

**CITY OF CHIEFLAND, FLORIDA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Principal Officials as of September 30, 2024:

CITY COMMISSION

*Chris Jones, Mayor
Lewrissa Johns, Vice Mayor
Kim Bennett
LaWanda Jones
Norman Weaver*

CITY MANAGER/CLERK

Laura Cain

**CITY OF CHIEFLAND, FLORIDA
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SEPTEMBER 30, 2024**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chiefland, Florida, (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Unmodified Opinions on the General Fund, Fire Fund, and the Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements 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, 2024, 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.

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinions section, the accompanying financial statements 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, 2024, 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.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matters Giving Rise to Qualified Opinions on Governmental Activities, Business-type Activities, and Utility Service Fund

As discussed in Note (9) 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.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

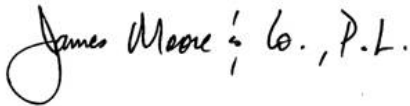
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of the management and, 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 opinions 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 June 27, 2025, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



James Moore & Co., P.L.

Gainesville, Florida
June 27, 2025

**CITY OF CHIEFLAND, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

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, 2024. Please read it in conjunction with the City’s financial statements, which follow this section.

The following are various financial highlights for fiscal year 2024:

- Total ending unrestricted net position was \$3,840,291.
- The City had total expenses for the year of \$6,309,306 compared to revenues of \$6,637,458.

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, 2024**

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, 2024**

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Assets:						
Non-capital assets	\$ 3,877,165	\$ 4,116,541	\$ 3,418,177	\$ 3,517,339	\$ 7,295,342	\$ 7,633,880
Capital assets	3,092,220	3,280,607	4,251,494	3,992,497	7,343,714	7,273,104
Total assets	6,969,385	7,397,148	7,669,671	7,509,836	14,639,056	14,906,984
Deferred outflows of resources	854,797	1,017,110	109,073	147,157	963,870	1,164,267
Liabilities:						
Current liabilities	242,490	344,271	645,517	454,859	888,007	799,130
Long-term liabilities	3,149,694	3,176,041	428,424	490,430	3,578,118	3,666,471
Total liabilities	3,392,184	3,520,312	1,073,941	945,289	4,466,125	4,465,601
Deferred inflows of resources	193,169	323,468	48,155	58,553	241,324	382,021
Net position:						
Net investment in capital assets	3,092,220	3,280,607	4,251,494	3,992,497	7,343,714	7,273,104
Restricted	68,432	13,991	90,992	96,243	159,424	110,234
Unrestricted	1,078,177	1,275,880	2,314,162	2,564,411	3,392,339	3,840,291
Total net position	\$ 4,238,829	\$ 4,570,478	\$ 6,656,648	\$ 6,653,151	\$ 10,895,477	\$ 11,223,629

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Program revenues:						
Charges for services	\$ 704,319	\$ 762,434	\$ 2,198,557	\$ 2,228,961	\$ 2,902,876	\$ 2,991,395
Operating grants & contributions	302,875	362,648	-	-	302,875	362,648
Capital grants & contributions	215,549	95,295	427,159	-	620,995	95,295
General revenues:						
Property taxes	1,358,641	1,460,760	-	-	1,358,641	1,460,760
Other taxes and shared revenues	1,602,327	1,567,033	-	-	1,602,327	1,567,033
Miscellaneous	7,124	14,201	-	-	7,124	14,201
Investment earnings	22,950	84,550	16,392	61,576	39,342	146,126
Total revenues	4,213,785	4,346,921	2,642,108	2,290,537	6,855,893	6,637,458
Program expenses:						
General government	712,146	668,356	-	-	712,146	668,356
Public safety	2,655,909	2,688,516	-	-	2,655,909	2,688,516
Physical environment	2,555	2,679	-	-	2,555	2,679
Transportation	245,047	284,979	-	-	245,047	284,979
Culture and recreation	250,681	279,239	-	-	250,681	279,239
Utility Services	-	-	2,099,624	2,371,850	2,099,624	2,371,850
Industrial park	-	-	13,853	13,687	13,853	13,687
Total expenses	3,866,338	3,923,769	2,113,477	2,385,537	5,979,815	6,309,306
Transfers	-	(91,503)	-	91,503	-	-
Change in net position	347,447	331,649	528,631	(3,497)	876,078	328,152
Beginning net position	3,891,382	4,238,829	6,128,017	6,656,648	10,019,399	10,895,477
Ending net position	\$ 4,238,829	\$ 4,570,478	\$ 6,656,648	\$ 6,653,151	\$ 10,895,477	\$ 11,223,629

**CITY OF CHIEFLAND, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

Revenues for the Governmental Activities increased \$133,136 and are currently reported at \$4,346,921. Program revenues reflected a decrease of \$2,366 and general revenues were up \$135,502. The increase in general revenues was largely due to property taxes. Expenses increased \$57,431 and are reported at \$3,923,769. The most significant increases in program expenses occurred in transportation and public safety. The Governmental Activities did enjoy a positive change in its net position, by \$331,649 and has a total ending net positions of \$4,570,478.

