

**CITY OF WILLISTON, FLORIDA**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2009**

**CITY OF WILLISTON, FLORIDA**  
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JAMES MOORE & CO., P.L.  
CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

**INDEPENDENT AUDITORS' REPORT**

To the Honorable City Council,  
City of Williston, Florida:

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, Florida (the City), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Williston, Florida's, management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 of Williston, Florida, as of September 30, 2009, and the respective changes in financial position, and cash flows where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2010, on our consideration of the City of Williston, Florida'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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 17, and the schedules of funding progress and employer contributions related to the Retirement Plan and Trust for Police Officers and Retirement Plan and Trust for General Employees on pages 59 through 60 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the

required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Williston, Florida's basic financial statements. The accompanying schedule of expenditures of State Financial Assistance is presented for purposes of additional analysis as required by Section 215.97, Florida Statutes, Florida Single Audit Act, and is not a required part of the basic financial statements of the City of Williston, Florida. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

*James Moore & Co., P.L.*

Gainesville, Florida  
June 22, 2010

**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**

The Management Discussion and Analysis (MD&A) serves as an introduction to the City of Williston, Florida's ("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 GASB 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, 2009. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

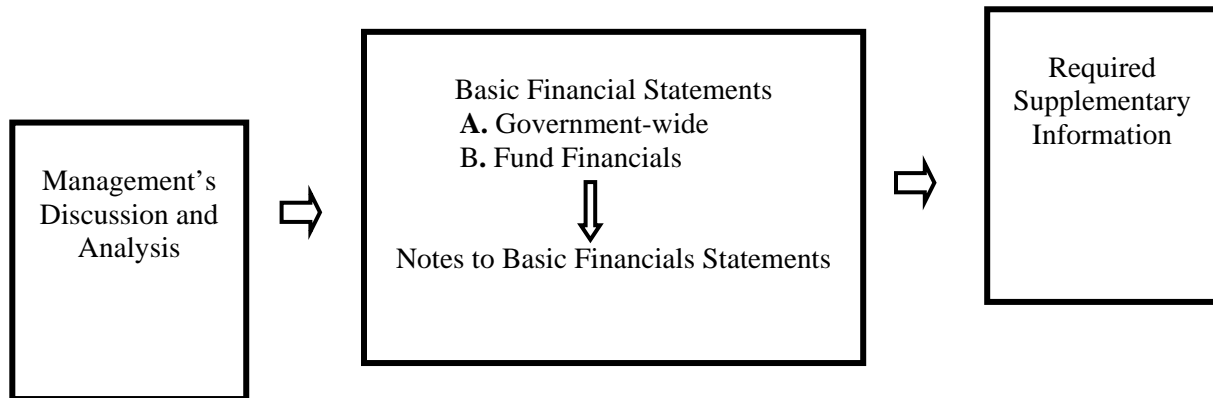
**FINANCIAL HIGHLIGHTS**

- The City's net assets exceeded its liabilities at the close of the current fiscal year by \$20,170,872.
- The City's total net assets increased by \$449,965 for the current fiscal year ended. Governmental activities contributed \$599,872 and business type activities decreased assets by \$149,907 for the fiscal year ended.
- As of the current fiscal year ended, the City's governmental funds reported a combined ending fund balance of \$1,650,336. Unrestricted portion of the fund balance totaled \$1,245,950 and the restricted portion is \$404,386.
- 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 balance was an increase of \$367,766 over the prior year.
- The City's total long-term debt (due in more than one year) increased by \$97,975. But, this was a reduction from the prior fiscal year ended 2008 which had an increase of \$410,194.
- Total net assets of \$20,170.82 are as follows:
  - Capital assets, net of related debt in the amount of \$14,952,744. 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 \$355,883 for specific use in law enforcement and community redevelopment expenditures.
  - Unrestricted assets in the amount of \$4,862,245 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, 2009**  
(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, 2009, the City has prepared the financial statements based on the guidelines provided in the Governmental Accounting Standard Board (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 assets* presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets 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, 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 through 19 of this report.

**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(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 four (4) 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, community redevelopment special revenue fund and capital projects fund, all of which are considered to be major funds. The basic governmental fund financial statements can be found on pages 20 through 25 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 26 through 28 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 one 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 29 and 30 of this report.



**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

***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 31 through 56 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 benefits to its general employees and police officers. Required supplementary information can be found on pages 58 through 59 of this report.

**Government-Wide Financial Analysis**

As noted earlier, the statement of net assets on the following page may serve over time as a useful indicator of the City's financial position. The City's net assets exceeded liabilities by \$20,170,872 at the close of the current fiscal year ended September 30, 2009, resulting in an increase in net assets of \$449,965, or 2.3% over the prior year total of \$19,720,907.

By far, the largest portion of the City's net assets 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 \$14,952,744, or 74% of the overall net assets 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.

Restricted net assets are resources subject to external restrictions on how they may be used and represent \$355,883, or 1.8%, of total net assets. Restricted assets decreased \$37,521, or 9.5%, over the prior year. This can be attributed to the Community Redevelopment Agency's (CRA) tax incremental funding from the city, City exceeding operating costs, capital improvements to sidewalks and Heritage Park, formally known as the Linear Park. The remaining balance of \$4,862,245 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 \$1,065,727 or 22% of the total unrestricted net assets. The business-type activities account for \$3,796,518, or 78% of the remaining unrestricted net assets. Governmental activities unrestricted net assets decreased by \$672,993 from the prior year ended. The decrease is due in part to an increase in capital assets without incurring new debt. Unrestricted business-type net assets decreased by \$37,024 or 1% from the prior fiscal year ended.

The government's total investment in capital assets, net of related debt increased by \$1,197,503, or 8.7%, and is due substantially to the purchase of capital assets or improvements. Business type activities saw a decrease in total invested capital assets net of related debt of \$112,883 or 2%.

**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

**City of Williston**  
**Statement of Net Assets**  
**September 30,**  
**2009**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
Current and other assets	\$ 2,263,283	\$ 2,074,075	\$ 4,898,945	\$ 4,745,321	7,162,228	\$ 6,819,396
Prepays and other	302,328	287,595	-	-	302,328	287,595
Capital assets, net of accumulated depreciation	8,767,936	9,702,320	6,074,362	6,113,531	14,842,298	15,815,851
Total assets	11,333,547	12,063,990	10,973,307	10,858,852	22,306,854	22,922,842
Long-term liabilities	560,758	513,959	791,865	936,639	1,352,623	1,450,598
Other liabilities	248,731	426,101	984,593	875,271	1,233,324	1,301,372
Total liabilities	809,489	940,060	1,776,458	1,811,910	2,585,947	2,751,970
Net assets:						
Invested in capital assets, net of related debt	8,391,934	9,702,320	5,363,307	5,250,424	13,755,241	14,952,744
Restricted	393,404	355,883	-	-	393,404	355,883
Unrestricted	1,738,720	1,065,727	3,833,542	3,796,518	5,572,262	4,862,245
Total net assets	\$ 10,524,058	\$ 11,123,930	\$ 9,196,849	\$ 9,046,942	\$ 19,720,907	\$ 20,170,872

*Normal Impacts*

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

1. Net results of activities - will impact (increase/decrease current assets and unrestricted net assets).
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 in 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 assets, 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 assets, 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, 2009**  
(Continued)

**City of Williston's**  
**Changes in Net Assets**  
**For the Years Ended September 30, 2009**

	Governmental Activities		Business-Type Activities		Total Government	
	2008	2009	2008	2009	2008	2009
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for services	\$ 1,118,675	\$ 721,659	\$ 5,950,352	\$ 6,490,715	\$ 7,069,027	\$ 7,212,374
Operating grants & contributions	389,562	636,348	-	-	389,562	636,348
Capital grants & contributions	387,288	794,240	386,850	28,875	774,138	823,115
<b>General revenues:</b>						
Property taxes	840,672	897,092	-	-	840,672	897,092
Public service tax	342,673	322,508	-	-	342,673	322,508
Other taxes	354,929	329,012	-	-	354,929	329,012
Gain (loss) on sale of assets	(3,957)	(3,699)	-	-	(3,957)	(3,699)
Other	171,500	140,803	152,074	125,934	323,574	266,737
Total revenues	3,601,342	3,837,963	6,489,276	6,645,524	10,090,618	10,483,487
<b>Expenses</b>						
General government	432,258	450,214	-	-	432,258	450,214
Law enforcement	1,428,542	1,404,070	-	-	1,428,542	1,404,070
Streets and sidewalks	341,091	380,907	-	-	341,091	380,907
Fire control	265,198	356,744	-	-	265,198	356,744
Parks and playgrounds	154,539	166,209	-	-	154,539	166,209
Planning and zoning	97,613	155,495	-	-	97,613	155,495
Legislative and legal	153,645	135,711	-	-	153,645	135,711
Community redevelopment	42,084	67,953	-	-	42,084	67,953
Inspection	33,854	31,559	-	-	33,854	31,559
Animal control	49,159	47,000	-	-	49,159	47,000
Airport development	969,850	855,276	-	-	969,850	855,276
Interest on long-term debt	3,557	15,453	-	-	3,557	15,453
Utility	-	-	5,552,904	5,966,931	5,552,904	5,966,931
Hospital	-	-	-	-	-	-
Total expenses	3,971,390	4,066,591	5,552,904	5,966,931	9,524,294	10,033,522
<b>Increase / (Decrease) in net assets</b>						
<b>before transfers:</b>	(370,048)	(228,628)	936,372	678,593	566,324	449,965
Transfers	836,500	828,500	(836,500)	(828,500)	-	-
<b>Change in net assets</b>	466,452	599,872	99,872	(149,907)	566,324	449,965
Net assets, beginning of year	10,057,606	10,524,058	9,096,977	9,196,849	19,154,583	19,720,907
Net assets, end of year	\$ 10,524,058	\$ 11,123,930	\$ 9,196,849	\$ 9,046,942	\$ 19,720,907	\$ 20,170,872

**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

The statement of changes in net assets shown on the previous page illustrates the increase or decrease in net assets for the City resulting from its operating activities.

**Governmental Activities**

The City's total net assets for governmental activities increased by \$599,872 over the previous fiscal year. Key elements of these changes are as follows:

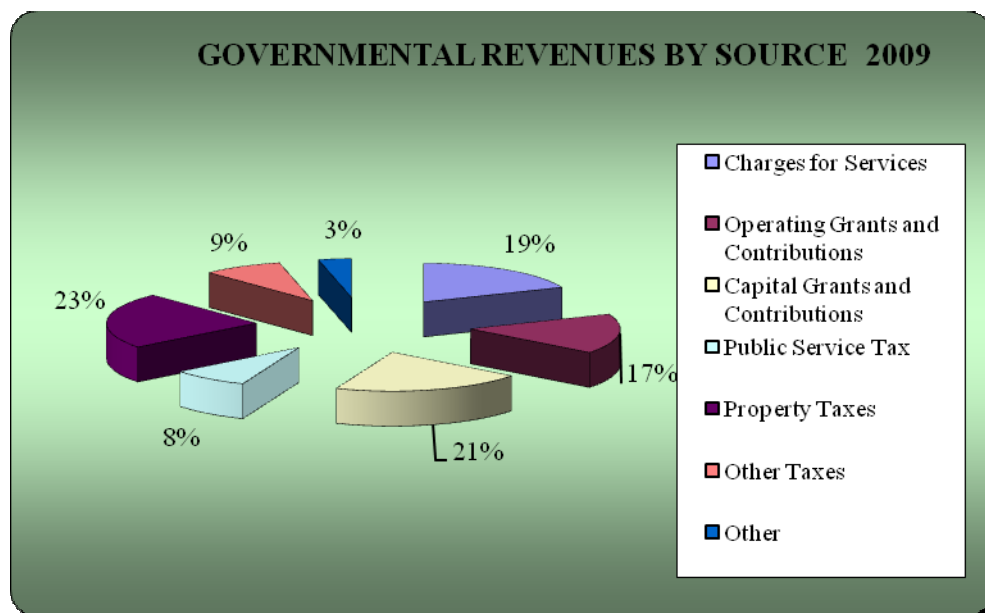
*Revenues*

Charges for services decreased by \$397,016 or 35% from the prior fiscal year ended. The majority of the decline was generated by the Williston Municipal Airport.

- The City did not harvest pine trees during the current fiscal year therefore, decreasing revenues by \$232,337.
- Revenues generated by AVGAS sales decreased by \$84,403 and Jet "A" fuel revenues declined by \$52,363.
- Timber harvesting in prior years, reduced the number of acres available for pine straw harvesting in turn reducing the revenues for the airport further.

