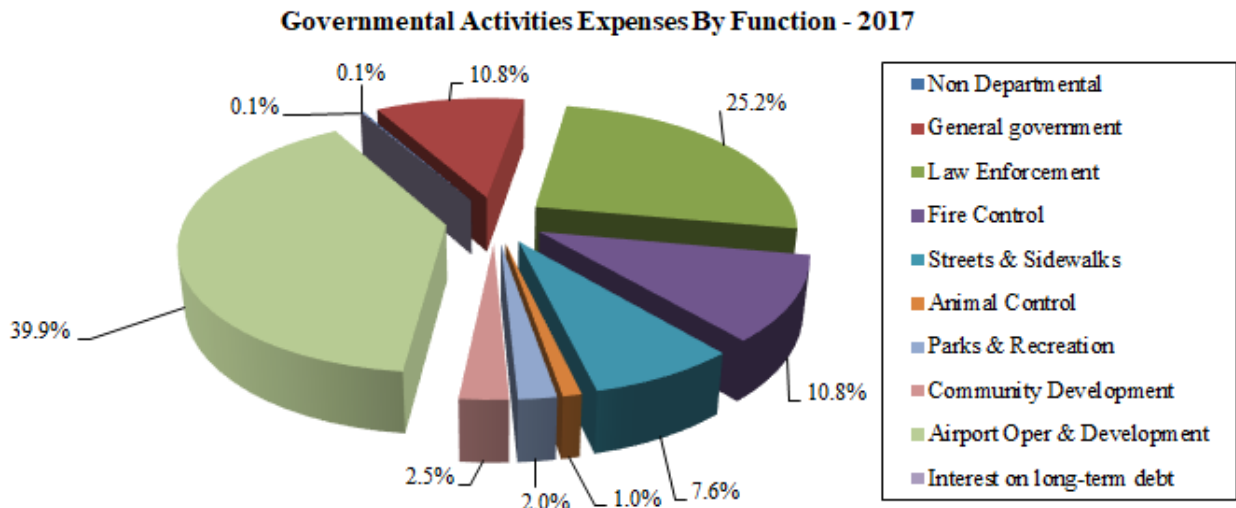
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Governmental Activities (Continued)

Expenses

The City's governmental expenses increased to \$5,394,682 a \$1,059,544, or 24.4% increase from the previous fiscal year's total of \$4,335,138. The increase is primarily the result of an increase in fuel purchases made at the airport to support the increase in fuel sales. An increase in payroll costs for the fire, police and public works departments also contributed to the increase in expenses compared to the previous fiscal year total.

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.

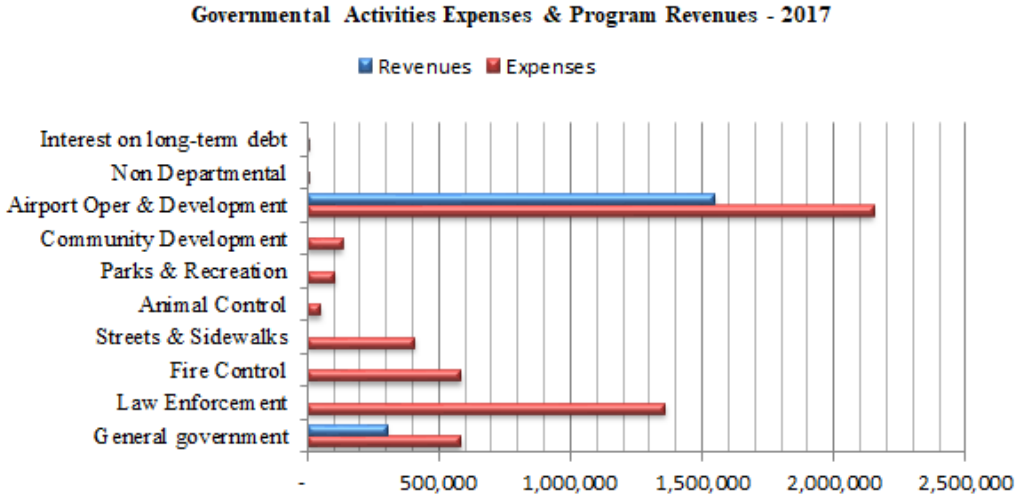


The bar chart on the next page compares governmental activity expenses against program revenues that each department generates, without any associated general revenues such as property, franchise, public service and telecommunication taxes, as well as, interest and other miscellaneous income.

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

(Continued)

Governmental Activities (Concluded)



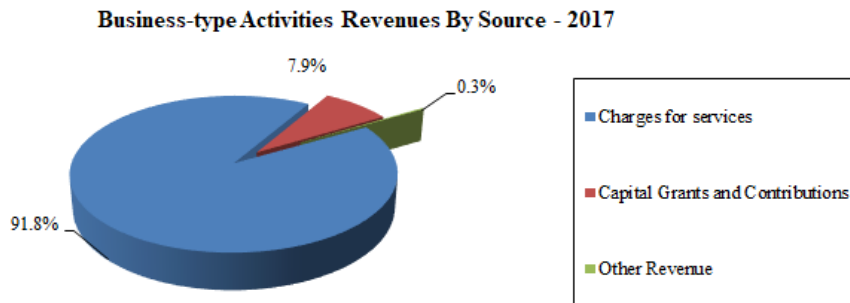
Business-Type Activities

Business-type activities increased the City's net position by \$333,498 from the previous fiscal year-end. The increase in the City's net position was primarily the result of the revenue received for the completion of the CDGB project. Other contributing factors are discussed below.

Revenues

Overall, total revenue for business-type activities decreased by \$82,257 compared to the prior fiscal year. The decrease was primarily the result of revenue received from the completion of the new school infrastructure project in the prior year offset by additional grant revenue received from the completion of the CDGB project in the current fiscal year.

The activity for the fiscal year was as follows: charges for services decreased by \$334,356, capital grants, and contributions increased by \$282,767, settlement proceeds decreased by \$31,251 and other revenues increased by \$583 from the prior fiscal year. The chart below illustrates the breakdown as a percentage of total revenues by each source for the City's business-type activities.



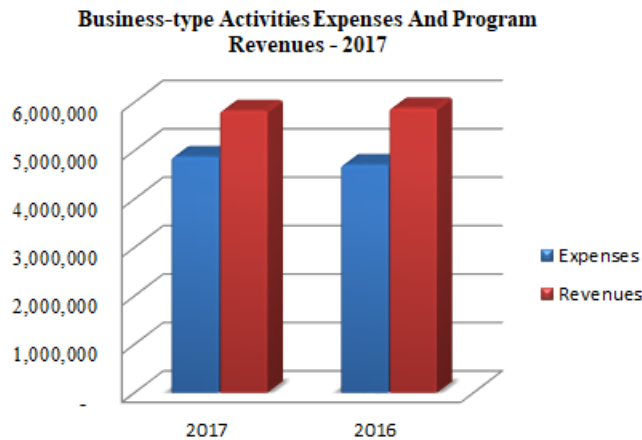
**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

(Continued)

Business-Type Activities (Concluded)

Business-type activity expenses increased by \$166,093 from the prior fiscal year-end. The increase was primarily the result of additional payroll expenses incurred compared to the prior fiscal year. Also, contributing to the difference was a decrease in depreciation expense for the current fiscal year.

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



Fund Financial Analysis

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

Governmental Funds

The primary function of the City's governmental funds is to report on near-term revenues (inflows), expenditures (outflows) and balance of spendable resources. This information is useful in assessing the government's financial requirements in the near future. In particular, fund balance is a good indicator of the City's net resources that are available for spending at the end of the fiscal year. At the end of the current fiscal year the City's combined ending governmental fund balance was \$1,718,133. The fund balance in the general fund was \$1,167,842. The fund balances in the two special revenue funds was a combined ending balance of \$550,291. The City ended the current fiscal year with an overall decrease in its combined fund balance of \$70,250 as compared to the prior year end balance of \$1,788,383.

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, 2017**

(Continued)

Fund Financial Analysis (Continued)

The general fund is the main operating fund for the City and is shown below. The fund balance after transfers decreased by \$176,870 for the fiscal year, as compared to an increase of \$39,169 in the previous fiscal year, a net decrease in 2017 of \$216,039.

General Fund			
	2016	2017	Inc / (Dec.)
Revenues			
Taxes	\$ 1,306,266	\$ 1,309,786	\$ 3,520
Licenses and permits	77,948	55,587	(22,361)
Intergovernmental	632,327	821,561	189,234
Fines and forfeitures	10,184	9,431	(753)
Interest Earnings	3,897	3,092	(805)
Other	4,550	22,400	17,850
Total revenues	2,035,172	2,221,857	186,685
Expenditures			
Current:			
General Government	311,793	436,954	125,161
Law enforcement	936,337	1,014,498	78,161
Communications	195,518	211,170	15,652
Streets and sidewalks	310,981	363,995	53,014
Fire Control	434,180	495,784	61,604
Parks and recreation	31,372	40,389	9,017
Library	6,944	9,347	2,403
Planning and zoning	30,328	98,419	68,091
Legislative and legal	34,837	32,632	(2,205)
Animal Control	46,753	51,165	4,412
Non-departmental	7,928	6,423	(1,505)
Capital Outlay	347,505	174,541	(172,964)
Debt Service:			
Principal	13,142	20,145	7,003
Interest	2,445	3,236	791
Total expenditures	2,710,063	2,958,698	248,635
Excess (deficiency) of revenues over (under) expenditures	(674,891)	(736,841)	(61,950)
Other financing sources (uses)			
Debt Proceeds	150,000	-	(150,000)
Transfers in	638,200	638,200	-
Transfers out	(74,140)	(78,229)	(4,089)
Total other financing	714,060	559,971	(154,089)
Net change in fund balances	39,169	(176,870)	(216,039)
Fund balances, beginning of year	1,305,543	1,344,712	
Fund balances, end of year	\$ 1,344,712	\$ 1,167,842	

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

(Continued)

Fund Financial Analysis (Continued)

The special revenue fund - airport development is another operating fund of the City. The fund balance increased by \$10,404 for the current fiscal year, as compared to an increase of \$24,503 in the previous year, a net decrease in 2017 of \$14,099 as illustrated below:

		Special Revenue Fund Airport Development		
		2016	2017	Inc / (Dec.)
Revenues				
Intergovernmental		\$ 552,108	\$ 274,806	\$ (277,302)
Interest Earnings		1,169	1,000	(169)
Rental Income		259,809	276,661	16,852
Timber and hay sales		4,144	4,144	-
Fuel Sales		634,063	990,995	356,932
Other		34,462	34,706	244
Total revenues		1,485,755	1,582,312	96,557
Expenditures				
Current:				
Airport Development		1,058,163	1,409,021	350,858
Capital Outlay		403,089	162,887	(240,202)
Total expenditures		1,461,252	1,571,908	110,656
Excess (deficiency) of revenues over (under) expenditures		24,503	10,404	(14,099)
Net change in fund balances		24,503	10,404	(14,099)
Fund balances, beginning of year		110,460	134,963	
Fund balances, end of year		\$ 134,963	\$ 145,367	

**CITY OF WILLISTON, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017**

(Continued)

Fund Financial Analysis (Continued)

The community redevelopment fund is another special revenue fund that the City includes in its statements as illustrated below. The fund balance after transfers associated with this fund increased by \$96,216 for the current fiscal year-end, as compared to an increase of \$74,682 in the prior year, a net increase in 2017 of \$21,534. 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		
	2016	2017	Inc / (Dec.)
Revenues			
Taxes	\$ 104,635	\$ 120,092	\$ 15,457
Intergovernmental	-	-	-
Interest Earnings	284	158	(126)
Total revenues	<u>104,919</u>	<u>120,250</u>	<u>15,331</u>
Expenditures			
Community Redevelopment	104,377	92,476	(11,901)
Capital Outlay	-	9,787	9,787
Total expenditures	<u>104,377</u>	<u>102,263</u>	<u>(2,114)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>542</u>	<u>17,987</u>	<u>17,445</u>
Other financing sources (uses)			
Transfers in	74,140	78,229	4,089
Total Other financing	<u>74,140</u>	<u>78,229</u>	<u>4,089</u>
Net change in fund balances	74,682	96,216	21,534
Fund balances, beginning of year	234,026	308,708	
Fund balances, end of year	<u>\$ 308,708</u>	<u>404,924</u>	

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 \$5,379,068, with the remaining \$6,155,140 being invested in capital assets net of any related debt at the end of the 2017 fiscal year.

The City's total net position for business-type activities increased by \$333,498 from the prior fiscal year end. Key elements of the increase 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, 2017**

(Continued)

Fund Financial Analysis (Continued)

General Fund Budgetary Highlights with Variances

Overall, the general fund ended the current fiscal year with a negative variance between its final operating revenues budgeted and actual operating revenues in the amount of \$127,179. This was mainly due to anticipated grant proceeds which were not received during the fiscal year.

The general fund experienced a positive variance between its final operating expenditures budget and actual operating expenditures in the amount of \$303,348. The positive variance was largely the result of less spending on capital projects and purchases than was anticipated in the budget.

Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounts to \$21,544,181 (net of accumulated depreciation) as compared to the prior year-end total of \$21,196,323 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 increase in capital assets for the current fiscal year was \$347,858 or 1.6%. Governmental activities decreased by \$704,926 and the business-type activities increased by \$1,052,784 as illustrated below. The decrease in governmental activities was the result of depreciation recorded in the current fiscal year offset by completed and in-progress airport projects as well as purchased equipment & vehicles. The increase in the business-type activities was the result of the completed CDGB project, the in-progress gas main installation project, and other purchased equipment & vehicles. This increase was offset by the depreciation recorded in the current fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Land	\$1,413,225	\$1,413,225	\$133,966	\$133,966	\$1,547,191	\$1,547,191
Construction In Progress	28,697	154,906	194,945	780,995	223,642	935,901
Buildings and Improvements	13,263,500	12,521,798	-	-	13,263,500	12,521,798
Plant and Distribution Systems	-	-	4,180,652	4,454,473	4,180,652	4,454,473
Machinery and Equipment	1,240,233	1,150,800	741,105	934,018	1,981,338	2,084,818
Total Assets, Net	\$15,945,655	\$15,240,729	\$5,250,668	\$6,303,452	\$21,196,323	\$21,544,181

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, 2017**

(Concluded)

Fund Financial Analysis (Concluded)

Debt Administration

At the end of the current fiscal year, the City had a total long-term debt balance of \$1,107,285. Of that amount, \$842,262 is comprised of general obligation debt and backed by the credit of the government. The remaining \$265,023 represents notes secured solely by specific revenue sources (i.e. revenue bonds). Governmental activities account for \$861,213 while business-type activities account for \$246,072 of the overall debt as shown below.

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

	Governmental Activities	
	<u>2016</u>	<u>2017</u>
Fire Vehicle	\$136,858	\$116,713
Compensated Absences & Other	<u>347,427</u>	<u>744,500</u>
Total Governmental Activities	<u>\$484,285</u>	<u>\$861,213</u>
	Business-Type Activities	
	<u>2016</u>	<u>2017</u>
N.E. Well - CDBG	230,032	148,310
Compensated Absences & Other	<u>123,497</u>	<u>97,762</u>
Total Business-Type Activities	<u>\$353,529</u>	<u>\$246,072</u>
 Total Outstanding Debt	 <u><u>\$837,814</u></u>	 <u><u>\$1,107,285</u></u>

Additional information on the City of Williston's long-term debt can be found in Note 7 on pages 45 through 46 of this report.

Request for Information

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

BASIC FINANCIAL STATEMENTS

**CITY OF WILLISTON, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 686,738	\$ 1,385,297	\$ 2,072,035
Investments - Certificates of Deposit	778,338	3,081,917	3,860,255
Cash and Cash Equivalents, Restricted	-	294,959	294,959
Receivables (Net of Allowance for Uncollectable Accounts)	59,664	819,505	879,169
Due from Other Governments	383,050	199,593	582,643
Inventories	55,449	216,529	271,978
Prepaid Items	39,773	14,157	53,930
Net Pension Asset	406,481	248,202	654,683
Capital Assets Not Being Depreciated	1,568,131	914,961	2,483,092
Capital Assets Net of Accumulated Depreciation	13,672,598	5,388,491	19,061,089
Total Assets	17,650,222	12,563,611	30,213,833
Deferred Outflow of Resources			
Deferred Outflow - Pension Related	1,384,804	474,252	1,859,056
Total Deferred Outflow of Resources	1,384,804	474,252	1,859,056
Total Assets and Deferred Outflow of Resources	19,035,026	13,037,863	32,072,889
Liabilities			
Accounts Payable and Accrued Expenses	284,879	578,791	863,670
Due to Other Governments	-	547	547
Customer Deposits	-	294,959	294,959
Power Costs Recovered in Advance	-	90,717	90,717
Noncurrent Liabilities:			
Due Within One Year	51,373	93,585	144,958
Due in More Than One Year	809,840	152,487	962,327
Total Liabilities	1,146,092	1,211,086	2,357,178
Deferred Inflow of Resources			
Deferred Inflow - Pension Related	638,740	292,569	931,309
Total Deferred Inflow of Resources	638,740	292,569	931,309
Total Liabilities and Deferred Inflow of Resources	\$ 1,784,832	\$ 1,503,655	\$ 3,288,487
Net Position			
Net Investment in Capital Assets	15,124,017	6,155,140	21,279,157
Restricted for:			
Law Enforcement	1,597	-	1,597
Community Redevelopment	404,924	-	404,924
Airport Operations	145,367	-	145,367
Building Department	21,563	-	21,563
Unrestricted	1,552,726	5,379,068	6,931,794
Total Net Position	\$ 17,250,194	\$ 11,534,208	\$ 28,784,402

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

**CITY OF WILLISTON, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
Governmental Activities							
General Government	\$ 584,927	\$ 65,659	\$ -	\$ 237,013	\$ (282,255)	\$ -	\$ (282,255)
Law Enforcement	1,360,826	-	-	-	(1,360,826)	-	(1,360,826)
Fire Control	584,371	-	-	-	(584,371)	-	(584,371)
Streets and Sidewalks	410,169	-	-	-	(410,169)	-	(410,169)
Animal Control	52,146	-	-	-	(52,146)	-	(52,146)
Parks and Recreation	105,809	-	-	-	(105,809)	-	(105,809)
Community Redevelopment	135,129	-	-	-	(135,129)	-	(135,129)
Non-departmental	6,482	-	-	-	(6,482)	-	(6,482)
Airport Operations	2,151,587	1,271,800	-	274,806	(604,981)	-	(604,981)
Interest on Long-term Debt	3,236	-	-	-	(3,236)	-	(3,236)
Total Governmental Activities	5,394,682	1,337,459	-	511,819	(3,545,404)	-	(3,545,404)
Business-type Activities							
Utility Services	4,875,855	5,365,895	-	464,036	-	954,076	954,076
Total Government	\$ 10,270,537	\$ 6,703,354	\$ -	\$ 975,855	(3,545,404)	954,076	(2,591,328)
			General Revenues				
			Property Taxes		655,548	-	655,548
			Fines and Forfeitures		9,431	-	9,431
			Franchise Taxes		94,996	-	94,996
			Public Service Tax		332,593	-	332,593
			Local Government Infrastructure Tax		191,031	-	191,031
			State Revenue Sharing		655,092	-	655,092
			Telecommunication Tax		85,167	-	85,167
			Interest Earnings		4,250	13,839	18,089
			Miscellaneous		37,455	-	37,455
			Gain on Disposition of Capital Assets		9,578	3,783	13,361
			Transfers		638,200	(638,200)	-
			Total General Revenues and Transfers		2,713,341	(620,578)	2,092,763
			Change in Net Position		(832,063)	333,498	(498,565)
			Net Position, Beginning of Year		18,082,257	11,200,710	29,282,967
			Net Position, End of Year		\$ 17,250,194	\$ 11,534,208	\$ 28,784,402