Business-Type Activities

Revenues of the Business Type Activities decreased \$351,571. A significant portion of this decrease was realized by way of a capital grant decreasing income by \$427,159. Charges for services reflect an increase of \$30,404. Expenses increased \$272,060 and are reported at \$2,385,537. The net position reflects a decrease of \$3,497 and totaled \$6,653,151 at year end.

THE CITY'S INDIVIDUAL FUNDS

General Fund

The cash position of the General Fund is reported at \$3,091,924 and total assets are \$3,506,200. The General Fund reports liabilities of \$192,196 of which \$4,350 are interfund liabilities. The General Fund reports a total fund balance of \$3,314,004.

Fire Fund

The cash position of the Fire Fund reflects balances of \$501,438 and total assets of \$608,660. Total liabilities in the Fire Fund are \$40,767 and reports a total fund balance of \$567,893.

Utility Service Fund

The Utility Service Fund has reported assets of \$7,048,751. Cash balances at year end are \$2,618,386. Total liabilities for the Utility Service Fund are \$952,038. Of this amount, \$461,608 are considered current and \$490,430 are non-current. The Utility Service Fund reflects a negative change in its net position by \$20,809 and a total net position of \$6,197,070.

BUDGETARY HIGHLIGHTS

Revenues of the General Fund were less than budgeted revenue amounts by \$104,391. General Fund expenditures were less than budgeted amounts by \$466,432. This largely a result of the City postponing a street paving project until future years.

**CITY OF CHIEFLAND, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City acquired various equipment and vehicles during the current operating year. The police department purchased \$176,976 of new patrol vehicles. The City purchased various equipment totaling \$94,255 for the Fire Fund. Additionally, the Utility Service Fund had the addition of a vehicle for \$56,597. 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.

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, 2024**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,607,353	\$ 2,942,426	\$ 6,549,779
Restricted cash	-	96,243	96,243
Investments	88,587	205,126	293,713
Receivables, net	68,221	257,492	325,713
Internal balances	5,663	(5,663)	-
Due from other governments	346,717	-	346,717
Lease receivable	-	12,256	12,256
Inventories	-	9,459	9,459
Capital assets::			
Land	750,884	203,058	953,942
Buildings and improvements	1,469,761	290,145	1,759,906
Infrastructure (other than buildings)	1,965,026	10,327,768	12,292,794
Equipment	3,309,014	9,539	3,318,553
Construction in progress	64,530	-	64,530
Accumulated depreciation	(4,278,608)	(6,838,013)	(11,116,621)
Total assets	<u>\$ 7,397,148</u>	<u>\$ 7,509,836</u>	<u>\$ 14,906,984</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>\$ 1,017,110</u>	<u>\$ 147,157</u>	<u>\$ 1,164,267</u>
LIABILITIES			
Accounts payable	\$ 128,172	\$ 143,689	\$ 271,861
Accrued payroll and employee benefits	80,833	12,708	93,541
Customer deposits	2,655	234,911	237,566
Unearned revenue	8,993	11,163	20,156
Noncurrent liabilities:			
Due within one year:			
Compensated absences	123,618	52,388	176,006
Due in more than one year:			
Compensated absences	31,056	35,407	66,463
Net pension liability	3,144,985	455,023	3,600,008
Total liabilities	<u>\$ 3,520,312</u>	<u>\$ 945,289</u>	<u>\$ 4,465,601</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 323,468	\$ 46,800	\$ 370,268
Deferred inflows related to leases	-	11,753	11,753
Total deferred inflows of resources	<u>\$ 323,468</u>	<u>\$ 58,553</u>	<u>\$ 382,021</u>
NET POSITION			
Net investment in capital assets	\$ 3,280,607	\$ 3,992,497	\$ 7,273,104
Restricted for:			
Capital improvements	-	96,243	96,243
Law enforcement	13,991	-	13,991
Unrestricted	1,275,880	2,564,411	3,840,291
Total net position	<u>\$ 4,570,478</u>	<u>\$ 6,653,151</u>	<u>\$ 11,223,629</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, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental activities:							
General government	\$ 668,356	\$ 69,870	\$ 200,805	\$ 64,530	\$ (333,151)	\$ -	\$ (333,151)
Public safety	2,688,516	692,564	27,897	26,971	(1,941,084)	-	(1,941,084)
Physical environment	2,679	-	-	-	(2,679)	-	(2,679)
Transportation	284,979	-	133,946	3,652	(147,381)	-	(147,381)
Culture and recreation	279,239	-	-	142	(279,097)	-	(279,097)
Total governmental activities	3,923,769	762,434	362,648	95,295	(2,703,392)	-	(2,703,392)
Business-type activities:							
Water and sewer	2,371,850	2,204,827	-	-	-	(167,023)	(167,023)
Industrial park	13,687	24,134	-	-	-	10,447	10,447
Total business-type activities	2,385,537	2,228,961	-	-	-	(156,576)	(156,576)
Total primary government	\$ 6,309,306	\$ 2,991,395	\$ 362,648	\$ 95,295	(2,703,392)	(156,576)	(2,859,968)
General revenues:							
Property taxes					1,460,760	-	1,460,760
Sales and use taxes					316,042	-	316,042
Franchise and utility taxes					383,035	-	383,035
Public service taxes					497,774	-	497,774
Other taxes					98,449	-	98,449
State revenue sharing					271,733	-	271,733
Investment earnings (loss)					84,550	61,576	146,126
Miscellaneous revenues					14,201	-	14,201
Transfers					(91,503)	91,503	-
Total general revenues and transfers					3,035,041	153,079	3,188,120
Change in net position					331,649	(3,497)	328,152
Net position - beginning					4,238,829	6,656,648	10,895,477
Net position - ending					\$ 4,570,478	\$ 6,653,151	\$ 11,223,629