Revenues associated with operating grants and contributions increased by \$246,786 or 63% over the prior fiscal year ended. The fire department was awarded a grant through the Department of Homeland Security and the Florida Recreational Development Assistance Program (FRDAP) grant continued into the current fiscal year to finish up the East Williston Park projects.

Capital grants and contributions rose by \$406,952 over the prior fiscal year. This increase was due to the revenues associated with the various Joint Participation Agreements for renovation of the Fixed Based Operation (FBO) building, construction and rehabilitation of the Taxiways B, C, D, E, apron and the installation of security fencing on the turf runway.

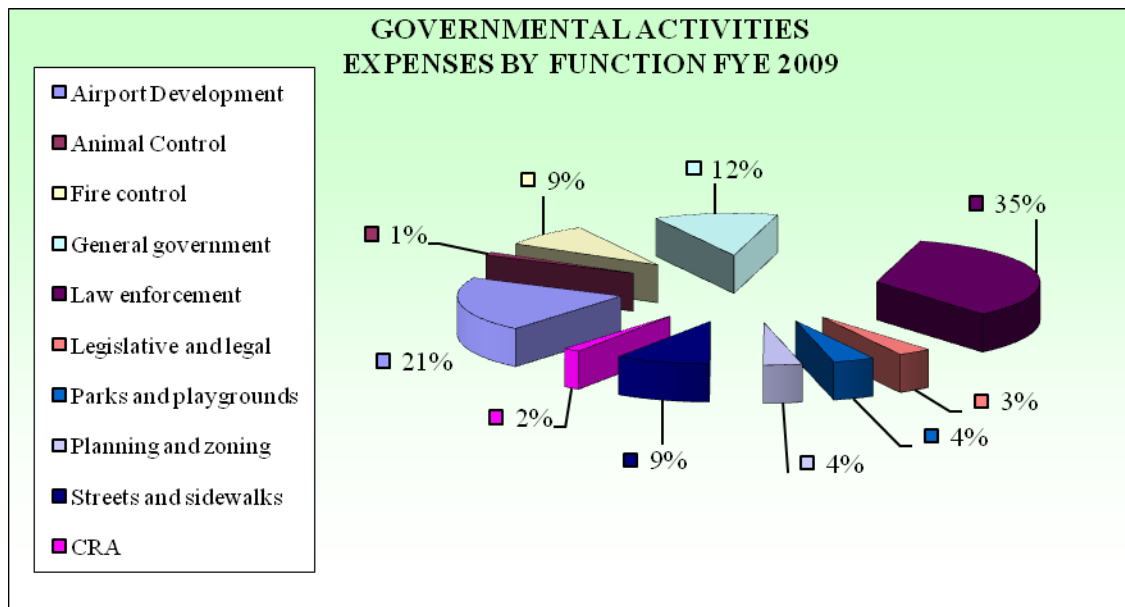


**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

*Expenditures*

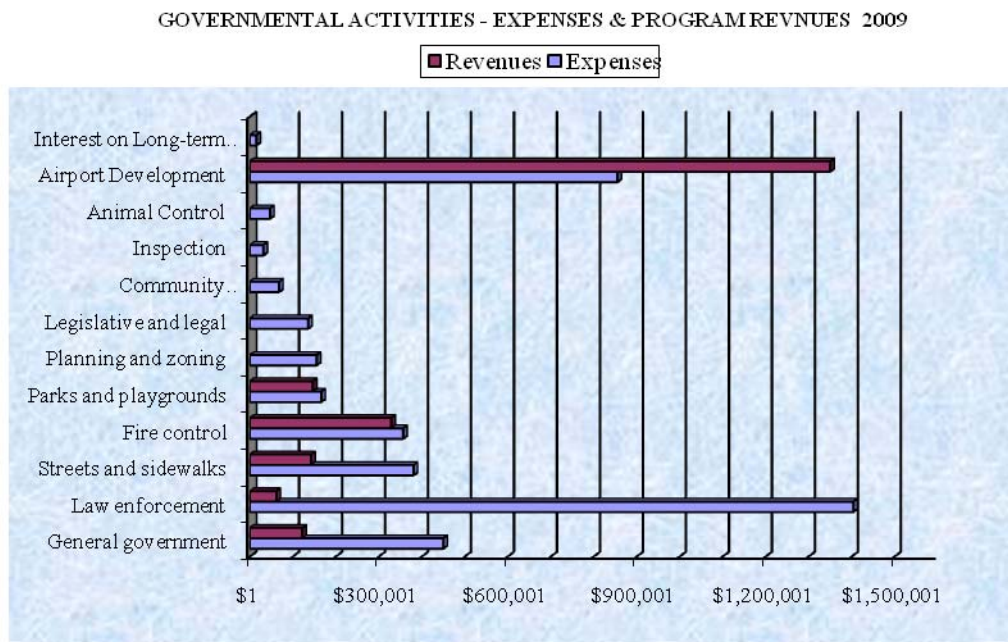
- Governmental expenditures increased to \$4,066,591 a \$95,201, or 2% increase over the previous fiscal year's total of \$3,971,390. The increase in expenditures was due to an overall increase in operating costs. The major increases were due to employee related costs and airport fuel costs.

The following illustration shows the percentage each functional area represents within the City as a whole. The general government area includes both building inspections and interest on long-term debt. The percentages may not equate to 100 percent due to rounding.



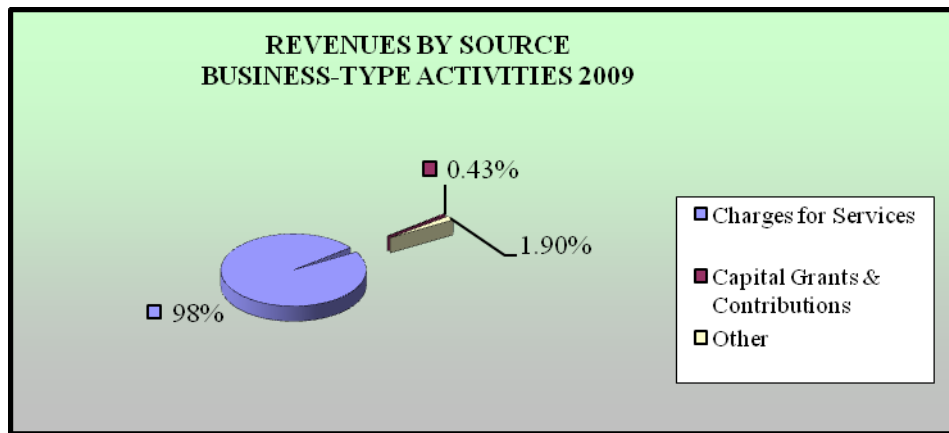
The illustrative bar chart on the next page compares governmental activity expenses against program revenues that each department generates, without any associated general revenues such as property, franchise, public service and telecommunication taxes, as well as, interest and other miscellaneous income.

**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)



**Business-Type Activities**

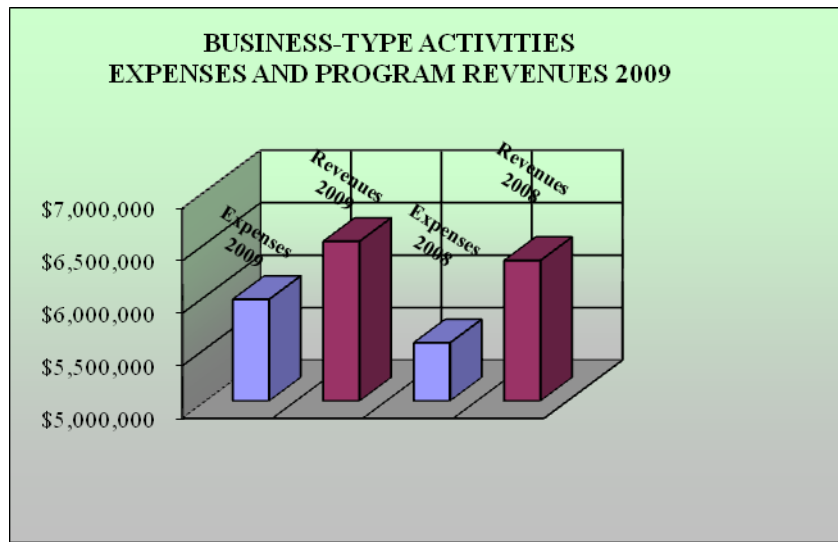
These activities decreased the City's net assets by \$149,907 from the previous fiscal year end. The decrease in net assets for business-type activities is mainly due to transfers made to the governmental fund to cover general fund shortfalls.



**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

- The chart on the previous page shows the breakdown as a percentage of total revenues by source for business-type activities. The activity for program revenues was as follows: charges for services increased by \$540,363, capital grants & contributions decreased \$357,975 and other revenues decreased by 26,140 from the prior fiscal year.
- Business-type activity expenses increased by \$414,027 over the prior fiscal year ended. The main factor contributing to the increase in expenses was the increase in cost of electricity purchased by the City.

The bar chart shown below compares expenses and program revenues, to illustrate how business-type activities support themselves without the aide 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 \$1,650,336. The fund balance in the general fund is \$1,289,856. The fund balances in the two special revenue funds are a combined ending balance of \$360,480. The City ended the current fiscal year with an overall decrease in its combined fund balance of \$365,845, as compared to the prior year end balance of \$2,016,181.

**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

<b>City of Williston General Fund</b>			
	<b>2008</b>	<b>2009</b>	<b>Inc / (Dec.)</b>
<b>Revenues</b>			
Taxes	\$ 1,139,005	\$ 1,151,590	\$ 12,585
Licenses and permits	53,222	68,548	15,326
Intergovernmental	891,805	861,622	(30,183)
Fines and forfeitures	68,774	47,088	(21,686)
Interest Earnings	43,301	29,129	(14,172)
Rental Income	50,000	50,000	-
Other	48,554	42,962	(5,592)
Total revenues	<u>2,294,661</u>	<u>2,250,939</u>	<u>(43,722)</u>
<b>Expenditures</b>			
Current:			
General Government	392,723	411,554	18,831
Law enforcement	1,467,880	1,371,308	(96,572)
Streets and sidewalks	322,717	356,684	33,967
Fire Control	627,033	379,397	(247,636)
Parks and playgrounds	356,832	296,475	(60,357)
Planning and zoning	55,300	53,936	(1,364)
Legislative and legal	144,583	122,829	(21,754)
Inspection	34,652	35,159	507
Animal Control	50,264	46,105	(4,159)
Debt Service:			
Principal	25,935	67,312	41,377
Interest	3,495	15,453	11,958
Total expenditures	<u>3,481,414</u>	<u>3,156,212</u>	<u>(325,202)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,186,753)</u>	<u>(905,273)</u>	<u>281,480</u>
<b>Other financing sources (uses)</b>			
Transfers in	836,500	828,500	(8,000)
Transfers out	(107,122)	(104,072)	3,050
Issuance of long term debt	369,104	-	(369,104)
Sale of capital assets	-	-	-
Total other financing sources	<u>1,098,482</u>	<u>724,428</u>	<u>(374,054)</u>
<b>Net change in fund balances</b>	<u>(88,271)</u>	<u>(180,845)</u>	<u>(92,574)</u>
<b>Fund balances, beginning of year</b>	1,558,972	1,470,701	
<b>Fund balances, end of year</b>	<u><u>\$ 1,470,701</u></u>	<u><u>\$ 1,289,856</u></u>	



**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

Major Funds

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

The general fund is one of the main operating funds for the City and it is illustrated on the previous page. The fund balance after transfers decreased \$180,845 for the fiscal year ended, as compared to a decrease of \$88,271 in the previous fiscal year, a net decrease in 2009 of \$92,574.

