CITY OF CHIEFLAND, FLORIDA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Principal Officials as of September 30, 2025:

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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JAMESMOORE

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, 2025, 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, 2025, 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, 2025, 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 (8) to the financial statements, the City has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in the governmental activities, business-type activities, and Utility Service Fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, the business-type activities, and the Utility Service Fund have 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Section 215.97, Florida Statutes, *Florida Single Audit Act*, and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2026, 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
September 15, 2026

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, 2025. Please read it in conjunction with the City's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2025:

- Total ending unrestricted net position was $4,912,453.

- The City had total expenses for the year of $6,572,740 compared to revenues of $8,155,330.

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 expenses 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.

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 below.

Condensed Statements of Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Assets:						
Non-capital assets	4,116,541	4,166,871	$ 3,517,339	$ 4,288,631	$ 7,633,880	$ 8,455,502
Capital assets	3,280,607	4,254,774	3,992,497	4,621,855	7,273,104	8,876,629
Total assets	7,397,148	8,421,645	7,509,836	8,910,486	14,906,984	17,332,131
Deferred outflows of resources	1,017,110	969,932	147,157	123,338	1,164,267	1,093,270
Liabilities:						
Current liabilities	344,271	374,654	454,859	1,086,343	799,130	1,460,997
Long-term liabilities	3,176,041	2,801,676	490,430	753,472	3,666,471	3,555,148
Total liabilities	3,520,312	3,176,330	945,289	1,839,815	4,465,601	5,016,145
Deferred inflows of resources	323,468	535,005	58,553	68,032	382,021	603,037
Net position:						
Net investment in capital assets	3,280,607	4,212,429	3,992,497	3,557,379	7,273,104	7,769,808
Restricted	13,991	13,537	96,243	110,421	110,234	123,958
Unrestricted	1,275,880	1,454,276	2,564,411	3,458,177	3,840,291	4,912,453
Total net position	$ 4,570,478	$ 5,680,242	$ 6,653,151	$ 7,125,977	$ 11,223,629	$ 12,806,219

Condensed Statements of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Program revenues:						
Charges for services	$ 762,434	$ 801,152	$ 2,224,576	$ 2,354,967	$ 2,987,010	$ 3,156,119
Operating grants & contributions	362,648	257,175	-	-	362,648	257,175
Capital grants & contributions	95,295	946,250	-	396,925	95,295	1,343,175
General revenues:						
Property taxes	1,460,760	1,584,462	-	-	1,460,760	1,584,462
Other taxes and shared revenues	1,567,033	1,679,561	-	-	1,567,033	1,679,561
Miscellaneous	14,201	31,280	4,385	14,605	18,586	45,885
Investment earnings	84,550	44,133	61,576	44,820	146,126	88,953
Total revenues	4,346,921	5,344,013	2,290,537	2,811,317	6,637,458	8,155,330
Program expenses:						
General government	668,356	679,910	-	-	668,356	679,910
Public safety	2,688,516	2,978,292	-	-	2,688,516	2,978,292
Physical environment	2,679	3,972	-	-	2,679	3,972
Transportation	284,979	303,645	-	-	284,979	303,645
Culture and recreation	279,239	268,430	-	-	279,239	268,430
Utility Services	-	-	2,371,850	2,321,742	2,371,850	2,321,742
Industrial park	-	-	13,687	16,749	13,687	16,749
Total expenses	3,923,769	4,234,249	2,385,537	2,338,491	6,309,306	6,572,740
Transfers	(91,503)	-	91,503	-	-	-
Change in net position	331,649	1,109,764	(3,497)	472,826	328,152	1,582,590
Beginning net position	4,238,829	4,570,478	6,656,648	6,653,151	10,895,477	11,223,629
Ending net position	$ 4,570,478	$ 5,680,242	$ 6,653,151	$ 7,125,977	$ 11,223,629	$ 12,806,219

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

Governmental activities increased net position by $1,109,764. Revenues increased $997,092, primarily due to increased capital grants and higher property and other tax revenues. Expenses increased $310,480, primarily in public safety and general government. The increase in liabilities also reflects implementation of GASB Statement No. 101, which increased the reported compensated absence liability and corresponding expenses.

Business-Type Activities

Business type activities increased net position by $472,826. Revenues increased $520,780, primarily due to $396,925 of capital grant revenue and increased charges for services. Capital assets also increased significantly as the Utility Service Fund incurred $784,150 of construction in progress. The City also incurred $378,925 of State Revolving Fund debt during the year.

THE CITY'S INDIVIDUAL FUNDS

General Fund

The General Fund reported an increase in fund balance of $101,894, ending the year at $3,415,898. Significant portions of fund balance are committed for road paving and assigned for future budgetary purposes.

Fire Fund

The Fire Fund reported a decrease in fund balance of $36,383, ending the year at $531,510, as expenditures exceeded current revenues before the General Fund operating transfer.

Utility Service Fund

The Utility Service Fund has reported an increase in net position of $453,269, ending the year at $6,650,339. The increase reflects capital grant activity and significant construction activity, partially offset by operating costs and an increase in the compensated absences liability.