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

**CITY OF WILLISTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	<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	\$ 114,333	\$ 159,161	\$ 413,244	\$ 686,738
Investments - Certificates of Deposit	778,338	-	-	778,338
Receivables (Net of Allowance for Uncollectible Accounts)	11,557	48,107	-	59,664
Due from Other Governments	321,068	61,982	-	383,050
Due from Other Funds	71,474	-	746	72,220
Inventories	-	55,449	-	55,449
Prepaid Items	22,865	16,908	-	39,773
Total Assets	<u>\$ 1,319,635</u>	<u>\$ 341,607</u>	<u>\$ 413,990</u>	<u>\$ 2,075,232</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Expenses	151,047	124,766	9,066	284,879
Due to Other Funds	746	71,474	-	72,220
Total Liabilities	<u>151,793</u>	<u>196,240</u>	<u>9,066</u>	<u>357,099</u>
Fund Balances				
Nonspendable	22,865	72,357	-	95,222
Restricted:				
Law Enforcement	1,597	-	-	1,597
Community Redevelopment	-	-	404,924	404,924
Building Department	21,563	-	-	21,563
Airport Operations	-	73,010	-	73,010
Unassigned	1,121,817	-	-	1,121,817
Total Fund Balances	<u>1,167,842</u>	<u>145,367</u>	<u>404,924</u>	<u>1,718,133</u>
Total Liabilities and Fund Balances	<u>\$ 1,319,635</u>	<u>\$ 341,607</u>	<u>\$ 413,990</u>	<u>\$ 2,075,232</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, 2017**

Total Fund Balance for Governmental Funds \$ 1,718,133

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, 15,240,729
are not reported in the funds. The cost of the assets is \$24,392,256 and the
accumulated depreciation is \$9,151,527.

Deferred outflows of resources and deferred 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	(355,131)
Net Pension Liability - HIS	(50,280)
Net Pension Asset - Police	103,540
Net Pension Asset - General	302,941

Deferred Inflow - FRS	(10,768)
Deferred Inflow - HIS	(4,452)
Deferred Inflow - Police	(266,426)
Deferred Inflow - General	(357,094)

Deferred Outflow - FRS	325,574
Deferred Outflow - HIS	48,249
Deferred Outflow - Police	432,136
Deferred Outflow - General	578,845

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	(116,713)
Compensated Absences and Retirement Benefits	(167,954)
OPEB Obligation	(171,135)

Net Position of Governmental Activities \$ 17,250,194

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, 2017**

	General	Special Revenue Airport Development	Special Revenue Community Redevelopment	Total Governmental Funds
Revenues				
Taxes:				
Property Tax	\$ 535,456	\$ -	\$ 120,092	\$ 655,548
Sales and Fuel Tax	261,574	-	-	261,574
Franchise Tax	512,756	-	-	512,756
Licenses, Permits, and Fees	55,587	-	-	55,587
Intergovernmental	821,561	274,806	-	1,096,367
Fines and Forfeitures	9,431	-	-	9,431
Interest Earnings	3,092	1,000	158	4,250
Rental Income	-	276,661	-	276,661
Timber and Hay Sales	-	4,144	-	4,144
Fuel Sales	-	990,995	-	990,995
Miscellaneous Revenues	22,400	34,706	-	57,106
Total Revenues	<u>2,221,857</u>	<u>1,582,312</u>	<u>120,250</u>	<u>3,924,419</u>
Program Expenditures				
Current:				
General Government	436,954	-	-	436,954
Law Enforcement	1,014,498	-	-	1,014,498
Communications	211,170	-	-	211,170
Roads and Streets	363,995	-	-	363,995
Fire Control	495,784	-	-	495,784
Parks and Recreation	40,389	-	-	40,389
Library	9,347	-	-	9,347
Planning and Zoning	98,419	-	-	98,419
Legislative and Legal	32,632	-	-	32,632
Animal Control	51,165	-	-	51,165
Airport Operations	-	1,409,021	-	1,409,021
Community Redevelopment	-	-	92,476	92,476
Nondepartmental	6,423	-	-	6,423
Capital Outlay	174,541	162,887	9,787	347,215
Debt Service:				
Principal	20,145	-	-	20,145
Interest	3,236	-	-	3,236
(Total Expenditures)	<u>(2,958,698)</u>	<u>(1,571,908)</u>	<u>(102,263)</u>	<u>(4,632,869)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(736,841)</u>	<u>10,404</u>	<u>17,987</u>	<u>(708,450)</u>
Other Financing Sources (Uses)				
Transfers in	638,200	-	78,229	716,429
Transfers (out)	(78,229)	-	-	(78,229)
Total Other Financing Sources (Uses)	<u>559,971</u>	<u>-</u>	<u>78,229</u>	<u>638,200</u>
Net Change in Fund Balances	<u>(176,870)</u>	<u>10,404</u>	<u>96,216</u>	<u>(70,250)</u>
Fund Balances, Beginning of Year	<u>1,344,712</u>	<u>134,963</u>	<u>308,708</u>	<u>1,788,383</u>
Fund Balances, End of Year	<u>\$ 1,167,842</u>	<u>\$ 145,367</u>	<u>\$ 404,924</u>	<u>\$ 1,718,133</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, 2017**

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

Net Change in Fund Balances - Total Governmental Funds \$ (70,250)

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	347,215
Depreciation Expense	(1,052,141)

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:

Debt Proceeds	
Repayment of Long-term Debt	20,145
OPEB Expense	1,379

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	6,959
------------------------------------	-------

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as a pension expense. The following changes affected pension expense:

Pension Expense - FRS	(40,325)
Pension Expense - HIS	(6,483)
Pension Expense - Police	(33,791)
Pension Expense - General	(4,771)
	(83,370)

Change in Net Position of Governmental Activities	\$ (832,063)
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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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,246,442	\$ 1,246,442	\$ 1,309,786	\$ 63,344
Licenses, Permits, and Fees	50,250	57,250	55,587	(1,663)
Intergovernmental	752,954	943,829	821,561	(122,268)
Fines and Forfeitures	10,035	10,035	9,431	(604)
Interest Earnings	4,500	4,500	3,092	(1,408)
Misc Revenues	24,000	86,980	22,400	(64,580)
Total Revenues	<u>2,088,181</u>	<u>2,349,036</u>	<u>2,221,857</u>	<u>(127,179)</u>
Expenditures				
Current:				
General Government	436,114	447,264	436,954	10,310
Law Enforcement	982,289	1,020,780	1,014,498	6,282
Communications	208,485	208,485	211,170	(2,685)
Streets and Sidewalks	307,717	313,817	363,995	(50,178)
Fire Control	479,423	525,818	495,784	30,034
Parks and Recreation	28,770	28,770	40,389	(11,619)
Library	7,386	7,386	9,347	(1,961)
Planning and Zoning	76,807	156,457	98,419	58,038
Legislative and Legal	36,000	36,000	32,632	3,368
Animal Control	51,130	51,130	51,165	(35)
Nondepartmental	26,906	26,906	6,423	20,483
Capital Outlay	95,852	400,852	174,541	226,311
Debt Service:				
Principal	32,149	32,149	20,145	12,004
Interest	6,232	6,232	3,236	2,996
(Total Expenditures)	<u>(2,775,260)</u>	<u>(3,262,046)</u>	<u>(2,958,698)</u>	<u>303,348</u>
(Deficiency) of Revenues (Under)				
Expenditures	<u>(687,079)</u>	<u>(913,010)</u>	<u>(736,841)</u>	<u>176,169</u>
Other Financing Sources (Uses)				
Transfers in	638,200	638,200	638,200	-
Transfers (out)	(76,035)	(76,035)	(78,229)	(2,194)
Total Other Financing Sources (Uses)	<u>562,165</u>	<u>562,165</u>	<u>559,971</u>	<u>(2,194)</u>
Net Change in Fund Balance	(124,914)	(350,845)	(176,870)	173,975
Fund Balances, Beginning of Year	<u>1,344,712</u>	<u>1,344,712</u>	<u>1,344,712</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,219,798</u>	<u>\$ 993,867</u>	<u>\$ 1,167,842</u>	<u>\$ 173,975</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ 1,927,090	\$ 1,927,090	\$ 274,806	\$ (1,652,284)
Interest Earnings	400	400	1,000	600
Rental Income	266,672	266,672	276,661	9,989
Timber and Hay Sales	-	-	4,144	4,144
Fuel Sales	641,492	641,492	990,995	349,503
Miscellaneous	22,950	22,950	34,706	11,756
Total Revenues	<u>2,858,604</u>	<u>2,858,604</u>	<u>1,582,312</u>	<u>(1,276,292)</u>
Expenditures				
Current:				
Airport Operations	931,514	931,514	1,409,021	(477,507)
Capital Outlay	1,927,090	1,927,090	162,887	1,764,203
(Total Expenditures)	<u>(2,858,604)</u>	<u>(2,858,604)</u>	<u>(1,571,908)</u>	<u>1,286,696</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>10,404</u>	<u>10,404</u>
Net Change in Fund Balances	-	-	10,404	10,404
Fund Balances, Beginning of Year	<u>134,963</u>	<u>134,963</u>	<u>134,963</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 134,963</u>	<u>\$ 134,963</u>	<u>\$ 145,367</u>	<u>\$ 10,404</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 107,310	\$ 107,310	\$ 120,092	\$ 12,782
Interest and Other	350	350	158	(192)
Total Revenues	<u>107,660</u>	<u>107,660</u>	<u>120,250</u>	<u>12,590</u>
Expenditures				
Current:				
Community Redevelopment	135,314	135,314	92,476	42,838
Capital Outlay	<u>356,592</u>	<u>356,592</u>	<u>9,787</u>	<u>346,805</u>
Total Expenditures	<u>491,906</u>	<u>491,906</u>	<u>102,263</u>	<u>389,643</u>
Excess (Deficiency) of Over (Under)				
Revenues Over Expenditures	<u>(384,246)</u>	<u>(384,246)</u>	<u>17,987</u>	<u>402,233</u>
Other Financing Sources (Uses)				
Transfer in	<u>76,035</u>	<u>76,035</u>	<u>78,229</u>	<u>2,194</u>
Total Other Financing Sources (Uses)	<u>76,035</u>	<u>76,035</u>	<u>78,229</u>	<u>2,194</u>
Net Change in Fund Balance	(308,211)	(308,211)	96,216	404,427
Fund Balances, Beginning of Year	<u>308,708</u>	<u>308,708</u>	<u>308,708</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 497</u>	<u>\$ 497</u>	<u>\$ 404,924</u>	<u>\$ 404,427</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, 2017

