



City Of Okeechobee, Florida

FINANCIAL STATEMENTS

September 30, 2023

City of Okeechobee, Florida
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For the year ended September 30, 2023



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**City of Okeechobee, Florida
City Officials
For the year ended September 30, 2023**

Dowling R. Watford, Jr.
Mayor, Chairman

Monica Clark
Vice Mayor

Noel Candler
Bob Jarriel
David McAuley
Council Members

Gary Ritter
City Administrator

Lane Gamiotea
City Clerk

India Riedel
Finance Director

Donald Hagan
Chief of Police

David Allen
Director of Public Works

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Okeechobee, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Okeechobee, Florida, (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Okeechobee, Florida's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Okeechobee, Florida, as of September 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Okeechobee, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Okeechobee, Florida's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary information and the pension and other

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2024, on our consideration of the City of Okeechobee, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Okeechobee, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Okeechobee, Florida's internal control over financial reporting and compliance.

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

Melbourne, Florida

April 8, 2024

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City of Okeechobee, Florida **Management's Discussion and Analysis**

Our discussion and analysis of the City of Okeechobee, Florida's ("the City's") financial performance provides an overview of the City's financial activities for the year ended September 30, 2023. 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, 2023:

- The City's total assets exceeded its liabilities at September 30, 2023 by \$23,505,616.
- The City's total revenues were \$9,254,856 for the year ended September 30, 2023, compared to total expenses of \$6,428,567, which resulted in a \$2,826,289 increase in net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

A. Government-Wide Financial Statements

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

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

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

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

B. Fund Financial Statements

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

B. Fund Financial Statements (Continued)

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

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

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

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

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

C. Notes to Basic Financial Statements

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

City of Okeechobee, Florida
Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

City of Okeechobee
Statement of Net Position

	2023	2022
Current assets	\$ 14,409,008	\$ 14,701,977
Capital assets	9,179,395	7,637,011
Noncurrent assets	57,770	5,641,791
Total assets	23,646,173	27,980,779
Deferred outflows	3,448,485	334,124
Unearned revenue	1,599,380	2,912,965
Current liabilities	519,949	586,484
Long-term liabilities	574,852	609,282
Total liabilities	2,694,181	4,108,731
Deferred inflows	894,861	3,526,845
Net position:		
Net investment in capital assets	9,179,395	7,637,011
Restricted	4,012,012	3,795,194
Unrestricted	10,314,209	9,247,122
Total net position	\$ 23,505,616	\$ 20,679,327

Governmental Activities

Total net position increased by \$2,826,289 primarily as a result of a \$5,584,021 decrease in noncurrent assets. In addition, an increase in capital of assets of \$1,542,384 and a \$1,313,585 decrease unearned revenue also contributed to the increase in net position. The decrease in total assets of \$4,334,606 was primarily due to a \$5,584,021 decrease in net pension assets due to prior year investment losses that are recognized over the following five years through deferred inflows and outflows due to the difference between projected and actual earnings on pension investments in the actuarial valuation, offset by an increase of \$1,542,384 in capital assets due to \$2,251,940 in capital asset additions offset by \$709,556 in depreciation expense. The net decrease in current and noncurrent liabilities was \$100,965 as current liabilities decreased by \$66,535 related to timing of payables and non-current liabilities decreased by \$34,430 resulting from a decrease in the OPEB liability obligation of \$41,547 and an increase in compensated absences of \$7,117. Unearned revenue decreased \$1,313,585 due to the City's current year expenditures of American Rescue Plan Act funds that were received in prior years and partially recognized as revenue in the current year.

City of Okeechobee, Florida
Management's Discussion and Analysis

The following table shows condensed revenue and expense data:

City of Okeechobee, Florida		
<u>Statement of Activities</u>		
	2023	2022
REVENUES:		
Program revenues:		
Charges for services	\$ 1,063,540	\$ 870,044
Operating grants and contributions	796,505	731,401
Capital grants and contributions	1,313,585	167,379
General revenues:		
Property taxes	2,640,256	2,598,998
Public utility taxes	1,037,208	892,962
Franchise fees	798,672	650,583
Shared revenues	992,122	885,732
Investment income	528,394	72,356
Other income	84,574	30,944
Total revenues	9,254,856	6,900,399
EXPENSES:		
General government	652,830	587,220
Public safety	3,542,202	3,040,360
Transportation	1,552,655	1,174,516
Physical environment	672,780	629,594
Economic environment	8,100	-
Total expenses	6,428,567	5,431,690
Change in net position	2,826,289	1,468,709
Net position, beginning of year	20,679,327	19,210,618
Net position, end of year	\$ 23,505,616	\$ 20,679,327

