

**CITY OF CHIEFLAND, FLORIDA  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

*Principal Officials as of September 30, 2021:*

**CITY COMMISSION**

*Chris Jones, Mayor  
Norman Weaver, Vice Mayor  
Rollin Hudson  
Lewrissa Mainwaring  
Lance Hayes*

**CITY MANAGER/CLERK**

*Laura Cain*

**CITY OF CHIEFLAND, FLORIDA  
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SEPTEMBER 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Commissioners  
City of Chiefland, Florida:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the City of Chiefland, Florida, (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our (1) unmodified audit opinion on the General Fund, Fire Fund, and aggregate remaining fund information; and (2) qualified audit opinion on the governmental activities, business-type activities, and Utility Service Fund.

***Basis for Qualified Opinions on Governmental Activities, Business-type Activities, and Utility Service Fund***

As discussed in Note (8) to the financial statements, the City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in the governmental activities, business-type activities, and Utility Service Fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, the business-type activities, and the Utility Service Fund has not been determined.

***Qualified Opinion on the Governmental Activities, Business-type Activities, and Utility Service Fund***

In our opinion, except for the effects of not implementing the provisions of GASB Statement No. 75, as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the Utility Service Fund of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinion on the General Fund, Fire Fund, and the Aggregate Remaining Fund Information***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Fire Fund, and aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

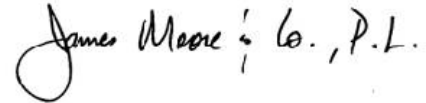
*Required Supplementary Information*

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

Management has omitted the schedule of changes in the City's total OPEB liability and related ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements are not affected by this missing information.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Gainesville, Florida  
April 18, 2022

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

This discussion and analysis of the City of Chiefland's financial performance provides an overview of the City's financial activities for the fiscal year ending September 30, 2021. Please read it in conjunction with the City's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2021:

- Total ending unrestricted net position was \$1,430,117.
- The City had total expenses for the year of \$4,211,130, compared to revenues of \$5,477,209.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This annual report contains government-wide financial statements that report on the City's activities as a whole and fund financial statements that report on the City's individual funds.

**Government-wide Financial Statements**

The first financial statement is the Statement of Net Position. This statement includes all of the City's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenditures are recorded, regardless of when cash is received or paid. Net position – the difference between assets and liabilities – can be used to measure the City's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the City's financial health is improving or deteriorating. However, other non-financial factors, such as road conditions or changes in the tax base, must also be considered when assessing the overall health of the City.

In these statements, the City's activities are divided as follows:

- *Governmental activities* – Most of the City's basic services are reported here, including administration, fire and police services, and road maintenance. Taxes and charges for services finance most of these activities.
- *Business-type activities* – These activities are financed in whole or in part by fees charged to external parties for goods or services. The activities of the water and sewer system and garbage services are reported as a business-type activity, along with the Industrial Park.

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

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

**Fund Financial Statements**

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the City's funds.

*Governmental funds* – The General Fund, Fire Fund and Law Enforcement Trust Fund are the City's only governmental funds. These funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.

*Proprietary funds* – The Utility Service Fund and Industrial Park Fund are the City's only proprietary funds. Proprietary funds are reported using the accrual basis of accounting and, accordingly, there is a correlation between the amounts reported in the fund financial statements and the amounts reported in the government-wide financial statements.

**CONDENSED FINANCIAL INFORMATION**

Comparative condensed financial information is presented on the following page.

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

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Assets:						
Non-capital assets	\$ 1,884,818	\$ 2,235,526	\$ 1,865,453	\$ 2,272,664	\$ 3,750,271	\$ 4,508,190
Capital assets	2,596,157	3,029,273	4,360,510	4,249,680	6,956,667	7,278,953
Total assets	4,480,975	5,264,799	6,225,963	6,522,344	10,706,938	11,787,143
Deferred outflows of resources	892,537	479,815	109,829	62,199	1,002,366	542,014
Liabilities:						
Current liabilities	168,964	181,782	290,884	344,636	459,848	526,418
Long-term liabilities	3,018,046	875,416	392,924	135,888	3,410,970	1,011,304
Total liabilities	3,187,010	1,057,198	683,808	480,524	3,870,818	1,537,722
Deferred inflows of resources	115,166	1,607,789	14,171	208,418	129,337	1,816,207
Net position:						
Net investment in capital assets	2,596,157	3,029,273	4,360,510	4,249,680	6,596,667	7,278,953
Restricted	195,411	194,574	71,560	71,584	266,971	266,158
Unrestricted	(720,232)	(144,220)	1,205,743	1,574,337	485,511	1,430,117
Total net position	\$ 2,071,336	\$ 3,079,627	\$ 5,637,813	\$ 5,895,601	\$ 7,709,149	\$ 8,975,228

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Program revenues:						
Charges for services	\$ 430,318	\$ 576,060	\$ 1,849,395	\$ 2,004,630	\$ 2,279,713	\$ 2,580,690
Operating grants & contributions	189,141	195,470	-	-	189,141	195,470
Capital grants & contributions	110,597	312,169	-	-	110,597	312,169
General revenues:						
Property taxes	997,842	1,060,272	-	-	997,842	1,060,272
Other taxes and shared revenues	1,191,766	1,294,986	-	-	1,191,766	1,294,986
Miscellaneous	20,604	27,473	-	-	20,604	27,473
Impact Fees	2,713	3,856	-	-	2,713	3,856
Investment earnings	1,256	878	1,593	1,415	2,849	2,293
Total revenues	2,944,237	3,471,164	1,850,988	2,006,045	4,795,225	5,477,209
Program expenses:						
General government	558,320	433,534	-	-	558,320	433,534
Public safety	2,037,697	1,628,953	-	-	2,037,697	1,628,953
Physical environment	2,640	2,734	-	-	2,640	2,734
Transportation	314,815	207,510	-	-	314,815	207,510
Culture and recreation	178,795	190,142	-	-	178,795	190,142
Interest on long-term debt	-	-	-	-	-	-
Water and sewer	-	-	1,880,562	1,734,487	1,880,562	1,734,487
Industrial park	-	-	11,856	13,770	11,856	13,770
Total expenses	3,092,267	2,462,873	1,892,418	1,748,257	4,984,685	4,211,130
Transfers	-	-	-	-	-	-
<b>Change in net position</b>	(148,030)	1,008,291	(41,430)	257,788	(189,460)	1,266,079
<b>Beginning net position</b>	2,219,366	2,071,336	5,679,243	5,637,813	7,898,609	7,709,149
<b>Ending net position</b>	\$ 2,071,336	\$ 3,079,627	\$ 5,637,813	\$ 5,895,601	\$ 7,709,149	\$ 8,975,228

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

**OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

**Governmental Activities**

The governmental activities generated \$1,083,699 in program revenues, \$2,387,465 of general revenues, and incurred \$2,462,873 of program expenses. This resulted in a \$1,008,291 increase in net position.