The special revenue fund - airport development is another operating fund of the City. The fund balance after transfers decreased by \$147,480 for the current fiscal year, as compared to an increase of \$232,577 in the previous year, a net decrease in 2009 of \$380,057 as illustrated below:

		<b>Special Revenue Fund Airport Development</b>		
		<b>2008</b>	<b>2009</b>	<b>Inc / (Dec.)</b>
<b>Revenues</b>				
Intergovernmental	\$	127,596	\$ 794,240	666,644
Interest Earnings		10,829	4,145	(6,684)
Rental Income		234,506	236,390	1,884
Timber and hay sales		258,164	12,768	(245,396)
Fuel Sales		431,281	294,515	(136,766)
Other		22,728	12,350	(10,378)
Total revenues		1,085,104	1,354,408	269,304
<b>Expenditures</b>				
Current:				
Airport Development		863,155	1,501,888	638,733
Debt Service:				
Principal		2,000	-	(2,000)
Interest		62	-	(62)
Total expenditures		865,217	1,501,888	636,671
<b>Excess (deficiency) of revenues over (under) expenditures</b>		219,887	(147,480)	(367,367)
<b>Other financing sources (uses)</b>				
Transfers in		12,690	-	(12,690)
Transfers out		-	-	-
<b>Net change in fund balances</b>		232,577	(147,480)	(380,057)
<b>Fund balances, beginning of year</b>		(78,905)	153,672	
<b>Fund balances, end of year</b>		\$ 153,672	\$ 6,192	

The community redevelopment fund is another special revenue fund that the City includes in its statements illustrated on the following page. The fund balance after transfers associated with this fund decreased \$37,520 for the current fiscal year ended, as compared to an increase of \$25,765 in the prior year, a net decrease in 2009 of \$63,282. 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.

**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

	<b>City of Williston Special Revenue Fund Community Redevelopment</b>		
	<b>2008</b>	<b>2009</b>	<b>Inc / (Dec.)</b>
<b>Revenues</b>			
Taxes	\$ 126,560	\$ 129,902	3,342
Interest Earnings	4,542	2,341	(2,201)
Total revenues	131,102	132,243	1,141
<b>Expenditures</b>			
Community Redevelopment	199,772	273,835	74,063
Total expenditures	199,772	273,835	74,063
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(68,670)	(141,592)	(72,922)
<b>Other financing sources (uses)</b>			
Transfers in	94,432	104,072	9,640
<b>Net change in fund balances</b>	25,762	(37,520)	(63,282)
<b>Fund balances, beginning of year</b>	366,046	391,808	
<b>Fund balances, end of year</b>	\$ 391,808	\$ 354,288	

The Statement of Revenues, Expenditures, and Changes in Fund Balance for all illustrations shown on the previous pages 12 through 14 are provided beginning on page 21 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 assets of the business-type activities totaled \$3,796,518 with the remaining \$5,250,424 being invested in capital assets net of any related debt at the end of the 2009 fiscal year. The City's total net assets for business-type activities decreased by \$149,907 from the prior fiscal year ended. Key elements of the decrease have been addressed in the discussion of the City's business-type activities found on pages 26 through 28 of this report.

**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

*General Fund Budgetary Highlights with Variances*

There were some additional appropriations needed that were not included in the general fund's original budget. Additional appropriations were for fire, fire forestry and police department grants from the department of justice.

*General Fund Actual Results 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 \$86,252. This was mainly due to the continuing economic downturn, which in turn translates to under collected revenue

The general fund experienced a positive variance between its final operating expenditure budget and actual operating expenditures in the amount of \$292,472. This was due to the city imposing a hiring freeze for non-essential personnel and outsourcing yard debris pickup.

*Capital Asset and Debt Administration*

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2009 amounts to \$15,815,851 (net of accumulated depreciation) as compared to the prior year end total of \$14,842,298, 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 \$973,553, or 6.5%. Governmental activities increased by \$934,384 and the business-type activities increased by \$39,169 as illustrated below.

<b>City Of Williston</b>						
<b>Capital Assets - Net of depreciation</b>						
<b>(in thousands)</b>						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
Land	\$1,251,070	\$1,251,070	\$26,684	\$26,684	\$1,277,754	\$1,277,754
Construction In Progress	679,301	1,204,340	948,186	17,320	1,627,487	1,221,660
Buildings and Improvements	5,998,997	6,506,210	-	-	5,998,997	6,506,210
Plant and Distribution Systems	-	-	3,739,642	5,047,952	3,739,642	5,047,952
Machinery and Equipment	838,568	740,700	1,359,850	1,021,575	2,198,418	1,762,275
Total Assets, Net	<u>\$8,767,936</u>	<u>\$9,702,320</u>	<u>\$6,074,362</u>	<u>\$6,113,531</u>	<u>\$14,842,298</u>	<u>\$15,815,851</u>

**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

Major capital asset events during the current fiscal year for governmental activities include the design and remodeling of the fixed base operation (FBO) building, design and construction of an airport apron, design and construction of new taxiways at the Williston Municipal Airport.

Additional information on the City's capital assets can be found in Note IV. C starting on page 41 of this report.

*Debt Administration*

At the end of the current fiscal year, the City had total bonded debt outstanding of \$1,171,825 and of that, \$308,719 is comprised of general obligation debt and backed by the credit of the government. The remaining \$863,106 represents notes secured solely by specific revenue sources. (i.e. revenue bonds). Governmental activities account for \$308,719 and business-type activities account for \$863,106 of the overall debt as shown below.

**City of Williston**  
**Outstanding Debt**  
**General Obligation and Revenue Bonds**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
Fire and Police Vehicles.	\$366,592	\$308,719	-	-	\$366,592	\$308,719
Property / Buildings	9,410	-	-	-	\$9,410	-
Compensated Absences & Other	184,726	205,240	-	-	\$184,726	205,240
	<u>\$560,728</u>	<u>\$513,959</u>	<u>-</u>	<u>-</u>	<u>\$560,728</u>	<u>\$513,959</u>
Electric Conversion	-	-	\$195,082	\$95,082	\$195,082	\$95,082
Garbage Truck	-	-	122,153	-	122,153	-
N.E. Well - CDBG	-	-	240,565	723,555	240,565	723,555
Rolloff Truck	-	-	149,835	44,469	149,835	44,469
Compensate absences & other	-	-	80,810	73,532	80,810	73,532
	<u>-</u>	<u>-</u>	<u>\$788,445</u>	<u>\$936,638</u>	<u>\$788,445</u>	<u>\$936,638</u>
<b>Total</b>	<u><u>\$560,728</u></u>	<u><u>\$513,959</u></u>	<u><u>\$788,445</u></u>	<u><u>\$936,638</u></u>	<u><u>\$1,349,173</u></u>	<u><u>\$1,450,597</u></u>

Additional information on the City of Williston's long-term debt can be found in Note IV.F on pages 46 through 48 of this report.

**CITY OF WILLISTON, FLORIDA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2009**  
(Continued)

**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.

**CITY OF WILLISTON, FLORIDA**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2009**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 397,975	\$ 299,114	\$ 697,089
Certificates of deposit	861,344	3,219,049	4,080,393
Receivables (net of allowance for uncollectibles)	367,730	896,589	1,264,319
Due from pension fund	1,798	-	1,798
Internal balances	41,325	(41,325)	-
Inventories	46,141	156,205	202,346
Net pension asset and prepaids	287,595	-	287,595
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	357,762	215,689	573,451
Capital assets net of accumulated depreciation	9,702,320	6,113,531	15,815,851
Total assets	<u>12,063,990</u>	<u>10,858,852</u>	<u>22,922,842</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	412,319	659,582	1,071,901
Customer deposits	-	215,689	215,689
Deferred revenues	13,782	-	13,782
Noncurrent liabilities:			
Due within one year	116,507	224,308	340,815
Due in more than one year	397,452	712,331	1,109,783
Total liabilities	<u>940,060</u>	<u>1,811,910</u>	<u>2,751,970</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	9,702,320	5,250,424	14,952,744
Restricted for:			
Law enforcement	1,595	-	1,595
Community redevelopment	354,288	-	354,288
Unrestricted	1,065,727	3,796,518	4,862,245
Total net assets	<u>\$ 11,123,930</u>	<u>\$ 9,046,942</u>	<u>\$ 20,170,872</u>

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, 2009**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Change In Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
Governmental activities:							
General government	\$ 450,214	\$ 118,548	\$ 3,305	\$ -	\$ (328,361)		\$ (328,361)
Law enforcement	1,404,070	47,088	14,784	-	(1,342,198)		(1,342,198)
Streets and sidewalks	380,907	-	142,618	-	(238,289)		(238,289)
Fire control	356,744	-	329,212	-	(27,532)		(27,532)
Parks and playgrounds	166,209	-	146,429	-	(19,780)		(19,780)
Planning and zoning	155,495	-	-	-	(155,495)		(155,495)
Legislative and legal	135,711	-	-	-	(135,711)		(135,711)
Downtown redevelopment	67,953	-	-	-	(67,953)		(67,953)
Inspection	31,559	-	-	-	(31,559)		(31,559)
Animal control	47,000	-	-	-	(47,000)		(47,000)
Airport development	855,276	556,023	-	794,240	494,987		494,987
Interest on long-term debt	15,453	-	-	-	(15,453)		(15,453)
Total governmental activities	4,066,591	721,659	636,348	794,240	(1,914,344)		(1,914,344)
Business-type activities:							
Utility	5,966,931	6,490,715	-	28,875	-	552,659	552,659
Total government	<u>\$ 10,033,522</u>	<u>\$ 7,212,374</u>	<u>\$ 636,348</u>	<u>\$ 823,115</u>	<u>(1,914,344)</u>	<u>552,659</u>	<u>(1,361,685)</u>
General revenues:							
Property taxes					897,092	-	897,092
Franchise taxes					57,817	-	57,817
Public service tax					322,508	-	322,508
Local government infrastructure tax					166,003	-	166,003
State revenue sharing					58,072	-	58,072
Telecommunication tax					105,192	-	105,192
Interest earnings					35,615	125,934	161,549
Other					47,116	-	47,116
Loss on sale of capital assets					(3,699)	-	(3,699)
Transfers					828,500	(828,500)	-
Total general revenues and transfers					2,514,216	(702,566)	1,811,650
Change in net assets					599,872	(149,907)	449,965
Net assets, beginning of year					10,524,058	9,196,849	19,720,907
Net assets, end of year					<u>\$ 11,123,930</u>	<u>\$ 9,046,942</u>	<u>\$ 20,170,872</u>

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

**CITY OF WILLISTON, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2009**

	<u>General</u>	<u>Special Revenue Airport Development</u>	<u>Special Revenue Community Redevelopment</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 83,395	\$ 314,580	\$ -	\$ 397,975
Certificates of deposits	861,344	-	-	861,344
Receivables, net of allowance for uncollectible accounts	103,386	264,344	-	367,730
Due from other funds	312,222	424	-	312,646
Inventories	-	46,141	-	46,141
Prepays	-	2,362	-	2,362
Cash and cash equivalents - restricted	1,595	-	356,167	357,762
<b>Total Assets</b>	<u>\$ 1,361,942</u>	<u>\$ 627,851</u>	<u>\$ 356,167</u>	<u>\$ 2,345,960</u>

**LIABILITIES AND FUND BALANCES**

Liabilities:

Accounts payable and accrued expenses	\$ 72,086	\$ 338,355	\$ 1,879	\$ 412,320
Due to other funds	-	269,522	-	269,522
Deferred revenues	-	13,782	-	13,782
<b>Total liabilities</b>	<u>72,086</u>	<u>621,659</u>	<u>1,879</u>	<u>695,624</u>

Fund balances:

Reserved for:				
Law enforcement	1,595	-	-	1,595
Community redevelopment	-	-	354,288	354,288
Inventories	-	46,141	-	46,141
Prepays	-	2,362	-	2,362
Unreserved, reported in:				
General fund	1,288,261	-	-	1,288,261
Special revenue airport development	-	(42,311)	-	(42,311)
<b>Total fund balances</b>	<u>1,289,856</u>	<u>6,192</u>	<u>354,288</u>	<u>1,650,336</u>

<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,361,942</u>	<u>\$ 627,851</u>	<u>\$ 356,167</u>	
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Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds. 9,702,320

The cumulative effect of overfunding the actuarial required  
contributions to a pension fund does not represent a  
financial asset in the governmental funds. In the statement  
of net assets, which is presented on the accrual basis, an asset  
is reported since the adjustment to expense is fully recognized in the  
statement of activities. 285,233

Long-term liabilities, including bonds, are not due and payable  
in the current period and, therefore, are not reported in the  
funds. (513,959)

Net assets of governmental activities \$ 11,123,930

The accompanying notes to the 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, 2009**