BUDGETARY HIGHLIGHTS

During fiscal year 2025, the General Fund budget was amended to increase revenues and expenditures by approximately $858,000, primarily for additional intergovernmental funding and related road improvement capital outlay. Final General Fund revenues exceeded budgeted revenue amounts by $239,517, while expenditures were $162,377 below budget, primarily due to the timing of planned capital projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City acquired various equipment and vehicles during the year, and was engaged in road paving and resurfacing projects totaling $1,128,328. Governmental activities included furniture and equipment additions of $110,043. The Utility Service Fund also had additions to construction in progress of $784,150. For further information, please refer to Note 5 to the accompanying financial statements entitled, *Capital Assets.*

Debt Administration

The City incurred $378,925 of new debt during the year through a State Revolving Fund loan. Please refer to Note 6 to the accompanying financial statements entitled *Long-term Obligations* for additional information.

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, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 3,700,348	$ 3,133,561	$ 6,833,909
Restricted cash	-	110,421	110,421
Investments	88,789	206,380	295,169
Receivables, net	77,162	836,558	913,720
Internal balances	15,211	(15,211)	-
Due from other governments	285,361	-	285,361
Inventories	-	11,751	11,751
Prepaids	-	5,171	5,171
Capital assets::			
Land	750,884	203,058	953,942
Buildings and improvements	1,469,761	290,145	1,759,906
Infrastructure (other than buildings)	3,157,884	10,463,468	13,621,352
Equipment	3,419,057	10,624	3,429,681
Construction in progress	51,100	784,150	835,250
Accumulated depreciation	(4,593,912)	(7,129,590)	(11,723,502)
Total assets	$ 8,421,645	$ 8,910,486	$ 17,332,131
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	$ 969,932	$ 123,338	$ 1,093,270
LIABILITIES			
Accounts payable	$ 82,170	$ 707,624	$ 789,794
Accrued payroll and employee benefits	112,537	18,662	131,199
Customer deposits	2,305	249,017	251,322
Unearned revenue	8,914	8,643	17,557
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	-	26,928	26,928
Compensated absences	168,728	75,469	244,197
Due in more than one year:			
Bonds and notes payable	-	351,997	351,997
Compensated absences	50,116	51,584	101,700
Net pension liability	2,751,560	349,891	3,101,451
Total liabilities	$ 3,176,330	$ 1,839,815	$ 5,016,145
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	$ 535,005	$ 68,032	$ 603,037
NET POSITION			
Net investment in capital assets	$ 4,212,429	$ 3,557,379	$ 7,769,808
Restricted for:			
Capital improvements	-	110,421	110,421
Law enforcement	13,537	-	13,537
Unrestricted	1,454,276	3,458,177	4,912,453
Total net position	$ 5,680,242	$ 7,125,977	$ 12,806,219

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, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental activities:							
General government	$ 679,910	$ 71,301	$ 103,452	$ -	$ (505,157)	$ -	$ (505,157)
Public safety	2,978,292	729,851	50,307	65,409	(2,132,725)	-	(2,132,725)
Physical environment	3,972	-	-	-	(3,972)	-	(3,972)
Transportation	303,645	-	103,416	880,416	680,187	-	680,187
Culture and recreation	268,430	-	-	425	(268,005)	-	(268,005)
Total governmental activities	4,234,249	801,152	257,175	946,250	(2,229,672)	-	(2,229,672)
Business-type activities:							
Water and sewer	2,321,742	2,337,926	-	396,925	-	413,109	413,109
Industrial park	16,749	31,646	-	-	-	14,897	14,897
Total business-type activities	2,338,491	2,369,572	-	396,925	-	428,006	428,006
Total primary government	$ 6,572,740	$ 3,170,724	$ 257,175	$ 1,343,175	(2,229,672)	428,006	(1,801,666)
General revenues:							
Property taxes					1,584,462	-	1,584,462
Sales and use taxes					325,941	-	325,941
Franchise and utility taxes					435,609	-	435,609
Public service taxes					552,526	-	552,526
Other taxes					102,948	-	102,948
State revenue sharing					262,537	-	262,537
Investment earnings (loss)					44,133	44,820	88,953
Miscellaneous revenues					31,280	-	31,280
Total general revenues and transfers					3,339,436	44,820	3,384,256
Change in net position					1,109,764	472,826	1,582,590
Net position - beginning					4,570,478	6,653,151	11,223,629
Net position - ending					$ 5,680,242	$ 7,125,977	$ 12,806,219