	Business-Type Activities - Enterprise Funds
	Utility Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 1,385,297
Investments - Certificates of Deposits	3,081,917
Accounts Receivable, Net	819,505
Due from Other Governments	199,593
Inventories	216,529
Prepays	14,157
Total Current Assets	5,716,998
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	294,959
Net Pension Asset	248,202
Capital Assets:	
Land and Land Improvements	133,966
Construction in Progress	780,995
Electric Distribution System	2,039,970
Water Distribution System	4,569,162
Sewer Plant and Distribution System	5,827,328
Natural Gas Distribution System	951,824
Machinery and Equipment (Accumulated Depreciation)	2,349,764 (10,349,557)
Total Capital Assets, Net	6,303,452
Total Noncurrent Assets	6,846,613
Total Assets	12,563,611
Deferred Outflow of Resources	
Pension Related - Deferred Outflow	474,252
Total Deferred Outflow of Resources	474,252
Total Assets and Deferred Outflow of Resources	13,037,863
Liabilities	
Current Liabilities:	
Accounts Payable and Accrued Expenses	578,791
Due to Other Governments	547
Compensated Absences - Current	8,779
Liabilities Payable from Restricted Assets - Customer Deposits	294,959
Notes Payable - Current	84,806
Power Costs Recovered in Advance	90,717
Total Current Liabilities	1,058,599
Noncurrent Liabilities:	
Compensated Absences	35,118
OPEB Obligation	53,865
Notes Payable	63,504
Total Noncurrent Liabilities	152,487
Total Liabilities	1,211,086
Deferred Inflow of Resources	
Pension Related - Deferred Inflow	292,569
Total Deferred Inflow of Resources	292,569
Total Liabilities and Deferred Inflow of Resources	1,503,655
Net Position	
Net Investment in Capital Assets	6,155,140
Unrestricted	5,379,068
Total Net Position	\$ 11,534,208

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, 2017**

	Business-Type Activities - Enterprise Funds
	Utility Fund
Operating Revenues	
Charges for Services	\$ 5,365,895
Total Operating Revenues	5,365,895
Operating Expenses	
Electric Power Purchased	2,194,344
Natural Gas Purchased	160,606
Personal Services	840,888
Professional Fees and Services	631,662
Insurance	42,822
Operations and Maintenance	222,120
Depreciation and Amortization	595,182
Materials and Supplies	157,027
Other	23,463
Total Operating Expenses	4,868,114
Operating Income	497,781
Nonoperating Revenues (Expenses)	
Capital Grants	464,036
Interest Income	13,839
Interest Expense	(7,741)
Gain on Disposition of Capital Assets	3,783
Total Nonoperating Revenues (Expenses)	473,917
Income Before Capital Contributions and Transfers	971,698
Capital Contributions and Transfers	
Transfers (out)	(638,200)
Total Contributions and Transfers	(638,200)
Change in Net Position	333,498
Net Position, Beginning of Year	11,200,710
Net Position, End of Year	\$ 11,534,208

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, 2017

	Business-Type Activities - Enterprise Funds Utility Fund
Cash Flows from Operating Activities	
Cash Received from Customers/Others	\$ 5,531,467
Cash Payments to Suppliers for Goods and Services	(807,773)
Cash Payments to Employees for Services	(3,646,379)
Net Cash Provided by (Used in) Operating Activities	1,077,315
Cash Flows from Noncapital Financing Activities	
Operating Transfers to Other Funds	(638,200)
Net Cash Provided by (Used in) Noncapital Financing Activities	(638,200)
Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	(1,647,965)
Interest Paid on Notes Payable	(7,741)
Payments on Notes Payable	(81,722)
Capital Grant Proceeds	733,654
Proceeds from Sale of Capital Assets	3,783
Net Cash Used for Capital and Related Financing Activities	(999,991)
Cash Flows from Investing Activities	
Changes in Certificates of Deposit, Net	61,985
Interest Received	13,839
Net Cash Used for Investing Activities	75,824
Net Decrease in Cash and Cash Equivalents	(485,052)
Cash and Cash Equivalents, Beginning of Year	2,165,308
Cash and Cash Equivalents, End of Year	\$ 1,680,256
<u>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</u>	
Operating Income	\$ 497,781
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	595,182
(Increase) Decrease in Assets and Deferred Outflows:	
Decrease in Accounts Receivable	91,639
(Increase) in Inventories	(48,195)
Decrease in Net Pension Asset	18,343
(Increase) in Deferred Outflows	(13,098)
Increase (Decrease) in Liabilities and Deferred Inflows:	
Decrease in Prepaids	(1,966)
Increase in Power Costs Recovered in Advance	66,693
(Decrease) in Accounts Payable and Accrued Expenses	(164,173)
(Decrease) in OPEB Obligation	(621)
(Decrease) in Compensated Absences	(25,114)
Increase in Customer Deposits Payable	7,240
Increase in Deferred Inflows	53,605
Total Adjustments	579,535
Net Cash Provided by (Used in) Operating Activities	\$ 1,077,316
As Shown in the Accompany Financial Statements	
Cash and Cash Equivalents	\$ 1,385,297
Restricted Cash and Cash Equivalents	294,959
Total Cash and Cash Equivalents	\$ 1,680,256

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, 2017

	Pension Trust Funds
Assets	
Cash and Cash Equivalents	\$ 28,297
Investment in External Investment Pool, at Fair Value	7,046,097
Contributions Receivable	51,207
Total Assets	7,125,601
Liabilities	
Accounts Payable	5,537
Total Liabilities	5,537
Net Position - Held in Trust for Pension Benefits	\$ 7,120,064

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, 2017

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 158,716
State	24,379
Employees	67,037
Total Contributions	<u>250,132</u>
Investment Earnings	<u>863,599</u>
Total Additions	<u>1,113,731</u>
Benefits Paid	520,173
Administrative Expenses	32,198
Total Deductions	<u>552,371</u>
Change in Net Position	561,360
Net Position, Beginning of Year	<u>6,558,704</u>
Net Position, End of Year	<u><u>\$ 7,120,064</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 nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange 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 interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 1 - Description and Summary of Significant Accounting Policies (Continued)

Basis of Presentation—Government-wide Financial Statements (Concluded)

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

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

Basis of Presentation—Fund Financial Statements

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

The government reports the following major governmental funds:

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

The government reports the following major enterprise fund:

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

Additionally, the government reports the following fiduciary fund:

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

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 1 - Description and Summary of Significant Accounting Policies *(Continued)*

Basis of Presentation—Fund Financial Statements *(Concluded)*

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 1 - Description and Summary of Significant Accounting Policies *(Continued)*

Measurement Focus and Basis of Accounting *(Concluded)*

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 council. The legal level of budgetary control is the fund level.

Assets, Liabilities, and Fund Balances

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

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)**

Note 1 - Description and Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Fund Balances (Continued)

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 1 - Description and Summary of Significant Accounting Policies *(Continued)*

Assets, Liabilities, and Fund Balances *(Concluded)*

Governmental Fund Balances (Concluded)

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

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

Revenues and Expenditures/Expenses

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

Property Tax Revenue Recognition—Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method state-wide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City levied a rate of 5.8627 mills in the 2016 tax roll.

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 1 - Description and Summary of Significant Accounting Policies (Concluded)

Revenues and Expenditures/Expenses (Concluded)

Property Tax Revenue Recognition (Concluded)

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

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

Operating and Nonoperating Revenues and Expenses—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 nonoperating revenues and expenses.

On-Behalf Payments for Fringe Benefits

The City receives on-behalf payments from the State of Florida to be used for Police Officers’ Retirement Plan Contributions. On-behalf payments to the City totaled \$24,379 for the year ended September 30, 2017. Such payments are recorded as intergovernmental revenue and public safety expenditures in the GAAP 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
(Continued)

Note 2 - Stewardship, Compliance, and Accountability (Concluded)

Budgetary Information (Concluded)

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				
(Nonpension Investments):				
Cash Deposits	\$ 2,364,894	N/A	N/A	N/A
Petty Cash	2,100	N/A	N/A	N/A
Investments:				
Certificates of Deposit	<u>3,860,255</u>	N/A	N/A	N/A
Total	<u>\$ 6,227,249</u>			
Pension Cash and Investments:				
Police Officer Pension:				
FMiVT Cash	\$ 9,801	N/A		N/A
FMiVT Broad Bond Fund	384,699	6.1 Years	2	AAf/S4
FMiVT Growth Equity Fund	196,025	Not Rated	2	Not Rated
FMiVT Core Plus	566,022	7.4 Years	3	Not Rated
FMiVT Diversified Value Fund	193,575	Not Rated	2	Not Rated
FMiVT Russell 1000 Enhanced Index	570,923	Not Rated	2	Not Rated
FMiVT Small to Mid-Cap Equity Fund	267,084	Not Rated	2	Not Rated
FMiVT International Equity Portfolio	262,183	Not Rated	2	Not Rated
Regular Employee Pension:				
FMiVT Cash	\$ 18,496	N/A		N/A
FMiVT Broad Bond Fund	725,981	6.1 Years	2	AAf/S4
FMiVT Growth Equity Fund	369,927	Not Rated	2	Not Rated
FMiVT Core Plus	1,068,163	7.4 Years	3	Not Rated
FMiVT Diversified Value Fund	365,302	Not Rated	2	Not Rated
FMiVT Russell 1000 Enhanced Index	1,077,411	Not Rated	2	Not Rated
FMiVT Small to Mid-Cap Equity Fund	504,025	Not Rated	2	Not Rated
FMiVT International Equity Portfolio	<u>494,777</u>	Not Rated	2	Not Rated
Total Pension Cash and Investments	<u>7,074,394</u>			
Total	<u>\$ 13,301,643</u>			

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 3 - Deposits and Investments (Continued)

<u>Type</u>	<u>Fair Value</u>
As shown in the Statement of Net Position:	
Entity-wide Cash and Cash Equivalents	\$ 2,072,035
Entity-wide Non-pension Investments	3,860,255
Entity-wide Restricted Cash and Cash Equivalents	294,959
Pension Cash	28,297
Pension Investments	<u>7,046,097</u>
Total	<u>\$ 13,301,643</u>

Fair Value Hierarchy

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

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

Level 2—Inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

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 Deposits Act*, Chapter 280, Florida Statutes.