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

**CITY OF CHIEFLAND, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	<u>General</u>	<u>Fire</u>	<u>Nonmajor Fund Law Enforcement Trust</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 3,091,924	\$ 501,438	\$ 13,991	\$ 3,607,353
Investments	88,587	-	-	88,587
Receivables, net	68,221	-	-	68,221
Due from other governments	247,455	99,262	-	346,717
Due from other funds	10,013	7,960	-	17,973
Total assets	<u>\$ 3,506,200</u>	<u>\$ 608,660</u>	<u>\$ 13,991</u>	<u>\$ 4,128,851</u>
LIABILITIES				
Accounts payable	\$ 121,287	\$ 6,885	\$ -	\$ 128,172
Accrued payroll and employee benefits	54,911	25,922	-	80,833
Customer deposits	2,655	-	-	2,655
Unearned revenue	8,993	-	-	8,993
Due to other funds	4,350	7,960	-	12,310
Total liabilities	<u>192,196</u>	<u>40,767</u>	<u>-</u>	<u>232,963</u>
FUND BALANCES				
Restricted for:				
Law enforcement	-	-	13,991	13,991
Committed for:				
Road paving	702,644	-	-	702,644
Assigned to:				
Fire protection	-	567,893	-	567,893
American Rescue Plan Act	130,703	-	-	130,703
Subsequent year's budget	300,000	-	-	300,000
Unassigned	2,180,657	-	-	2,180,657
Total fund balances	<u>3,314,004</u>	<u>567,893</u>	<u>13,991</u>	<u>3,895,888</u>
Total liabilities and fund balances	<u>\$ 3,506,200</u>	<u>\$ 608,660</u>	<u>\$ 13,991</u>	<u>\$ 4,128,851</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, 2024**

Fund balances - total governmental funds		\$ 3,895,888
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	7,559,215	
Less: accumulated depreciation	<u>(4,278,608)</u>	3,280,607
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	(3,144,985)	
Deferred outflows related to pensions	1,017,110	
Deferred inflows related to pensions	<u>(323,468)</u>	(2,451,343)
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>(154,674)</u>	(154,674)
Net position of governmental activities		<u><u>\$ 4,570,478</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, 2024

	General Fund	Fire Fund	Nonmajor Fund Law Enforcement Trust	Total Governmental Funds
Revenues				
Taxes	\$ 2,434,673	\$ -	\$ -	\$ 2,434,673
Licenses, permits, and assessments	444,155	218,507	-	662,662
Intergovernmental	595,870	457,172	-	1,053,042
Charges for services	23,147	-	-	23,147
Fines and forfeitures	13,973	-	837	14,810
Investment income	74,265	9,700	585	84,550
Miscellaneous	38,728	10,309	-	49,037
Total revenues	3,624,811	695,688	1,422	4,321,921
Expenditures				
Current:				
General government	640,083	-	-	640,083
Public safety	1,699,768	761,495	-	2,461,263
Physical environment	950	-	-	950
Transportation	231,731	-	-	231,731
Culture and recreation	243,900	-	-	243,900
Capital outlay	382,918	89,512	17,983	490,413
Total expenditures	3,199,350	851,007	17,983	4,068,340
Excess (deficiency) of revenues over expenditures	425,461	(155,319)	(16,561)	253,581
Other financing sources (uses)				
Transfers in	-	252,067	-	252,067
Transfers out	(343,570)	-	-	(343,570)
Total other financing sources (uses)	(343,570)	252,067	-	(91,503)
Net change in fund balances	81,891	96,748	(16,561)	162,078
Fund balances, beginning of year	3,232,113	471,145	30,552	3,733,810
Fund balances, end of year	\$ 3,314,004	\$ 567,893	\$ 13,991	\$ 3,895,888