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

CITY OF CHIEFLAND, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	Fire	Nonmajor Fund Law Enforcement Trust	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,218,418	$ 468,393	$ 13,537	$ 3,700,348
Investments	88,789	-	-	88,789
Receivables, net	77,162	-	-	77,162
Due from other governments	186,099	99,262	-	285,361
Due from other funds	19,680	7,960	-	27,640
Total assets	$ 3,590,148	$ 575,615	$ 13,537	$ 4,179,300
LIABILITIES				
Accounts payable	$ 78,151	$ 4,019	$ -	$ 82,170
Accrued payroll and employee benefits	80,407	32,130	-	112,537
Customer deposits	2,305	-	-	2,305
Unearned revenue	8,914	-	-	8,914
Due to other funds	4,473	7,956	-	12,429
Total liabilities	174,250	44,105	-	218,355
FUND BALANCES				
Restricted for:				
Law enforcement	-	-	13,537	13,537
Committed for:				
Road paving	547,764	-	-	547,764
Assigned to:				
Fire protection	-	531,510	-	531,510
American Rescue Plan Act	101,156	-	-	101,156
Subsequent year's budget	300,000	-	-	300,000
Unassigned	2,466,978	-	-	2,466,978
Total fund balances	3,415,898	531,510	13,537	3,960,945
Total liabilities and fund balances	$ 3,590,148	$ 575,615	$ 13,537	$ 4,179,300

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, 2025

Fund balances - total governmental funds		$ 3,960,945
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	8,848,686	
Less: accumulated depreciation	(4,593,912)	4,254,774
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	(2,751,560)	
Deferred outflows related to pensions	969,932	
Deferred inflows related to pensions	(535,005)	(2,316,633)
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	(218,844)	(218,844)
Net position of governmental activities		$ 5,680,242

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, 2025

	General Fund	Fire Fund	Nonmajor Fund Law Enforcement Trust	Total Governmental Funds
Revenues				
Taxes	$ 2,628,308	$ -	$ -	$ 2,628,308
Licenses, permits, and assessments	511,807	225,073	-	736,880
Intergovernmental	1,379,479	424,050	-	1,803,529
Charges for services	23,937	-	-	23,937
Fines and forfeitures	14,245	-	6,182	20,427
Investment income	37,135	6,834	164	44,133
Miscellaneous	61,798	1	-	61,799
Total revenues	4,656,709	655,958	6,346	5,319,013
Expenditures				
Current:				
General government	633,538	-	-	633,538
Public safety	1,944,844	893,373	2,551	2,840,768
Physical environment	2,244	-	-	2,244
Transportation	246,824	-	-	246,824
Culture and recreation	241,111	-	-	241,111
Capital outlay	1,259,055	26,167	4,249	1,289,471
Total expenditures	4,327,616	919,540	6,800	5,253,956
Excess (deficiency) of revenues over expenditures	329,093	(263,582)	(454)	65,057
Other financing sources (uses)				
Transfers in	-	227,199	-	227,199
Transfers out	(227,199)	-	-	(227,199)
Total other financing sources (uses)	(227,199)	227,199	-	-
Net change in fund balances	101,894	(36,383)	(454)	65,057
Fund balances, beginning of year	3,314,004	567,893	13,991	3,895,888
Fund balances, end of year	$ 3,415,898	$ 531,510	$ 13,537	$ 3,960,945

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, 2025

Net change in fund balances - total governmental funds	$ 65,057
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	1,289,471
Depreciation expense	(315,304)
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	134,710
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	(64,170)
Change in net position of governmental activities	$ 1,109,764

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, 2025

	Business-type Activities - Enterprise Funds		
		Nonmajor Fund	
	Utility Service Fund	Industrial Park Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,783,247	$ 350,314	$ 3,133,561
Investments	206,380	-	206,380
Accounts receivable, net	836,558	-	836,558
Inventory	11,751	-	11,751
Prepaid items	5,171	-	5,171
Due from other funds	5,015	-	5,015
Total current assets	3,848,122	350,314	4,198,436
Noncurrent assets:			
Restricted cash	110,421	-	110,421
Capital assets:			
Land	166,676	36,382	203,058
Buildings and improvements	-	290,145	290,145
Industrial park	-	10,624	10,624
Water system	3,761,863	-	3,761,863
Sewer treatment plant and system	6,699,918	-	6,699,918
Garbage services	1,687	-	1,687
Construction in progress	784,150	-	784,150
Accumulated depreciation	(6,919,257)	(210,333)	(7,129,590)
Total noncurrent assets	4,605,458	126,818	4,732,276
Total assets	$ 8,453,580	$ 477,132	$ 8,930,712
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	$ 123,338	$ -	$ 123,338
LIABILITIES			
Current liabilities:			
Accounts payable	$ 707,447	$ 177	$ 707,624
Accrued payroll	18,662	-	18,662
Deposits	247,700	1,317	249,017
Unearned revenue	8,643	-	8,643
Due to other funds	20,226	-	20,226
Compensated absences	75,469	-	75,469
Current maturities on long-term debt	26,928	-	26,928
Total current liabilities	1,105,075	1,494	1,106,569
Noncurrent liabilities:			
Notes payable	351,997	-	351,997
Compensated absences	51,584	-	51,584
Net pension liability	349,891	-	349,891
Total noncurrent liabilities	753,472	-	753,472
Total liabilities	$ 1,858,547	$ 1,494	$ 1,860,041
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	$ 68,032	$ -	$ 68,032
NET POSITION			
Net investment in capital assets	$ 3,430,561	$ 126,818	$ 3,557,379
Restricted for capital improvements	110,421	-	110,421
Unrestricted	3,109,357	348,820	3,458,177
Total net position	$ 6,650,339	$ 475,638	$ 7,125,977