The *Florida Security for Public Deposits Act* (the Act) established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified public depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral up to a maximum of 125% may be required if deemed necessary under conditions set forth in the Act.

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

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 3 - Deposits and Investments (Concluded)

Custodial Credit Risk—Cash Deposits (Concluded)

The government’s pension trust funds are held in the Florida Municipal Pension Trust Fund (FMPTF), which is a local government investment pool and, therefore, considered an external investment pool.

At September 30, 2017, 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, 2017, is as follows:

<u>Asset Allocation</u>	<u>Asset Allocation Percentage</u>
Cash and Money Market	0.4%
Broad Market High Quality Bond Portfolio	15.7%
Growth Equity Portfolio	8.0%
Core Plus	23.1%
Large Cap Diversified Growth Portfolio	7.9%
Russell 1000 Index Portfolio	23.3%
Diversified Small Cap Equity Portfolio	10.9%
International Equity Portfolio	10.7%
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 counter party 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.

CITY OF WILLISTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2017, 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	\$ 1,413,225	\$ -	\$ -	\$ -	\$ 1,413,225
Construction in Progress	28,697	126,209		-	154,906
Total Capital Assets, Not Being					
Depreciated	1,441,922	126,209	-	-	1,568,131
Capital Assets, Being					
Depreciated:					
Buildings and Improvements	18,917,491	35,170	-	-	18,952,661
Equipment	3,835,595	185,836	(149,967)	-	3,871,464
Total Capital Assets, Being					
Depreciated	22,753,086	221,006	(149,967)	-	22,824,125
Less Accumulated					
Depreciation for:					
Buildings and Improvements	(5,653,991)	(776,872)	-	-	(6,430,863)
Equipment	(2,595,362)	(275,269)	149,967	-	(2,720,664)
Total Accumulated Depreciation	(8,249,353)	(1,052,141)	149,967	-	(9,151,527)
Total Capital Assets, Being					
Depreciated, Net	14,503,733	(831,135)	-	-	13,672,598
Total Governmental Activities					
Capital Assets, Net	<u>\$ 15,945,655</u>	<u>\$ (704,926)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,240,729</u>
Business-Type Activities					
Capital Assets, Not Being					
Depreciated:					
Land and Land Improvements	\$ 133,966	\$ -	\$ -	\$ -	\$ 133,966
Construction in Progress	194,945	780,995	(194,945)	-	780,995
Total Capital Assets, Not					
Being Depreciated	328,911	780,995	(194,945)	-	914,961
Capital Assets, Being					
Depreciated:					
Plant and Distribution					
Systems	12,665,351	722,933	-	-	13,388,284
Machinery and Equipment	2,167,434	338,982	(156,652)	-	2,349,764
Total Capital Assets, Being					
Depreciated	14,832,785	1,061,915	(156,652)	-	15,738,048
Less Accumulated					
Depreciation for:					
Plant and Distribution					
Systems	(8,484,699)	(449,112)	-	-	(8,933,811)
Machinery and Equipment	(1,426,328)	(146,070)	156,652	-	(1,415,746)
Total Accumulated Depreciation	(9,911,027)	(595,182)	156,652	-	(10,349,557)
Total Capital Assets, Being					
Depreciated, Net	4,921,758	466,733	-	-	5,388,491
Business-Type Activities Capital					
Assets, Net	<u>\$ 5,250,669</u>	<u>\$ 1,247,728</u>	<u>\$ (194,945)</u>	<u>\$ -</u>	<u>\$ 6,303,452</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 4 - Capital Assets (Concluded)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities		
General Government	\$	6,685
Law Enforcement		94,006
Communications		592
Planning and Zoning		874
Streets and Sidewalks		40,523
Building and Permitting		875
Fire Control		84,111
Legal and Legislative		247
Parks and Playgrounds		41,260
Library		14,198
Community Redevelopment		41,100
Airport Operations		<u>727,670</u>
Total Depreciation Expense - Governmental Activities		<u><u>\$ 1,052,141</u></u>
Business-Type Activities		
Electric	\$	101,932
Water		191,893
Natural Gas		60,387
Sewer		219,310
Administrative Services - Utility		<u>21,660</u>
Total Depreciation Expense - Business-Type Activities		<u><u>\$ 595,182</u></u>

Construction Commitments

The government has active and planned construction projects as of September 30, 2017. At year-end, the government's commitments with granting agencies and contractors and a general description of the various projects are as follows:

<u>Project</u>	<u>Estimated Cost</u>	<u>Funding Source</u>	<u>Amount Remaining</u>
Gas Line Extension	\$ 337,436	City	\$ 38,343

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

The composition of interfund balances as September 30, 2017, is as follows:

<u>Receivable Funds</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Redevelopment Fund	General Fund	\$ 746
General Fund	Airport Fund	71,474

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.

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 5 - Interfund Receivable, Payables, Transfers, and Advances (Concluded)

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:

	Interfund Transfers in	Transfers (out)
Major Funds		
General Fund	\$ 638,200	\$ (78,229)
Utility Fund	-	(638,200)
Community Redevelopment Fund	78,229	-
Total Interfund Transfers	\$ 716,429	\$ (716,429)

Note 6 - Leases

Lessee Transactions - Airport

The government's leasing activities consist principally of leasing land and buildings under operating leases expiring in various years. All leasing activities are reflected in the special revenue fund. The cost of all property under these leases is approximately \$2,001,113 net of accumulated depreciation of \$1,012,345. Minimum future lease payments to be received on non-cancelable leases as of September 30, 2017, for each of the next five years and in the aggregate are:

Year Ending September 30,	Amount
2018	\$ 21,202
2019	16,016
2020	12,021
2021	6,533
2022	4,033
Thereafter	13,973
Total	\$ 73,778

Capital Lease

The City has entered into a leasing agreement for financing the acquisition of a fire truck:

Asset	Governmental Activities
Fire Truck	\$ 148,900
Accumulated Depreciation	(32,262)
Total	\$ 116,638

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 6 - Leases (Concluded)

Capital Lease (Concluded)

Future minimum lease payments under the terms of the lease are as follows:

Year Ending September 30	Amount
2018	\$ 23,381
2019	23,380
2020	23,380
2021	23,380
2022	23,381
Thereafter	7,880
Total Minimum Lease Payments	124,782
(Less Amount Representing Interest)	(8,069)
Present Value of Minimum Lease Payments	\$ 116,713

Note 7 - Long-term Debt

Bank Notes Related to Governmental Activities—The government had 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, 2017, total interest paid on this note was \$3,236 and the final payment will be made during the 2022-2023 fiscal year.

Utility Water Well Bank Note—In July 2008, the government obtained a note with a local bank allowing borrowings up to \$751,000 to finance construction of a utility water well. Interest is stated at 4.0% and will be adjustable annually, beginning on the date the final principal advance is made on the note. The adjusted rate on the note is the New York prime rate multiplied by a factor of .65 but shall never be less than 4.0%. Upon final principal advance, the government shall make 42 monthly payments of principal and interest until July 2019, at which time all outstanding principal and interest is due. At September 30, 2017, the adjusted interest rate was 4.00% and total interest paid on this note was \$7,741.

Year Ending September 30, 2017	Governmental-Type Activities	
	Principal	Interest
2018	\$ 20,701	\$ 2,680
2019	21,224	2,156
2020	21,761	1,619
2021	22,311	1,069
2022	22,876	505
2023-2024	7,840	40
Total	\$ 116,713	\$ 8,069
Year Ending September 30, 2017	Business-Type Activities	
	Principal	Interest
2018	84,806	4,657
2019	63,504	730
Total	\$ 148,310	\$ 5,387

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 7 - Long-term Debt (Concluded)

Changes in Long-term Liabilities—Long-term liability activity for the year ended September 30, 2017, were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Capital Lease Payable	\$ 136,858	\$ -	\$ (20,145)	\$ 116,713	\$ 20,701
OPEB Obligation	172,514	-	(1,379)	171,135	-
Compensated Absences	154,320	111,310	(118,269)	147,361	29,472
Net Pension Liability	-	405,411	-	405,411	-
Special Termination Benefits Payable ***	<u>20,593</u>	<u>1,200</u>	<u>(1,200)</u>	<u>20,593</u>	<u>1,200</u>
Total Governmental Activities					
Long-term Activities	<u>\$ 484,285</u>	<u>\$ 517,921</u>	<u>\$ (140,993)</u>	<u>\$ 861,213</u>	<u>\$ 51,373</u>
Business-Type Activities					
Note Payable:					
Utility Water System					
Bank Note	<u>\$ 230,032</u>	<u>\$ -</u>	<u>\$ (81,722)</u>	<u>\$ 148,310</u>	<u>\$ 84,806</u>
	230,032	-	(81,722)	148,310	84,806
OPEB Obligation	54,486	-	(621)	53,865	-
Compensated Absences	<u>69,011</u>	<u>41,206</u>	<u>(66,320)</u>	<u>43,897</u>	<u>8,779</u>
Total Business-Type Activities	<u>\$ 353,529</u>	<u>\$ 41,206</u>	<u>\$ (148,663)</u>	<u>\$ 246,072</u>	<u>\$ 93,585</u>

*** Special termination benefits consist of monthly retirement benefits payable to the Mayor of the City. This benefit was based on services rendered to the City for greater than 20 years and is payable over the Mayor's remaining life. The estimated balance of the benefits payable as of September 30, 2017, was \$20,593.

Pledged Revenues

The City has pledged certain revenues, to repay loans outstanding as of September 30, 2017. 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, 2017:

<u>Description of Notes</u>	<u>Pledged Revenue</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Estimated Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
Governmental-Type Activity						
Note Payable:						
Fire Truck	Levy County Board of County Commissioners for Revenues					
	Fire Protection Services (1)	\$ 225,929	\$ 23,380	9%	\$ 124,782	2023
Business-Type Activity						
Note Payable:						
Utility System	Net System Revenues (1)	\$531,236	\$ 89,185	14%	\$ 153,697	2019

(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).