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, 2024**

Net change in fund balances - total governmental funds	\$	162,078
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		490,413
Depreciation expense		(302,026)
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		1,635
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		(20,451)
Change in net position of governmental activities	<u>\$</u>	<u>331,649</u>

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, 2024**

	Business-type Activities - Enterprise Funds		
	Utility Service Fund	Nonmajor Fund Industrial Park Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,618,386	\$ 324,040	\$ 2,942,426
Investments	205,126	-	205,126
Accounts receivable, net	252,740	4,752	257,492
Lease receivable - current	-	12,256	12,256
Inventory	9,459	-	9,459
Due from other funds	4,350	-	4,350
Total current assets	<u>3,090,061</u>	<u>341,048</u>	<u>3,431,109</u>
Noncurrent assets:			
Restricted cash	96,243	-	96,243
Capital assets:			
Land	166,676	36,382	203,058
Buildings and improvements	-	290,145	290,145
Industrial park	-	9,539	9,539
Water system	3,722,366	-	3,722,366
Sewer treatment plant and system	6,603,715	-	6,603,715
Garbage services	1,687	-	1,687
Accumulated depreciation	(6,631,997)	(206,016)	(6,838,013)
Total noncurrent assets	<u>3,958,690</u>	<u>130,050</u>	<u>4,088,740</u>
Total assets	<u>\$ 7,048,751</u>	<u>\$ 471,098</u>	<u>\$ 7,519,849</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>\$ 147,157</u>	<u>\$ -</u>	<u>\$ 147,157</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 142,865	\$ 824	\$ 143,689
Accrued payroll	12,708	-	12,708
Deposits	232,471	2,440	234,911
Unearned revenue	11,163	-	11,163
Due to other funds	10,013	-	10,013
Compensated absences	52,388	-	52,388
Total current liabilities	<u>461,608</u>	<u>3,264</u>	<u>464,872</u>
Noncurrent liabilities:			
Compensated absences	35,407	-	35,407
Net pension liability	455,023	-	455,023
Total noncurrent liabilities	<u>490,430</u>	<u>-</u>	<u>490,430</u>
Total liabilities	<u>\$ 952,038</u>	<u>\$ 3,264</u>	<u>\$ 955,302</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	\$ 46,800	\$ -	\$ 46,800
Deferred inflows related to leases	-	11,753	11,753
Total deferred inflows of resources	<u>\$ 46,800</u>	<u>\$ 11,753</u>	<u>\$ 58,553</u>
NET POSITION			
Net investment in capital assets	\$ 3,862,447	\$ 130,050	\$ 3,992,497
Restricted for capital improvements	96,243	-	96,243
Unrestricted	2,238,380	326,031	2,564,411
Total net position	<u>\$ 6,197,070</u>	<u>\$ 456,081</u>	<u>\$ 6,653,151</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, 2024

	Business-type Activities - Enterprise Funds		
	Utility Service Fund	Nonmajor Fund Industrial Park Fund	Total Enterprise Fund
Operating revenues			
Charges for services	\$ 2,204,827	\$ 19,749	\$ 2,224,576
Miscellaneous income	-	4,385	4,385
Total operating revenues	<u>2,204,827</u>	<u>24,134</u>	<u>2,228,961</u>
Operating expenses			
Personnel services	768,211	-	768,211
Operating expenses	1,222,204	9,307	1,231,511
Depreciation	381,435	4,380	385,815
Total operating expenses	<u>2,371,850</u>	<u>13,687</u>	<u>2,385,537</u>
Operating income (loss)	<u>(167,023)</u>	<u>10,447</u>	<u>(156,576)</u>
Nonoperating revenues (expenses)			
Interest earnings	54,711	6,865	61,576
Total nonoperating revenues (expenses)	<u>54,711</u>	<u>6,865</u>	<u>61,576</u>
Income (loss) before capital contributions and transfers	<u>(112,312)</u>	<u>17,312</u>	<u>(95,000)</u>
Transfers in	91,503	-	91,503
Change in net position	<u>(20,809)</u>	<u>17,312</u>	<u>(3,497)</u>
Net position, beginning of year	6,217,879	438,769	6,656,648
Net position, end of year	<u><u>\$ 6,197,070</u></u>	<u><u>\$ 456,081</u></u>	<u><u>\$ 6,653,151</u></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, 2024**