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

CITY OF CHIEFLAND, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds		
		Nonmajor Fund	
	Utility Service Fund	Industrial Park Fund	Total Enterprise Fund
Operating revenues			
Charges for services	$ 2,332,076	$ 22,891	$ 2,354,967
Miscellaneous income	5,850	8,755	14,605
Total operating revenues	2,337,926	31,646	2,369,572
Operating expenses			
Personnel services	716,428	-	716,428
Operating expenses	1,318,054	12,432	1,330,486
Depreciation	287,260	4,317	291,577
Total operating expenses	2,321,742	16,749	2,338,491
Operating income (loss)	16,184	14,897	31,081
Nonoperating revenues (expenses)			
Interest earnings	40,160	4,660	44,820
Total nonoperating revenues (expenses)	40,160	4,660	44,820
Income (loss) before capital contributions and transfers	56,344	19,557	75,901
Capital grants	396,925	-	396,925
Change in net position	453,269	19,557	472,826
Net position, beginning of year	6,197,070	456,081	6,653,151
Net position, end of year	$ 6,650,339	$ 475,638	$ 7,125,977

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, 2025

	Business-type Activities - Enterprise Funds		
		Nonmajor Fund	
	Utility Service Fund	Industrial Park Fund	Total Enterprise Fund
Cash flows from operating activities			
Cash received from customers	$ 1,766,817	$ 35,778	$ 1,802,595
Cash paid to employees	(737,251)	-	(737,251)
Cash paid to suppliers	(754,981)	(13,079)	(768,060)
Net cash provided by (used in) operating activities	274,585	22,699	297,284
Cash flows from noncapital financing activities			
Interfund loans	9,548	-	9,548
Net cash provided by (used in) noncapital financing activities	9,548	-	9,548
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(919,850)	(1,085)	(920,935)
Capital grants	396,925	-	396,925
Proceeds from issuance of long-term debt	378,925	-	378,925
Net cash provided by (used in) capital and related financing activities	(144,000)	(1,085)	(145,085)
Cash flows from investing activities			
Interest received	40,160	4,660	44,820
Purchases of investments	(1,254)	-	(1,254)
Net cash provided by (used in) investing activities	38,906	4,660	43,566
Net change in cash and cash equivalents	179,039	26,274	205,313
Cash and cash equivalents, beginning of year	2,714,629	324,040	3,038,669
Cash and cash equivalents, end of year	$ 2,893,668	$ 350,314	$ 3,243,982
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ 16,184	$ 14,897	$ 31,081
Adjustments to reconcile net operating income to net cash provided by (used in) operating activities			
Depreciation	287,260	4,317	291,577
Changes in assets and liabilities:			
Accounts receivable	(583,818)	4,752	(579,066)
Lease receivable	-	503	503
Inventories and prepaids	(7,463)	-	(7,463)
Accounts payable and accrued liabilities	570,536	(647)	569,889
Deposits	15,229	(1,123)	14,106
Unearned revenue	(2,520)	-	(2,520)
Compensated absences	39,258	-	39,258
Net pension liability	(60,081)	-	(60,081)
Net cash provided by operating activities	$ 274,585	$ 22,699	$ 297,284
Cash and cash equivalents classified as:			
Unrestricted	$ 2,783,247	$ 350,314	$ 3,133,561
Restricted	110,421	-	110,421
Total cash and cash equivalents	$ 2,893,668	$ 350,314	$ 3,243,982

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

(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 (GAAP) 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.

(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.

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.

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

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Governmental fund revenues are recognized when measurable and available to finance current expenditures. Property tax revenues are considered available if collected within 60 days after year-end. Other revenues are recognized based on the applicable availability criteria. Revenues from imposed nonexchange transactions are recognized in accordance with applicable statutory and regulatory requirements. Government-wide and proprietary fund revenues are recognized when earned. 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.

(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 at fair value.

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

(i) **Capital assets**—Capital assets are recorded at historical cost or estimated historical cost, except for contributed assets which are recorded at acquisition value at the date of contribution. The City uses a capitalization threshold of $1,000 for all classes of capital assets. Land improvement include roads, paving, and other improvements to land.

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

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

(j) **Compensated absences**—The City recognizes a liability for compensated absences attributable to services already rendered that accumulate and are more likely than not to be used for time off or otherwise paid or settled. The liability is measured using applicable pay rates and includes directly and incrementally associated salary-related payments. Annual and sick leave liabilities are estimated based on the City's leave policies and historical usage and payment patterns. Amounts expected to be settled within one year are reported as current liabilities. Governmental funds recognize compensated absences only when normally expected to be liquidated with expendable available financial resources; the full liability is reported in the government-wide and proprietary fund financial statements.

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

Levy Date:	October 1, 2024
Due Date:	March 31, 2025
Lien Date:	January 1, 2025

(l) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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 pensions, as discussed further in Note (7).

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

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 pensions, as discussed further in Note (7).