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 8 - Other Postemployment Benefits (OPEB)

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 are eligible to participate in the City's Health Plan for health and life insurance. The OPEB does not issue stand-alone reports and is not included in the report of another entity. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* requires that the City provide the following information:

- The actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.
- Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to constant revision as actual experience is compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

For the OPEB Plan, contribution requirements of the City are established and may be amended through action from the City's Council. Currently the City's OPEB benefits are unfunded. The actual contributions are based on a 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.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the Actuarial Valuation, the projected unit credit cost method is used. Select Actuarial Assumptions are listed in the table below:

Funding Interest Rate:	4.0% (includes inflation at 2.75% per annum)
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	10-year open period; level-dollar payment.
Mortality Table Information:	RP-200 Mortality table for annuitants projected to 2016 by Scale AA.
Healthcare Cost Trends:	Medical insurance premiums have been assumed to increase in accordance with the following rates, compounded annually:

**NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)**

Note 8 - Other Postemployment Benefits (OPEB) (Continued)

Healthcare Cost Trends: (Concluded)

Year	Increase	Year	Increase
2016/17	8.00%	2020/21	6.00%
2017/18	7.50%	2021/22	5.50%
2018/19	7.00%	Later	5.00%
2019/20	6.50%		

Disability: Rates are set forth in the Wyatt 1985 Disability Study: Class 4 rates were used for Police officers and Class 1 rates for all other employees.

Implied Subsidy (Medical Insurance): The implied subsidy for a 55-year old retiree for the period January 1, 2017 through December 31, 2017, is assumed to be \$1,200 per year.

Explicit Subsidy (Medical Insurance): An explicit subsidy of \$620.56 per month has been assumed for the period January 1, 2017 through December 31, 2017, until the age 65 for each individual who retires on or after age 62 with at least 25 years of service. This subsidy is assumed to increase with the healthcare cost trend rates show above.

Explicit Subsidy (Life Insurance): An explicit subsidy of \$6.00 per month prior to age 65, \$3.90 per month between ages 65 and 70, and \$3.00 per month after age 70 has been assumed for the period January 1, 2017 through December 31, 2017, for each retiree. This subsidy is assumed to be in effect for the life of the retiree and is not assumed to increase in the future.

Age Related Morbidity: The cost of covered medical services has been assumed to increase with age at the rate of 3.50% per annum.

Retiree Contributions: Retirees electing postemployment healthcare coverage has been assumed to make monthly contributions equal to the actual premiums charged by the carrier for medical insurance coverage less any explicit subsidies provided by the City plus the full cost of any dental or vision coverage.

Future Participation Rates: 100% of eligible employees were assumed to elect medical coverage for themselves until age 65 upon retirement or disability if the retiree is eligible for the explicit subsidy provided by the City; otherwise, 50% of eligible employees were assumed to elect medical coverage for themselves until age 65 upon retirement or disability.

COBRA Assumption: Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, we assumed that the COBRA premium to be paid by the participant fully covers the cost of providing healthcare coverage during the relevant period.

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 8 - Other Postemployment Benefits (OPEB) (Concluded)

Employee Contribution Information

After a full-time employee has retired from active service (after 25 years of service), he/she is eligible to have Health (single coverage) and Life insurance premiums paid at a rate of 100% by the City until the age of 65. The life insurance coverage decreases by 35% upon the attainment of age 65 and decreases by another 15% upon the attainment of age 70.

Note that the projected employee and employer contributions for the Life Insurance benefits are assumed to cover the entire cost of the program.

Annual Required Contribution (ARC)	\$	48,000
Interest on Net OPEB Obligation		9,000
Adjustments to ARC		(27,000)
Annual OPEB Cost (Expense)		30,000
Estimated Net Contribution Made*		(32,000)
Increase in Net OPEB Obligation		(2,000)
Net OPEB Obligation - Beginning of Year		227,000
Net OPEB Obligation - End of Year		225,000

*Includes a contribution credit for the implied subsidy.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2017	\$ 30,000	107%	\$ 225,000
September 30, 2016	29,000	110%	227,000
September 30, 2015	45,000	9%	230,000

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
January 1, 2018	\$ -	\$ 231,000	\$ 231,000	0.0%	\$ 1,290,000	17.9%

The required schedule of funding progress is included as part of the Required Supplementary Information immediately following the notes. This schedule presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - 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, 2017, were \$12,550.

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 22.25% (October 1, 2016) of covered payroll. The cost of administering the Plan is financed by investment earnings.

Name of the Pension Plan:	Retirement Plan and Trust for Police Officers of 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.

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Retirement Plans (Continued)

Police Officers Plan (Continued)

Description of Benefit Terms: (Continued)

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

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Pension Plans (Continued)

Police Officers Plan (Continued)

Description of Benefit Terms: (Concluded)

Information Used to Determine the Net Pension Liability:

Employer's Reporting Date:	September 30, 2017
Measurement Date:	September 30, 2017
Actuarial Valuation Date:	October 1, 2016

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
Retirement	Retirement is assumed to occur at normal retirement age
Noninvestment expenses	Liabilities have been loaded by 2.75% to account for noninvestment expenses.
Future Contributions	Contributions from the employer and employees are assumed to be made as legally required.
Mortality Basis	Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) Section 430: future generational improvements in mortality have not been reflected.
Changes	No assumptions or methods have been changed since the completion of the previous valuation.
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Projected Salary Increases	4.50% per annum
Noninvestment Expenses:	Liabilities have been loaded by 2.75%.
Includes Inflation at *	2.92%
Discount Rate	7.00% (2.92% per annum is due to inflation)
Cost of Living Adjustments	0.0%
Changes	Since the prior measurement date, the discount rate was decreased from 9.08% per annum to 7.00% per annum.

*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	16.00%	0.50% per annum
Multi-Sector	24.00%	1.00% per annum
U.S. Large Cap Equality	39.00%	6.00% per annum
U.S. Small Cap Equality	11.00%	6.75% per annum
Non-U.S. Equality	10.00%	6.75% per annum
Total or Weighted Arithmetic Average	100.00%	4.08% per annum

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Pension Plans (Continued)

Police Officers Plan (Continued)

Determination of Long-term Expected Rate of Return on Plan Assets: (Concluded)

Current membership in the Plan is comprised of the following:

Group	October 1, 2017
Retirees and Beneficiaries Currently Receiving Benefits	2
Terminated Plan Participants Entitled to but not yet Receiving Benefits	3
Active Plan Participants	10
Total	15

The components of the net pension liability (asset) of the sponsor on September 30, 2017, were as follows:

Total Pension Liability	\$ 2,207,108
Plan Fiduciary Net Position	(2,310,648)
Sponsor's Net Pension Liability (Asset)	\$ (103,540)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	104.69%

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 \$181,890 as of September 30, 2017.

Net Pension Liability (Asset):

Pension Expense:

Service Cost	\$ 91,379
Other Recognized Changes in Net Pension Liability:	
Expected Interest Growth	(170)
Investment Gain/Loss	2,040
Demographic Gain/Loss	2,921
Employee Contributions	(18,698)
Administrative Expenses	9,711
Assumption Changes	20,920
Total Pension Expense	\$ 108,103

Deferred Inflow and Deferred Outflow of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Balance as of September 30, 2016	\$ 453,074	\$ 182,293
Amortization payments	(86,377)	(60,496)
Investment Gain/Loss	-	127,299
Demographic Gain/Loss	-	17,330
Assumption Changes	65,439	-
Balance as of September 30, 2017	\$ 432,136	\$ 266,426

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Pension Plans (Continued)

Police Officers Plan (Concluded)

Deferred Inflow and Deferred Outflow of Resources: (Concluded)

Amortization schedule for deferred outflows and inflows of resources:

<u>Year Ending September 30,</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
2018	\$ 86,377	\$ 60,496
2019	86,379	59,256
2020	53,368	59,257
2021	53,368	54,986
2022	53,367	29,526
Thereafter	99,277	2,905
Total	<u>\$ 432,136</u>	<u>\$ 266,426</u>

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	\$ 2,456,732	\$ 2,207,108	\$ 1,998,102
Less Fiduciary Net Position	(2,310,648)	(2,310,648)	(2,310,648)
Net Pension Liability (Asset)	<u>\$ 146,084</u>	<u>\$ (103,540)</u>	<u>\$ (312,546)</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, 2016	\$ 1,980,287	\$ (2,012,548)	\$ (32,261)
Change for a Year:			
Service Cost	91,379	-	91,379
Interest	141,704	(141,874)	(170)
Unexpected Investment Income	-	(127,299)	(127,299)
Demographic Experience	(17,330)	-	(17,330)
Employer Contributions	-	(74,311)	(74,311)
Employee Contributions	-	(18,698)	(18,698)
Benefit Payments and Refunds	(54,371)	54,371	-
Administrative Expenses	-	9,711	9,711
Assumption Changes	65,439	-	65,439
Reporting Period Ended September 30, 2017	<u>\$ 2,207,108</u>	<u>\$ (2,310,648)</u>	<u>\$ (103,540)</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Pension Plans (Continued)

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 service.
Early Retirement Adjustment:	The early retirement pension is actuarially equivalent to the normal retirement pension.
Disability Pension:	The disability pension is actuarially equivalent to the normal retirement pension.
Pre-retirement Death Benefit:	The pre-retirement death benefit is actuarially equivalent to the normal retirement pension and is payable as a single life annuity or as a single lump sum payment to the beneficiary of a vested participant. Return of accumulated employee contributions (payable to the beneficiary of a non-vested participant).
Normal Retirement Age:	Age 62 with at least five years of service.
Early Retirement Age:	Age 55 with at least five years of service.
Vesting Requirement:	100% vesting after five years of service.

