



City Of Okeechobee, Florida

FINANCIAL STATEMENTS

September 30, 2024



City of Okeechobee, Florida
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For the year ended September 30, 2024



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City of Okeechobee, Florida
City Officials
For the year ended September 30, 2024

Dowling R. Watford, Jr.
Mayor, Chairman

Monica Clark
Vice Mayor

Noel Candler
Bob Jarriel
David McAuley
Council Members

Gary Ritter
City Administrator

Lane Gamiotea
City Clerk

India Riedel
Finance Director

Donald Hagan
Chief of Police

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Okeechobee, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our report and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Okeechobee, Florida, as of September 30, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the pension trust funds of the City of Okeechobee, Florida. Those statements were audited by other auditors whose report has been furnished to us, hence our opinion relates to the pension trust funds' amounts included for the governmental activities of the City of Okeechobee, Florida, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Okeechobee, Florida 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 of Okeechobee, Florida'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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 of Okeechobee, Florida'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 of Okeechobee, Florida'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, budgetary information and the pension and other

postemployment benefits information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2025, on our consideration of the City of Okeechobee, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 effectiveness of the City of Okeechobee, Florida's 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 of Okeechobee, Florida's internal control over financial reporting and compliance.

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida

May 13, 2025

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City of Okeechobee, Florida Management's Discussion and Analysis

Our discussion and analysis of the City of Okeechobee, Florida's ("the City's") financial performance provides an overview of the City's financial activities for the year ended September 30, 2024. Please read it in conjunction with the City's basic financial statements, which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

The following are highlights of financial activity for the year ended September 30, 2024:

- The City's total assets exceeded its liabilities at September 30, 2024 by \$26,241,146.
- The City's total revenues were \$9,738,315 for the year ended September 30, 2024, compared to total expenses of \$7,002,785, which resulted in a \$2,735,530 increase in net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements.

A. Government-Wide Financial Statements

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 19 and 20 of this report.

B. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City's funds can be divided into two fund types: governmental funds and fiduciary funds.

B. Fund Financial Statements (Continued)

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 21 through 23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

C. Notes to Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 27 through 59 of this report.

City of Okeechobee, Florida
Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statement of net position.

City of Okeechobee
Statement of Net Position

| | 2024 | 2023 |
|----------------------------------|---------------|---------------|
| Current assets | \$ 15,271,924 | \$ 14,409,008 |
| Capital assets | 10,412,870 | 9,179,395 |
| Noncurrent assets | 2,054,724 | 57,770 |
| Total assets | 27,739,518 | 23,646,173 |
| Deferred outflows | 1,941,369 | 3,448,485 |
| Unearned revenue | 1,090,702 | 1,599,380 |
| Current liabilities | 536,219 | 519,949 |
| Long-term liabilities | 538,291 | 574,852 |
| Total liabilities | 2,165,212 | 2,694,181 |
| Deferred inflows | 1,274,529 | 894,861 |
| Net position: | | |
| Net investment in capital assets | 10,412,870 | 9,179,395 |
| Restricted | 3,828,848 | 4,012,012 |
| Unrestricted | 11,999,428 | 10,314,209 |
| Total net position | \$ 26,241,146 | \$ 23,505,616 |

Governmental Activities

Total net position increased by \$2,735,530 primarily as a result of a \$1,966,954 increase in noncurrent assets. In addition, an increase in capital of assets of \$1,233,475 and a \$508,668 decrease of unearned revenue also contributed to the increase in net position. The increase in total assets of \$4,093,345 was primarily due to a \$1,966,954 increase in net pension assets due to prior year investment gains that are recognized over the following five years through deferred inflows and outflows due to the difference between projected and actual earnings on pension investments in the actuarial valuation, and an increase of \$1,233,475 in capital assets due to \$2,400,174 in capital asset additions offset by \$799,185 in depreciation expense. The net decrease in current and noncurrent liabilities was \$20,291 as current liabilities decreased by \$26,248 related to timing of payables and non-current liabilities increased by \$5,957 resulting from a decrease in the OPEB liability obligation of \$9,892 and an increase in compensated absences of \$15,664. Unearned revenue decreased \$508,678 due to the City's current year expenditures of American Rescue Plan Act funds that were received in prior years and partially recognized as revenue in the current year.

City of Okeechobee, Florida
Management's Discussion and Analysis

The following table shows condensed revenue and expense data:

| | 2024 | 2023 |
|------------------------------------|----------------------|---------------|
| REVENUES: | | |
| Program revenues: | | |
| Charges for services | \$ 1,143,165 | \$ 1,063,540 |
| Operating grants and contributions | 755,632 | 796,505 |
| Capital grants and contributions | 1,429,763 | 1,313,585 |
| General revenues: | | |
| Property taxes | 2,861,063 | 2,640,256 |
| Public utility taxes | 1,101,255 | 1,037,208 |
| Franchise fees | 789,214 | 798,672 |
| Shared revenues | 967,664 | 992,122 |
| Investment income | 602,528 | 528,394 |
| Other income | 88,031 | 84,574 |
| Total revenues | 9,738,315 | 9,254,856 |
| EXPENSES: | | |
| General government | 970,005 | 652,830 |
| Public safety | 3,654,240 | 3,542,202 |
| Transportation | 1,643,340 | 1,552,655 |
| Physical environment | 732,500 | 672,780 |
| Economic environment | 2,700 | 8,100 |
| Total expenses | 7,002,785 | 6,428,567 |
| Change in net position | 2,735,530 | 2,826,289 |
| Net position, beginning of year | 23,505,616 | 20,679,327 |
| Net position, end of year | \$ 26,241,146 | \$ 23,505,616 |

City of Okeechobee, Florida Management's Discussion and Analysis

The City experienced an increase of 5.2% in total revenues, a \$483,459 increase to \$9.74 million. The increase is primarily due to a \$220,807 increase in property tax due primarily to an increase in taxable values and new construction values. Increases in charges for services of \$79,625 were due to an increase in building permits and fees and site plan fees due to increased commercial projects. An increase in investment income of \$74,134 as interest rates remained steady for the year. The public utility tax revenue increase of \$64,047 is due to an increase in usage of utilities within the City. A decrease in shared revenues of \$24,458 and franchise fees of \$9,458 contributed as an offset the increase in revenues for the year. The City experienced an 8.9% increase in total expenses – a \$574,218 increase to \$7 million. The increase is primarily due to a \$317,175 increase in expenses for general government, \$112,038 increase in public safety, \$90,685 increase in transportation expense, \$59,720 increase in physical environment, and offset by a decrease of \$5,400 in economic environment. The combined increase of revenues with the offset of increased expenses resulted in an increase in net position of \$2,735,530.

FUND FINANCIAL ANALYSIS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,503,054, an increase of \$1,261,227 in comparison with the prior year. Approximately 80% of this total amount, \$10,866,003, constitutes unassigned fund balance, which is available for spending at the government's discretion. Assigned fund balances include \$1,526,128 for subsequent year's expenditures. Public facilities fund balance of \$1,036,578 and non-major fund balance of \$22,802 for law enforcement are restricted funds based on their specific stipulated purpose. The remainder of the fund balance is non-spendable inventory of \$51,543.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, assigned and unassigned fund balance of the general fund was \$12,530,337 while total fund balance was \$13,618,458. As a measure of the general fund's liquidity, it may be useful to compare both assigned and unassigned fund balance, and total fund balance to total fund expenditures. The total assigned and unassigned fund balance and total fund balance represent approximately 134% and 145% respectively of total general fund expenditures.

General Fund Budgetary Highlights

Intergovernmental revenues was budgeted at \$3,643,400 but actual was \$4,205,914 due to the timing of when American Rescue Plan Act funds were spent and therefore recognized as revenue. The amount appropriated for expenditures in the original 23/24 budget decreased from \$10,405,324 to \$9,331,703 in the final 23/24 budget. Actual (on a budgetary basis) expenditures of \$9,095,438 were less than the budgeted expenditures by \$236,265. The decrease in budgeted police public safety expenses, transportation expenses, physical environment, general government and capital outlay expenses contributed to the overall decrease in expenditures.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital assets. The City's investment in capital assets as of September 30, 2024, amounted to \$10,412,870, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, and construction in progress. During the year, the City's capital asset balance increased by \$1,233,475, net of depreciation expense of \$799,185.

The City's major additions of \$2,400,175 to capital assets during the current fiscal year included the following:

- Infrastructure projects, including:
 - Completion of SE 4 SE Street Drainage Project Resurfacing and extension of life for portions of SW 5th Avenue
 - Commerce Center Improvements
 - Sidewalk Improvements - SW Park Street
- Completion of Kayak Launch located at Centennial Park
- Completion of Primitive Baptist Church A/C Installation with electrical
- Chamber of Commerce building renovation/improvements
- Computers (1) Human Resources (1) -Police Department; (1) Server for Spillman and Domain Server for Police, (1) Finance, (1) Public Works, and (1) Council
- Replacement (4) Tasers with batteries
- Replacement Memorial Bench – Centennial Park
- City Park Lighted Christmas Display
- Kawasaki Mule
- CAT 430 Backhoe/Loader

City of Okeechobee, Florida
Management's Discussion and Analysis

- Hustler Super Z 60” Lawnmower
- Force Hydraulic rotator
- Furniture, desk, cabinets, etc. – Human Resources
- Replacement (4) Police vehicles with equipment
- Ford F250 Single Cab Truck
- Construction in Progress including:
 - City hall hardening project (continues)
 - SE 8th Drainage Project
 - SE 4th Street Stormwater Drainage

City’s Capital Assets
(net of depreciation)

| | 2024 | 2023 |
|-----------------------------------|----------------------|---------------------|
| Land | \$ 1,208,332 | \$ 1,435,648 |
| Construction in progress | 71,005 | 66,937 |
| Buildings | 991,911 | 1,011,217 |
| Improvements other than buildings | 6,115,522 | 4,691,016 |
| Equipment | 2,026,100 | 1,974,577 |
| Total | \$ 10,412,870 | \$ 9,179,395 |

Additional information on the City’s capital assets can be found in Note 3.C. on page 40 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The City Council adopted a millage rate of 6.1602 for budget year 2025. The adopted millage rate is 5.69% more than the roll-back rate of 5.8286. A \$281,158 increase in budgeted ad valorem revenue is largely due to the increase in new construction added to this year’s assessed tax rolls and increase in taxable values from the prior year.

Revenues for the fiscal year 2025 adopted budget for all funds of the City total approximately \$12,885,611, an increase from the prior year final budget of approximately \$395,590. These revenues include the General, Public Facility, Capital Projects, Grant and Special Law Enforcement fund revenues.

The change in revenue is based on the expected increase in grant revenue of \$2,969,246. Other expected increases in revenues, ad valorem Tax revenue, intergovernmental revenue, and charges for services revenue. However, an expected decrease in fines, forfeitures and penalties revenues offsets the budgeted increase.

City of Okeechobee, Florida Management's Discussion and Analysis

Expenditures for the fiscal year 2025 adopted budgets for all funds of the City total approximately \$14,162,934, an increase of 2.9% or \$402,664 from the prior year budget. The increase in expenditure is based mostly on the increase in budgeted expenditures in public safety, and transportation. With a minimal increase in budgeted general governmental services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Okeechobee's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Okeechobee, 55 S.E. Third Avenue, Okeechobee, Florida 34974.