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

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

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

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

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

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

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

(n) **Operating revenues and expenses**—The enterprise funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

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

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

(3) Deposits and Investments:

The City's cash and equivalents and investments consist of legally authorized demand deposits and certificates of deposit. The institutions in which these deposits are kept are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, in addition to applicable Federal Depository Insurance Corporation (FDIC) insurance, these balances on deposit at September 30, 2025, 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) 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, 2025, interfund balances were as follows:

Fund	Due from other funds	Due to other funds
General Fund	$ 19,680	$ 4,473
Fire Fund	7,960	7,956
Utility Service Fund	5,015	20,226
Total	$ 32,655	$ 32,655

For the year ended September 30, 2025, the General Fund transferred $227,199 to the Fire Fund for an operating subsidy.

(5) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2025, 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	-	(13,430)	51,100
Total assets not being depreciated	815,414	-	(13,430)	801,984
Capital assets being depreciated:				
Land improvements	851,482	1,192,858	-	2,044,340
Infrastructure	1,113,544	-	-	1,113,544
Buildings and improvements	1,469,761	-	-	1,469,761
Furniture and equipment	3,309,014	110,043	-	3,419,057
Total assets being depreciated	6,743,801	1,302,901	-	8,046,702
Less accumulated depreciation for:				
Land improvements	(829,348)	(8,458)	-	(837,806)
Infrastructure	(371,258)	(37,118)	-	(408,376)
Buildings and improvements	(1,071,478)	(39,221)	-	(1,110,699)
Furniture and equipment	(2,006,524)	(230,507)	-	(2,237,031)
Total accumulated depreciation	(4,278,608)	(315,304)	-	(4,593,912)
Total capital assets being depreciated, net	2,465,193	987,597	-	3,452,790
Governmental activities capital assets, net	$ 3,280,607	$ 987,597	$ (13,430)	$ 4,254,774

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 203,058	$ -	$ -	$ 203,058
Construction in progress	-	784,150	-	784,150
Total assets not being depreciated	203,058	784,150	-	987,208
Capital assets being depreciated:				
Buildings and improvements	290,145	-	-	290,145
Industrial park	9,539	1,085	-	10,624
Water system	3,722,366	39,497	-	3,761,863
Sewer treatment plant and system	6,603,715	96,203	-	6,699,918
Garbage services	1,687	-	-	1,687
Total assets being depreciated	10,627,452	136,785	-	10,764,237
Less accumulated depreciation for:				
Building & Improvements	(196,477)	(4,304)	-	(200,781)
Industrial park	(9,539)	(13)	-	(9,552)
Water system	(2,339,527)	(107,373)	-	(2,446,900)
Sewer treatment plant and system	(4,290,783)	(179,887)	-	(4,470,670)
Garbage services	(1,687)	-	-	(1,687)
Total accumulated depreciation	(6,838,013)	(291,577)	-	(7,129,590)
Total capital assets being depreciated, net	3,789,439	(154,792)	-	3,634,647
Business-type activities capital assets, net	$ 3,992,497	$ 629,358	$ -	$ 4,621,855

(5) **Capital Assets:** (Continued)

Depreciation expense was charged to functions as follows:

Governmental activities:		
General government	$	17,539
Public safety		207,844
Physical environment		1,728
Transportation		58,745
Culture and recreation		29,448
Total depreciation expense – governmental activities	$	315,304
Business-type activities:		
Utility service	$	287,260
Industrial park		4,317
Total depreciation expense – business-type activities	$	291,577

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

Following is a summary of changes in long-term obligations for the fiscal year ended September 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 154,674	$ 64,170	$ -	$ 218,844	$ 168,728
Business-type activities:					
State revolving fund loans	$ -	$ 378,925	$ -	$ 378,925	$ 26,928
Compensated absences	87,795	39,258	-	127,053	75,469
Business-type activities – Total long-term liabilities	$ 87,795	$ 418,183	$ -	$ 505,978	$ 102,397

The change in compensated absences is presented as a net change.

The state revolving fund (SRF) loan is secured by pledged water utility revenues, bears interest at 1.49%, and requires semiannual payments of $30,528. The agreement also requires specified debt service coverage. No debt service payments were scheduled during fiscal year 2025; therefore, the coverage requirement was not applicable. Subsequent to year-end, the agreement was amended to establish the debt service account beginning February 15, 2026, with the first payment due August 15, 2026.

Annual debt service requirements for the SRF loan payable are as follows:

	Principal	Interest	Total
2026	$ 26,928	$ 3,600	$ 30,528
2027	56,031	5,025	61,056
2028	56,869	4,187	61,056
2029	57,719	3,337	61,056
2030	58,582	2,474	61,056
2031-2035	122,796	2,322	125,118
Total	$ 378,925	$ 20,945	$ 399,870

(7) **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).

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.

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

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.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Annual Comprehensive 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, 2025, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2025	After June 30, 2025
Regular Class	13.63%	14.03%
Senior Management	34.52%	33.24%
Special Risk	32.79%	35.19%
City Elected Officers	58.68%	54.57%

Current-year employer HIS contributions were made at a rate of 2% of covered payroll through June 30, 2025, which are included in the above rates.