City of Okeechobee, Florida Management's Discussion and Analysis

The City experienced an increase of 34% in total revenues, a \$2,354,457 increase to \$9.25 million. The increase is primarily due to a \$1,146,206 increase in capital grants and contributions. Increase in investment income of \$456,038 as interest income increased due to the City investing in certificates of deposit with a higher rate of return. Increases in charges for service of \$193,496 due to an increase in building permits and fees and special detail revenues. The franchise fee revenue increase of \$148,089 and public utility tax revenue of \$144,246 are due to an increase in usage of utilities within the City. Shared revenues increase of \$106,390 and \$65,104 in operating grant revenues plus other income of \$53,630 and property tax increase of \$41,258 all contributed to the increase in revenues for the year. The City experienced an 18.4% increase in total expenses – a \$996,877 increase to \$6.4 million. The increase is primarily due to a \$65,610 increase in expenses for general government, \$501,842 increase in public safety, \$378,139 increase in transportation expense, \$43,186 increase in physical environment, and \$8,100 in economic environment. The combined increase of revenues with the offset of increased expenses resulted in an increase in net position of \$2,826,289.

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 12,241,827, an increase of \$1,087,194 in comparison with the prior year. Approximately 79% of this total amount \$9,638,487, constitutes unassigned fund balance, which is available for spending at the government's discretion. Assigned fund balances include \$1,153,575 for subsequent year's expenditures and \$54,873 for community development expenditures. Public facilities fund balance of \$1,330,817 and non-major fund balance of \$21,949 for law enforcement are restricted funds based on their specific stipulated purpose. The remainder of the fund balance is non-spendable inventory of \$42,126.

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 \$10,802,007 while total fund balance was \$12,174,950. 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 133% and 150% respectively of total general fund expenditures.

General Fund Budgetary Highlights

Intergovernmental revenues was budgeted at \$3,097,000 but actual was \$4,530,344 due to the timing of when American Rescue Plan Act funds were spent and therefore recognized as revenue. The amount appropriated for expenditures in the original 22/23 budget decreased from \$9,466,117 to \$8,622,271 in the final 22/23 budget. Actual (on a budgetary basis) expenditures of \$8,193,824 were less than the budgeted expenditures by \$428,447. The decrease in budgeted police public safety expenses, transportation expenses, physical environment, general government and capital outlay expenses contributed to the overall decrease in expenditures.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital assets. The City's investment in capital assets as of September 30, 2023, amounted to \$9,179,395, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, and construction in progress. During the year, the City's capital asset balance increased by \$1,542,384, net of depreciation expense of \$709,556.

The City's major additions of \$2,251,940 to capital assets during the current fiscal year included the following:

- Infrastructure projects, including:
 - Completion of Cattleman's Square
 - Completion of SE 4th Street Drainage Project
- Resurfacing and extension of life for portions of NW 3rd Avenue, SE 10th Street, and SW 21st Street
- Replacement computers (1) Clerk office and (2) -Police Department; Added TRACS Accident and Citation Software
- Replacement Dispatch consoles for communications
- Replacement mobile and portable radios (64) for Police and Public Works
- Impact Stormwater Cleaner Truck
- Ford F250 Super Duty Truck
- Diesel Fuel Pump/Dispenser
- Construction in Progress including:
 - City hall hardening project
 - Kayak Launch located at Centennial Park
 - Primitive Baptist Church Restoration
 - SE 8th Drainage Project
 - SE 4th Street Stormwater Drainage
- Veterans Monument

City of Okeechobee, Florida
Management's Discussion and Analysis

- Endcaps with landscaping for South Park Street
- Tractor with arm attachment.
- Tasers (1) including harnesses, etc.
- Picnic tables, trash receptacles purchased for city parks
- Completion of Stormwater System GIS Mapping
- Chamber of Commerce Building carpeting

City's Capital Assets
(net of depreciation)

	2023	2022
Land	\$ 1,435,648	\$ 1,435,648
Construction in progress	66,937	151,898
Buildings	1,011,217	1,089,269
Improvements other than buildings	4,691,016	3,750,547
Equipment	1,974,577	1,209,649
Total	\$ 9,179,395	\$ 7,637,011

Additional information on the City's capital assets can be found in Note 3.C. on page 40 and 41 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council adopted a millage rate of 6.3556 for budget year 2024. The adopted millage rate is the 2.84% more than the roll-back rate of 6.1801. A \$139,248 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 2024 adopted budget for all funds of the City total approximately \$12,490,021, an increase from the prior year final budget of approximately \$3,543,631. These revenues include the General, Public Facility, Capital Projects, Grant and Special Law Enforcement fund revenues.