BASIC FINANCIAL STATEMENTS

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City of Okeechobee, Florida
Statement of Net Position - Governmental Activities

September 30, 2024

| ASSETS | |
|--|----------------------|
| Cash and cash equivalents | \$ 6,908,788 |
| Investments | 7,641,181 |
| Accounts receivable | 170,717 |
| Due from other governments | 499,695 |
| Inventory | 51,543 |
| Capital assets: | |
| Nondepreciable | |
| Land | 1,208,332 |
| Construction in progress | 71,005 |
| Depreciable, net of accumulated depreciation | |
| Buildings | 991,911 |
| Improvements other than buildings | 6,115,522 |
| Equipment | 2,026,100 |
| Net pension asset | 2,054,724 |
| Total assets | 27,739,518 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows - pensions | 1,941,369 |
| Total deferred outflows of resources | 1,941,369 |
| LIABILITIES | |
| Accounts payable | 274,801 |
| Accrued expenses | 199,301 |
| Compensated absences - due within one year | 62,117 |
| Unearned revenue - American Rescue Plan Act | 1,090,702 |
| Noncurrent liabilities: | |
| Due in more than one year | |
| Compensated absences | 311,406 |
| OPEB liability | 226,885 |
| Total liabilities | 2,165,212 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows - business tax receipts | 47,904 |
| Deferred inflows - pensions | 1,226,625 |
| Total deferred inflows of resources | 1,274,529 |
| NET POSITION | |
| Net investment in capital assets | 10,412,870 |
| Restricted for: | |
| Law enforcement | 22,802 |
| Public facilities | 1,036,578 |
| Pension benefits | 2,769,468 |
| Unrestricted | 11,999,428 |
| Total net position | \$ 26,241,146 |

The accompanying notes are an integral part of these financial statements.

City of Okeechobee, Florida
Statement of Activities - Governmental Activities

| Year ended September 30, 2024 | Expenses | Program Revenues | | | Net (Expense) |
|--------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| Functions/Programs | | | | | |
| General government | \$ 970,005 | \$ 327,279 | \$ - | \$ 676,668 | \$ 33,942 |
| Public safety | 3,654,240 | 143,358 | - | - | (3,510,882) |
| Transportation | 1,643,340 | 672,528 | 755,632 | - | (215,180) |
| Physical environment | 732,500 | - | - | 753,095 | 20,595 |
| Economic environment | 2,700 | - | - | - | (2,700) |
| Total governmental activities | \$ 7,002,785 | \$ 1,143,165 | \$ 755,632 | \$ 1,429,763 | (3,674,225) |
| General revenues: | | | | | |
| | | | | | 2,861,063 |
| | | | | | 1,101,255 |
| | | | | | 789,214 |
| | | | | | 967,664 |
| | | | | | 602,528 |
| | | | | | 88,031 |
| | | | | | 6,409,755 |
| | | | | | 2,735,530 |
| | | | | | 23,505,616 |
| | | | | | \$ 26,241,146 |

The accompanying notes are an integral part of these financial statements.

City of Okeechobee, Florida
Balance Sheet - Governmental Funds

| <i>September 30, 2024</i> | General | Industrial Development Fund | Community Development Capital Project | Appropriations Grant Fund | Nonmajor Funds | Total Governmental Funds |
|---|----------------------|-----------------------------------|---|---------------------------------|-------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 6,656,576 | \$ 220,947 | \$ - | \$ 8,463 | \$ 22,802 | \$ 6,908,788 |
| Investments | 7,641,181 | - | - | - | - | 7,641,181 |
| Accounts receivable | 170,717 | - | - | - | - | 170,717 |
| Due from other funds | 190,494 | - | - | - | - | 190,494 |
| Due from other governments | 343,533 | - | - | 156,162 | - | 499,695 |
| Inventory | 51,543 | - | - | - | - | 51,543 |
| Total assets | \$ 15,054,044 | \$ 220,947 | \$ - | \$ 164,625 | \$ 22,802 | \$ 15,462,418 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 194,807 | \$ - | \$ - | \$ 79,994 | \$ - | \$ 274,801 |
| Accrued expenses | 199,301 | - | - | - | - | 199,301 |
| Due to other funds | - | 90,494 | - | 100,000 | - | 190,494 |
| Unearned revenue | 993,574 | 97,128 | - | - | - | 1,090,702 |
| Total liabilities | 1,387,682 | 187,622 | - | 179,994 | - | 1,755,298 |
| Deferred inflows of resources: | | | | | | |
| Unavailable revenue - grants | - | - | - | 156,162 | - | 156,162 |
| Deferred revenue - business tax receipts | 47,904 | - | - | - | - | 47,904 |
| Fund balances: | | | | | | |
| Nonspendable for: | | | | | | |
| Inventory | 51,543 | - | - | - | - | 51,543 |
| Restricted for: | | | | | | |
| Public facilities | 1,036,578 | - | - | - | - | 1,036,578 |
| Law enforcement | - | - | - | - | 22,802 | 22,802 |
| Assigned for: | | | | | | |
| Subsequent year's expenditures | 1,526,128 | - | - | - | - | 1,526,128 |
| Unassigned | 11,004,209 | 33,325 | - | (171,531) | - | 10,866,003 |
| Total fund balances | 13,618,458 | 33,325 | - | (171,531) | 22,802 | 13,503,054 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 15,054,044 | \$ 220,947 | \$ - | \$ 164,625 | \$ 22,802 | |

Amounts reported for governmental activities in the statement of net position are different because:

| | |
|--|----------------------|
| Deferred outflows of resources related to pensions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. | 1,941,369 |
| Unavailable revenue is recorded as a liability in the fund statements but is recorded as revenue in the governmental activities | 156,162 |
| Deferred inflows of resources related to pensions are not recognized in governmental funds; however, they are recorded in the statement of net position under full accrual accounting. | (1,226,625) |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 10,412,870 |
| Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 2,054,724 |
| Long-term liabilities, including the net OPEB obligation of \$226,885 and compensated absences of \$373,523 are not due and payable in the current period and, therefore, are not reported in the funds. | (600,408) |
| Net position of governmental activities | \$ 26,241,146 |

The accompanying notes are an integral part of these financial statements.

City of Okeechobee, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds

| <i>Year ended September 30, 2024</i> | General | Industrial Development Fund | Community Development Capital Project | Appropriations Grant Fund | Nonmajor Funds | Total Governmental Funds |
|--|---------------|-----------------------------------|---|---------------------------------|-------------------|--------------------------------|
| Revenues | | | | | | |
| Taxes | \$ 3,839,338 | \$ - | \$ - | \$ - | \$ - | \$ 3,839,338 |
| Intergovernmental | 4,205,914 | 31,031 | 224,417 | - | - | 4,461,362 |
| Charges for services | 787,772 | - | - | - | - | 787,772 |
| Permits and fees | 1,032,652 | - | - | - | - | 1,032,652 |
| Fines and forfeitures | 50,154 | - | - | - | 853 | 51,007 |
| Investment earnings | 602,528 | - | - | - | - | 602,528 |
| Miscellaneous | 68,238 | - | - | - | - | 68,238 |
| Total revenues | 10,586,596 | 31,031 | 224,417 | - | 853 | 10,842,897 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 1,745,637 | - | - | 174,161 | - | 1,919,798 |
| Public safety | 4,046,651 | - | - | - | - | 4,046,651 |
| Transportation | 1,602,048 | - | - | - | - | 1,602,048 |
| Physical environment | 313,808 | - | - | 2,700 | - | 316,508 |
| Capital outlay | 1,660,807 | 508,677 | 217,533 | 13,158 | - | 2,400,175 |
| Total expenditures | 9,368,951 | 508,677 | 217,533 | 190,019 | - | 10,285,180 |
| Excess (deficiency) of revenues over (under) expenditures | 1,217,645 | (477,646) | 6,884 | (190,019) | 853 | 557,717 |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | 539,404 | - | - | - | 539,404 |
| Transfers out | (477,647) | - | (61,757) | - | - | (539,404) |
| Proceeds from sale of capital assets | 703,510 | - | - | - | - | 703,510 |
| Total other financing sources (uses) | 225,863 | 539,404 | (61,757) | - | - | 703,510 |
| Net change in fund balances | 1,443,508 | 61,758 | (54,873) | (190,019) | 853 | 1,261,227 |
| Fund balances, beginning of year | 12,174,950 | (28,433) | 54,873 | - | 40,437 | 12,241,827 |
| Adjustments | - | - | - | 18,488 | (18,488) | - |
| Fund balances, beginning of year after adjustments | 12,174,950 | (28,433) | 54,873 | 18,488 | 21,949 | 12,241,827 |
| Fund balances, end of year | \$ 13,618,458 | \$ 33,325 | \$ - | \$ (171,531) | \$ 22,802 | \$ 13,503,054 |

The accompanying notes are an integral part of these financial statements.

City of Okeechobee, Florida

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities**

Year ended September 30, 2024

| | | |
|--|--------------|---------------------|
| Net change in fund balances - total governmental funds | | \$ 1,261,227 |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> | | |
| <p>Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.</p> | | |
| Capital outlay | \$ 2,400,175 | |
| Depreciation expense | (799,185) | 1,600,990 |
| <p>In the statement of activities, only the gain (loss) on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets.</p> | | |
| | | (367,515) |
| <p>Some revenues will not be collected within 60 days after the close of the City's fiscal year end, therefore they are not considered available revenue in the governmental funds. In the Statement of Activities, presented on accrual basis, these revenues are recognized.</p> | | |
| | | 156,162 |
| <p>Pension contributions are reported as expenditures in the fund financial statements and the change in net position asset and related outflows (inflows) are reported on the statement of activities.</p> | | |
| | | 110,222 |
| <p>Other post employment benefits are reported as expenditures in the fund financial statements and the change in net position asset and related outflows (inflows) are reported on the statement of activities.</p> | | |
| | | (9,892) |
| <p>Compensated absences are reported in the statement of activities when earned. Only compensated absences that require the use of current financial resources are reported as expenditures in the governmental funds. This is the difference between the two.</p> | | |
| | | (15,664) |
| Change in net position of governmental activities | | \$ 2,735,530 |

The accompanying notes are an integral part of these financial statements.

City of Okeechobee, Florida
Statement of Fiduciary Net Position - Pension Trust Funds

| <i>September 30, 2024</i> | Pension Trust Funds |
|---------------------------------|--------------------------------|
| ASSETS | |
| Cash equivalents | \$ 394,418 |
| Investments: | |
| Mutual funds | 23,156,707 |
| Receivables | 53,963 |
| Total assets | 23,605,088 |
| LIABILITIES | |
| Accounts payable | 26,484 |
| Total liabilities | 26,484 |
| NET POSITION | |
| Restricted for pension benefits | \$ 23,578,604 |

The accompanying notes are an integral part of these financial statements.

City of Okeechobee, Florida
Statement of Changes in Fiduciary Net Position - Pension Trust Funds

| <i>Year ended September 30, 2024</i> | Pension Trust Funds |
|--|--------------------------------|
| ADDITIONS | |
| Contributions: | |
| State | \$ 115,793 |
| City | 52,053 |
| Employees | 144,185 |
| Total contributions | 312,031 |
| Investment earnings: | |
| Net appreciation in the fair value of investments | 3,823,802 |
| Interest and dividends | 818,356 |
| Total investment earnings | 4,642,158 |
| Less investment expenses | (72,328) |
| Net investment gain | 4,569,830 |
| Total additions | 4,881,861 |
| DEDUCTIONS | |
| Benefits paid to participants | 948,058 |
| Refunds on termination | 56,933 |
| DROP payments | 21,049 |
| Administrative expenses | 172,792 |
| Total deductions | 1,198,832 |
| Change in net position | 3,683,029 |
| Net position, beginning of year | 19,895,575 |
| Net position, end of year | \$ 23,578,604 |

The accompanying notes are an integral part of these financial statements.

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Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Okeechobee (the “City”) was originally incorporated in 1915 and its present charter was adopted in 1919 under Chapter 8318 of Special Acts of 1919. The City operates under the council form of government and provides the following services: general government, public safety, transportation and physical environment.

These financial statements present the primary government and its component units. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units are entities that are legally separate from the City, but whose relationship with the City are such that the exclusion would cause the City’s financial statements to be misleading or incomplete. The City has no discretely presented component units.

The City reports the following component units:

Municipal Firefighters’ Pension Trust Fund – The fund is under the supervision of a five member local independent Board of Trustees who are selected for office under the provisions of Florida Statutes, Chapter 175. The Board of Trustees cannot amend the provisions of the plan without the approval of the City Council. This plan covers all full-time firefighters of the City. The City funds the plan, according to any contribution deficit as determined by an actuarial valuation for the plan, beyond the contributions by employees and the State Insurance Premium Tax Contribution. It is accounted for in the Pension Trust funds.

