City Of Okeechobee, Florida

FINANCIAL STATEMENTS

September 30, 2021

CARR RIGGS & INGRAM
CPAs and Advisors
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City of Okeechobee, Florida
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For the year ended September 30, 2021

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City of Okeechobee, Florida
City Officials
For the year ended September 30, 2021

Dowling R. Watford, Jr.
Mayor, Chairman

Noel Candler
Monica Clark
Bob Jarriel
Bobby Keefe
Council Members

John F. Fumero
City Attorney

Gary Ritter
City Administrator

Lane Gamiotea
City Clerk

India Riedel
Finance Director

Herbert Smith
Chief of Fire

Donald Hagan
Chief of Police

David Allen
Director of Public Works

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CRI CARR RIGGS & INGRAM
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INDEPENDENT AUDITORS' REPORT

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

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, as of and for the year ended September 30, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Okeechobee, Florida Municipal Police Officers' Pension Trust Fund and City of Okeechobee, Florida Municipal Firefighters' Pension Trust Fund and the City of Okeechobee Employees' Retirement System, which represent 100% of the assets, net position and additions of the pension trust fiduciary funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the City of Okeechobee, Florida Municipal Police Officers' Pension Trust Fund and City of Okeechobee, Florida Municipal Firefighters' Pension Trust Fund and the City of Okeechobee Employees' Retirement System is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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 were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of 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, 2021, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 9 through 16), the budgetary comparison information (page 63 and page 75), and the pension and other postemployment benefits information (pages 64 through 74 and pages 76 through 77) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Okeechobee, Florida's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2022 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'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, Riggs & Ingram, L.L.C.

Melbourne, Florida
June 1, 2022

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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, 2021. 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, 2021:

- The City's total assets exceeded its liabilities at September 30, 2021 by $19,210,618.
- The City's total revenues were $6,688,886 for the year ended September 30, 2021, compared to total expenses of $7,106,680, which resulted in a $417,794 decrease 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.

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

	2021	2020
Current assets	**$ 12,359,121**	$ 11,267,892
Capital assets	**7,803,635**	8,100,730
Noncurrent assets	**2,984,444**	1,563,303
Total assets	**23,147,200**	20,931,915
Deferred outflows	**522,439**	806,791
Unearned revenue	**1,456,482**	-
Current liabilities	**594,515**	317,048
Noncurrent liabilities	**563,975**	655,619
Total liabilities	**2,614,972**	972,667
Deferred inflows	**1,844,049**	1,137,637
Net position:		
Net investment in capital assets	**7,803,635**	8,100,730
Restricted	**2,886,133**	1,062,845
Unrestricted	**8,520,850**	10,464,837
Total net position	**$ 19,210,618**	$ 19,628,412

Governmental Activities

Total net position decreased by $417,794 primarily as a result of $2,215,285 increase in total assets, an increase of $1,642,305 of total liabilities. In addition, deferred inflows related to pensions increased $706,412 and was offset by a decrease of $284,352 of pension outflows. The increase in total assets was primarily due to a $1,091,229 increase in current assets due to an increase of cash and investments in the current year to fund operations, a $1,421,141 increase in noncurrent assets due to an increase in net pension asset, and a decrease in capital assets of $297,095. The net change in current and noncurrent liabilities was $1,642,305 as current liabilities increased by $277,467 related to timing of payables and non-current liabilities decreased by $91,644 resulting from a decrease in the compensated absences by $110,831 and an increase in the OPEB liability obligation of $19,187. Unearned revenue increased by $1,456,482 due to grant funds received in advance.

The following table shows condensed revenue and expense data:

City of Okeechobee, Florida
Statement of Activities

	2021	2020
REVENUES:		
Program revenues:		
Charges for services	$ 886,749	$ 788,165
Operating grants and contributions	677,032	615,305
Capital grants and contributions	184,814	-
General revenues:		
Property taxes	2,447,037	2,305,548
Public utility taxes	864,924	840,461
Franchise fees	573,929	540,181
Shared revenues	862,744	1,622,322
Investment income	10,660	102,982
Other income	180,997	42,392
Total revenues	6,688,886	6,857,356
EXPENSES:		
General government	908,374	1,738,663
Public safety	4,378,379	4,131,405
Transportation	1,186,087	840,233
Physical environment	631,903	919,594
Economic environment	593	-
Culture and recreation	1,344	-
Total expenses	7,106,680	7,629,895
Change in net position	(417,794)	(772,539)
Net position, beginning of year	19,628,412	20,400,951
Net position, end of year	$ 19,210,618	$ 19,628,412

The City experienced a decrease of 2.4% in total revenues – a $168,470 decrease to $6.68 million. The decrease is primarily due to a $759,578 decrease in Shared Revenues, offset by an increase of Charges for Services, $98,584, Operating Grants and Contributions, $61,727 and Capital Grants and Contributions, $184,814, and $92,322 decrease in Investment Income. Utility Tax and Franchise fee revenues increased $24,463 and $33,748 respectfully, primarily based on higher consumer consumption. An increase in the assessed taxable values and continuing millage rate of 7.6018 were the contributory factors in the increase of property tax revenue of $141,489 which offset the decrease in revenues. An increase in Miscellaneous revenue $138,605, also shared in the offset of the overall decrease in revenues for the year. The City experienced a decrease of 6.9% in total expenses – a $523,215 decrease to $7.1 million. The decrease is primarily due to a $830,289 decrease in expenses for general government. The $345,854 increase in transportation expense, $287,691 increase in physical environment and $246,974 increase in public safety offset the overall decrease in expenditures for the year. The combined decrease in expense and decrease in revenues resulted in a decrease in net position of $417,794.

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 $10,322,239 a decrease of $579,348 in comparison with the prior year. Approximately 78% of this total amount $8,005,524, constitutes unassigned fund balance, which is available for spending at the government's discretion. Assigned fund balances include $1,107,248 for subsequent year's expenditures. Public facilities fund balance of $1,157,600 plus law enforcement $17,599 are restricted funds based on their specific stipulated purpose. The remainder of fund balance is non-spendable inventory of $34,268.

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 $9,051,015 while total fund balance was $10,242,883. 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 111% and 126% respectively of total general fund expenditures.

Revenues from grants were used in the construction of infrastructure and other improvements in the City in the prior year.

General Fund Budgetary Highlights

The amount appropriated for expenditures in the original 20/21 budget decreased from $8,590,919 to $8,499,665 in the final 20/21 budget, a decrease of $91,254. The decrease in budgeted fire and police public safety expenses, and transportation expenses contributed to the overall decrease in expenditures. These decreases were offset by budget increases in general government, physical environment and capital outlay.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital assets. The City's investment in capital assets as of September 30, 2021, amounted to $7,803,635, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment and construction in progress. During the year, the City's net capital asset balance decreased $297,095.