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

For the plan year ended June 30, 2025, actual contributions made for employees participating in FRS and HIS were as follows:

Contributions – FRS	$ 465,466
Contributions – HIS	47,556
Employee Contributions – FRS	71,334

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

At September 30, 2025, the City reported a liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	$ 2,419,451
HIS	682,000
Total	$ 3,101,451

The net pension liability was measured as of June 30, 2025, 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, 2025 and June 30, 2024, the City's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2025	2024
FRS	0.007795845%	0.007350923%
HIS	0.005320875%	0.005041841%

For the year ended June 30, 2025, pension expense was recognized related to the FRS and HIS plans as follows:

Plan	Pension Expense
FRS	$ 312,728
HIS	37,842
Total	$ 350,570

Deferred outflows/inflows related to pensions:

At September 30, 2025, 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	$ 258,423	$ -	$ 4,071	$ (1,082)
Changes of assumptions	280,961	-	6,036	(164,958)
Net difference between projected and actual investment earnings	-	(403,952)	-	(568)
Change in City's proportionate share	306,687	(30,643)	88,372	(1,834)
Contributions subsequent to measurement date	136,020	-	12,700	-
	$ 982,091	$ (434,595)	$ 111,179	$ (168,442)

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

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, 2026. 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
2026	$ 477,441	$ (11,532)	$ 465,909
2027	26,820	(17,868)	8,952
2028	(39,877)	(15,923)	(55,800)
2029	(52,908)	(14,387)	(67,295)
2030	-	(10,253)	(10,253)
Thereafter	-	-	-
Total	$ 411,476	$ (69,963)	$ 341,513

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 5.2% 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 2025, 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.

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

Asset Class	Target Allocation	Long-Term Arithmetic Expected Rate of Return
Cash	1.0%	3.2%
Fixed income	29.0%	5.5%
Global equities	45.0%	8.5%
Real estate	12.0%	8.4%
Private equity	11.0%	12.4%
Strategic investments	2.0%	6.5%
Total	100.0%	

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:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.70%	$ 4,748,135	$ 2,419,451	$ 467,116
HIS	5.20%	769,065	682,000	608,981

(8) **Other Postemployment Benefits:**

The City provides other postemployment benefits (OPEB) through continued access to its group health insurance plan. Eligible retirees and their dependents may continue coverage under the City's group health insurance plan pursuant to Florida Statutes §112.0801. Retirees are responsible for 100 percent of the applicable premium.

The City does not contribute directly toward premiums for current retirees. However, retirees and active employees participate in the same group health insurance plan and are charged identical premiums that do not separately reflect retiree age-adjusted healthcare costs. Accordingly, an implicit rate subsidy may exist and represents an OPEB obligation under GASB Statement No. 75.

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

(9) **Risk Management:**

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

(10) **Contingencies and Uncertainties:**

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

(11) **Recent Accounting Pronouncements:**

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

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.

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.

GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 clarifies the subsequent events time frame and establishes accounting and disclosure requirements for recognized and nonrecognized subsequent events. The provisions of GASB Statement No. 105 are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHIEFLAND, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	**Final**	**Actual**	**Final Budget**
REVENUES				
Taxes	$ 2,484,084	$ 2,484,084	$ 2,628,308	$ 144,224
Licenses and permits	394,300	435,882	511,807	75,925
Intergovernmental	413,936	1,265,942	1,379,479	113,537
Charges for services	15,694	15,694	23,937	8,243
Fines and forfeitures	6,800	6,800	14,245	7,445
Interest revenues	15,060	15,060	37,135	22,075
Miscellaneous	229,012	193,730	61,798	(131,932)
Total revenues	3,558,886	4,417,192	4,656,709	239,517
Expenditures				
Current:				
General government	659,155	659,155	633,538	25,617
Public safety	1,933,310	1,942,879	1,944,844	(1,965)
Community development	2,000	2,000	2,244	(244)
Public works	321,245	321,245	246,824	74,421
Parks and recreation	280,080	289,380	241,111	48,269
Capital outlay	435,897	1,275,334	1,259,055	16,279
Total expenditures	3,631,687	4,489,993	4,327,616	162,377
Excess (deficiency) of revenues over expenditures	(72,801)	(72,801)	329,093	401,894
Other financing sources (uses)				
Transfers out	(227,199)	(227,199)	(227,199)	-
Total other financing sources (uses)	(227,199)	(227,199)	(227,199)	-
Net change in fund balances	(300,000)	(300,000)	101,894	401,894
Fund balances, beginning of year	3,314,004	3,314,004	3,314,004	-
Fund balances, end of year	$ 3,014,004	$ 3,014,004	$ 3,415,898	$ 401,894