Municipal Police Officers’ Pension Trust Fund – The fund is under the supervision of a five member local independent Board of Trustees who are selected for office under the provisions of Florida Statutes, Chapter 185. The Board of Trustees cannot amend the provisions of the plan without the approval of the City Council. This plan covers all full-time sworn officers of the City. The City funds the plan, according to any contribution deficit as determined by an actuarial valuation for the plan, beyond the contributions by employees and the State Insurance Premium Tax Contribution. It is accounted for in the Pension Trust funds.

The Employees’ Retirement System of the City of Okeechobee, Florida – The fund is under the supervision of a five member local independent Board of Trustees. The Board of Trustees cannot amend the provisions of the plan without the approval of the City Council. This plan benefits the City general employees. The City funds the plan. It is accounted for in the Pension Trust funds in 2024 as the City does have fiduciary responsibility.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 primary government. Governmental activities normally are supported by taxes and intergovernmental revenues. Likewise the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Property taxes, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *community development capital project fund* accounts for the assets, liabilities, revenues and expenditures related to the construction of infrastructure and other improvements in the City not including grant funds that are instead included in the appropriations *grant capital project fund*.

The *Industrial Development fund* accounts for all financial resources used for infrastructure construction, improvement and equipment purchases.

The *appropriations grant capital projects fund* accounts for the financial resources related to the construction of infrastructure and other improvements in the City provided by specific grants and matching funds.

The City reports the following nonmajor governmental funds:

The *law enforcement special revenue fund* accounts for the assets that are restricted to fund certain expenditures of the City's police department.

Additionally, the City reports the following fund types:

The *pension trust fund* account is used to account for assets held by the City in a fiduciary capacity for the general employees', police officers' and firefighters' pension plans. The funds are operated by carrying out specific terms of statutes, ordinances and other governing regulations.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than program revenues. Therefore, general revenue includes all taxes.

Expenditures for compensated absences are allocated based on the assigned function of the related employee.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY

1. Cash, Cash Equivalents and Investments

The investment of municipal funds is authorized by local ordinance and Florida Statutes. This allows the City to invest in the Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, SEC registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories, direct obligations of the U.S. Treasury, commercial paper with certain ratings, pre-refunded municipal obligations, banker's acceptances maturing within one year, investment agreements, direct and general long-term and short-term obligations of any state with proper credit rating and full faith and credit pledge, municipal obligations with proper credit rating and repurchase agreements with maturities of 30 days or less with organizations with certain stipulations and requirements.

The City invests certain surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight.

The Florida PRIME has adopted operating procedures consistent with the requirements for an investment pool under GASB 150: *Investments* to be reported at amortized cost. The fair value of the City's position in the pool is equal to the value of pooled shares. The funds can be withdrawn at any time, and there are no unfunded commitments.

The City pools the investments of its governmental funds. Investment earnings of the pool are allocated to the participating funds at the end of each month based on the ratio of each participant funds' investment to the total pooled investment.

Cash and cash equivalents include cash deposits, cash funds held in broker accounts and investments held in the Local Government Surplus Funds Trust Fund (Florida PRIME).

Within the firefighters', police officers' and general employees' pension trust funds, plan assets are managed by Bowen, Hanes, and Company. The plans follow the investment guidelines as established within the ordinance. The pension trust funds are allowed to invest in the State Pool; obligations of the U.S. Government or agencies thereof; banking institutions within the state and other such institutions within the guidelines of the state statutes, which are insured by the Federal Deposit Insurance Corporation; investments agreements; direct and general long-term obligations of any state with proper credit rating and full faith and credit pledge; municipal obligations with proper credit rating; annuity and life insurance contracts; bonds issued by the State of Israel; and stocks, bonds, and commingled funds administered by National or State banks or evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, provided that the corporation is listed on a nationally recognized exchange and holds proper credit ratings as set forth by a major credit rating service. These equity investments are not to exceed 60% of the assets of the pension trust funds on a cost basis. Temporary investment funds held by the custodian in a money market fund are classified as cash equivalents within the investment account.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (Continued)

1. Cash, Cash Equivalents and Investments (Continued)

Pension trust fund investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Shares of mutual funds, including proprietary funds and common and collective funds, are valued at quoted market prices, which represent the net asset value of shares held by the pension trust fund at year-end. Interest is recognized when earned. Gains and losses from the sale or exchange of investments are recognized on the transaction date. The difference between the excess of fair value over cost represents unrealized gains.

2. Receivables and Payables

All trade and property tax receivables are considered to be fully collectible.

The City's property tax is levied annually on the real and personal property located in the City on January 1st of the prior year. Tax collections by the Okeechobee County tax collector begin in November of each year with a due date of March 31 of the following year. All property taxes remaining unpaid at May 30 are subject to a tax certificate sale.

The City is permitted by State law to levy taxes up to 10 mills on assessed valuation. During a Special Session in June 2007, the Florida Legislature adopted HB1B, which limits municipal property tax rates beginning in the 2008 fiscal year. This legislation established reductions in the millage rate based on a calculated growth in per capita taxes between the 2002 and 2007 fiscal years. The Legislature did authorize local governments to use the rolled back millage rate if approved by a super majority vote of the governing body. The Okeechobee City Council levy for the fiscal year ended September 30, 2024 was 6.3556 mills, which is 2.84% more than the rolled back rate.

The City Council determines the millage rates and adopts a tax levy by resolution prior to September 30 to fund the next ensuing fiscal year's budget. The assessment of all properties and collection of municipal taxes are provided by the County's Property Appraiser and Tax Collector. The ad valorem tax calendar is as follows:

| | | |
|-----------------|---|-----------------------|
| Lien date | - | January 1 |
| Levy date | - | Prior to September 30 |
| Due date | - | November 1 |
| Delinquent date | - | April 1 |

3. Inventory

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (Continued)

4. Capital Assets

Capital assets, which include: property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-----------------------|-------|
| Buildings | 25-60 |
| Building improvements | 12-20 |
| Vehicles | 10 |
| Equipment | 5-15 |

5. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. Deferred Inflows and Outflows of Resources

The deferred outflows and inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Total deferred inflows of resources related to pensions were \$1,226,625, and total deferred outflows were \$1,941,369 for the year ended September 30, 2024. Note 4-B includes a complete discussion of retirement commitments.

Resources received before time requirements have been met, for example business tax revenues, are classified as deferred inflows of resources.

7. Unearned Revenue

Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (Continued)

8. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources.

9. Fund Equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amounts of loans and notes receivables, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Council, the Council’s highest level of decision making authority. Commitments may be changed or lifted only by the council taking the same formal action (resolution) that imposed the constraint originally. The City had no committed fund balance at year end.

Assigned Fund Balance – Includes spendable fund balance amounts established by the City Administrator or the Council that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned Fund Balance – 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. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (Continued)

9. Fund Equity (Continued)

The City would typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's Police Officers' and Firefighters' pension trust funds and the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Other Post-Employment Benefits

The City participates in a single employer, defined benefit, other post-employment plan. The City does not have a trust for the plan, and there is no actuarially determined contribution. The OPEB liability is determined in accordance with GASBC P52: *Other Post-employment Benefits*.

12. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This will affect the reported amounts of assets, liabilities, deferred inflows and deferred outflows, the disclosure of contingent assets, liabilities, deferred inflows and deferred outflows at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 13, 2025, see Note 5. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

City of Okeechobee, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (Continued)

14. Recently Issued and Implemented Accounting Pronouncements

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62* (GASB 100). The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Implementation of this statement had the following impact on the City's financial statements for fiscal year ended September 30, 2024.

| | Fund Financial Statements | |
|---|------------------------------|---|
| | Appropriations Grant Fund | Other Governmental Funds (Nonmajor funds) |
| Fund balance, beginning of year, as previously reported | \$ - | \$ 40,437 |
| Change from nonmajor to major presentation | 18,488 | (18,488) |
| Fund balance, beginning of year, as adjusted | \$ 18,488 | \$ 21,949 |

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement was issued in December 2023 to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (Continued)

14. Recently Issued and Implemented Accounting Pronouncements

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Statement 102 will be effective for the fiscal year ending September 30, 2025.

GASB Statement 103, *Financial Reporting Model Improvements*. This Statement was issued April 2024 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. This Statement also addresses certain application issues. This establishes new accounting and financial reporting requirements—or modifies existing requirements—related to Management's discussion and analysis (MD&A); unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This Statement will supersede and amend portions of GASB Statements 34 and 37. This Statement further amends portions of GASB Statements 14, 41, 42, 44, 49, 56, 58, 61, 62 and 69. Related guidance will also be superseded or amended upon implementation. Statement 103 will be effective for the fiscal year ending September 30, 2026.

The City is evaluating the requirements of the above statements and the impact on reporting.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

As permitted by GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, the City has elected to disclose all budgetary information in the notes to the required supplementary information.

Note 3: DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

As of September 30, 2024, \$250,000 of the City's bank balances is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes.

At the close of the fiscal year, the City held investments in the Local Government Surplus Funds Trust Fund ("Florida PRIME") external investment pool. The Florida PRIME is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. Florida PRIME currently meets all of the necessary criteria set forth in Section 150: *Investment Pools (External)* of the GASB Codification to measure its investments at amortized cost; therefore, the City's account balance in the SBA is also reported at amortized cost.

Fair Value

GASBC 150: *Investments*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under GASBC 150 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2: Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024.

City of Okeechobee, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Level 1 investments noted in the following table are valued at quoted market prices.

Level 2 investments noted in the following table are valued at quoted prices for similar liabilities in active markets.

The money market fund is valued at amortized cost. They can be redeemed daily, and have no unfunded commitments.

Mutual funds – equities are valued at quoted market prices.

Mutual funds – fixed income are valued using price models maximizing the use of observable inputs for similar securities. This includes basing value on yield currently available on comparable securities of issues with similar credit ratings.

At September 30, 2024, the City had the following investments and effective duration presented in terms of years and levels:

| Investment type | Fair Value | Less than 1 | 1 - 5 | 6 - 10 | More than 10 | Rating | Agency | Level |
|-------------------------------------|---------------|--------------|-------|---------------|--------------|-----------|--------|-------|
| Primary government: | | | | | | | | |
| SBA (Florida Prime) | \$ 7,641,181 | \$ 7,641,181 | \$ - | \$ - | \$ - | AAA | S&P | - |
| Primary government total | \$ 7,641,181 | \$ 7,641,181 | \$ - | \$ - | \$ - | | | |
| Pension trust funds: | | | | | | | | |
| Mutual funds- equities | \$ 14,712,666 | \$ - | \$ - | \$ 14,712,666 | \$ - | Not rated | - | L1 |
| Mutual funds- fixed income | 8,444,041 | - | - | 8,444,041 | - | BBB - AA | S&P | L2 |
| | 23,156,707 | \$ - | \$ - | \$ 23,156,707 | \$ - | | | |
| Cash Equivalents, at amortized cost | | | | | | | | |
| Money Market Fund | 394,418 | | | | | | | |
| Total Cash Equivalents, at cost | 394,418 | | | | | | | |
| Pension trust fund total | \$ 23,551,125 | | | | | | | |

Credit risk

Credit risk for fixed income securities is the risk that the issuer will not fulfill its obligations. The City's investment policy does not address credit risk; however, investments are limited to state sponsored investment pools, which are diversified in their underlying portfolios so that potential losses will be minimized. The investment policies for the firefighters', police officers' and general employees' pension trust funds limit investments to securities with specific ranking criteria.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Interest rate risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. In accordance with Florida Statute 218.415(6), the City's policy is to match investment maturities with known cash needs and anticipated cash flow requirements. The City's pension trust funds do not address interest rate risk.

Concentration of credit risk

Concentration of credit risk is an increased risk of loss that occurs as more investments are acquired from one issuer (i.e. lack of diversification). The City's investment policy and the investment policies for the firefighters', police officers' and general employees' pension trust funds do not specifically address concentration of credit risk.