The City's major additions of $739,115 to capital assets during the current fiscal year included the following:

- Completion of Centennial Park restroom & pavilion
- Completion of Fiberoptic cable installation
- Taylor Creek Stormwater conveyance
- Northwest 10th Street sidewalk improvements
- Replacement computers (4) -Police Department
- Streetlights (4) Commerce Park
- Replace (3) police vehicles including equipment for Police Department.
- Tasers (1) including harnesses, etc.; (1) Radar
- BIS Digital Recording System and monitors for Council Chamber
- Trees for City parks
- Added (11) laptops for council and various departments for use in council chambers
- Bunker gear for fire personnel
- City Hall remodel and carpet for hallway, stairs and second floor

- 20' Lowes Boat for Public Works
- Wacker 3" Trash pump
- Construction in progress included in WiFi equipment in the parks, SE 6th Street and Se 3rd Avenue improvements, Incode accounting software, Centennial Park restroom & pavilion and fiber optic cable installation

City's Capital Assets
(net of depreciation)

		2021		2020
Land	**$**	**1,378,744**	$	1,378,744
Construction in progress		**326,662**		142,615
Buildings		**1,163,458**		1,093,014
Improvements other than buildings		**3,882,510**		3,846,839
Equipment		**1,052,260**		1,639,518
Total	**$**	**7,803,635**	$	8,100,730

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 7.6018 for budget year 2022. The adopted millage rate is slightly higher than the roll-back rate of 7.3317. A $93,935 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 2022 adopted budget for all funds of the City total approximately $8,859,381, an increase from the prior year final budget of approximately $1,386,680. These revenues include the General, Public Facility, Capital Projects and Special Law Enforcement fund revenues.

The change in revenue is based mostly on the expected increase in Ad Valorem Tax revenue, intergovernmental revenue and expected grant revenue. However an expected decrease in money revenues offsets the budgeted increase.

Expenditures for the fiscal year 2022 adopted budget for all funds of the City total approximately $10,185,715, an increase of 17% or $1,686,050 from the prior year budget. The increase in expenditures is based mostly on the increase in budgeted capital infrastructure expenditures funded through the American Rescue Plan Act, general government public safety and transportation related expenditures.

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, 2021

ASSETS		
Cash and cash equivalents	**$**	**3,733,468**
Investments		**8,183,546**
Accounts receivable		**130,819**
Due from other governments		**277,020**
Inventory		**34,268**
Capital assets:		
Nondepreciable		
Land		**1,378,744**
Construction in progress		**326,663**
Depreciable, net of accumulated depreciation		
Buildings		**1,163,458**
Improvements other than buildings		**3,882,510**
Equipment		**1,052,260**
Net pension asset		**2,984,444**
Total assets		**23,147,200**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow - pensions		**522,439**
Total deferred outflows of resources		**522,439**
LIABILITIES		
Accounts payable		**390,730**
Accrued expenses		**141,570**
Compensated absences - due within one year		**62,215**
Unearned revenue - American Rescue Plan Act		**1,456,482**
Noncurrent liabilities:		
Due in more than one year		
Compensated absences		**356,907**
OPEB liability		**207,068**
Total liabilities		**2,614,972**
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow - business tax receipts		**48,100**
Deferred inflow - pensions		**1,795,949**
Total deferred inflows of resources		**1,844,049**
NET POSITION		
Net investment in capital assets		**7,803,635**
Restricted for:		
Law enforcement		**17,599**
Public facilities		**1,157,600**
Pension benefits		**1,710,934**
Unrestricted		**8,520,850**
Total net position	**$**	**19,210,618**

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

City of Okeechobee, Florida
Statement of Activities - Governmental Activities

Year ended September 30, 2021	Program Revenues			Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
General government	**$ 908,374**	**$ 303,343**	**$ -**	**$ 184,814**	**$ (420,217)**
Public safety	**4,378,379**	**156,098**	**-**	**-**	**(4,222,281)**
Transportation	**1,186,087**	**427,308**	**677,032**	**-**	**(81,747)**
Physical environment	**631,903**	**-**	**-**	**-**	**(631,903)**
Economic environment	**593**	**-**	**-**	**-**	**(593)**
Culture & recreation	**1,344**	**-**	**-**	**-**	**(1,344)**
Total governmental activities	**$ 7,106,680**	**$ 886,749**	**$ 677,032**	**$ 184,814**	**(5,358,085)**
	General revenues:				
	Property taxes				**2,447,037**
	Public utility taxes				**864,924**
	Franchise fees				**573,929**
	Shared revenues not restricted to specific programs				**862,744**
	Unrestricted investment earnings				**10,660**
	Miscellaneous				**180,997**
	Total general revenues				**4,940,291**
	Change in net position				**(417,794)**
	Net position, beginning of year				**19,628,412**
	Net position, end of year				**$ 19,210,618**

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

City of Okeechobee, Florida
Balance Sheet - Governmental Funds

September 30, 2021	General	Community Development Capital Project	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	**$ 3,645,809**	**$ 61,757**	**$ 25,902**	**$ 3,733,468**
Investments	**8,183,546**	**-**	**-**	**8,183,546**
Accounts receivable	**130,819**	**-**	**-**	**130,819**
Due from other funds	**8,303**	**-**	**-**	**8,303**
Due from other governments	**277,020**	**-**	**-**	**277,020**
Inventory	**34,268**	**-**	**-**	**34,268**
Total assets	**$ 12,279,765**	**$ 61,757**	**$ 25,902**	**$ 12,367,424**
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	**$ 390,730**	**$ -**	**$ -**	**$ 390,730**
Accrued expenses	**141,570**	**-**	**-**	**141,570**
Due to other funds	**-**	**-**	**8,303**	**8,303**
Unearned revenue	**1,456,482**	**-**	**-**	**1,456,482**
Total liabilities	**1,988,782**	**-**	**8,303**	**1,997,085**
Deferred inflows of resources:				
Deferred revenue - business tax revenue	**48,100**	**-**	**-**	**48,100**
Fund balances:				
Nonspendable for:				
Inventory	**34,268**	**-**	**-**	**34,268**
Restricted for:				
Public facilities	**1,157,600**	**-**	**-**	**1,157,600**
Law enforcement	**-**	**-**	**17,599**	**17,599**
Assigned for:				
Subsequent year's expenditures	**1,107,248**	**-**	**-**	**1,107,248**
Unassigned	**7,943,767**	**61,757**	**-**	**8,005,524**
Total fund balances	**10,242,883**	**61,757**	**17,599**	**10,322,239**
Total liabilities, deferred inflows of resources and fund balances	**$ 12,279,765**	**$ 61,757**	**$ 25,902**	
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.				**522,439**
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.				**(1,795,949)**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				**7,803,635**
Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				**2,984,444**
Long-term liabilities, including the net OPEB obligation of $207,068 and compensated absences of $419,222 are not due and payable in the current period and, therefore, are not reported in the funds.				**(626,190)**
Net position of governmental activities				**$ 19,210,618**