	<b>General</b>	<b>Special Revenue Airport Development</b>	<b>Special Revenue Community Redevelopment</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Taxes	\$ 1,151,590	\$ -	\$ 129,902	\$ 1,281,492
Licenses and permits	68,548	-	-	68,548
Intergovernmental	861,622	794,240	-	1,655,862
Fines and forfeitures	47,088	-	-	47,088
Interest earnings	29,129	4,145	2,341	35,615
Rental income	50,000	236,390	-	286,390
Timber and hay sales	-	12,768	-	12,768
Fuel sales	-	294,515	-	294,515
Other	42,962	12,350	-	55,312
Total revenues	<u>2,250,939</u>	<u>1,354,408</u>	<u>132,243</u>	<u>3,737,590</u>
<b>Expenditures</b>				
Current:				
General government	411,554	-	-	411,554
Law enforcement	1,371,308	-	-	1,371,308
Streets and sidewalks	356,684	-	-	356,684
Fire control	379,397	-	-	379,397
Parks and playgrounds	296,475	-	-	296,475
Planning and zoning	53,936	-	-	53,936
Legislative and legal	122,829	-	-	122,829
Inspection	35,159	-	-	35,159
Animal control	46,105	-	-	46,105
Airport development	-	1,501,888	-	1,501,888
Community redevelopment	-	-	273,835	273,835
Debt service:				
Principal	67,312	-	-	67,312
Interest	15,453	-	-	15,453
Total expenditures	<u>3,156,212</u>	<u>1,501,888</u>	<u>273,835</u>	<u>4,931,935</u>
<b>Deficiency of revenues under expenditures</b>	<u>(905,273)</u>	<u>(147,480)</u>	<u>(141,592)</u>	<u>(1,194,345)</u>
<b>Other financing sources (uses)</b>				
Transfers in	828,500	-	104,072	932,572
Transfers out	(104,072)	-	-	(104,072)
Total other financing sources (uses)	<u>724,428</u>	<u>-</u>	<u>104,072</u>	<u>828,500</u>
<b>Net change in fund balances</b>	<u>(180,845)</u>	<u>(147,480)</u>	<u>(37,520)</u>	<u>(365,845)</u>
<b>Fund balances, beginning of year</b>	1,470,701	153,672	391,808	2,016,181
<b>Fund balances, end of year</b>	<u>\$ 1,289,856</u>	<u>\$ 6,192</u>	<u>\$ 354,288</u>	<u>\$ 1,650,336</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, 2009**

Amounts reported for governmental activities in the statement of activities (page 19)  
are different because:

Net change in fund balances - total governmental funds (page 21)	\$ (365,845)
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.	940,677
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(6,293)
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 assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	67,312
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.	(20,513)
In the governmental funds, contributions made to a pension fund in excess of the actuarial required contribution amount are reported as an expenditure. In the statement of net assets, the amount is reported as an asset. Thus, the change in net assets differs from the change in fund balance by the amount contributed in excess of the actuary's requirement.	(15,466)
Change in net assets of governmental activities (page 19)	<u>\$ 599,872</u>

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

**CITY OF WILLISTON, FLORIDA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 1,190,772	\$ 1,196,772	\$ 1,151,590	\$ (45,182)
Licenses and permits	51,350	51,350	68,548	17,198
Intergovernmental	783,257	891,219	861,622	(29,597)
Fines and forfeitures	75,000	75,000	47,088	(27,912)
Interest earnings	35,000	35,000	29,129	(5,871)
Rental income	50,000	50,000	50,000	-
Other	37,850	37,850	42,962	5,112
Total revenues	<u>2,223,229</u>	<u>2,337,191</u>	<u>2,250,939</u>	<u>(86,252)</u>
<b>Expenditures</b>				
Current:				
General government	411,676	418,076	411,554	6,522
Law enforcement	1,441,510	1,442,510	1,371,308	71,202
Streets and sidewalks	469,360	452,360	356,684	95,676
Fire control	254,880	386,624	379,397	7,227
Parks and playgrounds	390,434	372,652	296,475	76,177
Planning and zoning	56,081	56,081	53,936	2,145
Legislative and legal	128,145	126,745	122,829	3,916
Inspection	34,750	39,750	35,159	4,591
Animal control	68,213	68,213	46,105	22,108
Debt service:				
Principal	67,051	67,051	67,312	(261)
Interest	18,622	18,622	15,453	3,169
Total expenditures	<u>3,340,722</u>	<u>3,448,684</u>	<u>3,156,212</u>	<u>292,472</u>
<b>Deficiency of revenues under expenditures</b>	<u>(1,117,493)</u>	<u>(1,111,493)</u>	<u>(905,273)</u>	<u>206,220</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,128,855	1,128,855	828,500	(300,355)
Transfers out	(99,151)	(105,151)	(104,072)	1,079
Issuance of long term debt	87,789	87,789	-	(87,789)
Total other financing sources (uses)	<u>1,117,493</u>	<u>1,111,493</u>	<u>724,428</u>	<u>(387,065)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>(180,845)</u>	<u>(180,845)</u>
<b>Fund balances, beginning of year</b>	1,470,701	1,470,701	1,470,701	-
<b>Fund balances, end of year</b>	<u><u>\$ 1,470,701</u></u>	<u><u>\$ 1,470,701</u></u>	<u><u>\$ 1,289,856</u></u>	<u><u>\$ (180,845)</u></u>

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

**CITY OF WILLISTON, FLORIDA  
SPECIAL REVENUE FUND -  
AIRPORT DEVELOPMENT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 1,670,125	\$ 970,125	\$ 794,240	\$ (175,885)
Interest earnings	6,160	6,160	4,145	(2,015)
Rental income	231,231	231,231	236,390	5,159
Timber and hay sales	12,750	12,750	12,768	18
Fuel sales	447,030	312,030	294,515	(17,515)
Other	8,850	8,850	12,350	3,500
Total revenues	<u>2,376,146</u>	<u>1,541,146</u>	<u>1,354,408</u>	<u>(186,738)</u>
<b>Expenditures</b>				
Current:				
Airport development	2,736,021	1,901,021	1,501,888	399,133
<b>Excess of revenues over (under) expenditures</b>	<u>(359,875)</u>	<u>(359,875)</u>	<u>(147,480)</u>	<u>212,395</u>
<b>Other financing sources (uses)</b>				
Issuance of long term debt	<u>359,875</u>	<u>359,875</u>	<u>-</u>	<u>(359,875)</u>
<b>Net change in fund balances</b>	-	-	(147,480)	(147,480)
<b>Fund balances, beginning of year</b>	153,672	153,672	153,672	-
<b>Fund balances, end of year</b>	<u><u>\$ 153,672</u></u>	<u><u>\$ 153,672</u></u>	<u><u>\$ 6,192</u></u>	<u><u>\$ (147,480)</u></u>

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

**CITY OF WILLISTON, FLORIDA  
SPECIAL REVENUE FUND -  
COMMUNITY REDEVELOPMENT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 99,151	\$ 105,151	\$ 129,902	\$ 24,751
Interest and other	133,243	133,243	2,341	(130,902)
Total revenues	232,394	238,394	132,243	(106,151)
<b>Expenditures</b>				
Current:				
Community redevelopment	362,742	396,742	273,835	122,907
<b>Excess of revenues over (under) expenditures</b>	<u>(130,348)</u>	<u>(158,348)</u>	<u>(141,592)</u>	<u>16,756</u>
<b>Other financing sources (uses)</b>				
Transfers in	130,348	130,348	104,072	(26,276)
Transfers out	-	28,000	-	(28,000)
<b>Total other financing sources (uses)</b>	<u>130,348</u>	<u>158,348</u>	<u>104,072</u>	<u>(54,276)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>(37,520)</u>	<u>(37,520)</u>
<b>Fund balances, beginning of year</b>	391,808	391,808	391,808	-
<b>Fund balances, end of year</b>	<u><u>\$ 391,808</u></u>	<u><u>\$ 391,808</u></u>	<u><u>\$ 354,288</u></u>	<u><u>\$ (37,520)</u></u>

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

**CITY OF WILLISTON, FLORIDA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
**SEPTEMBER 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>
	<b>Utility Fund</b>
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 299,114
Investments in certificates of deposit	3,219,049
Accounts receivable, net	896,589
Due from other funds	124,240
Inventories	156,205
Total current assets	<u>4,695,197</u>
<b>Noncurrent assets:</b>	
Restricted cash and cash equivalents	<u>215,689</u>
Capital assets:	
Land and land improvements	133,966
Electric distribution system	1,912,208
Water distribution system	3,825,225
Sewer plant and distribution system	4,624,238
Natural gas distribution system	923,350
Machinery and equipment	1,642,793
Construction in progress	17,320
	<u>13,079,100</u>
Less - Accumulated depreciation	<u>(6,965,569)</u>
Capital assets, net	<u>6,113,531</u>
Total noncurrent assets	<u>6,329,220</u>
Total assets	<u>11,024,417</u>
<b>LIABILITIES</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	659,582
Due to other funds	165,565
Compensated absences - current	23,143
Liabilities payable from restricted assets - customer deposits	215,689
Notes payable - current	201,165
Total current liabilities	<u>1,265,144</u>
<b>Noncurrent liabilities:</b>	
Compensated absences	50,389
Notes payable	661,942
Total liabilities	<u>1,977,475</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	5,250,424
Unrestricted	3,796,518
Total net assets	<u>\$ 9,046,942</u>

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

**CITY OF WILLISTON, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Business-type Activities - Enterprise Funds</b>
	<b>Utility Fund</b>
<b>Operating revenues</b>	
Charges for services	6,418,433
Fees and other	117,921
Total operating revenues	<u>6,536,354</u>
<b>Operating expenses</b>	
Electricity purchased	3,301,132
Natural gas purchased	167,378
Personal services	1,031,187
Professional fees and services	255,212
Insurance	34,317
Supplies and maintenance	235,712
Taxes	5,632
Depreciation and amortization	452,748
Other	410,211
Total operating expenses	<u>5,893,529</u>
<b>Operating income</b>	<u>642,825</u>
<b>Nonoperating revenues (expenses)</b>	
Interest income	125,934
Interest expense	(33,249)
Total nonoperating revenues (expenses)	<u>92,685</u>
<b>Income before contributions and transfers</b>	<u>735,510</u>
<b>Capital contributions - capital grants</b>	28,875
<b>Loss on disposal of capital assets</b>	(85,792)
<b>Income before transfers</b>	<u>678,593</u>
<b>Transfers out</b>	(828,500)
<b>Change in net assets</b>	<u>(149,907)</u>
<b>Net assets, beginning of year</b>	9,196,849
<b>Net assets, end of year</b>	<u><u>\$ 9,046,942</u></u>

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, 2009**

	<b>Business-type Activities - Enterprise Funds</b>
	<b>Utility Fund</b>
<b>Cash flows from operating activities</b>	
Cash received from customers/others	\$ 6,660,283
Cash payments to suppliers for goods and services	(4,463,025)
Cash payments to employees for services	(1,038,465)
Net cash provided by operating activities	<u>1,158,793</u>
<b>Cash flows from noncapital financing activities</b>	
Operating transfers to other funds	<u>(828,500)</u>
<b>Cash flows from capital and related financing activities</b>	
Acquisition of capital assets and improvements	(577,707)
Interest paid on notes payable	(33,249)
Proceeds received from capital grants	28,875
Proceeds from the issuance of long-term debt	493,735
Payments on notes payable	(341,683)
Net cash used for capital and related financing activities	<u>(430,029)</u>
<b>Cash flows from investing activities</b>	
Interest received	103,839
<b>Net increase in cash and cash equivalents</b>	<u>4,103</u>
<b>Cash and cash equivalents, beginning of year</b>	510,700
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 514,803</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 642,825
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	452,748
Decrease in accounts receivable	71,904
Decrease in inventory	27,045
Decrease in due from other funds	56,702
Increase in due to other funds	24,169
Decrease in accounts payable and accrued expenses	(104,645)
Decrease in compensated absences	(7,278)
Decrease in customer deposits payable	(4,677)
Total adjustments	<u>515,968</u>
Net cash provided by operating activities	<u><u>\$ 1,158,793</u></u>

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



**CITY OF WILLISTON, FLORIDA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2009**

	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$     36,446
Investment in external investment pool, at fair value	4,161,813
Total assets	<u>4,198,259</u>
<b>LIABILITIES</b>	
Due to other funds	1,798
<b>NET ASSETS</b>	
Held in trust for pension benefits and other purposes	<u><u>\$   4,196,461</u></u>

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

**CITY OF WILLISTON, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 300,298
Employees	86,867
Total contributions	<u>387,165</u>
Investment earnings:	
Net increase in the fair value of investments	108,546
Total additions	<u>495,711</u>
<b>DEDUCTIONS</b>	
Benefits	104,458
Refunds of contributions	2,688
Administrative expenses	20,799
Total deductions	<u>127,945</u>
<b>Net increase</b>	<u>367,766</u>
<b>Net assets</b> , beginning of year	3,828,695
<b>Net assets</b> , end of year	<u><u>\$ 4,196,461</u></u>

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

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**I. Summary of Significant Accounting Policies**

**A. Reporting entity**

The City of Williston, Florida, (the government) 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 as enacted pursuant to Chapter 78-624 Laws of Florida: 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 units, entities 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.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and governmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**I. Summary of Significant Accounting Policies (Continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation**

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 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.