Foreign currency risk

The City's firefighters', police officers', and general employees' pension trust funds contain investments in foreign corporate bonds; however, all of the investments are denominated in U.S. dollars and are not exposed to foreign currency risk.

B. RECEIVABLES

Receivables as of September 30, 2024 are as follows:

| | General Fund | Municipal Police Officers' Pension Trust | Municipal Firefighters' Pension Trust | General Employees Pension Trust |
|-------------------------|-------------------|---|--|---------------------------------------|
| Franchise/Utility taxes | \$ 136,164 | \$ - | \$ - | \$ - |
| Contributions | - | 8,950 | 36,287 | 8,726 |
| Other | 34,553 | - | - | - |
| Receivables, net | \$ 170,717 | \$ 8,950 | \$ 36,287 | \$ 8,726 |

City of Okeechobee, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS

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

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|----------------------|---------------------|---------------------|-----------------|----------------------|
| Governmental activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 1,435,648 | \$ - | \$ (227,316) | \$ - | \$ 1,208,332 |
| Construction in progress | 66,937 | 24,397 | - | (20,329) | 71,005 |
| Total capital assets, not being depreciated | 1,502,585 | 24,397 | (227,316) | (20,329) | 1,279,337 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 2,481,722 | 47,200 | (27,622) | 13,446 | 2,514,746 |
| Improvements other than buildings | 10,008,944 | 1,825,730 | - | 6,883 | 11,841,557 |
| Equipment | 4,184,285 | 502,848 | (704,036) | - | 3,983,097 |
| Total capital assets, being depreciated | 16,674,951 | 2,375,778 | (731,658) | 20,329 | 18,339,400 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (1,470,505) | (78,014) | 25,684 | - | (1,522,835) |
| Improvements other than buildings | (5,317,928) | (408,107) | - | - | (5,726,035) |
| Equipment | (2,209,708) | (313,064) | 565,775 | - | (1,956,997) |
| Total accumulated depreciation | (8,998,141) | (799,185) | 591,459 | - | (9,205,867) |
| Total capital assets, being depreciated, net | 7,676,810 | 1,576,593 | (140,199) | 20,329 | 9,133,533 |
| Governmental activities capital assets, net | \$ 9,179,395 | \$ 1,600,990 | \$ (367,515) | \$ - | \$ 10,412,870 |

Depreciation expense was charged to functions/programs of the government as follows:

| | |
|---|-------------------|
| Governmental activities: | |
| General government | \$ 148,745 |
| Public safety | 213,289 |
| Physical environment | 437,151 |
| Total depreciation expense - governmental activities | \$ 799,185 |

City of Okeechobee, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans for short-term operating purposes resulted in a due to the General fund from the Law Enforcement Special Revenue fund of \$8,303 and of \$10,000 from the Industrial Development fund, and a due to the Community Development Capital Projects fund from the Industrial Development fund of \$30,000.

| | Due from: | | | |
|--------------|-------------|----------------|----|---------|
| | Industrial | | | |
| | Development | Appropriations | | Total |
| | Fund | Grant Fund | | |
| Due to: | | | | |
| General Fund | \$ 90,494 | \$ 100,000 | \$ | 190,494 |
| Total | \$ 90,494 | \$ 100,000 | \$ | 190,494 |

D. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2024, was as follows:

| | Beginning | | | Ending | Due Within |
|---------------------------------|------------|------------|--------------|------------|------------|
| | Balance | Additions | Reductions | Balance | One Year |
| Governmental activities: | | | | | |
| Compensated absences | \$ 357,859 | \$ 187,245 | \$ (171,581) | \$ 373,523 | \$ 62,117 |
| Net OPEB liability | 216,993 | 38,343 | (28,451) | 226,885 | - |
| Long-term liabilities | \$ 574,852 | \$ 225,588 | \$ (200,032) | \$ 600,408 | \$ 62,117 |

For the governmental activities, compensated absences are generally liquidated by the general fund.

Note 4: OTHER INFORMATION

A. RISK MANAGEMENT

The City is exposed to various risks of loss, including, but not limited to theft, damage or destruction of its buildings, equipment, records and monetary assets, and liability for personal injury, property damage and consequences of employee and public official actions. The City participates in a non-assessable public risk pool to cover significant loss exposure and purchases commercial insurance for third party pollution liability coverage. The pool maintains a loss reserve and purchases specific excess insurance, aggregate excess insurance and multiple loss coverage from commercial carriers and underwriters.

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS

Plan Descriptions – The City contributes to two single-employer defined benefit pension plans: City of Okeechobee Municipal Police Officers’ Pension Trust Fund and City of Okeechobee Municipal Firefighters’ Pension Trust Fund (the “Plans”). The Plans provide retirement, disability and death benefits to plan members and their beneficiaries. Chapters 185 and 175 of the Florida Statutes establish the minimum benefits and the minimum standards for the operation and funding of the Police Officers’ and the Firefighters’ Municipal Pension Trust Funds, respectively. Per City Ordinances Nos. 750 and 749, sole responsibility for administering the Plans is vested in the Board of Trustees of each plan. The Boards cannot amend the provisions of the plans without the approval of the City. The Plans issue publicly available financial reports that include financial statements and required supplementary information. The reports are available from the City of Okeechobee, Florida, 55 S.E. Third Avenue, Okeechobee, Florida 34974.

At September 30, 2024, the Police Officers’ plan included 15 retirees or beneficiaries either receiving or entitled to receive benefits plus 2 terminated employees entitled to benefits but not yet receiving them, and 2 DROP participants. There are 19 active current employees in the Plan, of which 6 were vested and 13 were non-vested.

At September 30, 2024, the Firefighters’ plan included 9 retirees and/or beneficiaries currently receiving benefits plus 4 terminated employees entitled to benefits but not yet receiving them, and 0 DROP participants.

Funding Policies – The contribution requirements of plan members and the City are established and may be amended by City ordinance. Plan members are required to contribute 5% of their annual covered salary for the Police Officers’ and Firefighters’ Municipal Trust Funds. The City is required to contribute an amount equal to the difference in each year between the total aggregate member contributions for the year, plus state contributions for such year, and the normal cost for the year, as shown by the most recent actuarial valuation of the plan; the current contribution rate as a percentage of covered payroll is 1.2% for the Police Officers’ plan and 0% for the Firefighters’ plan.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

The City recognized as revenues and expenditures on-behalf payments relating to pension contributions for its public safety employees that the State of Florida paid to the Police Officers' and Firefighters' Plans in the amounts of \$115,793 and \$-, respectively. These contributions are funded by an excise tax upon certain casualty insurance companies on their gross receipts of premiums from policy holders.

The City and employees contributions for the year ended September 30, 2024, are as follows:

| | City | Employees |
|------------------|-----------|-----------|
| Police Officers' | \$ 15,766 | \$ 65,692 |
| Firefighters' | \$ 36,287 | - |

Plan Investment Policies and Allocation of Plan Investments - Florida statutes and the plan investment policy authorize the Trustees to invest funds in various investments. The general investment objective of the fund is to preserve the purchasing power of the fund's assets and earn a reasonable rate of return (after inflation) over the long term while minimizing, to the extent reasonable, the short-term volatility of returns. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024, and the current target and actual allocation of these investments at market, per the performance analysis report, is as follows as of September 30, 2024:

| Police Officers' | | |
|----------------------|---------------|---------------|
| | Actual | Target |
| Investments | Percent | Percent |
| Domestic Equity | 48.9% | 45.0% |
| International Equity | 14.8% | 15.0% |
| Fixed Income | 35.3% | 40.0% |
| Cash Equivalents | 1.0% | 0.0% |
| Total | 100.0% | 100.0% |

| Firefighters' | | |
|----------------------|---------------|---------------|
| | Actual | Target |
| Investments | Percent | Percent |
| Domestic Equity | 48.9% | 45.0% |
| International Equity | 14.8% | 15.0% |
| Fixed Income | 35.3% | 40.0% |
| Cash Equivalents | 1.0% | 0.0% |
| Total | 100.0% | 100.0% |

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Money-Weighted Rate of Return - For the year ended September 30, 2024, the annual money-weighted rate of return on the Police Officers' pension plan investments was 12.69% and on the Firefighters' pension plan investments was 21.72%. The money-weighted rate of return expresses investment performance, net of plan investment expenses, as adjusted for the changing amounts actually invested on a monthly basis.

Net Pension Liability (Asset) – The City's net pension liability (asset) was measured as of September 30, 1899, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of September 30, 2024 for the Police Officers' and Firefighters' pension plan.

| Total Pension Liability | Police Officers' | Firefighters' |
|---|---------------------|---------------------|
| Service cost | \$ 274,718 | \$ - |
| Interest | 645,176 | 199,748 |
| Difference between actual & expected experience | (589,604) | (273,706) |
| Benefit payments, including refunds | (631,205) | (231,868) |
| Net change in total pension liability | (300,915) | (305,826) |
| Total pension liability - beginning | 9,829,173 | 3,720,263 |
| Total pension liability - ending (a) | \$ 9,528,258 | \$ 3,414,437 |
| | | |
| Plan Fiduciary Net Position | Police Officers' | Firefighters' |
| Contributions - employer (from City) | \$ 37,808 | \$ 43,556 |
| Contributions - employer (from State) | 103,937 | 45,922 |
| Contributions - members | 62,446 | - |
| Net investment income | 1,176,125 | 503,627 |
| Benefit payments, including refunds | (631,205) | (231,868) |
| Administrative expense | (58,674) | (62,323) |
| Other | - | 1,657 |
| Net change in plan fiduciary net position | 690,437 | 300,571 |
| Plan fiduciary net position - beginning | 9,486,273 | 4,007,139 |
| Plan fiduciary net position - ending (b) | 10,176,710 | 4,307,710 |
| | | |
| Net pension liability (asset) - Ending (a) - (b) | \$ (648,452) | \$ (893,273) |
| | | |
| Plan fiduciary net position as a percentage or Total Pension Liability (Asset) | 106.81% | 126.16% |

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

For the year ending September 30, 2024, the City recognized a pension expense (income) of \$309,168 for the Police Officers' Plan and \$(310,678) for the Firefighters' Plan. On September 30, 2024, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Police Officers' | |
|---|-------------------------------------|------------------------------------|
| | Deferred Outflow of Resources | Deferred Inflow of Resources |
| Difference between expected and actual experience | \$ - | \$ 602,414 |
| Change in assumptions | - | 87,028 |
| Net difference between projected and actual earnings on pension plan investments | 876,810 | - |
| Contributions subsequent to the measurement date | 131,559 | - |
| Total | \$ 1,008,369 | \$ 689,442 |

| | Firefighters' | |
|---|-------------------------------------|------------------------------------|
| | Deferred Outflow of Resources | Deferred Inflow of Resources |
| Difference between expected and actual experience | \$ - | \$ 148,016 |
| Change in assumptions | - | 48,209 |
| Net difference between projected and actual earnings on pension plan investments | 337,467 | - |
| Contributions subsequent to the measurement date | 36,287 | - |
| Total | \$ 373,754 | \$ 196,225 |

Deferred outflows relating to subsequent contributions of \$131,559 and \$36,287 for the Police Officers' and Firefighters' Pension Plans, respectively will be recognized as a reduction in net pension liability in the fiscal year ending September 30, 2024.