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

Year ended September 30, 2021	General	Community Development Capital Project	Nonmajor Funds	Total Governmental Funds
Revenues				
Taxes	$ 3,295,724	$ -	$ -	$ 3,295,724
Intergovernmental	2,690,722	-	184,814	2,875,536
Charges for services	544,146	-	-	544,146
Permits and fees	782,582	-	-	782,582
Fines and forfeitures	129,557	-	2,134	131,691
Investment earnings	10,660	-	-	10,660
Miscellaneous	88,566	-	-	88,566
Total revenues	7,541,957	-	186,948	7,728,905
Expenditures				
Current:				
General government	1,733,388	-	-	1,733,388
Public safety	4,351,200	-	525	4,351,725
Transportation	1,209,468	-	-	1,209,468
Physical environment	311,156	-	593	311,749
Recreation	1,344	-	-	1,344
Capital outlay	554,301	-	184,814	739,115
Total expenditures	8,160,857	-	185,932	8,346,789
Excess of revenues over expenditures	(618,900)	-	1,016	(617,884)
Other financing sources (uses)				
Transfers in	200,000	-	-	200,000
Transfers out	-	(200,000)	-	(200,000)
Proceeds from sale of capital assets	38,536	-	-	38,536
Total other financing sources (uses)	238,536	(200,000)	-	38,536
Net change in fund balances	(380,364)	(200,000)	1,016	(579,348)
Fund balances, beginning of year	10,623,247	261,757	16,583	10,901,587
Fund balances, end of year	$ 10,242,883	$ 61,757	$ 17,599	$ 10,322,239

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, 2021

Net change in fund balances - total governmental funds		**$ (579,348)**
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.		
Capital outlay	$ 739,115	
Depreciation expense	(655,224)	**83,891**
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.		**(381,075)**
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.		**429,309**
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.		**(19,187)**
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.		**48,616**
Change in net position of governmental activities		**$ (417,794)**

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

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

September 30, 2021	Pension Trust Funds
ASSETS	
Cash equivalents	**$ 232,909**
Investments:	
Mutual funds	**23,879,068**
Receivables	**70,110**
Prepaid expenses	**6,963**
Total assets	**24,189,050**
LIABILITIES	
Accounts payable	**22,741**
Total liabilities	**22,741**
NET POSITION	
Restricted for pension benefits	**$ 24,166,309**

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

Year ended September 30, 2021	Pension Trust Funds
ADDITIONS	
Contributions:	
State	**$ 132,557**
City	**257,946**
Employees	**147,982**
Total contributions	**538,485**
Investment earnings:	
Net appreciation in the fair value of investments	**3,264,531**
Interest and dividends	**794,447**
Total investment earnings	**4,058,978**
Less investment expenses	**(63,116)**
Net investment earnings	**3,995,862**
Total additions	**4,534,347**
DEDUCTIONS	
Benefits paid to participants	**701,513**
Refunds on termination	**46,990**
DROP payments	**415,651**
Share plan distribution	**12,416**
Administrative expenses	**130,402**
Total deductions	**1,306,972**
Change in net position	**3,227,375**
Net position, beginning of year	**20,938,934**
Net position, end of year	**$ 24,166,309**

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 2021 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 changes in net position) report information on all of the nonfiduciary activities of the primary government. *Governmental activities* are those which 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 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.

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.

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 as program revenues. Therefore, general revenues include 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 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 I50: *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 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, 2021 was 7.6018 mills, which is 4.89% 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 $1,795,949, and total deferred outflows were $522,439 for the year ended September 30, 2021. 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. Recently Issued and Implemented Accounting Pronouncements

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Recently Issued and Implemented Accounting Pronouncements (Continued)

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract.

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Recently Issued and Implemented Accounting Pronouncements (Continued)

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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, 2021, $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.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

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 I50: *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 I50: *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 I50 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, 2021.

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.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

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, 2021, 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)	$ 8,183,546	$ 8,183,546	$ -	$ -	$ -	AAAm	S&P	-
Primary government total	$ 8,183,546	$ 8,183,546	$ -	$ -	$ -			
Pension trust funds:								
Mutual funds- equities	14,393,407	-	-	14,393,407	-	Not rated	-	L1
Mutual funds- fixed income	9,485,661	-	-	9,485,661	-	BBB - AA	S&P	L2
	$ 23,879,068	$ -	$ -	$ 23,879,068	$ -			
Cash Equivalents, at amortized cost								
Money Market Fund	232,909							
Total Cash Equivalents, at cost	232,909							
Pension trust fund total	$ 24,111,977							

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.

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.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

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, 2021 are as follows:

	General Fund	Municipal Police Officers' Pension Trust	Municipal Firefighters' Pension Trust	General Employees Pension Trust
Franchise/Utility taxes	$ 108,902	$ -	$ -	$ -
Contributions	-	31,211	5,960	32,939
Other	21,917	-	-	-
Receivables, net	$ 130,819	$ 31,211	$ 5,960	$ 32,939

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,378,744	$ -	$ -	$ -	1,378,744
Construction in progress	142,615	326,663	-	(142,615)	326,663
Total capital assets, not being depreciated	1,521,359	326,663	-	(142,615)	1,705,407
Capital assets, being depreciated:					
Buildings	2,328,204	21,839	-	127,275	2,477,318
Improvements other than buildings	8,096,745	233,469	-	15,340	8,472,758
Equipment	4,101,221	157,144	(711,287)	-	3,419,873
Total capital assets, being depreciated	14,526,170	412,452	(711,287)	142,615	14,369,949
Less accumulated depreciation for:					
Buildings	(1,235,190)	(78,670)	-	-	(1,313,860)
Improvements other than buildings	(4,249,906)	(340,342)	-	-	(4,590,248)
Equipment	(2,461,703)	(236,212)	330,212	-	(2,367,613)
Total accumulated depreciation	(7,946,799)	(655,224)	330,212	-	(8,271,721)
Total capital assets, being depreciated, net	6,579,371	(242,772)	(381,075)	142,615	6,098,228
Governmental activities capital assets, net	$ 8,100,730	$ 83,891	$ (381,075)	$ -	$ 7,803,635

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

Governmental activities:	
General government	$ 116,804
Public safety	220,245
Physical environment	318,175
Total depreciation expense - governmental activities	$ 655,224

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans for short-term operating purposes resulted in a due to the General fund from the Law Enforcement Trust fund of $8,302. All amounts are expected to be repaid within one year.

E. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 467,738	$ 363,649	$ (412,265)	$ 419,122	$ 62,215
Net OPEB liability	187,881	30,645	(11,458)	207,068	-
Long-term liabilities	$ 655,619	$ 394,294	$ (423,723)	$ 626,190	$ 62,215

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.

Note 4: OTHER INFORMATION (Continued)

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, 2021, the Police Officers' plan included 14 retirees or beneficiaries either receiving or entitled to receive benefits, plus 3 survivor beneficiaries. The Police Officers' plan also includes 1 terminated member with vested benefits, and has 1 DROP participant. There are 21 active current employees of which 8 are vested and 13 are non-vested.

At September 30, 2021, the Firefighters' plan included 5 retirees receiving or entitled to receive benefits, plus 1 beneficiary receiving benefits. The Plan also included 2 DROP participants. There is 1 active current employee who is vested.