	Business-type Activities - Enterprise Funds		
	Utility Service Fund	Nonmajor Fund Industrial Park Fund	Total Enterprise Fund
Cash flows from operating activities			
Cash received from customers	\$ 2,214,607	\$ 24,275	\$ 2,238,882
Cash paid to employees	(714,658)	-	(714,658)
Cash paid to suppliers	(1,412,662)	(8,644)	(1,421,306)
Net cash provided by (used in) operating activities	<u>87,287</u>	<u>15,631</u>	<u>102,918</u>
Cash flows from noncapital financing activities			
Interfund transfers	91,503	-	91,503
Interfund loans	427,159	1,672	428,831
Net cash provided by (used in) noncapital financing activities	<u>518,662</u>	<u>1,672</u>	<u>520,334</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(126,818)	-	(126,818)
Net cash provided by (used in) capital and related financing activities	<u>(126,818)</u>	<u>-</u>	<u>(126,818)</u>
Cash flows from investing activities			
Interest received	54,711	6,865	61,576
Purchases of investments	-	-	-
Net cash provided by (used in) investing activities	<u>54,711</u>	<u>6,865</u>	<u>61,576</u>
Net change in cash and cash equivalents	<u>533,842</u>	<u>24,168</u>	<u>558,010</u>
Cash and cash equivalents, beginning of year	2,180,787	299,872	2,480,659
Cash and cash equivalents, end of year	<u>\$ 2,714,629</u>	<u>\$ 324,040</u>	<u>\$ 3,038,669</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (167,023)	\$ 10,447	\$ (156,576)
Adjustments to reconcile net operating income to net cash provided by (used in) operating activities:			
Depreciation	381,435	4,380	385,815
Changes in assets and liabilities:			
Accounts receivable	18,122	1	18,123
Lease receivable	-	141	141
Accounts payable and accrued liabilities	(190,458)	663	(189,795)
Deposits	7,452	(1)	7,451
Unearned revenue	(15,794)	-	(15,794)
Compensated absences	11,891	-	11,891
Net pension liability	41,662	-	41,662
Net cash provided by operating activities	<u>\$ 87,287</u>	<u>\$ 15,631</u>	<u>\$ 102,918</u>
Cash and cash equivalents classified as:			
Unrestricted	\$ 2,618,386	\$ 324,040	\$ 2,942,426
Restricted	96,243	-	96,243
Total cash and cash equivalents	<u>\$ 2,714,629</u>	<u>\$ 324,040</u>	<u>\$ 3,038,669</u>

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

CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(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, 2024

(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 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, 2024

(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 \$3,757 allowance.

(h) **Leases receivable**—When engaged in long-term leasing activity as the lessor, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

(j) **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

CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

(k) **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.

(l) **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, 2023
Due Date:	March 31, 2024
Lien Date:	January 1, 2024

(m) **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 assets 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 (8).

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 assets 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 only items in this category are deferred inflows of resources related to leases, as discussed further in Note (4) and deferred inflows of resources related to pensions, as discussed further in Note (8).

(n) **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.

CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

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.

(o) **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.

(p) **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.

CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(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, 2024, 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.

(4) Lease Receivable:

Leases Receivable

The City has one ongoing lease agreement with a third party related to rentals of building space owned by the City. The lease includes a 5-year term effective October 1, 2020, through September 20, 2025, with no additional renewal terms.

For the year ending September 30, 2024, is as follows:

	Industrial Park Fund/ Business-Type Activities
Lease Revenue	\$ 59
Lease Receivable	12,256
Deferred Inflows	11,753

(5) 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, 2024, interfund balances were as follows:

Receivable Funds	Amount	Payable Funds
General Fund	\$ 10,013	Utility Service Fund
Fire Fund	7,960	General Fund
Utility Service Fund	4,350	General Fund
Total	\$ 22,323	

For the year ended September 30, 2024, the General Fund transferred \$252,067 to the Fire Fund for an operating subsidy and \$91,503 to the Utility Service Fund for the City’s American Recovery Plan Act activities.

CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(6) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 750,884	\$ -	\$ -	\$ 750,884
Construction in progress	-	64,530	-	64,530
Total assets not being depreciated	<u>750,884</u>	<u>64,530</u>	<u>-</u>	<u>815,414</u>
Capital assets being depreciated:				
Land improvements	844,298	7,184	-	851,482
Infrastructure	1,113,544	-	-	1,113,544
Buildings and improvements	1,433,196	36,565	-	1,469,761
Furniture and equipment	2,926,880	382,134	-	3,309,014
Total assets being depreciated	<u>6,317,918</u>	<u>425,883</u>	<u>-</u>	<u>6,743,801</u>
Less accumulated depreciation for:				
Land improvements	(818,538)	(10,810)	-	(829,348)
Infrastructure	(334,140)	(37,118)	-	(371,258)
Buildings and improvements	(1,033,333)	(38,145)	-	(1,071,478)
Furniture and equipment	(1,790,571)	(215,953)	-	(2,006,524)
Total accumulated depreciation	<u>(3,976,582)</u>	<u>(302,026)</u>	<u>-</u>	<u>(4,278,608)</u>
Total capital assets being depreciated, net	<u>2,341,336</u>	<u>123,857</u>	<u>-</u>	<u>2,465,193</u>
Governmental activities capital assets, net	<u>\$ 3,092,220</u>	<u>\$ 188,387</u>	<u>\$ -</u>	<u>\$ 3,280,607</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
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	3,614,146	108,220	-	3,722,366
Sewer treatment plant and system	6,585,117	18,598	-	6,603,715
Garbage services	1,687	-	-	1,687
Total assets being depreciated	<u>10,500,634</u>	<u>126,818</u>	<u>-</u>	<u>10,627,452</u>
Less accumulated depreciation for:				
Building & Improvements	(192,097)	(4,380)	-	(196,477)
Industrial park	(9,539)	-	-	(9,539)
Water system	(2,214,011)	(125,516)	-	(2,339,527)
Sewer treatment plant and system	(4,034,864)	(255,919)	-	(4,290,783)
Garbage services	(1,687)	-	-	(1,687)
Total accumulated depreciation	<u>(6,452,198)</u>	<u>(385,815)</u>	<u>-</u>	<u>(6,838,013)</u>
Total capital assets being depreciated, net	<u>4,048,436</u>	<u>(258,997)</u>	<u>-</u>	<u>3,789,439</u>
Business-type activities capital assets, net	<u>\$ 4,251,494</u>	<u>\$ (258,997)</u>	<u>\$ -</u>	<u>\$ 3,992,497</u>

**CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(6) Capital Assets: (Continued)

Depreciation expense was charged to functions as follows:

Governmental activities:			
General government	\$	16,452	
Public safety		195,202	
Physical environment		1,729	
Transportation		53,272	
Culture and recreation		35,371	
Total depreciation expense – governmental activities	\$	302,026	
Business-type activities:			
Utility service	\$	381,435	
Industrial park		4,380	
Total depreciation expense – business-type activities	\$	385,815	

(7) Long-Term Obligations:

Following is a summary of changes in long-term obligations for the fiscal year ended September 30, 2024:

Governmental activities	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Compensated absences	\$ 134,223	\$ 156,815	\$ (139,909)	\$ 154,674	\$ 123,618
Business-type activities	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Compensated absences	\$ 75,904	\$ 55,675	\$ (43,784)	\$ 87,795	\$ 52,388

(8) Pension Plan:

A. Florida Retirement System and Health Insurance Subsidy

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 eligible 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).

CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(8) **Pension Plan:** (Continued)

In addition, all regular employees of the City 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 \$7.50. The minimum payment is \$45 and the maximum payment is \$225 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.

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 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 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.

CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(8) **Pension Plan:** (Continued)

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). 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

Contributions

The City participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect during the year ended September 30, 2024, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2024	After June 30, 2024
Regular Class	13.57%	13.63%
Senior Management	34.52%	34.52%
Special Risk	32.67%	32.79%
City Elected Officers	58.68%	58.68%

Current-year employer HIS contributions were made at a rate of 2.00% of covered payroll, which are included in the above rates.

For the plan year ended June 30, 2024, actual contributions made for employees participating in FRS and HIS were as follows:

Contributions – FRS	\$ 416,256
Contributions – HIS	42,686
Employee Contributions – FRS	64,029

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

At September 30, 2024, the City reported a liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	\$ 2,843,683
HIS	756,325
Total	\$ 3,600,008

CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(8) **Pension Plan:** (Continued)

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City'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, 2024 and June 30, 2023, the City's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2024	2023
FRS	0.007350923%	0.006874187%
HIS	0.005041841%	0.004866646%

For the year ended June 30, 2024, pension expense was recognized related to the FRS and HIS plans as follows:

Plan	Pension Expense
FRS	\$ 464,833
HIS	47,822
Total	\$ 512,655

Deferred outflows/inflows related to pensions:

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 287,288	\$ -	\$ 7,303	\$ (1,452)
Changes of assumptions	389,753	-	13,385	(89,539)
Net difference between projected and actual investment earnings	-	(189,006)	-	(274)
Change in City's proportionate share	281,571	(86,635)	68,588	(3,362)
Contributions subsequent to measurement date	105,474	-	10,905	-
	\$ 1,064,086	\$ (275,641)	\$ 100,181	\$ (94,627)