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, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Licenses, permits, and assessments	$ 231,500	$ 239,874	$ 225,073	$ (14,801)
Intergovernmental	404,113	423,020	424,050	1,030
Interest revenues	8,604	8,604	6,834	(1,770)
Miscellaneous	8,374	-	1	1
Total revenues	652,591	671,498	655,958	(15,540)
Expenditures				
Current:				
Public safety	923,070	923,070	893,373	29,697
Capital outlay	1,800	20,707	26,167	(5,460)
Total expenditures	924,870	943,777	919,540	24,237
Excess (deficiency) of revenues over expenditures	(272,279)	(272,279)	(263,582)	8,697
Other financing sources (uses)				
Transfers in	227,199	227,199	227,199	-
Total other financing sources (uses)	227,199	227,199	227,199	-
Net change in fund balances	(45,080)	(45,080)	(36,383)	8,697
Fund balances, beginning of year	567,893	567,893	567,893	-
Fund balances, end of year	$ 522,813	$ 522,813	$ 531,510	$ 8,697

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, 2025

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,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Florida Retirement System (FRS)										
Proportion of the net pension liability	0.007795845%	0.007350923%	0.006874187%	0.006538529%	0.005756263%	0.006554592%	0.006868922%	0.006752876%	0.006592978%	0.006849702%
Proportionate share of the net pension liability	$ 2,419,451	$ 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
Covered payroll	2,377,799	2,134,286	1,928,534	1,707,375	1,505,613	1,461,970	1,443,253	1,372,502	1,354,631	1,306,117
Proportionate share of the net pension liability as a percentage of covered payroll	101.75%	133.24%	142.03%	142.49%	28.88%	194.32%	163.90%	148.20%	144.01%	132.42%
Plan fiduciary net position as a percentage of the total	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%
Health Insurance Subsidy Program (HIS)										
Proportion of the net pension liability	0.005320875%	0.005041841%	0.004866646%	0.004684047%	0.004251981%	0.004211464%	0.004314500%	0.004201260%	0.004146347%	0.004203430%
Proportionate share of the net pension liability	$ 682,000	$ 756,325	$ 772,888	$ 496,115	$ 521,569	$ 514,213	$ 482,749	$ 444,666	$ 443,347	$ 489,892
Covered payroll	2,377,799	2,134,286	1,928,534	1,707,375	1,505,613	1,461,970	1,443,253	1,372,502	1,354,631	1,306,117
Proportionate share of the net pension liability as a percentage of covered payroll	28.68%	35.44%	40.08%	29.06%	34.64%	35.17%	33.45%	32.40%	32.73%	37.51%
Plan fiduciary net position as a percentage of the total	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

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

	For the Fiscal Year Ended September 30,									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Florida Retirement System (FRS)										
Contractually required contribution	$ 496,012	$ 428,611	$ 356,378	$ 286,924	$ 221,878	$ 217,780	$ 212,986	$ 192,452	$ 187,260	$ 171,821
Contributions in relation to the contractually required	496,012	428,611	356,378	286,924	221,878	217,780	212,986	192,452	187,260	171,821
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,467,555	$ 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
Contributions as a percentage of covered payroll	20.10%	19.47%	17.69%	16.49%	15.01%	14.90%	14.76%	14.02%	13.82%	13.16%
Health Insurance Subsidy Program (HIS)										
Contractually required contribution	$ 49,351	$ 44,018	$ 35,076	$ 28,887	$ 24,531	$ 24,269	$ 23,958	$ 22,784	$ 22,487	$ 21,682
Contributions in relation to the contractually required	49,351	44,018	35,076	28,887	24,531	24,269	23,958	22,784	22,487	21,682
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,467,555	$ 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
Contributions as a percentage of covered payroll	2.00%	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

CITY OF CHIEFLAND, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

State Agency / Pass-Through Entity / State Project	CSFA Number	Contract / Grant Number	Expenditures
STATE FINANCIAL ASSISTANCE			
Florida Department of Environmental Protection			
Direct:			
Statewide Water Quality Restoration Projects	37.098	24PLN34	$ 18,000
Total Florida Department of Environmental Protection			**18,000**
Florida Department of Financial Services			
Direct:			
Volunteer Firefighter Grant Assistance Program	43.006	FM966	18,908
Total Florida Department of Financial Services			**18,908**
Florida Department of Transportation			
Direct:			
Small County Outreach Program (SCOP)	55.009	G2N11	877,967
Total Florida Department of Transportation			**877,967**
Total State Financial Assistance			**$ 914,875**

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this schedule.

CITY OF CHIEFLAND, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of the City of Chiefland, Florida. The information in this schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

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

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) **Subrecipients:**

During the fiscal year ended September 30, 2025, no amounts were passed through to subrecipients.

(4) **Contingency:**

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, all Project expenditures included on the accompanying schedule complied the terms of the project agreements and applicable federal and state laws and regulations.

CITY OF CHIEFLAND, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

A. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements:	*Qualified*	
Internal control over financial reporting:		
Material weakness(es) identified?	X yes	___ no
Significant deficiency(ies) identified?	X yes	___ none reported
Noncompliance material to financial statements noted?	___ yes	X no

State Projects:

Internal control over major State projects:		
Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies) identified?	___ yes	X none reported
Type of auditors' report issued on compliance for major State projects:	*Unmodified*	
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General?	___ yes	X none reported
Dollar threshold used to distinguish between type A and type B programs:	$300,000	
Identification of major State projects:		

CSFA Number	Program Name
55.009	Small County Outreach Program

B. Financial Statement Findings:

2025-001 Year-End Reconciliations and Financial Reporting

Criteria: Internal controls over financial reporting should include a year-end closing process designed to ensure significant account balances, nonroutine transactions, and applicable accounting standards are properly evaluated, reconciled, and recorded before preparation of the financial statements.