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 11.9% for the Police Officers' plan and 12.0% for the Firefighters' plan.

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 $86,979 and $45,578, respectively. These contributions are funded by an excise tax upon certain casualty insurance companies on their gross receipts of premiums from policy holders.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS

The City and employees contributions for the year ended September 30, 2021, are as follows:

		City		Employees
Police Officers'	$	100,195	$	56,261
Firefighters'	$	43,576	$	18,140

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, 2021, and the current target and actual allocation of these investments at market, per the performance analysis report, is as follows as of September 30, 2021:

Police Officers'

Investments	Actual Percent	Target Percent
Domestic Equity	49.1%	50.0%
International Equity	14.9%	10.0%
Fixed Income	34.6%	40.0%
Cash Equivalents	1.4%	0.0%
Total	100.0%	100.0%

Firefighters'

Investments	Actual Percent	Target Percent
Domestic Equity	45.9%	50.0%
International Equity	15.6%	10.0%
Fixed Income	37.8%	40.0%
Cash Equivalents	0.7%	0.0%
Total	100.0%	100.0%

Money-Weighted Rate of Return - For the year ended September 30, 2021, the annual money-weighted rate of return on the Police Officers' pension plan investments was 18.76% and on the Firefighters' pension plan investments was 19.3%. 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.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Net Pension Liability (Asset) – The City's net pension liability (asset) was measured as of September 30, 2020, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of September 30, 2021 for the Police Officers' and Firefighters pension plan.

Total Pension Liability	Police Officers'	Firefighters'
Service cost	$ 279,173	$ 117,980
Interest	615,045	275,148
Benefit changes	-	(945)
Difference between actual & expected experience	(76,855)	(85,233)
Assumption changes	(211,356)	(96,526)
Benefit payments, including refunds	(557,786)	(152,193)
Net change in total pension liability	48,221	58,231
Total pension liability - beginning	9,051,402	4,073,426
Total pension liability - ending (a)	$ 9,099,623	$ 4,131,657

Plan Fiduciary Net Position	Police Officers'	Firefighters'
Contributions - employer (from City)	$ 126,811	$ 86,196
Contributions - employer (from State)	90,650	52,670
Contributions - members	53,051	20,552
Net investment income	1,170,587	507,378
Benefit payments, including refunds	(557,786)	(152,193)
Administrative expense	(41,667)	(40,275)
Other	(2,155)	652
Net change in plan fiduciary net position	839,491	474,980
Plan fiduciary net position - beginning	9,656,318	4,386,834
Plan fiduciary net position - ending (b)	10,495,809	4,861,814
Net pension liability (asset) - Ending (a) - (b)	$ (1,396,186)	$ (730,157)
Plan fiduciary net position as a percentage or Total Pension Liability (Asset)	115.34%	117.67%

For the year ending September 30, 2021, the City recognized a pension expense of $(85,286) for the Police Officers' Plan and $(8,140) for the Firefighters' Plan. On September 30, 2021, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Police Officers'

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 4,880	$ 325,555
Change in assumptions	3,691	180,274
Net difference between projected and actual earnings on pension plan investments	-	315,035
Contributions subsequent to the measurement date	187,174	-
Total	$ 195,745	$ 820,864

Firefighters'

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 19,773	$ 320,287
Change in assumptions	12,909	90,389
Net difference between projected and actual earnings on pension plan investments	-	110,320
Contributions subsequent to the measurement date	91,154	-
Total	$ 123,836	$ 520,996

Deferred outflows relating to subsequent contributions of $187,174 and $91,154 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 20, 2021.

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:	
2022	$ (283,675)
2023	(179,006)
2024	(115,700)
2025	(157,621)
2026	(42,384)
Thereafter	(33,907)
Total	$ (812,293)

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

	Firefighters'
Year ended September 30:	
2022	$ (110,048)
2023	(78,807)
2024	(78,085)
2025	(105,001)
2026	(51,844)
Thereafter	(64,529)
Total	$ (488,314)

Net Pension Liability of the City of Okeechobee – The components of the net pension liability of the City at September 30, 2021, 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, 2020 which is allowed by GASB Statement No. 68.

	Police	Fire
Total pension liability	$ 9,333,222	$ 4,278,589
Plan fiduciary net position	(12,045,012)	(5,639,241)
City's net pension asset	$ (2,711,790)	$ (1,360,652)
Plan fiduciary net position as a percentage of total pension liability	129.06%	131.80%

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 5.65% projected long-term real rate of return net of investment expenses. 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, 2021 are summarized as follows:

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Police Officers'

Investments	Percent Target	Long-Term 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%

Firefighters'

Investments	Percent Target	Long-Term 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%

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' and using a discount rate that is 1% lower (5%) or 1% higher (7%) for Firefighters':

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

	Police Officers'		
	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
Sponsor's net pension liability (asset)	$ (1,595,461)	$ (2,711,790)	$ (3,643,838)

	Firefighters'		
	1% Decrease 5.00%	Current Discount 6.00%	1% Increase 7.00%
Sponsor's net pension liability (asset)	$ (843,843)	$ (1,360,652)	$ (1,786,175)

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, 2021, the Plan included 20 retirees and/or beneficiaries currently receiving benefits plus 7 terminated employees entitled to benefits but not yet receiving them, and 1 DROP participant. There are 31 active current employees in the Plan, of which 13 are vested and 18 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 4.6% of covered payroll. The City's contributions for the year ended September 30, 2021, was $114,175, which was $150 less than the actuarially required contribution for the year of $114,325.

Net Pension Liability (Asset) - For the year ending September 30, 2021, the City reported an asset of $(858,101) for the Pension Plan's net pension (asset). The net pension liability (asset) was measured as of September 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of October 1, 2021.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

	General
Total Pension Liability	
Service cost	$ 184,223
Interest	315,828
Benefit changes	90,157
Difference between actual & expected experience	2,277
Assumption changes	(47,772)
Benefit payments, including refunds	(201,373)
Net change in total pension liability	343,340
Total pension liability - beginning	4,383,118
Total pension liability - ending (a)	4,726,458
Plan Fiduciary Net Position	
Contributions - employer (from City)	118,781
Contributions - members	76,693
Net investment income	603,919
Benefit payments, including refunds	(201,373)
Administrative expense	(40,906)
Other	(652)
Net change in plan fiduciary net position	556,462
Plan fiduciary net position - beginning	5,028,097
Plan fiduciary net position - ending (b)	5,584,559
Net pension liability (asset) - Ending (a) - (b)	$ (858,101)
Plan fiduciary net position as a percentage of Total Pension Liability (Asset)	118.16%

The City and employees contributions for the year ended September 30, 2021, are as follows.

	City	Employees
General	$ 114,175	$ 73,581

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Money-Weighted Rate of Return - The annual money-weighted rate of return on plan investments (calculated as the internal rate of return on plan investments, net of plan investment expense) was 19.17% for the year ended September 30, 2021. 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.