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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 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 proprietary funds:

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 and natural gas distribution systems, and the sanitation department.

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.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**I. Summary of Significant Accounting Policies (Continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation (Continued)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

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.

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.

**D. Assets, liabilities, and net assets or equity**

**1. Deposits 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.

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 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.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**I. Summary of Significant Accounting Policies (Continued)**

**D. Assets, liabilities, and net assets or equity (Continued)**

**2. *Receivables and payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are billed and collected for the government by the County Tax Collector according to Florida statute under the following calendar:

Lien Date:	January 1
Levy Date:	October 1
Due Date:	November 1
Delinquency Date:	April 1, of the following year

**3. *Inventories and prepaid items***

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.

**4. *Restricted assets***

Amounts received as deposits on utility services are classified as restricted cash. Certain restricted cash resources are set aside for specific purposes to fund expenditures as required by state statutes related to special law enforcement trust fund and community redevelopment activities. Certain governmental grant related assets (i.e., cash and accounts receivables) are also restricted for use under various provisions outlined in grantor contracts.

**5. *Capital assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (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 \$1,000 (amount not rounded). 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.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**I. Summary of Significant Accounting Policies (Continued)**

**D. Assets, liabilities, and net assets or equity (Continued)**

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.

Property, 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 and improvements	20 – 30
Plant and distribution systems	5 – 40
Machinery and equipment	5 – 10

**6. *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 ( $\frac{3}{4}$ ) of the unpaid accumulated sick leave since the government has a policy to pay only  $\frac{1}{4}$  of such pay benefits when employees separate from service with the government. All vacation pay and  $\frac{1}{4}$  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.

**7. *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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the near term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**I. Summary of Significant Accounting Policies (Continued)**

**D. Assets, liabilities, and net assets or equity (Continued)**

**8. Fund equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**E. New accounting pronouncements**

In August 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the government's fiscal year beginning October 1, 2009. Statement No. 45 requires accrual-based measurement, recognition and disclosure of OPEB expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets. The government is currently evaluating the effect this Statement will have on its financial statements.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for the City's fiscal year beginning October 1, 2010. The objective of Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The City is currently evaluating the effect this Statement will have on its financial statements.

**II. Reconciliation of Government-Wide and Fund Financial Statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this difference are as follows:

Notes payable	\$ 308,719
Compensated absences	205,240
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u><u>\$ 513,959</u></u>



**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**II. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this difference are as follows:

Capital outlay	\$ 1,432,141
Depreciation expense	(491,464)
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 940,677</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.” The details of this difference are as follows:

In the statement of activities, the <i>net gain or loss</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	\$ (6,293)
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (6,293)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Principal repayments:	
Notes payable	\$ (67,312)
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (67,312)</u>

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**II. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)**

Another element of that reconciliation states that “Some expenses 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.” The details of this difference are as follows:

Compensated absences	\$ (20,513)
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at changes in <i>net assets of governmental activities</i>	<u>\$ (20,513)</u>

**III. Stewardship, Compliance, and Accountability**

**A. 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 Clerk 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.

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 department level. Further, Florida Statutes, Section 166.241 requires the government to expand 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, except as noted in III. B. below.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**III. Stewardship, Compliance, and Accountability (Continued)**

**B. Excess of expenditures over appropriations**

Expenditures exceeded appropriations in the following departments (the legal level of budgetary control) for the year ended September 30, 2009, as follows:

<b>General Fund</b>	
Debt service - principal	\$ 261

These over expenditures above were funded by favorable expenditure variances in certain line items and by greater than anticipated revenues.

**IV. Detailed Notes on All Funds**

**A. Deposits and investments**

At year end, the carrying amount of the government's deposits was \$5,387,380 (including \$4,080,393 in certificates of deposit) and the bank balances were \$5,876,672. Of the bank balance, \$5,876,672 was 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 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 percent 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 percent, may be required if deemed necessary under conditions set forth in the Act.

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

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

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**IV. Detailed Notes on All Funds (Continued)**

**A. Deposits and investments (Continued)**

At September 30, 2009, the government's investment balances consisted of certificate of deposits with local banks and the pension trust funds held in the FMPTF. Asset allocation in the FMPTF external investment pool at September 30, 2009, is as follows:

<b>Asset Allocation</b>	<b>Asset Allocation Percentage</b>
Cash	0.70%
Broad Market High Quality Bond Portfolio	41.50%
High Quality Growth Portfolio	7.40%
Large Cap Diversified Value Portfolio	7.80%
Russell 1000 Index Portfolio	22.70%
Diversified Small Cap Equity Portfolio	10.60%
International Blend Portfolio	9.30%
Total	<u>100.00%</u>

*Interest Rate Risk:* Interest rate risk exists when there is a possibility the changes 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 as follows, as of September 30, 2009:

<b>Fixed Income Funds</b>	<b>Duration</b>	<b>WAM</b>
Broad Market High Quality Bond	3.57 Years	4.81 Years
0-2 Year High Quality Bond	0.57 Years	0.85 Years

*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 described above limits exposure to credit risk.

<b>Fixed Income Funds</b>	<b>Rating</b>	<b>S&amp;P Rating</b>
Broad Market High Quality Bond	AA/V4	
0-2 Year High Quality Bond		AAAf/S 1
<b>Equity Funds</b>		
High Quality Growth Portfolio	Not Rated	
Large Cap Diversified Value Portfolio	Not Rated	
Russell 1000 Index Portfolio	Not Rated	
Diversified Small Cap Equity Portfolio	Not Rated	
International Blend Portfolio	Not Rated	

On April 1, 2009, the 'High Quality Government Fund' was restructured and renamed the '0-2 Year High Quality Bond Fund' to better describe updated investment guidelines. As a result, on April 21, 2009, the fund's volatility rating was adjusted to 'S1' from 'S1+' based on the change of portfolio weighted average maturity guidelines from 90 days or less to a longer duration range of greater than 0.5 years, but less than 1.25 years. The 'S1' volatility rating signifies that the fund will now typically possess low sensitivity to changing market conditions, and a level of risk that is less than or equal to that of a portfolio comprised of the highest quality fixed-income instruments with an average of six months to two years.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**IV. Detailed Notes on All Funds (Continued)**

**B. Receivables**

Receivables as of year end for the government's individual funds, including the applicable allowances for uncollectible accounts, are as follows:

	<b>General</b>	<b>Special Revenue Airport Development</b>	<b>Utility</b>	<b>Total</b>
Taxes	\$ 35,185	\$ -	\$ -	\$ 35,185
Accounts	16,622	4,203	896,589	917,414
Intergovernmental	51,579	260,141	-	311,720
Gross receivables	<u>103,386</u>	<u>264,344</u>	<u>896,589</u>	<u>1,264,319</u>
Less: allowance for uncollectibles	-	-	-	-
Net total receivables	<u><u>\$ 103,386</u></u>	<u><u>\$ 264,344</u></u>	<u><u>\$ 896,589</u></u>	<u><u>\$ 1,264,319</u></u>

**C. Capital assets**

Capital asset activity for the year ended September 30, 2009, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,251,070	\$ -	\$ -	\$ 1,251,070
Construction in progress	679,301	1,162,960	637,921	1,204,340
Total capital assets, not being depreciated	<u>1,930,371</u>	<u>1,162,960</u>	<u>637,921</u>	<u>2,455,410</u>
Capital assets, being depreciated:				
Buildings and improvements	7,174,790	640,927	-	7,815,717
Equipment	2,889,567	263,581	15,068	3,138,080
Total capital assets, being depreciated	<u>10,064,357</u>	<u>904,508</u>	<u>15,068</u>	<u>10,953,797</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,175,793)	(133,714)	-	(1,309,507)
Equipment	(2,050,999)	(357,750)	11,369	(2,397,380)
Total accumulated depreciation	<u>(3,226,792)</u>	<u>(491,464)</u>	<u>11,369</u>	<u>(3,706,887)</u>
Total capital assets, being depreciated, net	<u>6,837,565</u>	<u>413,044</u>	<u>3,699</u>	<u>7,246,910</u>
Governmental activities capital assets, net	<u><u>\$ 8,767,936</u></u>	<u><u>\$ 1,576,004</u></u>	<u><u>\$ 641,620</u></u>	<u><u>\$ 9,702,320</u></u>

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**IV. Detailed Notes on All Funds (Continued)**

**C. Capital assets (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 26,684	\$ -	\$ -	\$ 26,684
Construction in progress	948,186	421,199	1,352,065	17,320
Total capital assets, not being depreciated	<u>974,870</u>	<u>421,199</u>	<u>1,352,065</u>	<u>44,004</u>
Capital assets, being depreciated:				
Plant and distribution systems	9,899,007	1,494,014	718	11,392,303
Machinery and equipment	1,913,384	121,906	392,497	1,642,793
Total capital assets, being depreciated	<u>11,812,391</u>	<u>1,615,920</u>	<u>393,215</u>	<u>13,035,096</u>
Less accumulated depreciation for:				
Plant and distribution systems	(6,159,365)	(184,986)	-	(6,344,351)
Machinery and equipment	553,534	(267,762)	200,078	(621,218)
Total accumulated depreciation	<u>(6,712,899)</u>	<u>(452,748)</u>	<u>200,078</u>	<u>(6,965,569)</u>
Total capital assets, being depreciated, net	<u>5,099,492</u>	<u>1,163,172</u>	<u>193,137</u>	<u>6,069,527</u>
Business-type activities capital assets, net	<u><u>\$ 6,074,362</u></u>	<u><u>\$ 1,584,371</u></u>	<u><u>\$ 1,545,202</u></u>	<u><u>\$ 6,113,531</u></u>

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**IV. Detailed Notes on All Funds (Continued)**

**C. Capital assets (Continued)**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 32,170
Law enforcement	86,195
Streets and sidewalks	21,730
Fire control	64,125
Parks and playgrounds	34,969
Community redevelopment	9,504
Airport development	242,771
Total depreciation expense – governmental activities	<u>\$ 491,464</u>

Business-type activities:	
Electric	\$ 95,068
Water	118,378
Natural gas	55,221
Sanitation	30,373
Sewer	148,104
Administrative services-utility	5,604
Total depreciation expense – business-type activities	<u>\$ 452,748</u>

**Construction Commitments**

The government has active and planned construction projects as of September 30, 2009. At year end, the government's commitments with contractors and a general description of the various projects are as follows:

<b>Project</b>	<b>Spent-to- Date (Cumulative)</b>	<b>Remaining Commitment</b>
The installation and replacement security fencing at the Williston Municipal Airport	\$ 98,569	\$ 9,300
The design and remodeling of the Fixed Base Operation (FBO) building at the Williston Municipal Airport through a Joint Participation Agreement with the Florida Department of Transportation	502,257	73,677 (a)
The design and construction of an airport apron at the Williston Municipal Airport through a Joint Participation Agreement with the Florida Department of Transportation	123,730	376,270 (b)

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**IV. Detailed Notes on All Funds (Continued)**

**C. Capital assets (Continued)**

<b>Project</b>	<b>Spent-to- Date (Cumulative)</b>	<b>Remaining Commitment</b>
The design and construction of a new taxiway, an overlay of the existing taxiways, and the addition of taxiway lights at the Williston Municipal Airport through a Joint Participation Agreement with the Florida Department of Transportation	\$ 179,226	\$ 1,072,434 (c)
The relocation of the fuel farm and purchase of a new 12,000 AVGAS tank.	99,655	174,274 (d)
Installation of Medium Intensity Taxiway Lights on Taxiways B, D1 & E	5,590	242,836 (e)

**Notes:**

(a) The Florida Department of Transportation's (FDOT) share is now \$500,000 and the Williston Municipal Airport's match is \$87,500. An additional \$100,000 was funded by FDOT in fiscal year 2008-2009.

(b) The Florida Department of Transportation's (FDOT) share is \$367,771, the FAA's share is \$32,229, and the Williston Municipal Airport's match is \$100,000.

(c) The Florida Department of Transportation's (FDOT) share is \$938,365, the FAA's share is \$77,635, and the Williston Municipal Airport's match is \$241,250. An additional \$51,000 was funded by FDOT in fiscal year 2008-2009.

(d) The Florida Department of Transportation's (FDOT) is funding \$150,000 of this project. An additional \$123,929 was funded by FDOT in fiscal year 2008-2009.