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Police Officers' | |
|--------------------------|-------------------|
| Year ended September 30: | |
| 2025 | \$ (2,629) |
| 2026 | 112,609 |
| 2027 | 375,835 |
| 2028 | (217,123) |
| 2029 | (81,324) |
| <u>Total</u> | <u>\$ 187,368</u> |

| Firefighters' | |
|--------------------------|-------------------|
| Year ended September 30: | |
| 2025 | \$ (17,505) |
| 2026 | 50,791 |
| 2027 | 187,324 |
| 2028 | (79,368) |
| <u>Total</u> | <u>\$ 141,242</u> |

Net Pension Liability of the City of Okeechobee – The components of the net pension liability of the City at September 30, 2024, as follows, is presented in accordance with GASB Statement No. 67, while the net pensions recognized by the City in the current financial statements represents the net pension liability measured as of September 30, 1899 which is allowed by GASB Statement No. 68.

| | Police | Fire |
|--------------------------------------|----------------|----------------|
| Total pension liability | \$ 10,261,453 | \$ 3,467,745 |
| Plan fiduciary net position | (12,236,211) | (4,912,645) |
| City's net pension liability (asset) | \$ (1,974,758) | \$ (1,444,900) |

| | | |
|--|---------|---------|
| Plan fiduciary net position as a percentage of total pension liability (asset) | 119.24% | 141.67% |
|--|---------|---------|

Expected Long-Term Rate of Return - The long-term expected rate of return on pension investments was determined using a building-block method in which best estimate ranges of future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.5%) to arrive at a 5.6% projected long-term real rate of return net of investment expenses.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized as follows:

| Police Officers' | | |
|----------------------|-------------------|------------------------------|
| Investments | Percent Target | Long-Term Rate of Return* |
| Domestic Equity | 45.0% | 7.5% |
| International Equity | 15.0% | 8.5% |
| Fixed Income | 40.0% | 2.5% |
| Real Estate | 0.0% | 0.0% |
| Cash Equivalents | 0.0% | 0.0% |
| Total | 100.0% | |

*Net of long-term inflation assumption of 2.5%

| Firefighters' | | |
|-----------------------|-------------------|------------------------------|
| Investments | Percent Target | Long-Term Rate of Return* |
| Domestic Equity | 45.0% | 7.5% |
| International Equity | 15.0% | 8.5% |
| Domestic Fixed Income | 40.0% | 2.5% |
| Global Fixed Income | 0.0% | 0.0% |
| Cash Equivalents | 0.0% | 0.0% |
| Total | 100.0% | |

*Net of long-term inflation assumption of 2.5%

Discount Rate - The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in Discount Rate - The following presents the pension liability of the City, calculated using the discount rate of 7%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate for Police Officers' Pension:

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

| | Police Officers' | | |
|---|------------------|------------------|----------------|
| | 1% Decrease | Current Discount | 1% Increase |
| | 6.00% | 7.00% | 8.00% |
| Sponsor's net pension liability (asset) | \$ (758,334) | \$ (1,974,758) | \$ (2,989,704) |

The following presents the pension liability of the City, calculated using the discount rate of 6%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (5%) or 1% higher (7%) than the current rate for Firefighters' Pension:

| | Firefighters' | | |
|---|----------------|------------------|----------------|
| | 1% Decrease | Current Discount | 1% Increase |
| | 5.00% | 6.00% | 7.00% |
| Sponsor's net pension liability (asset) | \$ (1,006,667) | \$ (1,444,900) | \$ (1,802,258) |

The Employees' Retirement System (Fund) of the City of Okeechobee, Florida

Plan Description - Prior to October 1, 2016, both the Okeechobee Utility Authority (OUA) and the general employees of the City of Okeechobee, Florida were covered by the City of Okeechobee and Okeechobee Utility Authority Employee Retirement System. The plan was previously treated as a cost sharing multiple-employer plan when combined with the Okeechobee Utility Authority. Effective October 1, 2016, the City contributes to the Employees' Retirement System (Fund) of the City of Okeechobee, Florida (the "System"), a single employer, defined benefit contributory pension trust administered by the System's Board of Trustees. Substantially all of the City's regular employees participate in this public employee retirement system. The System was established by City Ordinance No. 655, as amended and restated by City Ordinance No. 686. The System provides retirement, disability and death benefits to plan members and their beneficiaries. The Board of Trustees is authorized by City Ordinance No. 686 to establish and amend all plan provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report is available from the City of Okeechobee, Florida, 55 S.E. Third Avenue, Okeechobee, Florida 34974.

At September 30, 2024, the Plan included 21 retirees and/or beneficiaries currently receiving benefits plus 5 terminated employees entitled to benefits but not yet receiving them, and 3 DROP participant. There are 34 active current employees in the Plan, of which 11 are vested and 23 are non-vested.

Funding Policy - The contribution requirements of the plan members and the City are established and may be amended by City ordinance. Plan members are required to contribute 6% of their covered annual salary. The City is required to contribute at an actuarially determined rate; the current rate is 0% of covered payroll. The City's contributions for the year ended September 30, 2024, was \$0, which agreed to the actuarially required contribution for the year of \$0.

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

| | | General |
|--------------------------------------|----|-------------|
| Total pension liability | \$ | 5,137,132 |
| Plan fiduciary net position | | (6,406,202) |
| City's net pension liability (asset) | \$ | (1,269,070) |

Plan fiduciary net position as a
percentage of total pension liability (asset) 124.70%

Plan Investment Policies and Allocation of Plan Investments - Florida statutes and the plan investment policy authorize the Trustees to invest funds in various investments. The general investment objective of the fund is to preserve the purchasing power of the fund's assets and earn reasonable rate of return (after inflation) over the long term while minimizing, to the extent reasonable, the short-term volatility of returns.

| General | | |
|----------------------|---------|---------|
| | Actual | Target |
| Investments | Percent | Percent |
| Domestic Equity | 53.5% | 50.0% |
| International Equity | 9.9% | 10.0% |
| Fixed Income | 35.4% | 40.0% |
| Cash Equivalents | 1.2% | 0.0% |
| Total | 100.0% | 100.0% |

Expected Long-Term Rate of Return - The long term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation and actual allocation as of September 30, 2024 are summarized in the following table:

| General | | |
|----------------------|---------|-----------------|
| | Percent | Long-Term |
| Investments | Target | Rate of Return* |
| Domestic Equity | 50.0% | 7.5% |
| International Equity | 10.0% | 8.5% |
| Fixed Income | 40.0% | 2.5% |
| Cash Equivalents | 0.0% | 0.0% |
| Total | 100.0% | |

*Net of long-term inflation assumption of 2.5%

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.75%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in Discount Rate – The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.75% as well as what the City's proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

| | General 1% Decrease 5.75% | Current Discount 6.75% | 1% Increase 7.75% |
|---|---------------------------------|---------------------------|----------------------|
| Sponsor's net pension liability (asset) | \$ (729,312) | \$ (1,269,070) | \$ (1,725,117) |

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of October 1, 2023 using the following actuarial assumptions applied to all measurement periods.

| | Fire | Police | General |
|---------------------------|--|--|---|
| Actuarial Cost Method | Entry Age Normal | Aggregate | Aggregate |
| Inflation | 2.50% | 2.50% | 2.50% |
| Salary Increases | N/A | 6.00% | 4.75% |
| Investment Rate of Return | 6.00% | 7.00% | 6.75% |
| Retirement Age | 100% when first eligible for Normal Retirement or DROP entry | 100% when first eligible for Normal Retirement or DROP entry | Experience-based rates that are specific to eligibility |
| Cost of Living | .05% every odd year | .05% every odd year | None |

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

| | Fire | Police | General |
|-----------|---|---|---|
| Mortality | For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants postemployment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table/20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements. | For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants postemployment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table/20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements. | For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements. |

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Pension trust funds fiduciary net position activity as of September 30, 2024 was as follows:

| | Firefighters' Pension | Police Officers' Pension | General Employees' Pension | Total Pension Trust Funds |
|---------------------------------|--------------------------|-----------------------------|----------------------------------|------------------------------|
| ASSETS | | | | |
| Cash equivalents | \$ 51,699 | \$ 221,582 | \$ 121,137 | \$ 394,418 |
| Investments: | | | | |
| Mutual funds | 4,858,458 | 12,016,800 | 6,281,449 | 23,156,707 |
| Receivables | 36,287 | 8,950 | 8,726 | 53,963 |
| Total assets | 4,946,444 | 12,247,332 | 6,411,312 | 23,605,088 |
| LIABILITIES | | | | |
| Accounts payable | 10,253 | 9,862 | 6,369 | 26,484 |
| Total liabilities | 10,253 | 9,862 | 6,369 | 26,484 |
| NET POSITION | | | | |
| Restricted for pension benefits | \$ 4,936,191 | \$ 12,237,470 | \$ 6,404,943 | \$ 23,578,604 |

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Pension trust funds increase in fiduciary net position activity as of September 30, 2024 was as follows:

| | Firefighters' Pension | Police Officers' Pension | General Employees' Pension | Total Pension Trust Funds |
|--|--------------------------|-----------------------------|----------------------------------|------------------------------|
| ADDITIONS | | | | |
| Contributions | | | | |
| State | \$ - | \$ 115,793 | \$ - | \$ 115,793 |
| City | 36,287 | 15,766 | - | 52,053 |
| Employees | - | 65,692 | 78,493 | 144,185 |
| Total contributions | 36,287 | 197,251 | 78,493 | 312,031 |
| Investment earnings: | | | | |
| Net depreciation in the fair value | | | | |
| of investments | 802,204 | 1,961,361 | 1,060,237 | 3,823,802 |
| Interest and dividends | 181,942 | 424,237 | 212,177 | 818,356 |
| Total investment earnings | 984,146 | 2,385,598 | 1,272,414 | 4,642,158 |
| Less investment expenses | (24,000) | (25,453) | (22,875) | (72,328) |
| Net investment gain | 960,146 | 2,360,145 | 1,249,539 | 4,569,830 |
| Total additions | 996,433 | 2,557,396 | 1,328,032 | 4,881,861 |
| DEDUCTIONS | | | | |
| Benefits paid to participants | 319,413 | 391,985 | 236,660 | 948,058 |
| Refunds on termination | 2,418 | 46,770 | 7,745 | 56,933 |
| DROP payments | - | - | 21,049 | 21,049 |
| Administrative expenses | 46,122 | 60,651 | 66,019 | 172,792 |
| Total deductions | 367,953 | 499,406 | 331,473 | 1,198,832 |
| Change in net position | 628,480 | 2,057,990 | 996,559 | 3,683,029 |
| Net position, beginning of year | 4,307,711 | 10,179,480 | 5,408,384 | 19,895,575 |
| Net position, end of year | \$ 4,936,191 | \$ 12,237,470 | \$ 6,404,943 | \$ 23,578,604 |

Note 4: OTHER INFORMATION (Continued)

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

Plan description. The City of Okeechobee, Florida administers a single-employer defined benefit healthcare plan (the “Plan”) that provides medical insurance to its employees and their eligible dependents. Pursuant to Section 112.0801 Florida Statutes, the City is required to provide eligible retirees (as defined in the City’s pension plans) the opportunity to participate in this Plan at the same cost that is applicable to active employees. Benefit provisions for the Plan were established by City Council on January 7, 1991 and may only be amended by City Council. The City has not established a trust or agency fund for the Plan. The City does not issue stand-alone financial statements for this Plan. All financial information related to the Plan is accounted for in the City’s basic financial statements.

Employees and their dependents may elect to remain in the Plan upon retirement up to age 65. After age 65 the City's insurance coverage becomes secondary to the retiree's Medicare insurance. The Plan has 2 retirees receiving benefits and has a total of 53 active participants and dependents.

Funding policy. The City is funding the plan on a pay-as-you-go basis. Employees and their dependents are required to pay 100% of the insurance premiums charged by the carrier. There is an implied subsidy in the insurance premiums for these employees because the premium charged for retirees is the same as the premium charged for active employees, who are younger than retirees on average.

Contributions of plan members for the year ended September 30, 2024 totaled \$1,566.

Plan membership. Plan membership as of September 30, 2023 (the latest valuation date) was:

| | Number of covered individuals |
|---|----------------------------------|
| Inactive members currently receiving benefits | 3 |
| Inactive members entitled to but not yet receiving benefits | - |
| Active members | 54 |
| Total | 57 |

The OPEB liability was determined based on the following assumptions and information:

| | |
|----------------------------|--------------------|
| Employer’s reporting date: | September 30, 2024 |
| Measurement date: | September 30, 2023 |
| Valuation date: | September 30, 2023 |

Note 4: OTHER INFORMATION (Continued)

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Actuarial assumptions and other inputs. On the September 30, 2023 measurement date, the actuarial assumptions and other inputs applied include the following:

| | |
|-----------------------------|--|
| Inflation | 2.50 percent |
| Salary increases | 6.00 percent |
| Discount rate | 4.63 percent |
| Healthcare cost trend rates | 6.50 percent for FY beginning 2024, 6.25 percent for FY beginning 2025 and then gradually decreasing to an ultimate trend of 4.00 percent |
| Mortality | Mortality tables used in the July 1, 2023 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class members. These rates were taken from adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018. |
| Changes | Changes in assumptions and other inputs include the change in the discount rate from 4.63% (from 4.40%). Premiums were updated based on information provided. Updated healthcare cost trend rates as described above. |

There were no benefit changes during the year.