**Business-Type Activities**

Revenues of the Utility Service Fund and Industrial Park Fund were \$2,006,045 compared to expenses of \$1,748,257. This resulted in an increase in net position for the year of \$257,788.

**THE CITY'S INDIVIDUAL FUNDS**

**General Fund**

The General Fund's fund balance increased by \$361,926 from \$1,443,812 to \$1,805,738. The ending unassigned balance represents about 31.6% of the General Fund's budget.

**Fire Fund**

The Fire Fund's fund balance decreased by \$32,399 from \$295,033 to \$262,634.

**Utility Service Fund**

The Utility Service Fund's net position increased by \$237,022, from \$5,263,826 to \$5,500,848.

**BUDGETARY HIGHLIGHTS**

Revenues of the General Fund were less than budgeted revenue amounts by \$130,497. General fund expenditures were less than budgeted amounts by \$490,842. These budget to actual variances reflects the City's intentions to complete a \$300,000 road paving project that was postponed until future years.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City purchased a new fire truck for \$525,662 and purchased various equipment and made improvements in the Utility Fund totaling \$165,405. For further information on smaller purchases, please refer to a note to the accompanying financial statements entitled, *Capital Assets*.

**Debt Administration**

The City did not incur any new debt during the year. Please refer to a note to the accompanying financial statements entitled *Long-term Obligations* for more detailed information about the City's long-term debt activity.

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

**ECONOMIC FACTORS**

We are not currently aware of any conditions that are expected to have a significant effect on the City's financial position or results of operations.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact City Hall at 214 East Park Avenue, Chiefland, FL 32626.

**CITY OF CHIEFLAND, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,859,070	\$ 1,731,973	\$ 3,591,043
Restricted cash	55,232	71,584	126,816
Investments	88,231	204,413	292,644
Receivables, net	62,653	251,938	314,591
Internal balances	8,199	(8,199)	-
Due from other governments	162,141	-	162,141
Inventories	-	20,955	20,955
Capital assets::			
Land	750,884	203,058	953,942
Buildings and improvements	1,409,147	290,145	1,699,292
Infrastructure (other than buildings)	1,957,842	9,931,247	11,889,089
Equipment	2,457,422	9,539	2,466,961
Construction in progress	-	-	-
Accumulated depreciation	(3,546,022)	(6,184,309)	(9,730,331)
Total assets	<u>\$ 5,264,799</u>	<u>\$ 6,522,344</u>	<u>\$ 11,787,143</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>\$ 479,815</u>	<u>\$ 62,199</u>	<u>\$ 542,014</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 45,043	\$ 104,471	\$ 149,514
Accrued payroll and employee benefits	55,433	9,604	65,037
Customer deposits	2,155	192,140	194,295
Unearned revenue	9,303	-	9,303
Noncurrent liabilities:			
Due within one year:			
Compensated absences	69,848	38,421	108,269
Due in more than one year:			
Compensated absences	28,777	26,138	54,915
Net pension liability	846,639	109,750	956,389
Total liabilities	<u>\$ 1,057,198</u>	<u>\$ 480,524</u>	<u>\$ 1,537,722</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>\$ 1,607,789</u>	<u>\$ 208,418</u>	<u>\$ 1,816,207</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 3,029,273	\$ 4,249,680	\$ 7,278,953
Restricted for:			
Capital improvements	43,220	71,584	114,804
Building department	96,134	-	96,134
Law enforcement	55,220	-	55,220
Unrestricted	(144,220)	1,574,337	1,430,117
Total net position	<u>\$ 3,079,627</u>	<u>\$ 5,895,601</u>	<u>\$ 8,975,228</u>

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

**CITY OF CHIEFLAND, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 433,534	\$ 55,527	\$ -	\$ -	\$ (378,007)	\$ -	\$ (378,007)
Public safety	1,628,953	520,533	73,693	311,135	(723,592)	-	(723,592)
Physical environment	2,734	-	-	-	(2,734)	-	(2,734)
Transportation	207,510	-	121,777	1,034	(84,699)	-	(84,699)
Culture and recreation	190,142	-	-	-	(190,142)	-	(190,142)
Total governmental activities	<u>2,462,873</u>	<u>576,060</u>	<u>195,470</u>	<u>312,169</u>	<u>(1,379,174)</u>	<u>-</u>	<u>(1,379,174)</u>
Business-type activities:							
Water and sewer	1,734,487	1,970,174	-	-	-	235,687	235,687
Industrial park	13,770	34,456	-	-	-	20,686	20,686
Total business-type activities	<u>1,748,257</u>	<u>2,004,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,373</u>	<u>256,373</u>
Total primary government	<u>\$ 4,211,130</u>	<u>\$ 2,580,690</u>	<u>\$ 195,470</u>	<u>\$ 312,169</u>	<u>(1,379,174)</u>	<u>256,373</u>	<u>(1,122,801)</u>
General revenues:							
Property taxes					1,060,272	-	1,060,272
Sales and use taxes					252,150	-	252,150
Franchise and utility taxes					321,730	-	321,730
Public service taxes					416,231	-	416,231
Other taxes					81,618	-	81,618
State revenue sharing					223,257	-	223,257
Investment earnings (loss)					878	1,415	2,293
Miscellaneous revenues					31,329	-	31,329
Total general revenues and transfers					<u>2,387,465</u>	<u>1,415</u>	<u>2,388,880</u>
Change in net position					1,008,291	257,788	1,266,079
Net position - beginning					2,071,336	5,637,813	7,709,149
Net position - ending					<u>\$ 3,079,627</u>	<u>\$ 5,895,601</u>	<u>\$ 8,975,228</u>