For the year ending September 30, 2021 the City recognized a pension expense of $52,399 for the General Employees' Retirement Plan. On September 30, 2021, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 18,223	$ 242,973
Change in assumptions	70,460	38,405
Net difference between projected and actual earnings on pension plan investments	-	172,711
Contributions subsequent to the measurement date	114,175	-
Total	$ 202,858	$ 454,089

Deferred outflows relating to subsequent contributions of $114,175 for the General Pension Plan will be recognized as a reduction in net pension liability in the fiscal year ending September 30, 2021.

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

	General
Year ended September 30:	
2022	$ (132,058)
2023	(110,580)
2024	(42,658)
2025	(79,220)
2026	(890)
Total	$ (365,406)

Net Pension Liability of the City of Okeechobee – The components of the net pension liability of the City at September 30, 2021, 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, 2020 which is allowed by GASB Statement No. 68.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

		General
Total pension liability	$	4,912,707
Plan fiduciary net position		(6,482,056)
City's net pension asset	$	(1,569,349)
Plan fiduciary net position as a percentage of total pension liability		131.94%

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	
	Percent	Percent
Investments	Actual	Target
Domestic Equity	56.7%	50.0%
International Equity	10.5%	10.0%
Fixed Income	30.7%	40.0%
Cash Equivalents	2.1%	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, 2021 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%	5.6%

*Net of long-term inflation assumption of 2.5%

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 7.00%. 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 7% 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 (6%) or one percentage point higher (8%) than the current rate:

	General 1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
Sponsor's net pension liability (asset)	$ (1,019,162)	$ (1,569,349)	$ (2,032,737)

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of October 1, 2021 using the following actuarial assumptions applied to all measurement periods.

	Fire	Police	General
Actuarial Cost Method	Aggregate	Aggregate	Aggregate
Inflation	2.50%	2.50%	2.50%
Salary Increases	7.00%	6.00%	6.00%
Investment Rate of Return	6.00%	7.00%	7.00%
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
Cost of Living	.05% every odd year	.05% every odd year	None

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.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Pension trust funds fiduciary net position activity as of September 30, 2021 was as follows:

	Firefighters' Pension	Police Officers' Pension	General Employees' Pension	Total Pension Trust Funds
ASSETS				
Cash equivalents	$ 39,292	$ 101,137	$ 92,480	$ 232,909
Investments:				
Mutual funds	5,599,271	11,918,687	6,361,110	23,879,068
Receivables	5,960	31,211	32,939	70,110
Prepaid expenses	2,110	2,594	2,259	6,963
Total assets	5,646,633	12,053,629	6,488,788	24,189,050
LIABILITIES				
Accounts payable	7,393	8,617	6,731	22,741
Total liabilities	7,393	8,617	6,731	22,741
NET POSITION				
Restricted for pension benefits	$ 5,639,240	$ 12,045,012	$ 6,482,057	$ 24,166,309

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, 2021 was as follows:

	Firefighters' Pension	Police Officers' Pension	General Employees' Pension	Total Pension Trust Funds
ADDITIONS				
Contributions				
State	$ 45,578	$ 86,979	$ -	$ 132,557
City	43,576	100,195	114,175	257,946
Employees	18,140	56,261	73,581	147,982
Total contributions	107,294	243,435	187,756	538,485
Investment earnings:				
Net appreciation in the fair value of investments	740,218	1,601,018	923,295	3,264,531
Interest and dividends	187,159	402,190	205,098	794,447
Total investment earnings	927,377	2,003,208	1,128,393	4,058,978
Less investment expenses	(21,000)	(22,616)	(19,500)	(63,116)
Net investment earnings	906,377	1,980,592	1,108,893	3,995,862
Total additions	1,013,671	2,224,027	1,296,649	4,534,347
DEDUCTIONS				
Benefits paid to participants	150,688	351,261	199,564	701,513
Refunds on termination	40,615	6,375	-	46,990
Share plan distribution	-	12,416	-	12,416
DROP payments	-	260,246	155,405	415,651
Administrative expenses	44,943	41,277	44,182	130,402
Total deductions	236,246	671,575	399,151	1,306,972
Change in net position	777,425	1,552,452	897,498	3,227,375
Net position, beginning of year	4,861,815	10,492,560	5,584,559	20,938,934
Net position, end of year	$ 5,639,240	$ 12,045,012	$ 6,482,057	$ 24,166,309

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 1 retiree receiving benefits and has a total of 63 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, 2021 totaled $1,830.

Plan membership. Plan membership as of September 30, 2021 the measurement date) was:

	Number of covered individuals
Inactive members currently receiving benefits	1
Inactive members entitled to but not yet receiving benefits	-
Active members	63
Total	64

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

Employer's reporting date:	September 30, 2021
Measurement date:	September 30, 2020
Valuation date:	September 30, 2019

Note 4: OTHER INFORMATION (Continued)

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Actuarial assumptions and other inputs. On the September 30, 2020 measurement date, the actuarial assumptions and other inputs applied include the following:

Inflation	2.25 percent
Salary increases	6.00 percent
Discount rate	2.41 percent
Healthcare cost trend rates	6.50 percent for FY beginning 2020, 6.25 percent for FY beginning 2021 and then gradually decreasing to an ultimate trend of 4.00 percent
Mortality	RP-2000 Generational Combined Healthy Participant, projected from the year 2000 using Projection Scale AA
Changes	Changes in assumptions and other inputs include the change in the discount rate from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020. This change is reflected in the Schedule of Changes in Total OPEB Liability.

Change in Total OPEB Liability

	Increase (Decrease) Total OPEB Liability (a)
Balance as of September 30, 2020	$ 187,881
Changes for the year:	
Service cost	20,845
Interest	5,582
Changes in assumptions and other inputs	4,218
Benefit payments	(11,458)
Net changes	19,187
Balance as of September 30, 2021	$ 207,068

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 2.41%, 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 (1.41%) or one percentage point higher (3.41%) than the current rate:

	1% Decrease (1.41%)	Current Discount Rate (2.41%)	1% Increase (3.41%)
Total OPEB Liability	$ 214,720	$ 207,068	$ 193,540

The following table represents the City's total OPEB liability calculated using the ultimate health care cost trend rate of 4.00%, 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 (3.00%) or one percentage point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Ultimate Trend (4.00%)	1% Increase (5.00%)
Total OPEB Liability	$ 173,636	$ 207,068	$ 248,239

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: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, broad domestic and international stock market indices have declined and the City's fair value of investments has declined similarly. Such declines in the fair value of investments held by the City may materially and adversely impact the City's ability to achieve its investment objectives and therefore, its operational objectives. In addition, the extent to which these events will affect the amounts reported in future financial statements remains uncertain.

Note 6: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after September 30, 2021 through June 1, 2022, the date the current year's financial statements were available to be issued. The following events occurred:

In November 2021, the City approved a proposal from a Company, not to exceed $32,763 for the purchase of park furnishings for Cattleman's Square Park.