(e) The Florida Department of Transportation's (FDOT) share is \$46,000 and the FAA's share is \$202,426.



**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**IV. Detailed Notes on All Funds (Continued)**

**D. Interfund receivables, payables and transfers**

The composition of interfund balances at September 30, 2009, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special revenue airport development	\$ 145,282
	Pension trust	1,798
	Utility	165,142
Utility	Special revenue airport development	124,240
Special revenue airport development	Utility	424
Total		<u>\$ 436,886</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances also include the amount of working capital loans made to the airport development fund that the lending funds do not expect to collect within the near-term.

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:

<u>Transfer In:</u>				
	<u>General</u>	<u>Airport</u>	<u>Community Redevelopment</u>	<u>Total</u>
<b>Transfer Out:</b>				
Utility	\$ 828,500	\$ -	\$ -	\$ 828,500
General	-	-	104,072	104,072
Total transfers	<u>\$ 828,500</u>	<u>\$ -</u>	<u>\$ 104,072</u>	<u>\$ 932,572</u>

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**IV. Detailed Notes on All Funds (Continued)**

**E. Leasing**

The government's leasing activities consist principally of leasing land and buildings under operating leases expiring in various years through 2017. All leasing activities are reflected in the special revenue fund. The cost of all property under these leases is approximately \$2,700,000 net of accumulated depreciation of \$558,980. Minimum future lease payments to be received on non-cancelable leases as of September 30, 2009, for each of the next five years and in the aggregate are:

<u>Year Ending September 30,</u>	<u>Amount</u>
2010	\$ 125,220
2011	107,454
2012	101,680
2013	82,541
2014	51,667
2015 – 2019	154,852
Total minimum future rentals	<u>\$ 623,414</u>

**F. Long-term debt**

Bank Notes Related to Governmental Activities

The government has two bank promissory notes outstanding at year end for the purpose of financing capital expenditures in the area of governmental activities. Interest rate on both notes is 4.25%. Debt service requirements to maturity are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 52,991	\$ 12,215
2011	54,710	9,929
2012	56,485	7,571
2013	51,438	5,170
2014	46,453	3,131
2015	46,641	1,213
	<u>\$ 308,718</u>	<u>\$ 39,229</u>

Utility Electric System Bank Notes

In November 2000, the government borrowed certain amounts from a local bank under two separate loan amounts to finance utility distribution system improvements and the purchase of various capital assets up to a maximum total amount of \$1,775,000. The interest rate on both notes is equal to the average Treasury Bill rate multiplied by a factor of .63. All revenues of the government's utility system are pledged for the purpose of repayment of the notes.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**IV. Detailed Notes on All Funds (Continued)**

**F. Long-term debt (Continued)**

Debt service requirements to maturity, based on current interest rate at 2.5%, are as follows:

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 95,082	\$ 562

Utility Sanitation Department Bank Notes

In January 2004, the government borrowed \$238,335 from a local bank under two separate loan agreements to finance the purchase of certain sanitation department capital assets. The interest rates range from a fixed rate of 3.25% to a rate equal to the New York prime rate plus 1% multiplied by a factor of .65%. As of September 30, 2009, the loan was paid in full.

In May 2006 the government borrowed \$258,200 from a local bank to finance the purchase of sanitation department capital assets. The stated interest rate is fixed at 4.85%. The government shall make quarterly payments of \$14,644 until May 2011, at which time all outstanding principal and interest is due. As of September 30, 2009, the remaining amount due is \$44,469.

Debt service requirements to maturity, based on current interest rates, are as follows:

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 44,469	\$ 1,438

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 new 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 not below 4.0%. Interest only payments are to be made commencing August 8, 2008 continuing until the date the final principal advance is made, or on July 8, 2009, whichever is later. Upon final principal advance, the government shall make monthly payments of principal and interest until July 2019, at which time all outstanding principal and interest is due. At September 30, 2009, the outstanding balance on the note was \$723,556. Total interest paid on this note was \$21,846.

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 61,614	\$ 27,849
2011	64,124	25,339
2012	66,736	22,727
2013	69,455	20,008
2014	72,295	17,178
2015 – 2017	389,331	39,286
	<u>\$ 723,555</u>	<u>\$ 152,387</u>

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**IV. Detailed Notes on All Funds (Continued)**

**F. Long-term debt (Continued)**

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Various bank notes payable	\$ 376,002	\$ -	\$ 67,283	\$ 308,719	\$ 52,991
Compensated absences and special termination benefits payable	184,726	130,479	109,965	205,240	63,516
Governmental activity long-term liabilities	<u>\$ 560,728</u>	<u>\$ 130,479</u>	<u>\$ 177,248</u>	<u>\$ 513,959</u>	<u>\$ 116,507</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type activities:</b>					
Notes payable					
Utility electric system bank notes	\$ 195,082	\$ -	\$ 100,000	\$ 95,082	\$ 95,082
Utility sanitation system bank notes	271,988	-	227,519	44,469	44,469
Utility water system bank note	240,565	493,735	10,745	723,555	61,614
Total notes payable	<u>707,635</u>	<u>493,735</u>	<u>338,264</u>	<u>863,106</u>	<u>201,165</u>
Compensated absences	80,810	36,048	43,326	73,532	23,143
Business-type activity long-term liabilities	<u>\$ 788,445</u>	<u>\$ 529,783</u>	<u>\$ 381,590</u>	<u>\$ 936,638</u>	<u>\$ 224,308</u>

**G. Restricted assets**

The balances of the restricted asset account in the enterprise fund are as follows:

Customer deposits – utility fund	<u>\$ 215,689</u>
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**V. Other Information**

**A. 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.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**V. Other Information (Continued)**

**B. Contingent liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state of Florida. 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.

**C. Other post employment benefits**

The government provides postretirement health care benefits, as per the requirements of a local ordinance, for retirees with at least 25 years of service. The government pays 100 percent of the premiums of health care coverage until the retiree reaches the age of 65 or for a maximum of three years. The government's regular health care benefit provider underwrites the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The government will finance the plan on a pay-as-you-go basis. There were no qualifying employees who had retired as of September 30, 2009, and, therefore, the government did not incur any expenses for the year then ended.

**D. Employee pension plans**

The government 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 government's police officers were covered under the same defined benefit plan along with the government's general employees. Effective October 1, 2004, the government 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.

Historical trend and other data prior to the establishment of the new plan and trust for the police officers have not been restated.

**Retirement Plan and Trust for Police Officers**

The government sponsors and administers the Retirement Plan and Trust for Police Officers 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 police officers. A government employee shall become a participant of the Plan at the time of employment. The total pension contribution to the Plan for the year was \$132,801 of which \$112,057 was made by the government and \$20,750 was made by the Plan's participants. Participants contribute 5% of compensation to the Plan, whereas the government is required to contribute an amount actuarially determined using the aggregate actuarial cost method, currently 32.09% (October 1, 2009) of covered payroll. The cost of administering the Plan is financed by investment earnings.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**V. Other Information (Continued)**

**D. Employee pension plans (Continued)**

Current membership in the Plan is comprised of the following:

<b>Group</b>	<b>October 1, 2009</b>
Retirees and beneficiaries currently receiving benefits	1
Terminated plan participants entitled to but not yet receiving benefits	1
Plan participants:	
Active	11
Total	13

The City's annual pension cost and net pension obligation (NPO) with respect to the Retirement Plan and Trust for Police Officers is as follows:

Annual required contribution	\$ 126,155
Interest on NPO	-
Adjustment to annual required contribution	-
Annual pension cost	126,155
Contributions made	(112,051)
Increase in NPO	14,104
NPO, beginning of year	-
NPO, end of year	<u>\$ 14,104</u>

The City's funded status information as of October 1, 2009, the most recent actuarial valuation date, is as follows:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Unfunded Actuarial Accrued Liability as % of Covered Payroll</b>
10/01/2009	\$ 645,758	\$ 1,160,477	\$ 514,719	55.65%	\$ 380,663	135.22%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, 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.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**V. Other Information (Continued)**

**D. Employee pension plans (Continued)**

Annual pension cost is equal to the annual required contribution as described in the required supplementary information on page 59. Three year trend information related to the Plan is as follows:

<b>Trend Information</b>			
<b>Fiscal Year</b>	<b>Annual Pension Cost</b>	<b>Percentage Contributed</b>	<b>Net Pension Obligation (Credit) (NPO)</b>
2007	102,985	100%	-
2008	112,845	100%	-
2009	126,155	88%	14,104

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an “advance employer contribution.” As of October 1, 2009, the advance employer contribution is \$92,844, which reflects the advance employer contribution of \$91,474 as of October 1, 2008 plus additional employer contributions of \$1,370 in excess of the minimum required contribution for the 2008/09 plan year as shown in Table III-F.

The City may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2009/10 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the City may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2009 would reduce the normal cost rate to 30.40% of payroll and would reduce the minimum required contribution for the 2010-11 plan year to 29.90% of payroll.

Actuarial method and significant assumptions are also described in the required supplementary information on page 59.

There are no assets legally reserved for purposes other than the payment of plan member benefits. The Plan held no individual investments (other than those issued or guaranteed by the U.S. Government) whose market value exceeds five percent or more of net assets available for benefits. There are no long-term contracts for contributions.

Employees are 100% vested in the Plan upon completion of ten years of credited service, and only full-time employees can participate in the Plan. Employees attaining the age of 55 who have completed ten or more years of credited service or attain twenty years of credit service regardless of age, are entitled to monthly retirement benefits of 3.0% of their final monthly compensation multiplied by the number of years of credited service.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**V. Other Information (Continued)**

**D. Employee pension plans (Continued)**

The Plan provides for a disability benefit prior to a participant's normal retirement date. The totally and permanently disabled participant shall receive disability benefits which equal an amount which is the actuarial equivalent at the date payments begin of the participant's accrued benefit at normal retirement date.

In lieu of the normal form of benefits as described above, a participant's normal retirement or disability benefit may be paid in an optional form, subject to Plan trustee approval and using an actuarial equivalent, including: a lump sum payment, monthly payments for life, or such other amount that will meet the circumstances of the participant and the Plan.

The Plan provides for a death benefit prior to a participant's normal retirement date. The deceased participant's beneficiary shall receive a death benefit which equals an annuity based on the deceased participant's accrued benefit reduced by the actuarial equivalent factor for the earlier date of the commencement of benefits. The Plan also provides for a death benefit after retirement under optional forms that are actuarial equivalents to the normal form of benefit.

Also, the Plan provides for an early retirement benefit. The early retirement benefit shall equal the amount calculated as the normal retirement benefit multiplied by the Actuarial Equivalent Factor which has the effect of reducing the normal retirement benefit to reflect the commencement of the benefit prior to the participant's sixty-fifth birthday.

If a participant terminates employment with less than ten years of vested service for reasons other than death, disability or retirement, he is entitled to receive his accumulated employee contributions plus five percent (5%) interest. If a participant terminates employment with ten or more years of vested service for reasons other than death, disability or retirement, the participant shall receive their monthly retirement benefit, starting at the otherwise normal or early retirement date, provided no election has been made to withdraw contributions and provided the participant survives the normal or early retirement date.

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. The total pension contribution to the Plan for the year was \$254,364 of which \$188,247 was made by the government and \$66,117 was made by the Plan's participants. Participants contribute 5% of compensation to the Plan, whereas the government is required to contribute an amount actuarially determined using the aggregate actuarial cost method, currently 21.39% (October 1, 2009) of covered payroll. The cost of administering the Plan is financed by investment earnings.



**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**V. Other Information (Continued)**

**D. Employee pension plans (Continued)**

Current membership in the Plan is comprised of the following:

<b>Group</b>	<b>October 1, 2006</b>
Retirees and beneficiaries currently receiving benefits	17
Terminated plan participants entitled to but not yet receiving benefits	6
Plan participants:	
Active	38
Total	61

The City's annual pension cost and net pension obligation (NPO) with respect to the Retirement Plan and Trust for General Employees is as follows:

Annual required contribution	\$ 234,027
Interest on NPO	-
Adjustment to annual required contribution	-
Annual pension cost	234,027
Contributions made	234,027
Increase (decrease) in NPO	-
NPO, beginning of year	-
NPO, end of year	\$ -

The City's funded status information as of October 1, 2009, the most recent actuarial valuation date is as follows:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Unfunded Actuarial Accrued Liability as % of Covered Payroll</b>
10/01/2009	\$ 3,048,815	\$ 4,012,386	\$ 963,571	75.99%	\$ 1,185,134	81.30%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, 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.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**V. Other Information (Continued)**

**D. Employee pension plans (Continued)**

Annual pension cost is equal to the annual required contribution as described in the required supplementary information on page 60. Three-year trend information related to the Plan is as follows:

<b>Trend Information</b>			<b>Net Pension Obligation (Credit) (NPO)</b>
<b>Fiscal Year</b>	<b>Annual Pension Cost</b>	<b>Percentage Contributed</b>	
2007	152,022	100%	-
2008	159,733	100%	-
2009	234,027	100%	-

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an “advance employer contribution.” As of September 30, 2009, the advance employer contribution is \$346,552, which reflects the advance employer contribution of \$392,332 as of October 1, 2008 less \$45,780 which was applied towards the minimum required contribution for the 2008/09 plan year as shown in Table III-F.