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

**CITY OF CHIEFLAND, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021**

	<u>General</u>	<u>Fire</u>	<u>Nonmajor Fund Law Enforcement Trust</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,498,707	\$ 360,375	\$ 55,220	\$ 1,914,302
Investments	88,231	-	-	88,231
Receivables, net	61,865	788	-	62,653
Due from other governments	95,604	66,537	-	162,141
Due from other funds	144,958	123	-	145,081
Total assets	<u>\$ 1,889,365</u>	<u>\$ 427,823</u>	<u>\$ 55,220</u>	<u>\$ 2,372,408</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 32,487	\$ 12,556	\$ -	\$ 45,043
Accrued payroll and employee benefits	39,365	16,068	-	55,433
Customer deposits	2,155	-	-	2,155
Unearned revenue	9,303	-	-	9,303
Due to other funds	317	136,565	-	136,882
Total liabilities	<u>83,627</u>	<u>165,189</u>	<u>-</u>	<u>248,816</u>
<b>FUND BALANCES</b>				
Restricted for:				
Capital improvements	43,220	-	-	43,220
Building department	96,134	-	-	96,134
Law enforcement	-	-	55,220	55,220
Committed for:				
Road paving	494,185	-	-	494,185
Assigned to:				
Fire protection	-	262,634	-	262,634
Subsequent year's budget	300,000	-	-	300,000
Unassigned	872,199	-	-	872,199
Total fund balances	<u>1,805,738</u>	<u>262,634</u>	<u>55,220</u>	<u>2,123,592</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,889,365</u>	<u>\$ 427,823</u>	<u>\$ 55,220</u>	<u>\$ 2,372,408</u>

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

**CITY OF CHIEFLAND, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

<b>Fund balances - total governmental funds</b>		<b>\$ 2,123,592</b>
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds		
Total governmental capital assets	6,575,295	
Less: accumulated depreciation	<u>(3,546,022)</u>	3,029,273
On the governmental fund statements, a net pension liability (asset) is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability (asset) of the defined benefit pension plans is reported as a noncurrent liability (asset). Additionally, deferred outflows and deferred inflows related to pensions are also reported.		
Net pension liability	(846,639)	
Deferred outflows related to pensions	479,815	
Deferred inflows related to pensions	<u>(1,607,789)</u>	(1,974,613)
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities and other long-term liabilities consist of the following:		
Compensated absences	<u>(98,625)</u>	(98,625)
<b>Net position of governmental activities</b>		<u><u>\$ 3,079,627</u></u>

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

**CITY OF CHIEFLAND, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>General Fund</b>	<b>Fire Fund</b>	<b>Nonmajor Fund Law Enforcement Trust</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Taxes	\$ 1,870,366	\$ -	\$ -	\$ 1,870,366
Licenses, permits, and assessments	365,150	188,712	-	553,862
Intergovernmental	316,112	611,599	-	927,711
Charges for services	15,018	-	-	15,018
Fines and forfeitures	9,544	-	2,377	11,921
Investment income	779	81	18	878
Miscellaneous	55,706	2,283	-	57,989
<b>Total revenues</b>	<b>2,632,675</b>	<b>802,675</b>	<b>2,395</b>	<b>3,437,745</b>
<b>Expenditures</b>				
Current:				
General government	471,077	-	-	471,077
Public safety	1,166,690	508,770	800	1,676,260
Physical environment	1,460	-	-	1,460
Transportation	170,754	-	-	170,754
Culture and recreation	140,975	-	-	140,975
Capital outlay	69,175	576,922	-	646,097
<b>Total expenditures</b>	<b>2,020,131</b>	<b>1,085,692</b>	<b>800</b>	<b>3,106,623</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>612,544</b>	<b>(283,017)</b>	<b>1,595</b>	<b>331,122</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	250,618	-	250,618
Transfers out	(250,618)	-	-	(250,618)
<b>Total other financing sources (uses)</b>	<b>(250,618)</b>	<b>250,618</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>361,926</b>	<b>(32,399)</b>	<b>1,595</b>	<b>331,122</b>
<b>Fund balances, beginning of year</b>	<b>1,443,812</b>	<b>295,033</b>	<b>53,625</b>	<b>1,792,470</b>
<b>Fund balances, end of year</b>	<b>\$ 1,805,738</b>	<b>\$ 262,634</b>	<b>\$ 55,220</b>	<b>\$ 2,123,592</b>

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

**CITY OF CHIEFLAND, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<b>Net change in fund balances - total governmental funds</b>	\$	331,122
Differences in amounts reported for governmental activities in the statement of activities are:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlay expenditures		646,097
Depreciation expense		(222,981)
Contributed capital assets		10,000
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized.		
Change in net pension liability (asset) and deferred inflows/outflows related to pensions		235,471
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:		
Change in compensated absences liability		8,582
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>1,008,291</u></b>

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

**CITY OF CHIEFLAND, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Utility Service Fund</b>	<b>Nonmajor Fund Industrial Park Fund</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,482,698	\$ 249,275	\$ 1,731,973
Investments	204,413	-	204,413
Accounts receivable, net	247,146	4,792	251,938
Inventory	20,955	-	20,955
Due from other funds	194	-	194
Total current assets	<u>1,955,406</u>	<u>254,067</u>	<u>2,209,473</u>
Noncurrent assets:			
Restricted cash	71,584	-	71,584
Capital assets:			
Land	166,676	36,382	203,058
Buildings and improvements	-	290,145	290,145
Industrial park	-	9,539	9,539
Water system	3,499,966	-	3,499,966
Sewer treatment plant and system	6,429,594	-	6,429,594
Garbage services	1,687	-	1,687
Accumulated depreciation	<u>(5,991,498)</u>	<u>(192,811)</u>	<u>(6,184,309)</u>
Total noncurrent assets	<u>4,178,009</u>	<u>143,255</u>	<u>4,321,264</u>
Total assets	<u>\$ 6,133,415</u>	<u>\$ 397,322</u>	<u>\$ 6,530,737</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>\$ 62,199</u>	<u>\$ -</u>	<u>\$ 62,199</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 104,363	\$ 108	\$ 104,471
Accrued payroll	9,604	-	9,604
Deposits	189,679	2,461	192,140
Due to other funds	8,393	-	8,393
Compensated absences	38,421	-	38,421
Total current liabilities	<u>350,460</u>	<u>2,569</u>	<u>353,029</u>
Noncurrent liabilities:			
Compensated absences	26,138	-	26,138
Net pension liability	109,750	-	109,750
Total noncurrent liabilities	<u>135,888</u>	<u>-</u>	<u>135,888</u>
Total liabilities	<u>\$ 486,348</u>	<u>\$ 2,569</u>	<u>\$ 488,917</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>\$ 208,418</u>	<u>\$ -</u>	<u>\$ 208,418</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 4,106,425	\$ 143,255	\$ 4,249,680
Restricted for capital improvements	71,584	-	71,584
Unrestricted	1,322,839	251,498	1,574,337
Total net position	<u>\$ 5,500,848</u>	<u>\$ 394,753</u>	<u>\$ 5,895,601</u>