In December 2021, the City approved an agreement for professional and custodial cleaning services in the amount of $20,660 for 3 years each beginning January 1, 2022.

In January 2022, the City received a grant for $131,000 for South Park Street and downtown landscaping.

In February 2022, the City approved a contract with a Company for $49,924 for City Commerce Center improvements.

In April 2022, the City approved the purchase of a cleaner truck for $301,488 through the use of the American Rescue Plan Act funds. In addition, two agreements were approved, one with a Company for $52,710 for survey and design engineering for the SW 5th Avenue FDOT SCOP resurfacing project and the other for $18,600 for professional services for the SE 4th Street Stormwater Improvement Project.

In May 2022, the City approved to piggyback on the Broward County Storm Drain Cleaning, Repairs, and Maintenance Agreement with a Company for the South 4th Street Pipe Lining Project in the amount of $803,339.

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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

Year ended September 30, 2021	Original Budget	Final Budget	Actual (on Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 3,155,759	$ 3,271,758	$ 3,295,724	$ 23,966
Intergovernmental	2,660,904	2,637,540	2,690,722	53,182
Charges for services	493,910	540,600	544,146	3,546
Permits and fees	554,500	767,700	782,582	14,882
Fines and forfeitures	21,975	125,400	129,557	4,157
Investment earnings	96,000	11,000	10,660	(340)
Miscellaneous	3,100	80,203	88,566	8,363
Total revenues	6,986,148	7,434,201	7,541,957	107,756
Expenditures				
Current:				
General government:				
Legislative	213,771	208,800	205,511	3,289
Executive	252,322	296,980	291,161	5,819
City clerk	288,057	306,410	307,785	(1,375)
Financial services	333,055	332,525	309,197	23,328
Legal council	166,400	173,020	158,392	14,628
General services	515,573	483,110	479,326	3,784
Total general government	1,769,178	1,800,845	1,751,372	49,473
Public safety:				
Fire	1,458,050	1,514,950	1,454,933	60,017
Police	3,084,217	2,961,470	2,870,149	91,321
Total public safety	4,542,267	4,476,420	4,325,082	151,338
Transportation	1,755,474	1,440,300	1,407,721	32,579
Recreation	-	-	1,344	(1,344)
Physical environment	368,000	552,100	506,823	45,277
Capital outlay	155,900	230,000	204,889	25,111
Total expenditures	8,590,819	8,499,665	8,197,231	302,434
Excess (deficiency) of revenues under (over) expenditures	(1,604,671)	(1,065,464)	(655,274)	410,190
Other financing sources (uses)				
Operating transfers in	-	-	200,000	200,000
Sale of capital assets	6,000	38,500	38,536	36
Net other financing sources (uses)	6,000	38,500	238,536	200,036
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(1,598,671)	(1,026,964)	(416,738)	610,226
Fund balances, beginning of year	10,623,247	10,623,247	10,623,247	-
Fund balances, end of year	$ 9,024,576	$ 9,596,283	10,206,509	$ 610,226
Reconciliation of budgetary to GAAP basis				
Current year encumbrances			308,610	
Prior year encumbrances			(272,236)	
Fund balance on GAAP basis			$ 10,242,883	

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

Police Officers'

	2021	2020	2019
Total Pension Liability			
Service cost	$ 277,048	$ 279,173	$ 254,066
Interest	635,386	615,045	607,391
Difference between actual & expected experience	(48,536)	(76,855)	(153,927)
Assumption changes	-	(211,356)	-
Benefit payments	(630,299)	(557,786)	(502,852)
Refunds	-	-	(12,836)
Net change in total pension liability	233,599	48,221	191,842
Total pension liability - beginning	9,099,623	9,051,402	8,859,560
Total pension liability - ending (a)	9,333,222	9,099,623	9,051,402
Plan Fiduciary Net Position			
Contributions - employer (from City)	100,195	126,811	130,886
Contributions - employer (from State)	86,979	90,650	90,153
Contributions - members	56,261	53,051	50,359
Net investment income	1,980,592	1,170,587	330,227
Benefit payments	(623,923)	(542,324)	(502,852)
Refunds	(6,376)	(15,462)	(12,836)
Administrative expense	(41,277)	(41,667)	(47,116)
Other	(3,248)	(2,155)	-
Net change in plan fiduciary net position	1,549,203	839,491	38,821
Plan fiduciary net position - beginning	10,495,809	9,656,318	9,617,497
Plan fiduciary net position - ending (b)	12,045,012	10,495,809	9,656,318
Net pension liability (asset) - Ending (a) - (b)	$ (2,711,790)	$ (1,396,186)	$ (604,916)
Plan fiduciary net position as a percentage of Total Pension Liability	129.06%	115.34%	106.68%
Covered payroll**	$ 1,125,784	$ 1,061,193	$ 1,007,180
Net pension liability as a percentage of covered payroll	-240.88%	-131.57%	-60.06%

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.

* -The net pension liability recognized by the City in the current year financial statements represents the net position liability as of September 30, 2020, which is allowed by 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%.

Assumption changes:

- Effective 10/1/2016, the mortality rates were changed from the RP-2000 Combined Healthy Participant Mortality Tables, using projection scale AA to the mortality rates used by the Florida Retirement System (FRS) for Special Risk Class members. This change was made in compliance with Florida House Bill 1309, which requires all public pension plans in Florida to use the same mortality rates used in either of the last two actuarial valuation reports of FRS effective no later than 10/1/2016.
- Use of Insurance Tax Premium Revenue (IPTR) received by the State is subject to the default rules of Senate Bill 172 (codified in Chapter 2015-39) beginning with the IPTR received for the 2015 calendar year.

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

2018*	2017	2016	2015	2014
$ 258,622	$ 235,345	$ 264,445	$ 247,353	$ 251,499
580,995	573,285	543,946	506,147	479,146
(276,621)	(270,100)	126,875	(219,850)	(784)
-	22,143	-	94,065	-
(281,028)	(255,731)	(468,694)	(203,855)	(201,397)
72,669	-	(25,003)	(321)	(26,953)
354,637	304,942	441,569	423,539	501,511
8,504,923	8,199,981	7,758,412	7,334,873	6,833,362
8,859,560	8,504,923	8,199,981	7,758,412	7,334,873
151,492	169,789	147,312	192,581	200,210
81,690	78,659	73,960	70,807	67,639
46,212	45,863	45,554	47,740	43,135
727,699	903,712	607,763	(95,964)	694,790
(281,028)	(255,731)	(468,694)	(203,855)	(201,397)
-	-	(25,003)	(321)	(26,953)
(45,827)	(41,855)	(32,120)	(30,198)	(18,097)
-	(3,284)	(6)	3,886	-
680,238	897,153	348,766	(15,324)	759,327
8,937,259	8,040,106	7,691,340	7,706,664	6,947,337
9,617,497	8,937,259	8,040,106	7,691,340	7,706,664
$ (757,937)	$ (432,336)	$ 159,875	$ 67,072	$ (371,791)
108.56%	105.08%	98.05%	99.14%	105.07%
$ 924,250	$ 917,260	$ 970,646	$ 911,189	$ 862,700
-82.01%	-47.13%	16.47%	7.36%	-43.10%