Change in Total OPEB Liability

| | Increase (Decrease) |
|--|----------------------|
| | Total OPEB Liability |
| | (a) |
| Balance as of September 30, 2023 | \$ 216,993 |
| Changes for the year: | |
| Service cost | 13,786 |
| Interest | 9,528 |
| Differences between expected and actual experience of the Total OPEB | 10,180 |
| Changes in assumptions and other inputs | 4,849 |
| Benefit payments | (28,451) |
| Net changes | 9,892 |
| Balance as of September 30, 2024 | \$ 226,885 |

Note 4: OTHER INFORMATION (Continued)

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Sensitivity of the Total OPEB Liability – The following table represents the City’s total OPEB liability calculated using the discount rate of 4.63%, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.63%) or one percentage point higher (5.63%) than the current rate:

| | 1% Decrease (3.63%) | Current Discount Rate (4.63%) | 1% Increase (5.63%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$ 237,604 | \$ 226,885 | \$ 215,930 |

The following table represents the City’s total OPEB liability calculated using the ultimate health care cost trend rate of 3.75%, as well as what the City’s total OPEB liability would be if it were calculated using a health care cost trend that is one percentage point lower (2.75%) or one percentage point higher (4.75%) than the current rate:

| | 1% Decrease (5.50%) | Ultimate Trend (6.50%) | 1% Increase (7.50%) |
|----------------------|------------------------|---------------------------|------------------------|
| Total OPEB Liability | \$ 211,336 | \$ 226,885 | \$ 245,120 |

D. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations generally apply to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, or development and the normal operation of a long-lived asset. The City assesses asset retirement obligations on a periodic basis. If a reasonable estimate of fair value can be made, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred or a change in estimate occurs.

The City has an above ground fuel storage tank which is regulated by Florida Administrative Code (FAC) 62-762, and requires certain activities if use of the fuel storage tank is discontinued. The City has determined it cannot reasonably estimate the fair value of the liability for disposal of this item and, accordingly, has not recorded an asset retirement obligation for this matter.

Note 5: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after September 30, 2024 through May 13, 2025, the date the current year's financial statements were available to be issued. The following events occurred:

- Approved sale of a lot for \$569,800
- Approved a paving project for SW Park Street for \$374,408
- Approved the purchase of a dump truck in the amount of \$94,000

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**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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City of Okeechobee, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – General Fund

| <i>Year ended September 30, 2024</i> | Original Budget | Final Budget | Actual (on Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|-----------------------------------|--|
| Revenues | | | | |
| Taxes | \$ 3,597,064 | \$ 3,777,615 | \$ 3,839,338 | \$ 61,723 |
| Intergovernmental | 3,386,811 | 3,643,400 | 4,205,914 | 562,514 |
| Charges for services | 743,200 | 741,700 | 787,772 | 46,072 |
| Permits and fees | 820,700 | 994,850 | 1,032,652 | 37,802 |
| Fines and forfeitures | 26,400 | 29,400 | 50,154 | 20,754 |
| Investment earnings | 387,000 | 448,220 | 602,528 | 154,308 |
| Miscellaneous | 13,600 | 53,800 | 68,238 | 14,438 |
| Total revenues | 8,974,775 | 9,688,985 | 10,586,596 | 897,611 |
| Expenditures | | | | |
| Current: | | | | |
| General government: | | | | |
| Legislative | 175,880 | 178,101 | 175,253 | 2,848 |
| Executive | 259,770 | 213,910 | 238,267 | (24,357) |
| City clerk | 300,540 | 279,000 | 266,110 | 12,890 |
| Human resources | 89,140 | 64,170 | 59,389 | 4,781 |
| Financial services | 362,325 | 351,642 | 343,778 | 7,864 |
| Legal council | 196,400 | 121,300 | 119,089 | 2,211 |
| General services | 632,815 | 543,200 | 525,072 | 18,128 |
| Total general government | 2,016,870 | 1,751,323 | 1,726,958 | 24,365 |
| Public safety: | | | | |
| Fire | 878,500 | 886,000 | 864,448 | 21,552 |
| Police | 3,383,300 | 3,269,870 | 3,180,521 | 89,349 |
| Total public safety | 4,261,800 | 4,155,870 | 4,044,969 | 110,901 |
| Transportation | 1,749,153 | 1,641,600 | 1,600,853 | 40,747 |
| Physical environment | 1,268,551 | 867,300 | 832,827 | 34,473 |
| Capital outlay | 1,109,000 | 915,610 | 889,831 | 25,779 |
| Total expenditures | 10,405,374 | 9,331,703 | 9,095,438 | 236,265 |
| Excess (deficiency) of revenues under (over) expenditures | (1,430,599) | 357,282 | 1,491,158 | 1,133,876 |
| Other financing sources (uses) | | | | |
| Operating transfers out | (3,400) | (3,400) | (477,647) | (474,247) |
| Sale of capital assets | - | 703,000 | 703,510 | 510 |
| Net other financing sources (uses) | (3,400) | 699,600 | 225,863 | (473,737) |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses) | (1,433,999) | 1,056,882 | 1,717,021 | 660,139 |
| Fund balances, beginning of year | 12,174,950 | 12,174,950 | 12,174,950 | - |
| Fund balances, end of year | \$ 10,740,951 | \$ 13,231,832 | 13,891,971 | \$ 660,139 |
| Reconciliation of budgetary to GAAP basis | | | | |
| Current year encumbrances | | | 84,118 | |
| Prior year encumbrances | | | (357,631) | |
| Fund balance on GAAP basis | | | \$ 13,618,458 | |

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – General Fund

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental fund. The Community Development Capital Projects fund is budgeted but the budget to actual is not required to be presented for the capital projects fund. All annual appropriations lapse at fiscal year-end.

The City administrator may make transfers of appropriations within a department as long as the total budget of the department is not increased. Transfers of appropriations between departments required the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The council made certain supplemental appropriations during the year.

Encumbrances accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted or assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

City of Okeechobee, Florida
Required Pension Supplementary Information

| | Police Officers' | | | |
|--|------------------|--------------|--------------|----------------|
| | 2024* | 2023* | 2022* | 2021* |
| Total Pension Liability | | | | |
| Service cost | \$ 328,700 | \$ 274,718 | \$ 300,327 | \$ 277,048 |
| Interest | 689,166 | 645,176 | 642,970 | 635,386 |
| Difference between actual and expected experience | 154,083 | (589,604) | (69,960) | (48,536) |
| Assumption changes | - | - | - | - |
| Benefit payments | (438,754) | (631,205) | (377,386) | (630,299) |
| Refunds | - | - | - | - |
| Net change in total pension liability | 733,195 | (300,915) | 495,951 | 233,599 |
| Total pension liability - beginning | 9,528,258 | 9,829,173 | 9,333,222 | 9,099,623 |
| Total pension liability - ending (a) | 10,261,453 | 9,528,258 | 9,829,173 | 9,333,222 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer (from City) | 16,451 | 37,808 | 70,877 | 100,195 |
| Contributions - employer (from State) | 113,849 | 103,937 | 89,462 | 86,979 |
| Contributions - members | 65,692 | 62,446 | 54,837 | 56,261 |
| Net investment income (loss) | 2,360,145 | 1,176,125 | (2,340,675) | 1,980,592 |
| Benefit payments | (438,754) | (631,205) | (372,018) | (623,923) |
| Refunds | - | - | (5,368) | (6,376) |
| Administrative expense | (60,652) | (58,674) | (55,854) | (41,277) |
| Other | 2,770 | - | - | (3,248) |
| Net change in plan fiduciary net position | 2,059,501 | 690,437 | (2,558,739) | 1,549,203 |
| Plan fiduciary net position - beginning | 10,176,710 | 9,486,273 | 12,045,012 | 10,495,809 |
| Plan fiduciary net position - ending (b) | 12,236,211 | 10,176,710 | 9,486,273 | 12,045,012 |
| Net pension liability (asset) - Ending (a) - (b) | \$ (1,974,758) | \$ (648,452) | \$ 342,900 | \$ (2,711,790) |
| Plan fiduciary net position as a percentage of Total Pension Liability | 119.24% | 106.81% | 96.51% | 129.06% |
| Covered payroll** | \$ 1,313,838 | \$ 1,248,920 | \$ 1,097,275 | \$ 1,125,784 |
| Net pension liability (asset) as a percentage of covered payroll | -150.30% | -51.92% | 31.25% | -240.88% |

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

* -The net pension liability (asset) recognized by the City in the current year financial statements represents the net position liability as of the immediately preceding year-end, which is allowed and became effective upon implementation of GASB 68.

** Covered payroll was calculated by dividing the total member contributions for the fiscal year, net of any known buyback contributions, by the member contribution rate of 5%.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Required Pension Supplementary Information

| | | | | Police Officers' | | | |
|-------|-------------|-------|-----------|------------------|-----------|-------|-----------|
| 2020* | | 2019* | | 2018* | | 2017* | |
| | | | | | | | |
| \$ | 279,173 | \$ | 254,066 | \$ | 258,622 | \$ | 235,345 |
| | 615,045 | | 607,391 | | 580,995 | | 573,285 |
| | (76,855) | | (153,927) | | (276,621) | | (270,100) |
| | (211,356) | | - | | - | | 22,143 |
| | (557,786) | | (502,852) | | (281,028) | | (255,731) |
| | - | | (12,836) | | 72,669 | | - |
| | 48,221 | | 191,842 | | 354,637 | | 304,942 |
| | 9,051,402 | | 8,859,560 | | 8,504,923 | | 8,199,981 |
| | 9,099,623 | | 9,051,402 | | 8,859,560 | | 8,504,923 |
| | 126,811 | | 130,886 | | 151,492 | | 169,789 |
| | 90,650 | | 90,153 | | 81,690 | | 78,659 |
| | 53,051 | | 50,359 | | 46,212 | | 45,863 |
| | 1,170,587 | | 330,227 | | 727,699 | | 903,712 |
| | (542,324) | | (502,852) | | (281,028) | | (255,731) |
| | (15,462) | | (12,836) | | - | | - |
| | (41,667) | | (47,116) | | (45,827) | | (41,855) |
| | (2,155) | | - | | - | | (3,284) |
| | 839,491 | | 38,821 | | 680,238 | | 897,153 |
| | 9,656,318 | | 9,617,497 | | 8,937,259 | | 8,040,106 |
| | 10,495,809 | | 9,656,318 | | 9,617,497 | | 8,937,259 |
| \$ | (1,396,186) | \$ | (604,916) | \$ | (757,937) | \$ | (432,336) |
| | 115.34% | | 106.68% | | 108.56% | | 105.08% |
| \$ | 1,061,193 | \$ | 1,007,180 | \$ | 924,250 | \$ | 917,260 |
| | -131.57% | | -60.06% | | -82.01% | | -47.13% |
| | | | | | | | 16.47% |
| | | | | | | | 7.36% |