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

**CITY OF CHIEFLAND, FLORIDA**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Utility Service Fund</b>	<b>Nonmajor Fund Industrial Park Fund</b>	<b>Total Enterprise Fund</b>
<b>Operating revenues</b>			
Charges for services	\$ 1,968,749	\$ 29,227	\$ 1,997,976
Miscellaneous income	1,425	5,229	6,654
Total operating revenues	<u>1,970,174</u>	<u>34,456</u>	<u>2,004,630</u>
<b>Operating expenses</b>			
Personnel services	494,926	-	494,926
Operating expenses	967,962	9,134	977,096
Depreciation	271,599	4,636	276,235
Total operating expenses	<u>1,734,487</u>	<u>13,770</u>	<u>1,748,257</u>
<b>Operating income (loss)</b>	<u>235,687</u>	<u>20,686</u>	<u>256,373</u>
<b>Nonoperating revenues (expenses)</b>			
Interest earnings	1,335	80	1,415
Total nonoperating revenues (expenses)	<u>1,335</u>	<u>80</u>	<u>1,415</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>237,022</u>	<u>20,766</u>	<u>257,788</u>
<b>Change in net position</b>	<u>237,022</u>	<u>20,766</u>	<u>257,788</u>
<b>Net position, beginning of year</b>	5,263,826	373,987	5,637,813
<b>Net position, end of year</b>	<u>\$ 5,500,848</u>	<u>\$ 394,753</u>	<u>\$ 5,895,601</u>

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

**CITY OF CHIEFLAND, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Utility Service Fund</b>	<b>Nonmajor Fund Industrial Park Fund</b>	<b>Total Enterprise Fund</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 1,943,451	\$ 31,958	\$ 1,975,409
Cash paid to employees	(507,540)	-	(507,540)
Cash paid to suppliers	(914,660)	(7,471)	(922,131)
Net cash provided by (used in) operating activities	<u>521,251</u>	<u>24,487</u>	<u>545,738</u>
<b>Cash flows from noncapital financing activities</b>			
Interfund loans	(1,486)	-	(1,486)
Net cash provided by (used in) noncapital financing activities	<u>(1,486)</u>	<u>-</u>	<u>(1,486)</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(165,405)	-	(165,405)
Net cash provided by (used in) capital and related financing activities	<u>(165,405)</u>	<u>-</u>	<u>(165,405)</u>
<b>Cash flows from investing activities</b>			
Interest received	1,335	80	1,415
Purchases of investments	(946)	-	(946)
Net cash provided by (used in) investing activities	<u>389</u>	<u>80</u>	<u>469</u>
<b>Net change in cash and cash equivalents</b>	<u>354,749</u>	<u>24,567</u>	<u>379,316</u>
<b>Cash and cash equivalents, beginning of year</b>	1,199,533	224,708	1,424,241
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,554,282</u>	<u>\$ 249,275</u>	<u>\$ 1,803,557</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 235,687	\$ 20,686	\$ 256,373
Adjustments to reconcile net operating income to net cash provided by (used in) operating activities			
Depreciation	271,599	4,636	276,235
Changes in assets and liabilities:			
Accounts receivable	(29,834)	(2,498)	(32,332)
Inventories and prepaids	5,161	1,708	6,869
Accounts payable and accrued liabilities	48,141	(45)	48,096
Deposits	3,111	-	3,111
Compensated absences	3,374	-	3,374
Net pension liability	(15,988)	-	(15,988)
Net cash provided by operating activities	<u>\$ 521,251</u>	<u>\$ 24,487</u>	<u>\$ 545,738</u>
<b>Cash and cash equivalents classified as:</b>			
Unrestricted	\$ 1,482,698	\$ 249,275	\$ 1,731,973
Restricted	71,584	-	71,584
Total cash and cash equivalents	<u>\$ 1,554,282</u>	<u>\$ 249,275</u>	<u>\$ 1,803,557</u>

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

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**(1) Summary of Significant Accounting Policies:**

The financial statements of the City of Chiefland, Florida (the City), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the City's significant accounting policies:

(a) **Reporting entity**—The City was established by Section 13948, Laws of Florida, in 1929. As required by generally accepted accounting principles, the accompanying financial statements present the City as a primary government. Component units are entities for which the City is considered financially accountable or entities that would be misleading to exclude. There are no blended or discretely presented component units included in the City's financial reporting entity.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. The more significant of the City's accounting policies are hereafter described.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements, but all nonmajor funds are aggregated and displayed in a single column. The City's nonmajor funds are the Law Enforcement Trust Fund reported as Other Governmental Fund and the Industrial Park Fund reported as Other Enterprise Fund in the fund financial statements. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

(c) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

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 funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal year. Taxes and certain intergovernmental revenues constitute the most significant sources of revenue considered susceptible to accrual. In governmental funds, expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, and expenditures for compensated absences and claims and judgments, are recorded only when payment is due.

(d) **Financial statement presentation**—The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB Codification sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The City reports the following major governmental fund:

The **General Fund** accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund.

The **Fire Fund** accounts for financial activities of the City's fire department.

The City reports the following major proprietary fund:

The **Utility Service Fund** accounts for the financial activities of the City's potable water utility system, including the pumping, treatment, and distribution systems.