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

Firefighters'

	2021	2020	2019
Total Pension Liability			
Service cost	$ 64,244	$ 117,980	$ 145,856
Interest	247,616	275,148	271,341
Benefit changes	268,575	(945)	
Difference between actual & expected experience	(242,201)	(85,233)	(132,896)
Assumption changes	-	(96,526)	-
Benefit payments	(191,302)	(152,193)	(141,381)
Refund	-	-	(9,052)
Other	-	-	-
Net change in total pension liability	146,932	58,231	133,868
Total pension liability - beginning	4,131,657	4,073,426	3,939,558
Total pension liability - ending (a)	4,278,589	4,131,657	4,073,426
Plan Fiduciary Net Position			
Contributions - employer (from City)	43,576	86,196	83,988
Contributions - employer (from State)	45,578	52,670	52,810
Contributions - members	18,140	20,552	23,945
Net investment income	906,378	507,378	140,894
Benefit payments	(150,688)	(150,688)	(141,381)
Refunds	(40,614)	(1,505)	(9,052)
Administrative expense	(44,943)	(40,275)	(43,675)
Other	-	652	-
Net change in plan fiduciary net position	777,427	474,980	107,529
Plan fiduciary net position - beginning	4,861,814	4,386,834	4,279,305
Plan fiduciary net position - ending (b)	5,639,241	4,861,814	4,386,834
Net pension liability (asset) - Ending (a) - (b)	$ (1,360,652)	$ (730,157)	$ (313,408)
Plan fiduciary net position as a percentage of Total Pension Liability	131.80%	117.67%	107.69%
Covered payroll**	367,446	411,033	478,900
Net pension liability as a percentage of covered payroll	-370.30%	-177.64%	-65.44%

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.

* -The net pension liability recognized by the City in the current year financial statements represents the net position liability as of September 30, 2020, which is allowed by 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%.

Assumption changes:

- Effective 10/1/2016, the mortality rates were changed from the RP-2000 Combined Healthy Participant Mortality Tables, using projection scale AA to the mortality rates used by the Florida Retirement System (FRS) for Special Risk Class members. This change was made in compliance with Florida House Bill 1309, which requires all public pension plans in Florida to use the same mortality rates used in either of the last two actuarial valuation reports of FRS effective no later than 10/1/2016.
- Use of Insurance Tax Premium Revenue (IPTR) received by the State is subject to the default rules of Senate Bill 172 (codified in Chapter 2015-39) beginning with the IPTR received for the 2015 calendar year.

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

2018*	2017	2016	2015	2014
$ 136,825	$ 156,989	$ 156,107	$ 144,773	$ 130,539
257,407	255,218	235,684	213,154	196,106
		-	-	-
(162,443)	(91,659)	56,393	(19,771)	(741)
-	(13,449)	-	49,797	-
(107,105)	(106,572)	(102,590)	(96,939)	(142,060)
(16,027)	(20,437)	-	-	-
19,828	-	3,256	-	-
128,485	180,090	348,850	291,014	183,844
3,811,073	3,630,983	3,282,133	2,991,119	2,807,275
3,939,558	3,811,073	3,630,983	3,282,133	2,991,119
115,253	107,123	97,709	92,863	82,058
52,793	50,589	49,889	52,662	53,235
23,446	25,409	27,433	26,324	23,854
308,920	404,267	246,381	(44,021)	318,708
(107,105)	(106,572)	(102,590)	(96,939)	(142,060)
(16,027)	(20,437)	-	-	-
(59,878)	(34,933)	(31,639)	(27,132)	(16,233)
-	(6,375)	(1,766)	-	-
317,402	419,071	285,417	3,757	319,562
3,961,903	3,542,832	3,257,415	3,253,658	2,934,096
4,279,305	3,961,903	3,542,832	3,257,415	3,253,658
$ (339,747)	$ (150,830)	$ 88,151	$ 24,718	$ (262,539)
108.62%	103.96%	97.57%	99.25%	108.78%
$ 468,920	$ 508,180	$ 563,285	$ 523,119	$ 477,080
-72.45%	-29.68%	15.65%	4.73%	-55.03%

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

Schedule of Changes in Net Pension Liability and Related Ratios
Last Six Fiscal Years

	General Employees'		
	2021	2020	2019
Total Pension Liability			
Service cost	$ 207,835	$ 184,223	$ 152,255
Interest	333,141	315,828	295,453
Benefit changes	-	90,157	
Difference between actual & expected experience	242	2,277	(141,938)
Assumption changes	-	(47,772)	-
Benefit payments	(354,969)	(201,373)	(259,463)
Refunds	-	-	(346)
Other ***	-	-	-
Net change in total pension liability	186,249	343,340	45,961
Total pension liability - beginning	4,726,458	4,383,118	4,337,157
Transfer of pension liability for Okeechobee Utility Authority *****	-	-	-
Total pension liability - ending (a)	4,912,707	4,726,458	4,383,118
Plan Fiduciary Net Position			
Contributions - employer	114,175	118,781	115,324
Contributions - members	73,581	76,693	66,020
Net investment income	1,108,894	603,919	155,830
Benefit payments	(354,969)	(178,547)	(259,463)
Refunds	-	(22,826)	(346)
Administrative expense	(44,184)	(40,906)	(53,249)
Other****	-	(652)	-
Net change in plan fiduciary net position	897,497	556,462	24,116
Plan fiduciary net position - beginning	5,584,559	5,028,097	5,003,981
Transfer plan fiduciary net position to Okeechobee Utility Authority*****	-	-	-
Plan fiduciary net position - ending (b)	6,482,056	5,584,559	5,028,097
Net pension liability (asset) - Ending (a) - (b)	$ (1,569,349)	$ (858,101)	$ (644,979)
Plan fiduciary net position as a percentage of Total Pension Liability	131.94%	118.16%	114.72%
Covered payroll**	$ 1,229,302	$ 1,278,231	$ 1,100,333
Net pension liability as a percentage of covered payroll	-127.66%	-67.13%	-58.62%

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

2018*	2017	2016
$ 154,529	$ 136,373	$ 421,387
284,633	91,058	763,785
	-	-
20,956	-	(524,849)
-	133,790	-
(164,189)	(336,740)	(331,215)
(16,592)	(17,378)	(18,267)
-	2,641,019	-
279,337	2,648,122	310,841
4,057,820	1,409,698	11,400,112
-	-	(10,301,255)
4,337,157	4,057,820	1,409,698
75,793	94,009	446,184
60,312	56,405	183,145
394,042	477,649	825,935
(164,189)	(336,740)	(331,215)
(16,592)	(17,378)	(18,267)
(46,328)	(48,490)	(57,186)
-	3,117,018	(2,208)
303,038	3,342,473	1,046,388
4,700,943	1,358,470	10,238,992
-	-	(9,926,910)
5,003,981	4,700,943	1,358,470
$ (666,824)	$ (643,123)	$ 51,228
115.37%	115.85%	96.37%
$ 1,005,204	$ 940,083	$ 911,233
-66.34%	-68.41%	5.62%

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

Schedule of Changes in Net Pension Liability and Related Ratios
Last Six Fiscal Years

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.