Condition: During the audit, various adjustments were required to properly state year-end account balances and financial statement classifications. These adjustments included matters related to debt, capital assets, accounts receivable and revenue recognition, and leases.

Cause: The City's year-end reconciliation and financial reporting process did not include sufficient review of certain significant balances, nonroutine transactions, and accounting requirements.

Effect: Financial statement balances and disclosures could be materially misstated if significant year-end accounts and transactions are not appropriately reconciled and reviewed.

Recommendation: We recommend the City establish a formal year-end closing process that includes reconciliation and review of significant balance sheet accounts, evaluation of nonroutine transactions and accounting standards, and resolution of identified differences before the audit begins.

2025-002 Journal Entry Documentation and Review

Criteria: Internal controls should provide for appropriate preparation, approval, support, and retention of journal entries and should enable management to identify the complete population of entries posted to the general ledger.

Condition: The City does not maintain formal documented journal-entry procedures. During our testing, the City was unable to provide a complete population of journal entries posted during the fiscal year and could not provide supporting documentation for two of five journal entries selected for testing.

Cause: The City has not established formal procedures governing journal-entry preparation, approval, documentation, and retention.

Effect: Unauthorized, unsupported, or erroneous journal entries may not be prevented or detected and corrected on a timely basis.

Recommendation: We recommend the City establish formal journal-entry procedures requiring documented preparation and approval, retention of supporting documentation, and maintenance of a complete report of all journal entries posted to the general ledger.

C. State Project Findings and Questioned Costs: None.

D. Summary Schedule of Prior Audit Findings: Not applicable as there are no prior year findings.

E. Corrective Action Plan: See Management's Response to Findings on page 50.

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited the City of Chiefland, Florida's (the City) compliance with the types of compliance requirements identified as applicable in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major state projects for the year ended September 30, 2025. The City's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
September 15, 2026

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 (*Government Auditing Standards*), 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, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 15, 2026.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the schedule of findings and questioned costs, as item 2025-001, to be a material weakness.

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. We consider the deficiency described in the schedule of findings and questioned costs, as item 2025-002, to be a significant deficiency.

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*.

City of Chiefland, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described previously. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

James Moore & Co., P.L.

Gainesville, Florida
September 15, 2026

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 (the City), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated September 15, 2026.

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

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 September 15, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

2025-003 Items Required by Florida Statute Not Available on City's Official Website

During our review of applicable statutory requirements, we noted that certain information required to be maintained on the City's official website was not available, including the adopted budget, current building permit fee schedule, and building permit and inspection utilization report. Florida Statutes require municipalities to maintain specified budget and building-permit information on their official websites. Management indicated that certain documents had been inadvertently removed or were pending upload following updates.

We recommend that the City promptly post all required information and implement a periodic review process to ensure statutorily required website information remains current and available.

See Management's Response to Findings on page 50.

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 grant agencies, and applicable management and the City Commission, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Gainesville, Florida
September 15, 2026

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* (the Statute), for the year ended September 30, 2025. Management is responsible for the City's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluating the City's compliance with the Statute during the year ended September 30, 2025 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 American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance for evaluating the City's compliance with the Statute during the year ended September 30, 2025, 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 with the Statute during the year ended September 30, 2025. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks that the City was not in compliance with the Statutes 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 and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

James Moore & Co., P.L.

Gainesville, Florida
September 15, 2026

City of Chiefland

~ The Gem of the Suwannee Valley ~

AUDITEE'S RESPONSE TO:
Independent Auditors' Management Letter
September 15, 2026

2025-001 Year-End Reconciliations and Financial Reporting – Material Weakness

During the audit, various adjustments were required to properly state year-end account balances and financial statement classifications. These adjustments included matters related to debt, capital assets, accounts receivable and revenue recognition, and leases.

Management concurs with the finding. The City will strengthen its year-end closing procedures to ensure significant account balances are reconciled and reviewed before the audit begins. The City will also incorporate procedures to identify and evaluate nonroutine transactions, including applicable year-end debt, capital assets, and other full-accrual adjustments.

2025-002 Journal Entry Documentation and Review – Significant Deficiency

The City has not established formal procedures governing journal-entry preparation, approval, documentation, and retention

Management concurs with the finding. The City will develop formal journal-entry procedures that include documented preparation and approval, retention of supporting documentation, and maintenance of a complete listing of journal entries posted during the fiscal year.

2025-003 Items Required by Florida Statute Not Available on City's Official Website

Certain information required to be maintained on the City's official website was not available, including the adopted budget, current building permit fee schedule, and building permit and inspection utilization report.

Management concurs with the recommendation. The City will ensure the required budget, building permit fee schedule, and building permit and inspection utilization report are posted to the City's official website and will implement a periodic review process to verify that required information remains current and available.