(e) **Use of estimates**—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

(f) **Deposits and investments**—The City'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.

All deposits are placed in a bank that qualifies as a public depository, as required by law (Florida Security for Public Deposits Act). Accordingly, all deposits are insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

The City only invests excess public funds in certificates of deposit with qualified public depositories, which is an authorized form of investment pursuant to the provisions of Section 218.415, Florida Statutes. Such investments are stated at cost and are entirely insured or collateralized. The City does not have any investments recorded a fair value.

(g) **Account receivables**—Receivables are stated at net realizable value, reduced by an allowance for uncollectable accounts, where appropriate. Accounts receivable of the Utility Service Fund are net of a \$53,240 allowance.

(h) **Inventories**—Inventories are stated at cost, based on the first-in, first out method.

(i) **Capital assets**—Capital assets are recorded at historical cost or estimated historical cost, except for contributed assets which are recorded at acquisition value at the date of contribution. The City uses a capitalization threshold of \$1,000 for all classes of capital assets.

The City has elected not to report general infrastructure assets acquired prior to October 1, 2003. Depreciation of capital assets is provided using the straight-line method over the estimated useful lives of the assets, which range as follows:

Assets	Years
Buildings and improvements	30
Furniture, equipment and vehicles	5 – 15
Water and sewer system	40 – 50

(j) **Compensated absences**—The City’s policy is to allow limited vesting of employee vacation pay and accumulated sick leave. A liability for accrued compensated absences of employees of the governmental funds has been accrued. Since this liability will not be liquidated with expendable available financial resources, the liability has not been reported in the governmental funds. A liability for compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements.

(k) **Property Taxes**—The Levy County Tax Collector bills and collects property taxes for the City. In governmental funds, property tax revenues are recognized when levied, to the extent that they result in current receivables.

Levy Date:	October 1, 2020
Due Date:	March 31, 2021
Lien Date:	January 1, 2021

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(l) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note (7).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the two items in this category are unavailable revenues, which will be recognized as inflows of resources in the period that the amounts become available, and deferred inflows of resources related to pensions, as discussed further in Note (7).

(m) **Fund balance**—The City follows the provisions of the GASB Codification to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Those classifications are as follows:

*Nonspendable* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the City’s highest level of decision-making authority, which is an ordinance. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action.

*Assigned* – Assigned fund balances are amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the City Commission or (b) a body or official to which the City Commission has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

For spendable resources, is the City’s policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unrestricted.

(n) **Operating revenues and expenses**—The enterprise 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 an enterprise fund’s principal ongoing operations. 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.

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(o) **Restricted net position**—In the accompanying government-wide and proprietary funds' statements of net position, *restricted net position* is subject to restrictions beyond the City's control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional provisions or enabling legislation.

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

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(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**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Deposits and Investments:**

The City's cash and equivalents and investments consist of legally authorized demand deposits and certificates of deposit. The institutions in which these deposits are kept are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, in addition to applicable Federal Depository Insurance Corporation (FDIC) insurance, these balances on deposit at September 30, 2021, are insured or collateralized through the Bureau of Collateral Management, Florida Department of Financial Services.

State statutes authorize the City to invest excess funds in time deposits, obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local-Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance.

The City held no assets or investments carried at fair value at September 30, 2021, and subject to the required disclosures of GASB 72.

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**(4) Interfund Balances and Transfers:**

The interfund balances resulted from the normal course of operations and are expected to be repaid within one year. Interfund transfers were consistent with the purpose of the fund making the transfer.

At September 30, 2021, interfund balances were as follows:

<u>Receivable Funds</u>	<u>Amount</u>	<u>Payable Funds</u>
General Fund	\$ 136,565	Fire Fund
General Fund	8,393	Utility Service Fund
Fire Fund	123	General Fund
Utility Service Fund	194	General Fund
Total	<u>\$ 145,275</u>	

For the year ended September 30, 2021, the General Fund transferred \$250,618 to the Fire Fund, of which approximately \$227,000 was for an operating subsidy, and the remaining balance used for the General Fund to cover the City Fire assessment forgiveness.

**(5) Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 740,884	\$ 10,000	\$ -	\$ 750,884
Total assets not being depreciated	<u>740,884</u>	<u>10,000</u>	<u>-</u>	<u>750,884</u>
Capital assets being depreciated:				
Land improvements	844,298	-	-	844,298
Infrastructure	1,113,544	-	-	1,113,544
Buildings and improvements	1,373,327	35,820	-	1,409,147
Furniture and equipment	1,847,145	610,277	-	2,457,422
Total assets being depreciated	<u>5,178,314</u>	<u>646,097</u>	<u>-</u>	<u>5,824,411</u>
Less accumulated depreciation for:				
Land improvements	(754,614)	(26,922)	-	(781,536)
Infrastructure	(222,786)	(37,118)	-	(259,904)
Buildings and improvements	(924,110)	(35,879)	-	(959,989)
Furniture and equipment	(1,421,531)	(123,062)	-	(1,544,593)
Total accumulated depreciation	<u>(3,323,041)</u>	<u>(222,981)</u>	<u>-</u>	<u>(3,546,022)</u>
Total capital assets being depreciated, net	<u>1,855,273</u>	<u>423,116</u>	<u>-</u>	<u>2,278,389</u>
Governmental activities capital assets, net	<u>\$ 2,596,157</u>	<u>\$ 433,116</u>	<u>\$ -</u>	<u>\$ 3,029,273</u>