The above amounts for deferred outflows of resources for contributions related to pensions resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. 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:

	FRS	HIS	Total
2025	\$ (12,096)	\$ 5,112	\$ (6,984)
2026	524,651	974	525,625
2027	100,383	(5,004)	95,379
2028	35,659	(3,402)	32,257
2029	34,374	(2,228)	32,146
Thereafter	-	(803)	(803)
Total	\$ 682,971	\$ (5,351)	\$ 677,620

CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(8) **Pension Plan:** (Continued)

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 2024 for the period July 1, 2018, through June 30, 2023. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

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 3.50%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate is consistent with the prior year rate of 6.70%. 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 3.93% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.65%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021.

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 2024, 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%	3.3%
Fixed income	29.0%	5.7%
Global equities	45.0%	8.6%
Real estate	12.0%	8.1%
Private equity	11.0%	12.4%
Strategic investments	2.0%	6.6%
Total	<u>100.0%</u>	

CITY OF CHIEFLAND, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(8) **Pension Plan:** (Continued)

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	6.70%	\$ 5,001,938	\$ 2,843,683	\$ 1,035,686
HIS	3.93%	860,979	756,325	669,446

(9) **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.

(10) **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.

(11) **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, 2024

(12) **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. 101, *Compensated Absences*, in June 2022. provides guidance to meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions in GASB 101 are effective for periods beginning after December 15, 2023.
- (b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in June 2022. GASB 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.
- (c) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- (d) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

CITY OF CHIEFLAND, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,273,571	\$ 2,273,571	\$ 2,434,673	\$ 161,102
Licenses and permits	409,569	409,569	444,155	34,586
Intergovernmental	341,986	676,128	595,870	(80,258)
Charges for services	10,694	10,694	23,147	12,453
Fines and forfeitures	6,000	6,000	13,973	7,973
Interest revenues	1,000	1,000	74,265	73,265
Miscellaneous	216,019	352,240	38,728	(313,512)
Total revenues	<u>3,258,839</u>	<u>3,729,202</u>	<u>3,624,811</u>	<u>(104,391)</u>
Expenditures				
Current:				
General government	638,708	638,708	640,083	(1,375)
Public safety	1,773,199	1,822,344	1,699,768	122,576
Community development	2,000	2,000	950	1,050
Public works	536,746	536,746	231,731	305,015
Parks and recreation	252,146	252,146	243,900	8,246
Capital outlay	128,841	413,838	382,918	30,920
Total expenditures	<u>3,331,640</u>	<u>3,665,782</u>	<u>3,199,350</u>	<u>466,432</u>
Excess (deficiency) of revenues over expenditures	<u>(72,801)</u>	<u>63,420</u>	<u>425,461</u>	<u>362,041</u>
Other financing sources (uses)				
Transfers out	(227,199)	(363,420)	(343,570)	19,850
Total other financing sources (uses)	<u>(227,199)</u>	<u>(363,420)</u>	<u>(343,570)</u>	<u>19,850</u>
Net change in fund balances	<u>(300,000)</u>	<u>(300,000)</u>	<u>81,891</u>	<u>381,891</u>
Fund balances, beginning of year	3,232,113	3,232,113	3,232,113	-
Fund balances, end of year	<u>\$ 2,932,113</u>	<u>\$ 2,932,113</u>	<u>\$ 3,314,004</u>	<u>\$ 381,891</u>

The accompanying notes to the schedule of revenues, expenditures, 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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses, permits, and assessments	\$ 227,882	\$ 227,882	\$ 218,507	\$ (9,375)
Intergovernmental	404,113	458,013	457,172	(841)
Interest revenues	100	100	9,700	9,600
Miscellaneous	-	-	10,309	10,309
Total revenues	<u>632,095</u>	<u>685,995</u>	<u>695,688</u>	<u>9,693</u>
Expenditures				
Current:				
Public safety	884,359	913,966	761,495	152,471
Capital outlay	1,800	70,811	89,512	(18,701)
Total expenditures	<u>886,159</u>	<u>984,777</u>	<u>851,007</u>	<u>133,770</u>
Excess (deficiency) of revenues over expenditures	<u>(254,064)</u>	<u>(298,782)</u>	<u>(155,319)</u>	<u>143,463</u>
Other financing sources (uses)				
Transfers in	227,199	271,917	252,067	(19,850)
Total other financing sources (uses)	<u>227,199</u>	<u>271,917</u>	<u>252,067</u>	<u>(19,850)</u>
Net change in fund balances	<u>(26,865)</u>	<u>(26,865)</u>	<u>96,748</u>	<u>123,613</u>
Fund balances, beginning of year	471,145	471,145	471,145	-
Fund balances, end of year	<u>\$ 444,280</u>	<u>\$ 444,280</u>	<u>\$ 567,893</u>	<u>\$ 123,613</u>