The City may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2009/10 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the City may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2009 would reduce the normal cost rate to 17.20% of payroll and would reduce the minimum required contribution for the 2009-10 plan year to 17.88% of payroll.

Actuarial method and significant assumptions are also described in the required supplementary information on page 60.

There are no assets legally reserved for purposes other than the payment of plan member benefits. The Plan held no individual investments (other than those issued or guaranteed by the U.S. Government) whose market value exceeds five percent or more of net assets available for benefits. There are no long-term contracts for contributions.

Employees are 100% vested in the Plan upon completion of five years of credited service, and only full-time employees can participate in the Plan. Employees attaining the age of 62 who have completed five or more years of credited service are entitled to monthly retirement benefits of 2.25% of their final monthly compensation multiplied by the number of years of credited service.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**V. Other Information (Continued)**

**D. Employee pension plans (Continued)**

The Plan provides for a disability benefit prior to a participant's normal retirement date. The totally and permanently disabled participant shall receive disability benefits which equal an amount which is the actuarial equivalent at the date payments begin of the participant's accrued benefit at normal retirement date.

In lieu of the normal form of benefits as described above, a participant's normal retirement or disability benefit may be paid in an optional form, subject to Plan trustee approval and using an actuarial equivalent; including a lump sum payment; monthly payments for life, or such other amount that will meet the circumstances of the participant and the Plan.

The Plan provides for a death benefit prior to a participant's normal retirement date. The deceased participant's beneficiary shall receive a death benefit which equals an annuity based on the deceased participant's accrued benefit reduced by the actuarial equivalent factor for the earlier date of the commencement of benefits. The Plan also provides for a death benefit after retirement under optional forms that are actuarial equivalents to the normal form of benefit.

Also, the Plan provides for an early retirement benefit. The early retirement benefit shall equal the amount calculated as the normal retirement benefit multiplied by the Actuarial Equivalent Factor which has the effect of reducing the normal retirement benefit to reflect the commencement of the benefit prior to the participant's sixty-second birthday.

If a participant terminates employment with less than five years of vested service for reasons other than death, disability or retirement, he is entitled to receive his accumulated employee contributions plus five percent (5%) interest. If a participant terminates employment with five or more years of vested service for reasons other than death, disability or retirement, the participant shall receive their monthly retirement benefit, starting at the otherwise normal or early retirement date, provided no election has been made to withdraw contributions and provided the participant survives the normal or early retirement date.

Approval of "Deferred Retirement Options Program" for General Employees

The government maintains a Deferred Retirement Options Program ("DROP") for the General Employees for which any participant may enter on the first day of the month following the attainment of normal retirement (age 62) or early retirement age (the later of age 55 or 5 years of credited service).

Once a participant in DROP, a employee no longer earns or accrues additional vesting credits or credited years of service toward retirement payments and is no longer eligible for disability or pre-retirement death benefits. Further, the monthly retirement benefits that would have been payable at retirement are deposited into a "DROP account" earning an annual rate of 6.5%. The employee may participate in the DROP up to a maximum of sixty (60) months until termination of employment at which time the balance in the DROP account is payable to the employee or surviving beneficiary.

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**V. Other Information (Continued)**

**D. Employee pension plans (Continued)**

No stand alone financial statements exist for the foregoing retirement Plans. Combining financial statements for the Plans of the police officers and general employees of the government are reflected below:

**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF PLAN NET ASSETS**  
**PENSION TRUST FUNDS**  
**SEPTEMBER 30, 2009**

	<b>Retirement Plan and Trust for the Police Officers</b>	<b>Retirement Plan and Trust for the General Employees</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 36,446	\$ 36,446
Investment in external investment pool, at fair value	732,221	3,429,592	4,161,813
Total assets	732,221	3,466,038	4,198,259
<b>Liabilities</b>			
Due to other funds	-	1,798	1,798
<b>Net assets</b>			
Held in trust for pension benefits	\$ 732,221	\$ 3,464,240	\$ 4,196,461

**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<b>Retirement Plan and Trust for the Police Officers</b>	<b>Retirement Plan and Trust for the General Employees</b>	<b>Total</b>
<b>Additions</b>			
Contributions:			
Employer	\$ 112,051	\$ 188,247	\$ 300,298
Employees	20,750	66,117	86,867
Total contributions	132,801	254,364	387,165
Investment earnings:			
Net increase in fair value of investments	24,793	83,753	108,546
Net investment earnings	24,793	83,753	108,546
Total additions	157,594	338,117	495,711

**CITY OF WILLISTON, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**V. Other Information (Continued)**

**D. Employee pension plans (Continued)**

	<b>Retirement Plan and Trust for the Police Officers</b>	<b>Retirement Plan and Trust for the General Employees</b>	<b>Total</b>
<b>Deductions</b>			
Benefits	\$ 20,351	\$ 84,107	\$ 104,458
Refund of contributions	1,240	1,448	2,688
Administrative expenses	4,881	15,918	20,799
Total deductions	<u>26,472</u>	<u>101,473</u>	<u>127,945</u>
<b>Net increase</b>	<u>131,122</u>	<u>236,644</u>	<u>367,766</u>
<b>Net assets</b> , beginning of year	601,099	3,227,596	3,828,695
<b>Net assets</b> , end of year	<u><u>\$ 732,221</u></u>	<u><u>\$ 3,464,240</u></u>	<u><u>\$ 4,196,461</u></u>

**Significant Accounting Policies**

**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.

**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.

**E. Deferred compensation plan**

The government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plan assets are held in a trust or custodial account and not subject to creditors of the government.

**CITY OF WILLISTON, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION PLAN AND TRUST FOR POLICE OFFICERS**  
**AND GENERAL EMPLOYEES**  
**SEPTEMBER 30, 2009**

**CITY OF WILLISTON, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
RETIREMENT PLAN AND TRUST FOR POLICE OFFICERS  
SEPTEMBER 30, 2009**

**I. Schedule of Funding Progress:**

A schedule of funding progress is not required when using the aggregate actuarial cost method. For the actuarial valuation date 10/1/05 – 10/1/06, the valuation method used was the aggregate actuarial cost method. The aggregate actuarial cost method does not identify and separately amortize unfunded actuarial liabilities.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability*</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as % of Covered Payroll</u>
10/01/2005	\$ 361,300	\$ 361,300	\$ -	100.0%	\$ 232,371	0.0%
10/01/2006	466,324	466,324	-	100.0%	350,521	0.0%
10/01/2007	514,949	596,665	381,716	57.43%	388,187	98.33%
10/01/2008	520,896	1,021,678	500,782	55.65%	355,170	141.00%
10/01/2009	645,758	1,160,477	514,719	50.98%	380,663	135.22%

\*Actuarial accrued liability is calculated using the entry age normal cost method for this purpose.

**II. Schedule of Employer Contributions:**

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>
2005	\$ 81,493	100%	\$ 81,493	100%
2006	102,985	100%	102,985	100%
2007	78,010	100%	78,010	100%
2008	112,845	100%	112,845	100%
2009	126,155	88%	126,155	88%

**III. Notes to Required Supplementary Information:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation date	10/01/09
Actuarial cost method	Aggregate
Amortization method	Level Percentage, Open
Remaining amortization period	30 Years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	5.5%
Includes inflation at *	3.25%
Cost of living adjustments	0.0%

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

**CITY OF WILLISTON, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
RETIREMENT PLAN AND TRUST FOR GENERAL EMPLOYEES  
SEPTEMBER 30, 2009**

**I. Schedule of Funding Progress:**

A schedule of funding progress is not required when using the aggregate actuarial cost method. For the actuarial valuation date 10/1/04 – 10/1/06, the valuation method used was the aggregate actuarial cost method. The aggregate actuarial cost method does not identify and separately amortize unfunded actuarial liabilities.

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability*</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Unfunded Actuarial Accrued Liability as % of Covered Payroll</b>
10/01/2004*	\$ 2,258,182	\$ 2,258,182	\$ -	100.00%	\$ 1,107,742	0.00%
10/01/2005*	2,600,903	2,600,903	-	100.00%	1,164,931	0.00%
10/01/2006*	2,752,746	2,752,746	-	100.00%	1,086,182	0.00%
10/01/2007	3,183,985	N/A	N/A	N/A	N/A	N/A
10/01/2008	2,793,092	3,714,678	921,586	75.19%	1,185,961	77.71%
10/01/2009	3,048,815	4,012,386	963,571	75.99%	1,185,134	81.30%

\*Actuarial accrued liability is calculated using the entry age normal cost method for this purpose.

**II. Schedule of Employer Contributions:**

<b>Fiscal Year</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Annual Pension Cost</b>	<b>Percentage Contributed</b>
2004	138,511	100%	138,511	100%
2005	101,945	100%	101,945	100%
2006	109,688	100%	109,688	100%
2007	152,022	100%	152,022	100%
2008	159,733	100%	159,733	100%
2009	234,027	100%	234,027	100%

**III. Notes to Required Supplementary Information:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation date	10/01/09
Actuarial cost method	Aggregate
Amortization method	Level Dollar, Open
Remaining amortization period	30 Years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5.5%
Includes inflation at *	3.5%
Cost of living adjustments	0.0%

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



**CITY OF WILLISTON, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

<b>Federal / State Grantor / Pass-Through Grantor / Program Title</b>	<b>CFDA / CSFA #</b>	<b>Grantor's Contract Number</b>	<b>Program Award</b>	<b>Expenditures FY 08-09</b>
<b>Federal Awards</b>				
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Passed through State of Florida, Department of Community Affairs: Community Development Block Grant / States Program (State-Administered Small Cities Program)	14.228	06DB-3K-05-48-02-N37	\$ 650,000	\$ 30,895
<b><u>U.S. Department of Transportation</u></b>				
Passed through State of Florida, Department of Transportation: Federal Aviation Administration - Airport Improvement Program - Design of Taxiway H and Apron Area	20.106	AIP 3-12-0087-009-2008	109,863	58,472
Passed through State of Florida, Department of Transportation: Federal Aviation Administration Airport Improvement Program - Installation of Taxiway B, D1 and E MITL's	20.106	AIP 3-12-0087-010-2009	202,427	5,311
<b>Total U.S. Department of Transportation</b>			<u>312,290</u>	<u>63,783</u>
<b><u>U.S. Department of Justice</u></b>				
Passed through State of Florida, Department of Law Enforcement: Edward Byrne Memorial Justice Assistance Grant WPD - Computer Upgrades	16.738	2009-JAGD-LEVY-2-T8-075	1,000	1,000
Passed through State of Florida, Department of Law Enforcement: Edward Byrne Memorial Justice Assistance Grant - WPD In-car Cameras	16.738	2009-SB-B9-1783	24,097	-
<b>Total U.S. Department of Justice</b>			<u>25,097</u>	<u>1,000</u>
<b><u>U.S. Department of Homeland Security</u></b>				
Federal Emergency Management Agency - FY2008 Assistance to Firefighters Grant.	97.044	EMW-2008-FO-06606	<u>127,300</u>	<u>126,744</u>
<b><u>U.S. Department of Agriculture</u></b>				
Passed through State of Florida, Department of Forestry: Volunteer Fire Assistance Grant	10.664	CITY OF WILLISTON	5,000	5,000
<b>Total Federal Awards</b>			<u>\$ 1,119,687</u>	<u>\$ 227,422</u>

See accompanying notes to financial statements.