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(5) **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	\$ 203,058	\$ -	\$ -	\$ 203,058
Total assets not being depreciated	<u>203,058</u>	<u>-</u>	<u>-</u>	<u>203,058</u>
Capital assets being depreciated:				
Buildings and improvements	290,145	-	-	290,145
Industrial park	9,539	-	-	9,539
Water system	3,389,243	110,723	-	3,499,966
Sewer treatment plant and system	6,374,912	54,682	-	6,429,594
Garbage services	1,687	-	-	1,687
Total assets being depreciated	<u>10,065,526</u>	<u>165,405</u>	<u>-</u>	<u>10,230,931</u>
Less accumulated depreciation for:				
Building & Improvements	(179,186)	(4,303)	-	(183,489)
Industrial park	(8,989)	(333)	-	(9,322)
Water system	(2,015,208)	(83,010)	-	(2,098,218)
Sewer treatment plant and system	(3,703,004)	(188,589)	-	(3,891,593)
Garbage services	(1,687)	-	-	(1,687)
Total accumulated depreciation	<u>(5,908,074)</u>	<u>(276,235)</u>	<u>-</u>	<u>(6,184,309)</u>
Total capital assets being depreciated, net	<u>4,157,452</u>	<u>(110,830)</u>	<u>-</u>	<u>4,046,622</u>
Business-type activities capital assets, net	<u>\$ 4,360,510</u>	<u>\$ (110,830)</u>	<u>\$ -</u>	<u>\$ 4,249,680</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 19,877
Public safety	107,981
Physical environment	1,274
Transportation	40,722
Culture and recreation	53,127
Total depreciation expense – governmental activities	<u>\$ 222,981</u>
Business-type activities:	
Utility service	\$ 271,599
Industrial park	4,636
Total depreciation expense – business-type activities	<u>\$ 276,235</u>

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**(6) Long-Term Obligations:**

Following is a summary of changes in long-term obligations:

<u>Governmental activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 107,207	\$ 112,188	\$ (120,770)	\$ 98,625	\$ 69,848

<u>Business-type activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 61,185	\$ 41,560	\$ (38,186)	\$ 64,559	\$ 38,421

**(7) Pension Plan:**

**A. Florida Retirement System**

**Plan Description and Administration**

The City participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the City's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(7) **Pension Plan:** (Continued)

**Benefits Provided and Employees Covered**

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**Financial Statements**

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site ([www.myfloridacfo.com](http://www.myfloridacfo.com)). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services  
Division of Retirement, Research and Education Services  
P.O. Box 9000  
Tallahassee, FL 32315-9000  
850-488-5706 or toll free at 877-377-1737

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(7) **Pension Plan:** (Continued)

**Contributions**

The entity participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect during the year ended September 30, 2021, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan &amp; Class</u>	<u>Through June 30, 2021</u>	<u>After June 30, 2021</u>
Regular Class	10.00%	10.82%
Senior Management	27.29%	29.01%
Special Risk	24.45%	25.89%
City Elected Officers	49.18%	51.42%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll, which are included in the above rates.

For the plan year ended June 30, 2021, actual contributions made for employees participating in FRS and HIS were as follows:

Contributions – FRS	\$ 219,289
Contributions – HIS	24,993
Employee Contributions – FRS	45,168

**Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions**

At September 30, 2021, the entity reported a liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 434,820
HIS	521,569
Total	<u>\$ 956,389</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2021 and June 30, 2020, the entity's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2021</u>	<u>2020</u>
FRS	0.005756263%	0.006554592%
HIS	0.004251981%	0.004211464%

For the year ended June 30, 2021, pension expense was recognized related to the FRS and HIS plans as follows:

<u>Plan</u>	<u>Pension Expense</u>
FRS	\$ (41,732)
HIS	36,686
Total	<u>\$ (5,046)</u>

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(7) **Pension Plan:** (Continued)

*Deferred outflows/inflows related to pensions:*

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 74,529	\$ -	\$ 17,453	\$ (218)
Changes of assumptions	297,526	-	40,984	(21,490)
Net difference between projected and actual investment earnings	-	(1,516,979)	544	-
Change in City's proportionate share	29,227	-	16,266	-
Contributions subsequent to measurement date	59,520	(267,386)	5,965	(10,134)
	<u>\$ 460,802</u>	<u>\$ (1,784,365)</u>	<u>\$ 81,212</u>	<u>\$ (31,842)</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from entity contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
2022	\$ (250,993)	\$ 13,213	\$ (237,780)
2023	(286,870)	4,594	(282,276)
2024	(363,387)	8,171	(355,216)
2025	(453,662)	9,918	(443,744)
2026	(28,171)	6,201	(21,970)
Thereafter	-	1,308	1,308
Total	<u>\$ (1,383,083)</u>	<u>\$ 43,405</u>	<u>\$ (1,339,678)</u>

*Actuarial assumptions:*

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(7) **Pension Plan:** (Continued)

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.80%. This rate did not change from the prior year rate. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 2.21%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2021, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Rate of Return</u>
Cash	1.0%	2.1%
Fixed income	20.0%	3.8%
Global equities	54.2%	8.2%
Real estate	10.3%	7.1%
Private equity	10.8%	11.7%
Strategic investments	3.7%	5.7%
Total	<u>100.0%</u>	

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the proportionate shares of the FRS and HIS net pension liability of the City calculated using the current discount rates, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.80%	\$ 1,944,545	\$ 434,820	\$ (827,141)
HIS	2.16%	602,985	521,569	454,868

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**(8) Other Postemployment Benefits:**

The City provides other postemployment benefits (OPEB) to its employees by providing retirement healthcare benefits. The City contributes, along with its employees and retirees, to the Blue Cross and Blue Shield of Florida Health Care Plan (Plan) to provide certain healthcare benefits to active and retired employees and their dependents. The Plan is a single-employer plan administered by Blue Cross and Blue Shield of Florida and the City. The benefits, benefit levels, employee contributions and employer contributions are governed by the Plan.

Post-employment health care benefits are offered to retired employees and their dependents. To be eligible for benefits, an employee must have completed at least six years of service and started receiving pension benefits at termination. All health care benefits are provided through the City's Blue Cross Blue Shield employee health care plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental and substance abuse care; dental care; and prescriptions. Upon retirees reaching 65 years of age, Medicare becomes the primary insurer and the City's plan will not pay benefits already paid by Medicare.

The City does not contribute any portion of the premiums for current retired employees. All premiums are paid entirely by the plan participant. The use of age-adjusted premiums results in an implicit rate subsidy funded by the City since the healthcare premiums for retirees and active employees are identical.

The City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities, note disclosures, and required supplementary information.

**(9) Risk Management:**

The City is exposed to various risks of loss related to general liability, workers' compensation, public liability, law enforcement liability, property damage, and errors and omissions. To manage its risks, the City participates in the Florida League of Cities Self Insurance Fund (the "Fund") a public entity risk pool currently operating as a common risk management and insurance program for member cities. The City pays an annual premium to the Fund for its coverage. The premiums are designed to fund the liability risks assumed by the Fund and are based on certain actual exposures of each member.