The accompanying notes to the schedules of revenues, expenditures, 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, 2024**

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)

	As of the Plan Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)										
Proportion of the net pension liability	0.007350923%	0.006874187%	0.006538529%	0.005756263%	0.006554592%	0.006868922%	0.006752876%	0.006592978%	0.006849702%	0.006155151%
Proportionate share of the net pension liability	\$ 2,843,683	\$ 2,739,146	\$ 2,432,858	\$ 434,820	\$ 2,840,857	\$ 2,365,561	\$ 2,034,001	\$ 1,950,828	\$ 1,729,555	\$ 795,020
Covered payroll	2,134,286	1,928,534	1,707,375	1,505,613	1,443,253	1,372,502	1,372,502	1,354,631	1,306,117	1,271,471
Proportionate share of the net pension liability as a percentage of covered payroll	133.24%	142.03%	142.49%	28.88%	196.84%	172.35%	148.20%	144.01%	132.42%	62.53%
Plan fiduciary net position as a percentage of the total	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program (HIS)										
Proportion of the net pension liability	0.005041841%	0.004866646%	0.004684047%	0.004251981%	0.004211464%	0.004314500%	0.004201260%	0.004146347%	0.004203430%	0.004002653%
Proportionate share of the net pension liability	\$ 756,325	\$ 772,888	\$ 496,115	\$ 521,569	\$ 514,213	\$ 482,749	\$ 444,666	\$ 443,347	\$ 489,892	\$ 408,208
Covered payroll	2,134,286	1,928,534	1,707,375	1,505,613	1,443,253	1,372,502	1,372,502	1,966,451	1,306,117	1,271,471
Proportionate share of the net pension liability as a percentage of covered payroll	35.44%	40.08%	29.06%	34.64%	35.63%	35.17%	32.40%	22.55%	37.51%	32.11%
Plan fiduciary net position as a percentage of the total	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

	For the Fiscal Year Ended September 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)										
Contractually required contribution	\$ 428,611	\$ 356,378	\$ 286,924	\$ 221,878	\$ 217,780	\$ 212,986	\$ 192,452	\$ 187,260	\$ 171,821	\$ 164,153
Contributions in relation to the contractually required	428,611	356,378	286,924	221,878	217,780	212,986	192,452	187,260	171,821	164,153
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,200,892	\$ 2,014,988	\$ 1,740,208	\$ 1,477,768	\$ 1,461,970	\$ 1,443,253	\$ 1,372,502	\$ 1,354,631	\$ 1,306,117	\$ 1,271,471
Contributions as a percentage of covered payroll	19.47%	17.69%	16.49%	15.01%	14.90%	14.76%	14.02%	13.82%	13.16%	12.91%
Health Insurance Subsidy Program (HIS)										
Contractually required contribution	\$ 44,018	\$ 35,076	\$ 28,887	\$ 24,531	\$ 24,269	\$ 23,958	\$ 22,784	\$ 22,487	\$ 21,682	\$ 17,331
Contributions in relation to the contractually required	44,018	35,076	28,887	24,531	24,269	23,958	22,784	22,487	21,682	17,331
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,200,892	\$ 2,014,988	\$ 1,740,208	\$ 1,477,768	\$ 1,461,970	\$ 1,443,253	\$ 1,372,502	\$ 1,354,631	\$ 1,306,117	\$ 1,271,471
Contributions as a percentage of covered payroll	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%

**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 Commissioners,
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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2025.

As discussed in Note (9) 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 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.

Report on 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 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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

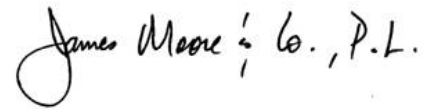
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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
June 27, 2025

**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 Commissioners,
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, 2024, and have issued our report thereon dated June 27, 2025.

As discussed in Note (9) 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 Accountants' Examination 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 June 27, 2025, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report, if any.

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 did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the City's geographical boundaries during the fiscal year under audit.

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 did not note any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

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.

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
June 27, 2025



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor and City Commissioners,
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, 2024. The City's management is responsible for the City's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating the City's compliance against Section 218.415, Florida Statutes, *Local Government Investment Policies*, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating the City's compliance against Section 218.415, Florida Statutes, *Local Government Investment Policies*, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the City's compliance for the year ended September 30, 2024. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that the City's compliance was not in accordance with the aforementioned requirements, in all material respects, 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.

We are required to be independent of City of Chiefland, Florida, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the City of Chiefland, Florida, complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.



Gainesville, Florida
June 27, 2025