* The net pension liability recognized by the City in the current year financial statements represents the net position liability as of September 30, 2020, which is allowed by 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).

Assumption changes:
- Effective 10/1/2016, the mortality rates were changed from the RP-2000 Combined Healthy Participant Mortality Tables, using projection scale AA to the mortality rates used by the Florida Retirement System (FRS) for Special Risk Class members. This change was made in compliance with Florida House Bill 1309, which requires all public pension plans in Florida to use the same mortality rates used in either of the last two actuarial valuation reports of FRS effective no later than 10/1/2016.

- 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.

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Schedule of Contributions
Last Eight Fiscal Years

Police Officers

	9/30/2021	9/30/2020	9/30/2019
Actuarially determined contributions	$ 185,025	$ 192,448	$ 204,611
Contributions in relation to the actuarially determined contributions	187,174	217,461	221,039
Contribution deficiency (excess)	$ (2,149)	$ (25,013)	$ (16,428)
Covered payroll*	$ 1,125,784	$ 1,061,193	$ 1,007,180
Contributions as a percentage of covered payroll	16.63%	20.49%	21.95%

Firefighters

	9/30/2021	9/30/2020	9/30/2019
Actuarially determined contributions	$ 104,102	$ 157,372	$ 139,143
Contributions in relation to the actuarially determined contributions	89,154	138,866	136,798
Contribution deficiency (excess)	$ 14,948	$ 18,506	$ 2,345
Covered payroll*	$ 367,446	$ 411,033	$ 478,900
Contributions as a percentage of covered payroll	24.26%	33.78%	28.57%

General Employees

	9/30/2021	9/30/2020	9/30/2019
Actuarially determined contributions	$ 114,325	$ 118,875	$ 114,875
Contributions in relation to the actuarially determined contributions	114,175	118,781	115,324
Contribution deficiency (excess)	$ 150	$ 94	$ (449)
Covered payroll	$ 1,229,302	$ 1,278,231	$ 1,100,333
Contributions as a percentage of covered payroll	9.29%	9.29%	10.48%

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

* 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%.

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
$	212,571	$ 251,591	$ 219,093	$ 263,240	$ 267,849
	233,182	248,448	221,272	263,388	267,849
$	(20,611)	$ 3,143	$ (2,179)	$ (148)	$ -
$	924,250	$ 917,260	$ 970,646	$ 911,189	$ 862,700
	25.23%	27.09%	22.80%	28.91%	31.05%

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
$	167,871	$ 170,269	$ 143,632	$ 138,914	$ 122,212
	168,046	157,712	147,598	145,525	135,293
$	(175)	$ 12,557	$ (3,966)	$ (6,611)	$ (13,081)
$	468,920	$ 508,180	$ 563,285	$ 523,119	$ 477,080
	35.84%	31.03%	26.20%	27.82%	28.36%

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
$	75,793	$ 42,774	$ 49,115	$ 379,111	$ 379,099
	75,793	94,009	110,448	379,111	379,099
$	-	$ (51,235)	$ (61,333)	$ -	$ -
$	1,005,204	$ 940,083	$ 911,233	$3,135,961	$2,945,717
	7.54%	10.00%	12.12%	12.09%	12.87%

Schedule of Investment Returns
Last Eight Fiscal Years

	Police Officers'							
	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Annual money-weighted rate of return net of investment expense	18.76%	11.78%	3.10%	8.73%	10.68%	7.59%	-1.65%	9.96%

	Fire Fighters'							
	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Annual money-weighted rate of return net of investment expense	19.30%	10.61%	2.39%	6.11%	10.76%	6.83%	-2.19%	10.43%

	General Employees'							
	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Annual money-weighted rate of return net of investment expense	19.17%	11.37%	2.23%	7.55%	9.78%	7.78%	-1.38%	10.60%

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
Schedule of Changes in Total OPEB Liability and Related Ratios

Year Ending September 30,	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 20,845	$ 12,015	$ 12,580	$ 13,441
Interest	5,582	6,320	5,640	4,977
Difference between expected and actual experience	-	6,792	-	-
Changes of assumptions or other inputs	4,218	14,710	(4,290)	(3,808)
Benefit payments	(11,458)	(9,915)	(9,081)	(17,198)
Net change in total OPEB liability	19,187	29,922	4,849	(2,588)
Total OPEB liability - beginning	187,881	157,959	153,110	155,698
Total OPEB liability - ending	$ 207,068	$ 187,881	$ 157,959	$ 153,110
Covered employee payroll	$ 3,359,887	$ 3,041,518	$ 2,984,722	$ 2,809,503
Total OPEB liability as a percentage of covered employee payroll	6.16%	6.18%	5.29%	5.45%

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

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. 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.

A. ADDITIONAL ACTUARIAL INFORMATION

Valuation Date: 10/01/2021

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 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%	7.00%
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.

	Police Officers' Pension Plan	Firefighters' Pension Plan	General 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 AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Okeechobee, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Okeechobee, Florida's basic financial statements, and have issued our report thereon dated June 1, 2022. Other auditors audited the financial statements of the City of Okeechobee, Florida Municipal Police Officers' Pension Trust Fund and 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.

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 have not been identified. However, as below, we did identify a certain deficiency in internal control that we consider to be a material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency identified as MW 2021-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

MW 2021-001 ACCOUNTS PAYABLE

Criteria: Expenditures need to be recorded in the period in which the expense was incurred.

Condition: One expenditure was recorded in the incorrect period.

Cause: The expenditure was entered according to the invoice date instead of the period the services were rendered.

Effect: Accounts payable and expenditures were understated by $130,215 in the general fund.

Recommendation: The City should implement procedures to ensure all invoices received dated shortly after year end are examined for the period in which services were rendered or goods were received.

Management Response: The City currently has procedures in place to identify year end payables. There was one item recorded in the wrong period based on the invoice date not date services rendered. The city will scrutinize each invoice for date services rendered and or goods received and apply the appropriate date for entry at year end for appropriate recording of account payables.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Okeechobee, Florida'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*.

The City of Okeechobee's Responses to Findings

The City's responses to the findings identified in our audit are described above. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
June 1, 2022

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Okeechobee, Florida as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 1, 2022.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 1, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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 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 members of the City Council, and applicable management, 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
June 1, 2022

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INDEPENDENT ACCOUNTANTS' 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 compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management of the City of Okeechobee, Florida is responsible for the City of Okeechobee, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Okeechobee, Florida's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Okeechobee, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Okeechobee, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an 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.

Our examination does not provide a legal determination on the City of Okeechobee, Florida's compliance with specified requirements.

In our opinion, the City of Okeechobee, Florida complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General, 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
June 1, 2022