**(10) Contingencies and Uncertainties:**

The City is sometimes a party to lawsuits and claims arising out of the normal conduct of its activities. While the results of lawsuits or other proceedings against the City cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial condition of the City.

**CITY OF CHIEFLAND, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**(11) Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (“GASB”) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City’s financial statements:

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.
  
- (b) GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

**CITY OF CHIEFLAND, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 1,754,635	\$ 1,754,635	\$ 1,870,366	\$ 115,731
Licenses and permits	386,600	386,600	365,150	(21,450)
Intergovernmental	268,561	268,561	316,112	47,551
Charges for services	10,894	10,894	15,018	4,124
Fines and forfeitures	5,200	5,200	9,544	4,344
Interest revenues	1,200	1,200	779	(421)
Miscellaneous	336,082	336,082	55,706	(280,376)
Total revenues	<u>2,763,172</u>	<u>2,763,172</u>	<u>2,632,675</u>	<u>(130,497)</u>
<b>Expenditures</b>				
Current:				
General government	645,787	645,787	471,077	174,710
Public safety	1,147,167	1,147,167	1,166,690	(19,523)
Community development	2,000	2,000	1,460	540
Public works	496,037	496,037	170,754	325,283
Parks and recreation	162,415	162,415	140,975	21,440
Capital outlay	57,567	57,567	69,175	(11,608)
Total expenditures	<u>2,510,973</u>	<u>2,510,973</u>	<u>2,020,131</u>	<u>490,842</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>252,199</u>	<u>252,199</u>	<u>612,544</u>	<u>360,345</u>
<b>Other financing sources (uses)</b>				
Transfers out	(252,199)	(252,199)	(250,618)	1,581
Total other financing sources (uses)	<u>(252,199)</u>	<u>(252,199)</u>	<u>(250,618)</u>	<u>1,581</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>361,926</u>	<u>361,926</u>
<b>Fund balances, beginning of year</b>	1,443,812	1,443,812	1,443,812	-
<b>Fund balances, end of year</b>	<u>\$ 1,443,812</u>	<u>\$ 1,443,812</u>	<u>\$ 1,805,738</u>	<u>\$ 361,926</u>

The accompanying notes to the schedule of revenues, expenses, and changes in fund balance budget to actual are an integral part of this schedule.

**CITY OF CHIEFLAND, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - FIRE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Licenses, permits, and assessments	\$ 162,690	\$ 162,690	\$ 188,712	\$ 26,022
Intergovernmental	259,266	259,266	611,599	352,333
Interest revenues	-	-	81	81
Miscellaneous	-	-	2,283	2,283
<b>Total revenues</b>	<b>421,956</b>	<b>421,956</b>	<b>802,675</b>	<b>380,719</b>
<b>Expenditures</b>				
Current:				
Public safety	504,254	504,254	508,770	(4,516)
Capital outlay	7,212	7,212	576,922	(569,710)
<b>Total expenditures</b>	<b>511,466</b>	<b>511,466</b>	<b>1,085,692</b>	<b>(574,226)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(89,510)</b>	<b>(89,510)</b>	<b>(283,017)</b>	<b>(193,507)</b>
<b>Other financing sources (uses)</b>				
Transfers in	252,199	252,199	250,618	(1,581)
<b>Total other financing sources (uses)</b>	<b>252,199</b>	<b>252,199</b>	<b>250,618</b>	<b>(1,581)</b>
<b>Net change in fund balances</b>	<b>162,689</b>	<b>162,689</b>	<b>(32,399)</b>	<b>(195,088)</b>
<b>Fund balances, beginning of year</b>	<b>295,033</b>	<b>295,033</b>	<b>295,033</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 457,722</b>	<b>\$ 457,722</b>	<b>\$ 262,634</b>	<b>\$ (195,088)</b>

The accompanying notes to the schedules of revenues, expenses, and changes in fund balance budget to actual are an integral part of this schedule.

**CITY OF CHIEFLAND, FLORIDA  
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
SEPTEMBER 30, 2021**

The City adopts an annual budget for the General and Fire Funds. The City generally follows these procedures in establishing the budgetary data reflected in the schedule:

1. Prior to September 1, the City Clerk submits to the City Commission 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.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance.
4. Budgetary control is maintained at the department level. The fund is the legal level of control.
5. Appropriations lapse at the end of the fiscal year.
6. The budget amounts presented in the accompanying financial schedules were prepared on a basis that does not materially differ from the modified accrual basis of accounting.

**CITY OF CHIEFLAND, FLORIDA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS**  
**(UNAUDITED)**

	<b>As of the Plan Year Ended June 30,</b>							
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Florida Retirement System (FRS)</b>								
Proportion of the net pension liability	0.005756263%	0.006554592%	0.006868922%	0.006752876%	0.006592978%	0.006849702%	0.006155151%	0.006346372%
Proportionate share of the net pension liability	\$ 434,820	\$ 2,840,857	\$ 2,365,561	\$ 2,034,001	\$ 1,950,828	\$ 1,729,555	\$ 795,020	\$ 387,222
Covered payroll	1,505,613	1,461,970	1,443,253	1,372,502	1,354,631	1,306,117	1,271,471	1,213,482
Proportionate share of the net pension liability as a percentage of covered payroll	28.88%	194.32%	163.90%	148.20%	144.01%	132.42%	62.53%	31.91%
Plan fiduciary net position as a percentage of the total	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
<b>Health Insurance Subsidy Program (HIS)</b>								
Proportion of the net pension liability	0.004251981%	0.004211464%	0.004314500%	0.004201260%	0.004146347%	0.004203430%	0.004002653%	0.004190484%
Proportionate share of the net pension liability	\$ 521,569	\$ 514,213	\$ 482,749	\$ 444,666	\$ 443,347	\$ 489,892	\$ 408,208	\$ 391,820
Covered payroll	1,505,613	1,461,970	1,443,253	1,372,502	1,966,451	1,306,117	1,271,471	1,213,482
Proportionate share of the net pension liability as a percentage of covered payroll	34.64%	35.17%	33.45%	32.40%	22.55%	37.51%	32.11%	32.29%
Plan fiduciary net position as a percentage of the total	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