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Pension Plans (Continued)

General Employees Plan (Continued)

Description of Benefit Terms: (Continued)

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	10/01/2016
Actuarial Cost Method	Aggregate
Amortization Method	Level Percentage, Open
Remaining Amortization Period	30 Years
	Asset Valuation Method Market Value
Retirement	Retirement is assumed to occur at normal retirement age
Noninvestment expenses	Liabilities have been loaded by 2.75% to account for noninvestment expenses.
Future Contributions	Contributions from the employer and employees are assumed to be made as legally required.
Mortality Basis	Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) Section 430; future generational improvements in mortality have not been reflected.
Changes	Since the prior measurement date, the discount rate was decreased from 9.08% per annum to 7.00% per annum.
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% (2.92% per annum is due to inflation)
Cost of Living Adjustments	0.0%
Changes	Since the prior measurement date, the discount rate was decreased from 9.08% per annum to 7.00% per annum.

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

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Pension Plans (Continued)

General Employees Plan (Continued)

Description of Benefit Terms: (Concluded)

Current membership in the Plan is comprised of the following:

Group	October 1, 2017
Retirees and Beneficiaries Currently Receiving Benefits	21
Terminated Plan Participants Entitled to but not yet Receiving Benefits	16
Plan Participants:	
Active	35
Total	72

Net Pension Liability (Asset)

The components of the net pension liability of the sponsor on September 30, 2017, were as follows:

Total Pension Liability	\$ 4,079,362
Plan Fiduciary Net Position	(4,630,505)
Sponsor's Net Pension Liability (Asset)	\$ (551,143)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	113.51%

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

Pension Expense

Service Cost	\$ 121,584
Other Recognized Changes in Net Pension Liability:	
Expected Interest Growth	(27,402)
Investment Gain/Loss	7,152
Demographic Gain/Loss	(9,009)
Employee Contributions	(53,684)
Administrative Expenses	19,911
Assumption Changes	81,651
Pension Expense (Negative)	\$ 140,203

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

Investment Category	Target Allocation	Expected Long-term Real Return
Core Bonds	16.00%	0.50% per annum
Multi-Sector	24.00%	1.00% per annum
U.S. Large Cap Equality	39.00%	6.00% per annum
U.S. Small Cap Equality	11.00%	6.75% per annum
Non-U.S. Equality	10.00%	6.75% per annum
Total or Weighted Arithmetic Average	100.00%	4.08% per annum

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Pension Plans (Continued)

General Employees Plan (Concluded)

Deferred Inflow and Deferred Outflow of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Total of Components:		
Balance as of September 30, 2016	\$ 960,737	\$ 497,842
Amortization Payments	(205,334)	(125,540)
Investment Gain/Loss	-	277,361
Demographic Gain/Loss	32,335	-
Assumption Changes	265,359	-
Balance as of September 30, 2017	<u>\$ 1,053,097</u>	<u>\$ 649,663</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:

Year Ending September 30,	Deferred Outflow of Resources	Deferred Inflow of Resources
2018	\$ 205,334	\$ 125,540
2019	205,334	119,504
2020	126,548	119,506
2021	126,548	109,349
2022	121,500	53,906
Thereafter	267,833	121,828
Total	<u>\$ 1,053,097</u>	<u>\$ 649,633</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	\$ 4,565,173	\$ 4,079,362	\$ 3,623,282
Less Fiduciary Net Position	(4,630,505)	(4,630,505)	(4,630,505)
Net Pension Liability (Asset)	<u>\$ (65,332)</u>	<u>\$ 551,143</u>	<u>\$ (1,007,233)</u>

Changes in Net Pension Liability (Asset):

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a+b)
Reporting Period Ended September 30, 2016	\$ 3,837,939	\$ (4,393,242)	\$ (555,303)
Change for a Year:			
Service Cost	121,584	-	121,584
Interest	268,562	(295,964)	(27,402)
Unexpected Investment Income	-	(277,361)	(277,361)
Demographic Experience	32,335	-	32,335
Employer Contributions	-	(76,582)	(76,582)
Employee Contributions	-	(53,684)	(53,684)
Benefit Payments and Refunds	(446,417)	466,417	-
Administrative Expenses	-	19,911	19,911
Assumption Changes	265,359	-	265,359
Reporting Period Ended September 30, 2017	<u>\$ 4,079,362</u>	<u>\$ (4,630,505)</u>	<u>\$ (551,143)</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Pension Plans (Continued)

**Combining Schedule of Fiduciary
Net Position
Pension Trust Funds
September 30, 2017**

	Retirement Plan and Trust for the Police Officers	Retirement Plan and Trust for the General Employees	Total
Assets			
Cash	\$ 9,801	\$ 18,496	\$ 28,297
Investment in External Investment Pool at Fair Value	2,440,511	4,605,586	7,046,097
Contributions Receivable	35,483	15,724	51,207
Total Assets	2,485,795	4,639,806	7,125,601
Liabilities			
Accounts Payable	2,225	3,312	5,537
Total Liabilities	2,225	3,312	5,537
Net Positions - Held in Trust			
For Pension Benefits	\$ 2,483,570	\$ 4,636,494	\$ 7,120,064

**Combining Schedule of Changes in Fiduciary Net Position
Pension Trust Funds
For The Fiscal Year Ended September 30, 2017**

	Retirement Plan and Trust for the Police Officers	Retirement Plan and Trust for the General Employees	Total
Addition			
Contribution:			
Employer	\$ 68,866	\$ 89,850	\$ 158,716
State	24,379	-	24,379
Employees	17,320	49,717	67,037
Total Contributions	110,565	139,567	250,132
Investment Earnings	290,273	573,326	863,599
Total Additions	400,838	712,893	1,113,731
Deductions			
Benefits Paid	41,284	205,116	246,400
Lump Sum Distributions	32,471	241,302	273,773
Administrative Expenses	11,167	21,031	32,198
Total Deductions	84,922	467,449	552,371
Change in Net Position	315,916	245,444	561,360
Net Position Held in Trust for Pension Benefits, Beginning of Year	2,167,654	4,391,050	6,558,704
Net Position held in Trust for Pension Benefits, End of Year	\$ 2,483,570	\$ 4,636,494	\$ 7,120,064

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Pension Plans *(Continued)*

Florida State Retirement System – Pension Plan

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

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

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the City, are required to contribute 23.27% of the compensation for Regular Special Risk and 34.63% for Administrative (with 1.66% for HIS) as of September 30, 2017. 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, 2017, as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 57,887

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At September 30, 2017, the City reported a net pension liability of \$355,131 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2017, the City’s proportionate share of the FRS liability was .00120060465547286%. The City opted to pay retirement on the Fire employees in the 2016/2017 budget process.

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Pension Plans (Continued)

Florida State Retirement System – Pension Plan (Concluded)

Pension Expense and Deferred Outflow of Resources and Deferred Inflow of Resources—For the year ended September 30, 2017, the Sponsor will recognize a Pension Expense of \$40,325. On September 30, 2017, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Inflow</u> <u>Funds</u>	<u>Deferred Outflow</u> <u>Funds</u>
Differences between Expected and Actual Experience	\$ 1,967	\$ 32,592
Change in Assumptions	-	119,349
Net Difference between Projected and Actual Earnings on Pension Plan Investments	8,801	-
Changes in Proportion and Differences between the City Contributions and Proportionate Share of Contributions	-	156,991
City Contributions Subsequent to Measurement Date	-	16,642
Total	<u>\$ 10,768</u>	<u>\$ 325,574</u>

The Deferred Outflows of Resources related to pensions totaling \$16,642 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. 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</u>	<u>Total</u> <u>Inflows/Outflows</u>
2018	\$ 47,499
2019	78,049
2020	63,317
2021	36,069
2022	52,737
Thereafter	20,493
Total	<u>\$ 298,164</u>

Actuarial Assumptions

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
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, 2017. As a result of the 2017 actuarial experience study, the real payroll growth assumption was 3.25% and the long-term expected rate of return was 7.10%.

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Actuarial Assumptions (Concluded)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.0%	3.0%	1.8%
Fixed Income	18.0%	4.5%	4.4%	4.2%
Global Equity	53.0%	7.8%	6.6%	17.0%
Real Estate	10.0%	6.6%	5.9%	12.8%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	<u>12.0%</u>	6.1%	5.6%	9.7%
Total	<u>100%</u>			

Discount Rate—The discount rate used to measure the total pension liability was 7.10 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 2017 valuation was updated from 7.60 percent to 7.10 percent. The rate of return assumption is a prescribed assumption as defined by ASOP 27. The 7.10 percent assumption was adopted by the 2017 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 7.10 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 (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<u>1% Decrease 6.10%</u>	<u>Current Discount Rate - 7.10%</u>	<u>1% Increase 8.10%</u>
City's Proportionate Share of the Net Pension Liability	\$ 642,765	\$ 355,131	\$ 116,328

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

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

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 health insurance subsidy 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 Florida Retirement System and:

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

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

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

For the fiscal year ended June 30, 2017, 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, 2017, the contribution rate was 1.66 percent of payroll. The state contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Continued)

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan (Continued)

Contributions—(Concluded)

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, 2017, the City reported a net pension liability of \$50,280 for its proportionate share of the net pension liability for HIS. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2017, the City's proportionate share was .000470241816199041, which was an increase of .000470241816199041 from its proportionate share measured as of June 30, 2016.

For the year ended September 30, 2017, the City recognized pension expense is listed above. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflow Funds	Deferred Outflow Funds
Differences between Expected and Actual Experience	\$ 104	\$ -
Change in Assumptions	4,348	7,068
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	28
Changes in Proportion and Differences between the City Contributions and Proportionate Share of Contributions	-	39,871
City Contributions Subsequent to Measurement Date	-	1,282
Total	\$ 4,452	\$ 48,249

The deferred outflows of resources related to pensions totaling \$1,282 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. 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>September 30,</u>	<u>Inflows/Outflow</u>
2018	\$ 7,255
2019	7,249
2020	7,247
2021	7,043
2022	6,672
Thereafter	7,049
Total	\$ 42,515

Actuarial Assumptions—The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Continued)

Note 9 - Employee Retirement Systems (Concluded)

Health Insurance Subsidy (HIS) Defined Benefit Pension Plan (Concluded)

Actuarial Assumptions—(Concluded)

Inflation	2.60%
Salary Increase	3.25% Average, Including Inflation
Bond Buyer General Obligation 20-Bond Municipal Bond	3.58%

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

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate—The discount rate used to measure the total pension liability was 3.58 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 2016 valuation was updated from 2.85 percent to 3.58 percent, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2017.