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Required Pension Supplementary Information

| | Firefighters' | | | |
|---|----------------|--------------|--------------|----------------|
| | 2024* | 2023* | 2022* | 2021* |
| Total Pension Liability | | | | |
| Service cost | \$ - | \$ - | \$ 18,570 | \$ 64,244 |
| Interest | 205,445 | 199,748 | 225,789 | 247,616 |
| Benefit changes | - | - | - | 268,575 |
| Difference between actual & expected experience | 169,694 | (273,706) | (254,300) | (242,201) |
| Assumption changes | - | - | - | - |
| Benefit payments | (321,831) | (231,868) | (548,385) | (191,302) |
| Refund | - | - | - | - |
| Other | - | - | - | - |
| Net change in total pension liability | 53,308 | (305,826) | (558,326) | 146,932 |
| Total pension liability - beginning | 3,414,437 | 3,720,263 | 4,278,589 | 4,131,657 |
| Total pension liability - ending (a) | 3,467,745 | 3,414,437 | 3,720,263 | 4,278,589 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer (from City) | 12,742 | 11,909 | 569 | 43,576 |
| Contributions - employer (from State) | - | 77,569 | 39,083 | 45,578 |
| Contributions - members | - | - | 249 | 18,140 |
| Net investment income (loss) | 960,146 | 503,627 | (1,079,229) | 906,378 |
| Benefit payments | (321,831) | (231,868) | (548,385) | (150,688) |
| Refunds | - | - | - | (40,614) |
| Administrative expense | (46,122) | (62,323) | (44,389) | (44,943) |
| Other | - | 1,657 | - | - |
| Net change in plan fiduciary net position | 604,935 | 300,571 | (1,632,102) | 777,427 |
| Plan fiduciary net position - beginning | 4,307,710 | 4,007,139 | 5,639,241 | 4,861,814 |
| Plan fiduciary net position - ending (b) | 4,912,645 | 4,307,710 | 4,007,139 | 5,639,241 |
| Net pension liability (asset) - Ending (a) - (b) | \$ (1,444,900) | \$ (893,273) | \$ (286,876) | \$ (1,360,652) |
| Plan fiduciary net position as a percentage of Total Pension Liability | 141.67% | 126.16% | 107.71% | 131.80% |
| Covered payroll** | \$ - | \$ - | \$ 4,990 | \$ 367,446 |
| Net pension liability (asset) as a percentage of covered payroll | N/A | N/A | -5749.02% | -370.30% |

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

* -The net pension liability (asset) recognized by the City in the current year financial statements represents the net position liability as of the immediately preceding year-end, which is allowed and became effective upon implementation of GASB 68.

** Covered payroll was calculated by dividing the total member contributions for the fiscal year, net of any known buyback contributions, by the member contribution rate of 5%.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Required Pension Supplementary Information

| | | | | Firefighters' | |
|-------|-----------|-------|-----------|---------------|-----------|
| 2020* | | 2019* | | 2018* | |
| | | | | 2017* | |
| | | | | 2016* | |
| | | | | 2015* | |
| \$ | 117,980 | \$ | 145,856 | \$ | 136,825 |
| | 275,148 | | 271,341 | | 257,407 |
| | (945) | | | | |
| | (85,233) | | (132,896) | | (162,443) |
| | (96,526) | | - | | (91,659) |
| | (152,193) | | (141,381) | | (13,449) |
| | - | | (9,052) | | (106,572) |
| | - | | - | | (102,590) |
| | | | | | - |
| | | | | | (20,437) |
| | | | | | - |
| | | | | | 19,828 |
| | | | | | - |
| | | | | | 3,256 |
| | 58,231 | | 133,868 | | 128,485 |
| | 4,073,426 | | 3,939,558 | | 180,090 |
| | 4,131,657 | | 4,073,426 | | 348,850 |
| | | | | | 291,014 |
| | | | | | 3,282,133 |
| | | | | | 2,991,119 |
| | | | | | 3,282,133 |
| | | | | | |
| | 86,196 | | 83,988 | | 115,253 |
| | 52,670 | | 52,810 | | 107,123 |
| | 20,552 | | 23,945 | | 50,589 |
| | 507,378 | | 140,894 | | 25,409 |
| | (150,688) | | (141,381) | | 27,433 |
| | (1,505) | | (9,052) | | 246,381 |
| | (40,275) | | (43,675) | | (102,590) |
| | 652 | | - | | (107,105) |
| | | | | | (106,572) |
| | | | | | (20,437) |
| | | | | | (34,933) |
| | | | | | (31,639) |
| | | | | | (27,132) |
| | | | | | - |
| | | | | | (6,375) |
| | | | | | (1,766) |
| | | | | | - |
| | 474,980 | | 107,529 | | 317,402 |
| | 4,386,834 | | 4,279,305 | | 419,071 |
| | 4,861,814 | | 4,386,834 | | 285,417 |
| | | | | | 3,757 |
| | | | | | 3,257,415 |
| | | | | | 3,253,658 |
| | | | | | 3,542,832 |
| | | | | | 3,257,415 |
| | | | | | |
| \$ | (730,157) | \$ | (313,408) | \$ | (339,747) |
| | | | | | \$ |
| | | | | | (150,830) |
| | | | | | \$ |
| | | | | | 88,151 |
| | | | | | \$ |
| | | | | | 24,718 |
| | | | | | |
| | 117.67% | | 107.69% | | 108.62% |
| | 103.96% | | 97.57% | | 99.25% |
| \$ | 411,033 | \$ | 478,900 | \$ | 468,920 |
| | | | | | \$ |
| | | | | | 508,180 |
| | | | | | \$ |
| | | | | | 563,285 |
| | | | | | \$ |
| | | | | | 523,119 |
| | | | | | |
| | -177.64% | | -65.44% | | -72.45% |
| | | | | | -29.68% |
| | | | | | 15.65% |
| | | | | | 4.73% |

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Required Pension Supplementary Information

| | General Employees ¹ | | |
|--|--------------------------------|---------------------|---------------------|
| | 2024* | 2023* | 2022* |
| Total Pension Liability | | | |
| Service cost | \$ 152,469 | \$ 162,179 | \$ 185,154 |
| Interest | 333,226 | 318,751 | 333,968 |
| Benefit changes | - | - | - |
| Difference between actual & expected experience | 23,499 | (291,560) | (170,274) |
| Assumption changes | - | 49,002 | - |
| Benefit payments | (265,454) | (293,166) | (218,611) |
| Refunds | - | - | (94,758) |
| Other *** | - | - | - |
| Net change in total pension liability | 243,740 | (54,794) | 35,479 |
| Total pension liability - beginning | 4,893,392 | 4,948,186 | 4,912,707 |
| Transfer of pension liability for Okeechobee Utility Authority ***** | - | - | - |
| Total pension liability - ending (a) | 5,137,132 | 4,893,392 | 4,948,186 |
| Plan Fiduciary Net Position | | | |
| Contributions - employer | 1,259 | 34,276 | 85,670 |
| Contributions - members | 78,493 | 66,341 | 69,461 |
| Net investment income (loss) | 1,249,539 | 601,336 | (1,219,252) |
| Benefit payments | (265,454) | (293,166) | (218,611) |
| Refunds | - | - | (94,758) |
| Administrative expense | (66,019) | (64,376) | (42,586) |
| Other***** | 1,993 | - | - |
| Net change in plan fiduciary net position | 999,811 | 344,411 | (1,420,076) |
| Plan fiduciary net position - beginning | 5,406,391 | 5,061,980 | 6,482,056 |
| Transfer plan fiduciary net position to Okeechobee Utility Authority***** | - | - | - |
| Plan fiduciary net position - ending (b) | 6,406,202 | 5,406,391 | 5,061,980 |
| Net pension liability (asset) - Ending (a) - (b) | \$ (1,269,070) | \$ (512,999) | \$ (113,794) |
| Plan fiduciary net position as a percentage of Total Pension Liability | 124.70% | 110.48% | 102.30% |
| Covered payroll** | \$ 1,308,218 | \$ 1,105,677 | \$ 1,157,694 |
| Net pension liability (asset) as a percentage of covered payroll | -97.01% | -46.40% | -9.83% |

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Required Pension Supplementary Information

| | | General Employees' | | | | | | | | | |
|-------|-------------|--------------------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|--------------|
| 2021* | | 2020* | | 2019* | | 2018* | | 2017* | | 2016* | |
| \$ | 207,835 | \$ | 184,223 | \$ | 152,255 | \$ | 154,529 | \$ | 136,373 | \$ | 421,387 |
| | 333,141 | | 315,828 | | 295,453 | | 284,633 | | 91,058 | | 763,785 |
| | - | | 90,157 | | - | | - | | - | | - |
| | 242 | | 2,277 | | (141,938) | | 20,956 | | - | | (524,849) |
| | - | | (47,772) | | - | | - | | 133,790 | | - |
| | (354,969) | | (201,373) | | (259,463) | | (164,189) | | (336,740) | | (331,215) |
| | - | | - | | (346) | | (16,592) | | (17,378) | | (18,267) |
| | - | | - | | - | | - | | 2,641,019 | | - |
| | 186,249 | | 343,340 | | 45,961 | | 279,337 | | 2,648,122 | | 310,841 |
| | 4,726,458 | | 4,383,118 | | 4,337,157 | | 4,057,820 | | 1,409,698 | | 11,400,112 |
| | - | | - | | - | | - | | - | | (10,301,255) |
| | 4,912,707 | | 4,726,458 | | 4,383,118 | | 4,337,157 | | 4,057,820 | | 1,409,698 |
| | 114,175 | | 118,781 | | 115,324 | | 75,793 | | 94,009 | | 446,184 |
| | 73,581 | | 76,693 | | 66,020 | | 60,312 | | 56,405 | | 183,145 |
| | 1,108,894 | | 603,919 | | 155,830 | | 394,042 | | 477,649 | | 825,935 |
| | (354,969) | | (178,547) | | (259,463) | | (164,189) | | (336,740) | | (331,215) |
| | - | | (22,826) | | (346) | | (16,592) | | (17,378) | | (18,267) |
| | (44,184) | | (40,906) | | (53,249) | | (46,328) | | (48,490) | | (57,186) |
| | - | | (652) | | - | | - | | 3,117,018 | | (2,208) |
| | 897,497 | | 556,462 | | 24,116 | | 303,038 | | 3,342,473 | | 1,046,388 |
| | 5,584,559 | | 5,028,097 | | 5,003,981 | | 4,700,943 | | 1,358,470 | | 10,238,992 |
| | - | | - | | - | | - | | - | | (9,926,910) |
| | 6,482,056 | | 5,584,559 | | 5,028,097 | | 5,003,981 | | 4,700,943 | | 1,358,470 |
| \$ | (1,569,349) | \$ | (858,101) | \$ | (644,979) | \$ | (666,824) | \$ | (643,123) | \$ | 51,228 |
| | 131.94% | | 118.16% | | 114.72% | | 115.37% | | 115.85% | | 96.37% |
| \$ | 1,229,302 | \$ | 1,278,231 | \$ | 1,100,333 | \$ | 1,005,204 | \$ | 940,083 | \$ | 911,233 |
| | -127.66% | | -67.13% | | -58.62% | | -66.34% | | -68.41% | | 5.62% |

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida Required Pension Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

* The net pension liability (asset) recognized by the City in the current year financial statements represents the net position liability as of the immediately preceding year-end, which is allowed and became effective upon implementation of GASB 68.

** Covered Payroll was calculated by dividing the total member contributions for the fiscal year by the member contribution rate of 6%.

*** The Total Pension Liability, the Plan Fiduciary Net Position, and the Net Pension Liability as of September 30, 2015 were allocated based on the portion of the Employer's Total Required Contribution (from October 1, 2015 Actuarial Valuation dated April 25, 2016). The October 1, 2015 Valuation determined the required employer contribution for the plan year end September 30, 2017.

**** Due to the change in nature of the Plan, from a cost sharing to a single employer plan (effective October 1, 2016). Also reflects \$59,910 post-valuation adjustment to match audited financial statements.

***** Due to the change in nature of the Plan, from a cost sharing to a single employer plan (effective October 1, 2016).