**CITY OF CHIEFLAND, FLORIDA  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS  
(UNAUDITED)**

	For the Fiscal Year Ended September 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
<b>Florida Retirement System (FRS)</b>								
Contractually required contribution	\$ 221,878	\$ 217,780	\$ 212,986	\$ 192,452	\$ 187,260	\$ 171,821	\$ 164,153	\$ 145,543
Contributions in relation to the contractually required	221,878	217,780	212,986	192,452	187,260	171,821	164,153	145,543
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,477,768	\$ 1,461,970	\$ 1,443,253	\$ 1,372,502	\$ 1,354,631	\$ 1,306,117	\$ 1,271,471	\$ 1,213,482
Contributions as a percentage of covered payroll	15.01%	14.90%	14.76%	14.02%	13.82%	13.16%	12.91%	11.99%
<b>Health Insurance Subsidy Program (HIS)</b>								
Contractually required contribution	\$ 24,531	\$ 24,269	\$ 23,958	\$ 22,784	\$ 22,487	\$ 21,682	\$ 17,331	\$ 14,719
Contributions in relation to the contractually required	24,531	24,269	23,958	22,784	22,487	21,682	17,331	14,719
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,477,768	\$ 1,461,970	\$ 1,443,253	\$ 1,372,502	\$ 1,354,631	\$ 1,306,117	\$ 1,271,471	\$ 1,213,482
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%	1.21%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information is presented for only those years for which information is available.

**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 Mayor and City Commission,  
City of Chiefland, Florida:

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chiefland, Florida, (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 18, 2022.

***Internal Control over Financial Reporting***

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

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

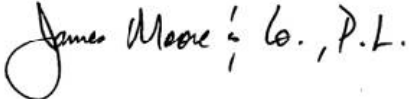
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did identify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

### ***Compliance and Other Matters***

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Gainesville, Florida  
April 18, 2022

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

To the Honorable Mayor and City Commission,  
City of Chiefland, Florida:

**Report on the Financial Statements**

We have audited the financial statements of the City of Chiefland, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 18, 2022.

As discussed in Note (8) to the financial statements, the City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities, business-type activities and the utility service fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, business-type activities, and the utility service fund, has not been determined.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 18, 2022, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The following summarizes the status of prior year findings and recommendations. No recommendations remain uncorrected from the second preceding year.

**2020-001 Unexpended Balance – Building Permits** – Previously recorded as 2020-001. Corrective action not taken. See 2021-001.

## **Official Title and Legal Authority**

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

## **Financial Condition and Management**

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted the following recommendation:

### **2021-001 – Unexpended Balance – Building Permits**

Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) fiscal years. A local government must use any funds in excess of this limitation to rebate or reduce fees. The City's unexpended building permit funds at September 30, 2021, exceeded the City's average operating budget for enforcing the Florida Building Code for the previous four fiscal years by approximately \$48,000. The City should identify how it intends to reduce the amount of unexpected building code balances in order to comply with Section 553.80(7)(a) of Florida Statutes. Such action may require the City to modify subsequent fiscal year budgets.

### **2021-002 – Budgetary Compliance**

During our testing of budget versus actual expenditures, we noted the City was out of budgetary compliance in the Fire fund as actual expenditures exceeded the fund's budget by approximately \$575,000. To ensure budgetary compliance, we recommend the City review the budget versus actual amounts for all funds on an ongoing basis and amend the budget for any funds with activity in excess of budgeted amounts.

### **2021-003 – Impact Fee Accounting**

At year-end, the City's impact fees were not being recorded in a separate fund. In fiscal year 2021, the State of Florida adopted a bill modifying Section 163.31801 (4b), Florida Statutes, which requires impact fees to be recorded in a separate accounting fund. We recommend the City transition its impact fees to a separate fund in fiscal year 2022 and in the fiscal year 2023 budget process.

### **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore we noted no special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

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

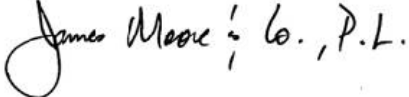
### **City's Response to Recommendations**

The City's responses to the recommendations identified in our audit are described in the management's response as listed in the table of contents. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Letter**

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

Gainesville, Florida  
April 18, 2022





**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

To the Honorable Mayor, City Commission, and City Administrator,  
City of Chiefland, Florida

We have examined the City of Chiefland, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the City of Chiefland, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

A handwritten signature in black ink that reads "James Moore &amp; Co., P.L." with a stylized flourish at the end.

Gainesville, Florida  
April 18, 2022

AUDITEE'S RESPONSE TO:  
Independent Auditors' Management Letter  
April 18, 2022

**2021-001- Unexpended Balance – Building Permits**

*Section 553.80(7)(a) of Florida Statutes has been updated to limit the amount of unexpended building permit funds carried forward to future fiscal years to no more than the City's average operating budget for enforcing the Florida Building Code for the previous four (4) years. A local government must use any funds in excess of this limitation to rebate or reduce fees.*

**Upon hearing of this deficiency, myself and staff are taking this information under advisement and will adopt a plan to comply with section 553.80(7)(a) of Florida Statutes.**

**2021-002 – Budgetary Compliance**

During our testing of budget versus actual expenditures, we noted the City was out of budgetary compliance in the Fire fund as actual expenditures exceeded the fund's budget by approximately \$575,000. To ensure budgetary compliance, we recommend the City review the budget versus actual amounts for all funds on an ongoing basis and amend the budget for any funds with activity in excess of budgeted amounts.

**This was an isolated expenditure where the city was able to purchase a new fire truck. This expenditure was made available largely through the receipt of a grant. This was a one-time non-reoccurring transaction that was fully approved by the commission. In the future, budget amendments will be made to correct this situation.**

**2021-003 – Impact Fee Accounting**

At year-end, the City's impact fees were not being recorded in a separate fund. In fiscal year 2021, the State of Florida adopted a bill modifying Section 163.31801 (4b). Florida Statutes, which requires impact fees to be recorded in a separate accounting fund. We recommend the City transition its impact fees to a separate accounting fund. We recommend the City transition its impact fees to a separate fund in fiscal year 2022 and in fiscal year 2023 budget process.

**Staff and I are taking this under advisement and will rectify this within the coming year.**