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 3.58 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 (2.58 percent) or 1-percentage-point higher (4.58percent) than the current rate:

	1% Decrease	Current Discount	1% Increase
	2.58%	Rate – 3.58%	4.58%
City's Proportionate Share of the Net Pension Liability	\$ 57,377	\$ 50,280	\$ 44,370

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

Note 10 - Other Disclosures

Allowances for Doubtful Accounts

Allowances for doubtful accounts at September 30, 2017, are as follows:

Utility Fund	\$ 58,314
General Fund	16,339
Airport Fund	42,184
Total Allowances for Doubtful Accounts	\$ 116,837

NOTES TO FINANCIAL STATEMENTS
CITY OF WILLISTON, FLORIDA
(Concluded)

Note 11 - 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 12 - Federal Awards and State Financial Assistance

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

Note 13 - Subsequent Event

Subsequent to year-end, the City obtained financing with Drummond Bank to finance construction of the City Hall project with a promissory note not to exceed \$3 million. The City Hall anticipated completion date is October 2018.

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, 2017**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	\$ 91,379	\$ 81,601	\$ 59,909	\$ 62,994
Interest on the Total Pension Liability	141,704	103,951	136,436	114,442
Demographic Experience	(17,330)	26,226	19,567	-
Assumption Changes	65,439	354,990	(216,983)	-
Benefit Payments, Including Refunds of Employee Contributions	(54,371)	(37,231)	(37,236)	(85,337)
Net Change in Total Pension Liability	<u>226,821</u>	<u>529,537</u>	<u>(38,307)</u>	<u>92,099</u>
Total Pension Liability, Beginning of Year	<u>1,980,287</u>	<u>1,450,750</u>	<u>1,489,057</u>	<u>1,396,958</u>
Total Pension Liability, End of Year (a)	<u>\$ 2,207,108</u>	<u>\$ 1,980,287</u>	<u>\$ 1,450,750</u>	<u>\$ 1,489,057</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ (74,311)	\$ (79,553)	\$ (75,005)	\$ (119,278)
Contributions - Employee	(18,698)	(18,330)	(18,053)	(21,100)
Net Investment Income	(269,174)	(149,871)	2,555	(134,338)
Benefit Payments	54,371	37,231	37,236	44,390
Administrative Expense	9,711	8,354	10,065	7,685
Net Change in Plan Fiduciary Net Position	<u>(298,101)</u>	<u>(202,169)</u>	<u>(43,202)</u>	<u>(222,641)</u>
Plan Fiduciary Net Position, Beginning of Year	<u>(2,012,547)</u>	<u>(1,810,378)</u>	<u>(1,767,176)</u>	<u>(1,544,535)</u>
Plan Fiduciary Net Position, End of Year (b)	<u>\$ (2,310,648)</u>	<u>\$ (2,012,547)</u>	<u>\$ (1,810,378)</u>	<u>\$ (1,767,176)</u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (103,540)</u>	<u>\$ (32,260)</u>	<u>\$ (359,628)</u>	<u>\$ (278,119)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.69%	101.63%	124.79%	114.72%
Covered Payroll**	<u>\$ 363,641</u>	<u>\$ 331,296</u>	<u>\$ 337,006</u>	<u>\$ 306,244</u>
Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

* GASB 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, 2017
(Concluded)

SCHEDULE OF CONTRIBUTIONS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 82,868	\$ 80,725	\$ 75,174	\$ 117,485
Contributions in Relation to the Actuarially Determined Contribution	74,311	79,553	75,005	119,278
Contribution Deficiency (Excess)	<u>\$ 8,557</u>	<u>\$ 1,172</u>	<u>\$ 169</u>	<u>\$ (1,793)</u>
 Covered Payroll	 <u>\$ 363,641</u>	 <u>\$ 331,296</u>	 <u>\$ 337,066</u>	 <u>\$ 306,244</u>
 Contributions as a Percentage of Covered Payroll	 20.44%	 24.01%	 22.25%	 38.95%

**CITY OF WILLISTON, FLORIDA
RETIREMENT PLAN AND TRUST FOR GENERAL EMPLOYEES
FOR YEAR ENDED SEPTEMBER 30, 2017**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY (ASSET) AND RELATED RATIOS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service Cost	\$ 121,584	\$ 128,374	\$ 95,658	\$ 101,093
Interest on the Total Pension Liability	268,562	212,271	297,696	260,459
Demographic Experience	32,335	104,482	(250,574)	-
Assumption Changes	265,359	695,988	(302,502)	-
Benefit Payments, Including Refunds of Employee Contributions	(446,417)	(322,256)	(201,578)	(211,313)
Net Change in Total Pension Liability	<u>241,423</u>	<u>818,859</u>	<u>(361,300)</u>	<u>150,239</u>
Total Pension Liability, Beginning of Year	<u>3,837,939</u>	<u>3,019,080</u>	<u>3,380,380</u>	<u>3,230,141</u>
Total Pension Liability, End of Year (a)	<u>\$ 4,079,362</u>	<u>\$ 3,837,939</u>	<u>\$ 3,019,080</u>	<u>\$ 3,380,380</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ (76,582)	\$ (32,832)	\$ (50,643)	\$ (112,114)
Contributions - Employee	(53,684)	(41,937)	(48,533)	(48,537)
Net Investment Income	(573,325)	(343,551)	(3,205)	(368,167)
Benefit Payments	446,417	322,256	201,578	384,331
Administrative Expense	19,911	17,752	18,972	18,141
Net Change in Plan Fiduciary Net Position	<u>(237,263)</u>	<u>(78,312)</u>	<u>118,169</u>	<u>(126,346)</u>
Plan Fiduciary Net Position, Beginning of Year	<u>(4,393,242)</u>	<u>(4,314,930)</u>	<u>(4,433,099)</u>	<u>(4,306,753)</u>
Plan Fiduciary Net Position, End of Year (b)	<u>\$ (4,630,505)</u>	<u>\$ (4,393,242)</u>	<u>\$ (4,314,930)</u>	<u>\$ (4,433,099)</u>
Net Pension Liability (Asset) - Ending (a) + (b)	<u>\$ (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	113.51%	114.47%	142.92%	131.14%
Covered Payroll**	<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%

* GASB 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, 2017
(Concluded)

SCHEDULE OF CONTRIBUTIONS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 106,400	\$ 57,705	\$ 34,167	\$ 50,478
Contributions in Relation to the Actuarially Determined Contribution	76,582	32,832	50,643	112,114
Contribution Deficiency (Excess)	<u>\$ 29,818</u>	<u>\$ 24,873</u>	<u>\$ (16,476)</u>	<u>\$ (61,636)</u>
Covered Payroll	<u>\$ 787,576</u>	<u>\$ 880,740</u>	<u>\$ 941,185</u>	<u>\$ 824,054</u>
Contributions as a Percentage of Covered Payroll	9.72%	3.73%	5.38%	13.61%

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

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, 2016, 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, 2016	October 1, 2016
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	7.25%	7.00%

Note 2: Changes in Assumptions

There were no changes in assumptions in either plan.

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

	2017
City's Proportion of the Net Pension Liability	0.0012006047%
City's Proportionate Share of the Net Pension Liability	\$ 355,131
City's Covered Payroll	154,244
City's Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll	230.24%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.89%

Schedule of City Contributions - Florida Retirement System Pension Plan (1)

	2017
Contractually Required Contribution	\$ 57,887
Contributions in Relation to the Contractually Required Contribution	(57,887)
Contribution Deficiency (Excess)	0
City's Covered Payroll	308,488
Contributions as a Percentage of Covered Payroll	18.76%

Notes:

- 1) The City implemented entered into the plan as of fiscal year September 30, 2017.

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

	2017
City's Proportion of the Net Pension Liability	0.00047024182%
City's Proportionate Share of the Net Pension Liability	\$ 50,280
City's Covered Payroll	154,244
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	32.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	1.64%

Schedule of City Contributions - Florida Health Insurance Subsidy Pension Plan (1)

	2017
Contractually Required Contribution	\$ 57,887
Contributions in Relation to the Contractually Required Contribution	(57,887)
Contribution Deficiency (Excess)	0
City's Covered Payroll	\$ 308,488
Contributions as a Percentage of Covered Payroll	-18.76%

Notes:

1) The City implemented entered into the plan as of fiscal year September 30, 2017.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFITS**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
January 1, 2017	\$ -	\$ 231,000	\$ 231,000	0.00%	\$ 1,290,000	17.9%
January 1, 2015	-	256,000	256,000	0.00%	1,453,000	17.6%
January 1, 2013	-	310,000	310,000	0.00%	1,275,000	24.3%

Per GASB Statement No. 45, actuarial evaluations are only required every third year for employers with less than 100 employees.

OTHER REPORTS

INDEPENDENT AUDITORS' 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 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, 2017, 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 26, 2018.

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) to determine the 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.

Certified Public Accountants

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Honorable City Council
City of Williston
Williston, Florida

**INDEPENDENT AUDITORS' 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
(Concluded)**

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 noncompliance 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.

Durvis, Gray and Company, LLP

June 26, 2018
Ocala, Florida

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 (the City) as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 26, 2018.

Auditors' 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 Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' 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 Florida Auditor General*. Disclosures in those reports and schedule, which are dated June 26, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the 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

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Mayor and City Council
City of Williston
Williston, Florida

MANAGEMENT LETTER
(Concluded)

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report 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.c. 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 us to communicate in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such findings.

Annual Financial Report

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address noncompliance 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have 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 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 26, 2018
Ocala, Florida

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SECITON 218.415, FLORIDA STATUTES**

Honorable Mayor and City Council
City of Williston
Williston, Florida

We have examined the City of Williston's (the City) compliance with the requirements of Section 218.415, Florida Statutes with regards to the City's investments during the year ended September 30, 2017. 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 noncompliance, 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, 2017.

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

Purvis, Gray and Company, LLP

June 26, 2018
Ocala, Florida

Certified Public Accountants

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