**CITY OF WILLISTON, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
(Continued)

<b>Federal / State Grantor / Pass-Through Grantor / Program Title</b>	<b>CFDA / CSFA #</b>	<b>Grantor's Contract Number</b>	<b>Program Award</b>	<b>Expenditures FY 08-09</b>
<b>State Awards</b>				
<b><u>Florida Department of Transportation</u></b>				
Aviation Development Grant - Design and Construction of Taxiway H	55.004	AP152	\$ 965,000	\$ 76,510
Aviation Development Grant - Design and Installation of Taxiway Lights on Taxiways B, D1 and E (Related to FAA AIP3-12-0087-010-2009)	55.004	APM75	46,000	280
Aviation Development Grant - Overlay of Existing Taxiways	55.004	APM76	51,000	-
Aviation Development Grant - Design and Construction of Apron	55.004	AP153	400,000	74,093
Aviation Development Grant - Renovation of FBO/ Terminal Building	55.004	AP154	350,000	372,081
		AP154 -Supplemental 1	50,000	-
		AP154 -Supplemental 2	100,000	-
Aviation Development Grant - Airport Security Fencing	55.004	AOK57	150,000	95,469
Aviation Development Grant - Fuel Farm	55.004	APC32	170,929	99,655
<b>Total Florida Department of Transportation</b>			<u>2,282,929</u>	<u>718,088</u>
<b><u>Florida Department of Environmental Services</u></b>				
Florida Recreation Development Assistance Program - E. Williston Phase I	37.017	F7170	200,000	160,698
Florida Recreation Development Assistance Program - WYAA Phase II	37.017	F8197	200,000	6,680
<b>Total Florida Department of Environmental Services</b>			<u>400,000</u>	<u>167,378</u>
<b>Total State Financial Assistance</b>			<u>2,682,929</u>	<u>885,466</u>
<b>Total Awards and Financial Assistance</b>			<u>\$ 3,802,616</u>	<u>\$ 1,112,888</u>

**Note 1: - Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal grant activity of City of Williston, Florida and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying notes to financial statements.

JAMES MOORE & CO., P.L.  
CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

**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***

To the Honorable City Council,  
City of Williston, Florida:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Williston, Florida, as of and for the year ended September 30, 2009, which collectively comprise the City of Williston, Florida's basic financial statements, and have issued our report thereon dated June 22, 2010. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Williston, Florida's internal control over financial reporting as a basis for designing our auditing procedures 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 of Williston, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Williston, Florida's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Williston, Florida's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Williston, Florida's financial statements that is more than inconsequential will not be prevented or detected by the City of Williston, Florida's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

**Preparation of Financial Statements**

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, results of operations, cash flows, and disclosures in financial statements, in conformity with U.S. generally accepted accounting principles (GAAP). As noted in the previous years' audit report, the City does not have a system of internal controls that would enable management to

conclude that financial statements and related note disclosures are complete and presented in accordance with GAAP. As such, management requested us to prepare a draft of the annual financial statements, and also identify certain journal entries and various note disclosures for the purpose of year-end reporting. The outsourcing of these services is not unusual, nor unreasonable, in reporting entities of the size and nature of the City of Williston. This outsourcing approach has historically been a result of management's cost benefit decision to rely upon our accounting expertise rather than incurring an internal resource cost.

However, management should consider strengthening controls over the financial reporting function through the timely submission of quarterly fund financial statements for City Council review. The Council should consider the reasonableness and accuracy of recorded amounts as part of its review including the pursuit of actual amounts that vary significantly with approved budgeted line items. This control will be useful in the detection of potential financial statement misstatements and also help maintain expenditures within approved budgeted amounts.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Williston, Florida's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Williston, Florida's financial statements are free of 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*.

We noted certain matters that we reported to management of City of Williston, Florida, in a separate letter dated June 22, 2010 under the title, Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the Auditor General on page 69.

City of Williston, Florida's response to the findings identified in our audit can be located on pages 69 through 71. We did not audit City of Williston, Florida's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the audit committee, the City Council, State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*James Moore & Co., P.L.*

Gainesville, Florida  
June 22, 2010

JAMES MOORE & CO., P.L.  
CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF  
THE AUDITOR GENERAL**

To the Honorable City Council,  
City of Williston, Florida:

**Compliance**

We have audited the compliance of the City of Williston, Florida with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement, that are applicable to each of its major State project for the year ended September 30, 2009. The City of Williston, Florida's major State projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State projects is the responsibility of the City of Williston, Florida's management. Our responsibility is to express an opinion on the City of Williston, Florida's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Those standards, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about the City of Williston, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Williston, Florida's compliance with those requirements.

In our opinion, the City of Williston, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major State projects for the year ended September 30, 2009.

**Internal Control Over Compliance**

The management of the City of Williston, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State projects. In planning and performing our audit, we considered the City of Williston, Florida's internal control over compliance with requirements that could have a direct and material effect on a major State project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over

compliance. Accordingly, we do not express an opinion on the effectiveness of City of Williston, Florida's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a State project on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a State project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a State project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State project will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City of Williston, Florida's management, the City Council, and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Gainesville, Florida  
June 22, 2010

**CITY OF WILLISTON, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**Section I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?   X   Yes        No
- Significant deficiencies(s) identified that are not considered to be material weakness(es)?        Yes   X   No

Noncompliance material to financial statements noted?        Yes   X   No

**State Financial Assistance**

Internal control over major projects:

- Material weakness(es) identified?        Yes   X   No
- Significant deficiencies(s) identified that are not considered to be material weakness(es)?        Yes   X   No

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General        Yes   X   No

Identification of major projects: CSFA No. 55.004, Aviation Development Grant

Dollar threshold used to distinguish between the type A and type B programs: \$300,000

**CITY OF WILLISTON, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
(CONTINUED)

**Section II. Findings Relating to the Financial Statements**  
**Which are Required to be Reported in**  
**Accordance with *Government Auditing Standards***

**Finding 2009-01**

**Preparation of financial statements**—A system of internal control over financial reporting should allow the City to prepare financial statements, including note disclosures in accordance with generally accepted accounting principles (GAAP). While auditors can assist with the preparation of financial statements and related footnotes, the financial statements are the responsibility of management. A control deficiency exists in instances where the City is not positioned to draft financial statements and all required disclosures. For subsequent audits, management may wish to take an active role in the drafting of the financial statements and related disclosures.

**Section III. Findings and Questioned Costs for Major**  
**State Financial Assistance**

None

**Section IV. Prior Audit Findings and Corrective Action Plan**  
**for State Projects for the Year Ended**  
**September 30, 2008:**

No corrective action plan was necessary as there were no prior year audit findings.



JAMES MOORE & CO., P.L.  
CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

**INDEPENDENT AUDITORS' MANAGEMENT LETTER  
REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable City Council,  
City of Williston, Florida:

We have audited the financial statements of the City of Williston, Florida, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated June 22, 2010.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated June 22, 2010, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule.

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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below.

**Utility Materials and Supplies Inventory**

The City continues to maintain its utility materials and supplies inventory record keeping using a combination of manual and Excel spreadsheets. These tools and related procedures fail to accurately record the nature and amount of any receipt and requisition of materials and supplies transactions on a timely and consistent basis. Consequently, the reconciliation of perpetual inventory detail to the general ledger does not take place on a regular basis; and, the stocking and replenishing of the inventory is not being accomplished in an efficient manner.

As noted in the previous years' audit reports, we recommend the City continue to pursue efforts to improve these inventory management and record-keeping procedures by implementing the use of a purchase order accounting software module that integrates with the general ledger. If properly implemented, such software should improve overall inventory management and reporting, and eliminate the duplication of efforts and inefficiencies that are a result of the existing policies and practices currently in place.

## **Disaster Recovery Plan**

We made the following recommendations concerning a disaster recovery plan in prior years audit reports:

“The City utilizes a daily backup procedure for the safeguarding and protection of certain electronic stored data as part of its disaster recovery policies. However, these procedures do not include policies and plans pervasive enough to serve as a comprehensive disaster recovery plan. We recommend the City develop a more formal comprehensive disaster recovery plan that, among other things, includes key contact numbers, warranty information, system software versions, telecommunications information, hardware inventory, etc. Further, while tape backups of data and applications are maintained offsite, copies of system and application documentation are not stored offsite. We recommend the City store print copy or electronic copies of I. T. related procedures, manuals, and contingency plans offsite as well.”

Management continues to make progress on its disaster recovery plan, however once again, has made only minimal progress during the current year. We continue to emphasize the importance of completing this project.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City of Williston, Florida complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations except as noted above.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we noted the following findings.

## **Expenditures in Excess of Appropriations**

Section 166.241, Florida Statutes, provides for the regulation and control of expenditures incurred by municipalities in the State of Florida through the formal adoption and subsequent amendment of annual budgets. Further, Section 166.241 makes it unlawful for any municipality (through its elected officials) to expend or contract for expenditures in any fiscal year, except in pursuance of budgeted appropriations. We noted certain annual expenditures/expenses which exceed the amount of appropriations formally approved for the year ended September 30, 2009, as follows:

### **General fund—**

Debt service - principal	\$	261
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Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Williston, Florida included the following component units: Williston Community Redevelopment Agency.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City of Williston, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City of Williston, Florida for the fiscal year ended September 30, 2009, 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, 2009. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City of Williston, Florida'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 management.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of City of Williston, Florida's management, the City Council, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*James Moore & Co., P.L.*

Gainesville, Florida  
June 22, 2010



CITY OF  
**WILLISTON**  
FLORIDA

50 N.W. Main ST. • P.O. Drawer 160 • Williston, Florida 32696-0160  
Phone (352) 528-3060 • Fax (352) 528-2877

**MANAGEMENT'S RESPONSE TO AUDIT FINDINGS**

June 24, 2010

To the Auditor General, State of Florida:

This letter represents our required response and follow-up to audit findings under Section 10.558(1), Rules of the Auditor General, State of Florida, for the year ended September 30, 2008:

**Management's Response and Corrective Action**

**Preparation of Financial Statements** ---- The City appreciates and depends upon the services rendered by our external auditors to ensure that our financial statements and related note disclosures are completed and presented in accordance with GAAP. With our new Finance Director the City will be able to move forward, towards the goal of providing fund financial statements to City Council. The Finance Director will implement the internal controls necessary to provide accurate and relevant financial information to Council, in order to provide them with the tools necessary to plan for the future of the City. We are in agreement that without issuance of financial statements on a regular basis it is impossible to identify potential financial statement misstatements and to be able to maintain within approved budgeted amounts. Our Finance Director is in the process of implementing the controls needed for the issuance of fund financial statements and expects to have them ready for City Council for the third quarter of the fiscal year-end.

**Utility Materials and Supplies Inventory** ----- The City is aware of the auditors' recommendations related to the materials and supplies inventory outlined on page 69 of the auditors' report. The City has the capability to implement its inventory management software application to improve and correct what has been cited by the auditors. The City will move towards implementing its inventory management software and is expected to have it done by the 2011 calendar year-end

Mayor - R. GERALD HETHCOAT / President - MARC NUSSEL  
Vice President - DEBRA F. JONES  
Council members / MICHAEL J. SHOEMAKER- BROOKS HOLLOWAY- BENNY STEVE HOLCOMB  
City Manager - MARCUS COLLINS / City Clerk - VALERIE ANDERSON

The city on an annual basis performs a physical inventory of its utility materials and supplies at fiscal year-end. The physical count is reconciled back to the detailed records and general ledger. Adjustments to either are made appropriately. The city agrees with the auditor's recommendation that the implementation of its purchase order accounting module would improve the overall management and reconciliation of perpetual inventory. As stated above the city will move toward implementation by the calendar year-ended 2011.

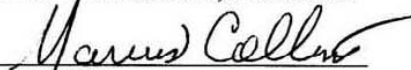
**Disaster Recovery Plan** ----- We concur with the disaster recovery plan recommendations outlined on page 70 of the auditors' report. With the incoming Finance Director we will make progress in compiling a formal written comprehensive plan. We concur that formal written plans are required, and will work toward completing them by the 2011 calendar year-end. Upon completion, the disaster recovery plan will be presented to city council and management for incorporation as part of the City's peacetime emergency plan.

**Expenditures in Excess of Appropriations** ----- The City is aware of the importance of controlling its expenditure appropriations and has implemented controls to improve its consistency and discipline in complying with Florida Statutes during the current fiscal year. The City in the current fiscal year had \$261 in expenditures that exceeded budgeted appropriations. The City's intentions, within the constraints of the Florida Statutes, are to further improve and strengthen budgetary controls in order to comply with Section 166.241, of the Florida Statutes.

Should you have any questions or comments as a result of this response, please do not hesitate to contact us.

Very truly yours,

CITY OF WILLISTON, FLORIDA

By   
Marcus Collins  
City Manager

Mayor - R. GERALD HETHCOAT / President - MARC NUSSEL

Vice President - DEBRA F. JONES

Council members / MICHAEL J. SHOEMAKER- BROOKS HOLLOWAY- BENNY STEVE HOLCOMB

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