- Effective 10/1/2016, OUA employees are covered under a separately established Plan, the Okeechobee Utility Authority Employees' Retirement System, and are no longer covered under the City of Okeechobee General Employees' Retirement System.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Required Pension Supplementary Information

Schedule of Contributions
Last Ten Fiscal Years

| | Police Officers' | | | |
|---|--------------------|--------------|--------------|--------------|
| | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 |
| Actuarially determined contributions | \$ 108,237 | \$ 121,936 | \$ 158,267 | \$ 185,025 |
| Contributions in relation to the actuarially determined contributions | 130,300 | 141,745 | 160,339 | 187,174 |
| Contribution deficiency (excess) | \$ (22,063) | \$ (19,809) | \$ (2,072) | \$ (2,149) |
| Covered payroll* | \$ 1,313,838 | \$ 1,248,920 | \$ 1,097,275 | \$ 1,125,784 |
| Contributions as a percentage of covered payroll | 9.92% | 11.35% | 14.61% | 16.63% |
| | Firefighters' | | | |
| | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 |
| Actuarially determined contributions | \$ 44,389 | \$ 45,922 | \$ 46,153 | \$ 104,102 |
| Contributions in relation to the actuarially determined contributions | 12,742 | 89,478 | 39,652 | 89,154 |
| Contribution deficiency (excess) | \$ 31,647 | \$ (43,556) | \$ 6,501 | \$ 14,948 |
| Covered payroll* | \$ - | \$ - | \$ 4,990 | \$ 367,446 |
| Contributions as a percentage of covered payroll | N/A | N/A | 794.63% | 24.26% |
| | General Employees' | | | |
| | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 |
| Actuarially determined contributions | \$ - | \$ 34,276 | \$ 85,670 | \$ 114,325 |
| Contributions in relation to the actuarially determined contributions | 1,259 | 34,276 | 85,670 | 114,175 |
| Contribution deficiency (excess) | \$ (1,259) | \$ - | \$ - | \$ 150 |
| Covered payroll | \$ 1,308,218 | \$ 1,105,677 | \$ 1,157,694 | \$ 1,229,302 |
| Contributions as a percentage of covered payroll | 0.10% | 3.10% | 7.40% | 9.29% |

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

* Based on payroll provided for actuarial valuations; Covered payroll was calculated by dividing the total member contributions for the fiscal year, net of any known buyback contributions, by the member contribution rate of 5%.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Required Pension Supplementary Information

| Police Officers' | | | | | |
|--------------------|--------------|--------------|-------------|-------------|--------------|
| 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
| \$ 192,448 | \$ 204,611 | \$ 212,571 | \$ 251,591 | \$ 219,093 | \$ 263,240 |
| 217,461 | 221,039 | 233,182 | 248,448 | 221,272 | 263,388 |
| \$ (25,013) | \$ (16,428) | \$ (20,611) | \$ 3,143 | \$ (2,179) | \$ (148) |
| \$ 1,061,193 | \$ 1,007,180 | \$ 924,250 | \$ 917,260 | \$ 911,080 | \$ 954,800 |
| 20.49% | 21.95% | 25.23% | 27.09% | 24.29% | 27.59% |
| Firefighters' | | | | | |
| 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
| \$ 157,372 | \$ 139,143 | \$ 167,871 | \$ 170,269 | \$ 143,632 | \$ 138,914 |
| 138,866 | 136,798 | 168,046 | 157,712 | 147,598 | 145,525 |
| \$ 18,506 | \$ 2,345 | \$ (175) | \$ 12,557 | \$ (3,966) | \$ (6,611) |
| \$ 411,033 | \$ 478,900 | \$ 468,920 | \$ 508,180 | \$ 563,285 | \$ 523,119 |
| 33.78% | 28.57% | 35.84% | 31.03% | 26.20% | 27.82% |
| General Employees' | | | | | |
| 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
| \$ 118,875 | \$ 114,875 | \$ 75,793 | \$ 42,774 | \$ 49,115 | \$ 379,111 |
| 118,781 | 115,324 | 75,793 | 94,009 | 110,448 | 379,111 |
| \$ 94 | \$ (449) | \$ - | \$ (51,235) | \$ (61,333) | \$ - |
| \$ 1,278,231 | \$ 1,100,333 | \$ 1,005,204 | \$ 940,083 | \$ 911,233 | \$ 3,135,961 |
| 9.29% | 10.48% | 7.54% | 10.00% | 12.12% | 12.09% |

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Required Pension Supplementary Information

| Police Officers' | | | | |
|---|-----------|-----------|-----------|-----------|
| | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 |
| Annual money-weighted rate of return net of investment expense | 22.90% | 12.69% | -20.10% | 18.76% |
| Fire Fighters' | | | | |
| | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 |
| Annual money-weighted rate of return net of investment expense | 21.72% | 13.22% | -20.53% | 19.30% |
| General Employees' | | | | |
| | 9/30/2024 | 9/30/2023 | 9/30/2022 | 9/30/2021 |
| Annual money-weighted rate of return net of investment expense | 22.25% | 12.37% | -19.81% | 19.17% |

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, the City presents information for those years for which information is available.

City of Okeechobee, Florida
Required Pension Supplementary Information

| Police Officers' | | | | | |
|------------------|-----------|-----------|-----------|-----------|-----------|
| 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
| 11.78% | 3.10% | 8.73% | 10.68% | 7.59% | -1.65% |

| Fire Fighters' | | | | | |
|----------------|-----------|-----------|-----------|-----------|-----------|
| 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
| 10.61% | 2.39% | 6.11% | 10.76% | 6.83% | -2.19% |

| General Employees' | | | | | |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| 9/30/2020 | 9/30/2019 | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 |
| 11.37% | 2.23% | 7.55% | 9.78% | 7.78% | -1.38% |

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Schedule of Changes in Total OPEB Liability and Related Ratios

| Year Ending September 30, | 2024 | 2023 | 2022 |
|--|-------------------|-------------------|-------------------|
| Total OPEB liability | | | |
| Service cost | \$ 13,786 | \$ 22,010 | \$ 23,718 |
| Interest | 9,528 | 5,720 | 5,415 |
| Difference between expected and actual experience | 10,180 | - | 58,331 |
| Changes of assumptions or other inputs | 4,849 | (30,595) | (23,809) |
| Benefit payments | (28,451) | (38,682) | (12,183) |
| Net change in total OPEB liability | 9,892 | (41,547) | 51,472 |
| Total OPEB liability - beginning | 216,993 | 258,540 | 207,068 |
| Total OPEB liability - ending | \$ 226,885 | \$ 216,993 | \$ 258,540 |

| | | | |
|---|--------------|--------------|---------------|
| Covered employee payroll | \$ 2,716,114 | \$ 2,428,727 | \$ 2,472,843 |
| Total OPEB liability as a percentage of covered employee payroll | 8.35% | 8.93% | 10.46% |

* GASB 75 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.

* The following discount rate was used in each period:

| |
|-------------------|
| 9/30/2018 - 3.50% |
| 9/30/2019 - 3.83% |
| 9/30/2020 - 2.75% |
| 9/30/2021 - 2.41% |
| 9/30/2022 - 2.19% |
| 9/30/2023 - 4.40% |
| 9/30/2024 - 4.63% |

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Schedule of Changes in Total OPEB Liability and Related Ratios

| | 2021 | | 2020 | | 2019 | | 2018 |
|----|-------------|----|-------------|----|-------------|----|-------------|
| \$ | 20,845 | \$ | 12,015 | \$ | 12,580 | \$ | 13,441 |
| | 5,582 | | 6,320 | | 5,640 | | 4,977 |
| | - | | 6,792 | | - | | - |
| | 4,218 | | 14,710 | | (4,290) | | (3,808) |
| | (11,458) | | (9,915) | | (9,081) | | (17,198) |
| | 19,187 | | 29,922 | | 4,849 | | (2,588) |
| | 187,881 | | 157,959 | | 153,110 | | 155,698 |
| \$ | 207,068 | \$ | 187,881 | \$ | 157,959 | \$ | 153,110 |

\$ 3,359,887 \$ 3,041,518 \$ 2,984,722 \$ 2,809,503

6.16% 6.18% 5.29% 5.45%

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Okeechobee, Florida
Notes to Required Supplementary Information

A. ADDITIONAL ACTUARIAL INFORMATION

Valuation Date: 10/01/2023

Notes: Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contributions Rates:

| | Police Officers' Pension Plan | Firefighters' Pension Plan | General Employees' Pension Plan |
|--------------------------------|---|---|--|
| Actuarial Cost Method: | Aggregate | Aggregate | Aggregate |
| Amortization Method: | N/A | N/A | N/A |
| Remaining Amortization Period: | N/A | N/A | N/A |
| Asset Valuation Method: | 4-year smoothed market | 4-year smoothed market | 4-year smoothed market |
| Salary Increases: | 6.00% | 7.00% | 6.00% |
| Inflation: | 2.50% | 2.50% | 2.50% |
| Investment Rate of Return: | 7.00% | 6.00% | 6.75% |
| Retirement Age: | 100% when first eligible for Normal Retirement or DROP entry | 100% when first eligible for Normal Retirement or DROP entry. | 100% when first eligible for Normal Retirement or DROP entry |
| Mortality: | For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. | For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. | For healthy participants during employment, PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. |

City of Okeechobee, Florida

Notes to Required Supplementary Information

| | Police Officers' Pension Plan | Firefighters' Pension Plan | General Employees' Pension Plan |
|---------------------------|---|---|--|
| Mortality (Continued): | For healthy participants postemployment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table/20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements. | For healthy participants postemployment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table/20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements. | For healthy participants post employment, PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements. |

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INDEPENDENT AUDITOR’S 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*

The Honorable Mayor and Members of the City Council
City of Okeechobee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Okeechobee, Florida, (the “City”), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated May 13, 2025.

Other auditors audited the financial statements of the City of Okeechobee, Florida Municipal Police Officers’ Pension Trust Fund, the City of Okeechobee, Florida Municipal Firefighters’ Pension Trust Fund and the City of Okeechobee Employees’ Retirement System, as described in our report on the City of Okeechobee, Florida’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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 discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be 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 entity's financial statements will not be prevented, or detected and corrected, a timely basis. We consider the following deficiency in internal control to be a material weakness:

2024-001 REVENUE RECOGNITION

Criteria: GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*, defines that voluntary nonexchange transactions, i.e., grants, are recognized when all applicable eligibility requirements are met and the resources are available.

Condition: The City incurred allowable expenditures totaling \$156,162 under a reimbursement-based grant during the fiscal year. As of year-end, no reimbursement request had been submitted to the grantor agency. However, under the modified accrual basis of accounting, the City should have recorded the funds as due from other governments and as a deferred inflow of resources for unavailable revenue. At the government-wide level, under the full accrual basis of accounting, the City should have recorded the funds as due from other governments and as revenue.

Cause: As of year-end, no reimbursement request had been submitted to the grantor agency, and the City did not properly evaluate the accounting treatment under the modified accrual basis of accounting.

Effect: At the fund level, due from other governments and deferred inflows for unavailable revenue were understated by \$156,162. At the government-wide level, due from other governments and revenues were understated by \$156,162.

Recommendation: We recommend that management enhance its year-end closing procedures to include a review of all grant activity to ensure that receivables and related revenues (or deferred inflows) are properly recorded for expenditures that have met the eligibility criteria, regardless of whether reimbursement has been requested or received by year-end.

Management's Response: The City will enhance its year-end closing procedures and review closer the grant activities to ensure that receivables and related revenues are properly recorded for expenditures made even if reimbursement for such expenses has not been requested.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

May 13, 2025

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and Members of the City Council
City of Okeechobee, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Okeechobee, Florida, (the "City") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 13, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 13, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government 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 of the City and its component units are disclosed in the footnotes.

Financial Condition and Management

Section 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 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 review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City did not operate a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the City's geographical boundaries during the fiscal year under audit.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste 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 note 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 other granting agencies, the City Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida
May 13, 2025



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INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Mayor and Members of the City Council
Of the City of Okeechobee, Florida

We have examined the City of Okeechobee, Florida’s (the “City”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2024. Management is responsible for the City’s compliance with the specified requirements. Our responsibility is to express an opinion on the City’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including as assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence 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 the examination engagement.

Our examination does not provide a legal determination on the City’s compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2024.

This report is intended solely for the information and use of management, City Council, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
May 13, 2025