The change in revenue is based on the expected increase in grant revenue of \$3,509,246. Other expected increases in revenues, ad valorem Tax revenue, intergovernmental revenue, and charges for services revenue. However, an expected decrease in fines, forfeitures revenues offsets the budgeted increase.

City of Okeechobee, Florida Management's Discussion and Analysis

Expenditures for the fiscal year 2024 adopted budgets for all funds of the City total approximately \$13,760,270, an increase of 60% or \$5,137,999 from the prior year final budget. The increase in expenditure is based mostly on the increase in budgeted expenditures in capital grant projects, public safety, and transportation. With a minimal increase in budgeted general governmental services.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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

September 30, 2023

ASSETS	
Cash and cash equivalents	\$ 6,379,992
Investments	7,521,184
Accounts receivable	163,468
Due from other governments	302,238
Inventory	42,126
Capital assets:	
Nondepreciable	
Land	1,435,648
Construction in progress	66,937
Depreciable, net of accumulated depreciation	
Buildings	1,011,217
Improvements other than buildings	4,691,016
Equipment	1,974,577
Net pension asset	57,770
Total assets	23,646,173
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pensions	3,448,485
Total deferred outflows of resources	3,448,485
LIABILITIES	
Accounts payable	349,362
Accrued expenses	170,587
Compensated absences - due within one year	42,518
Unearned revenue - American Rescue Plan Act	1,599,380
Noncurrent liabilities:	
Due in more than one year	
Compensated absences	315,341
OPEB liability	216,993
Total liabilities	2,694,181
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - business tax receipts	47,852
Deferred inflows - pensions	847,009
Total deferred inflows of resources	894,861
NET POSITION	
Net investment in capital assets	9,179,395
Restricted for:	
Law enforcement	21,949
Public facilities	1,330,817
Pension benefits	2,659,246
Unrestricted	10,314,209
Total net position	\$ 23,505,616

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

City of Okeechobee, Florida
Statement of Activities - Governmental Activities

<i>Year ended September 30, 2023</i>		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	\$ 652,830	\$ 226,451	\$ -	\$ -	\$ (426,379)
Public safety	3,542,202	196,751	34,792	-	(3,310,659)
Transportation	1,552,655	640,338	761,713	-	(150,604)
Physical environment	672,780	-	-	1,313,585	640,805
Economic environment	8,100	-	-	-	(8,100)
Total governmental activities	\$ 6,428,567	\$ 1,063,540	\$ 796,505	\$ 1,313,585	(3,254,937)
General revenues:					
					2,640,256
					1,037,208
					798,672
					992,122
					528,394
					84,574
					6,081,226
					2,826,289
					20,679,327
					\$ 23,505,616

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

City of Okeechobee, Florida
Balance Sheet - Governmental Funds

<i>September 30, 2023</i>	General	Industrial Development Fund	Community Development Capital Project	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,126,896	\$ 139,726	\$ 31,757	\$ 81,613	\$ 6,379,992
Investments	7,521,184	-	-	-	7,521,184
Accounts receivable	163,393	-	-	75	163,468
Due from other funds	18,303	-	30,000	-	48,303
Due from other governments	302,238	-	-	-	302,238
Inventory	42,126	-	-	-	42,126
Total assets	\$ 14,174,140	\$ 139,726	\$ 61,757	\$ 81,688	\$ 14,457,311
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 309,530	\$ -	\$ 6,884	\$ 32,948	\$ 349,362
Accrued expenses	170,587	-	-	-	170,587
Due to other funds	-	40,000	-	8,303	48,303
Unearned revenue	1,471,221	128,159	-	-	1,599,380
Total liabilities	1,951,338	168,159	6,884	41,251	2,167,632
Deferred inflows of resources:					
Deferred revenue - business tax receipts	47,852	-	-	-	47,852
Fund balances:					
Nonspendable for:					
Inventory	42,126	-	-	-	42,126
Restricted for:					
Public facilities	1,330,817	-	-	-	1,330,817
Law enforcement	-	-	-	21,949	21,949
Assigned for:					
Community development	-	-	54,873	-	54,873
Subsequent year's expenditures	1,153,575	-	-	-	1,153,575
Unassigned	9,648,432	(28,433)	-	18,488	9,638,487
Total fund balances	12,174,950	(28,433)	54,873	40,437	12,241,827
Total liabilities, deferred inflows of resources and fund balances	\$ 14,174,140	\$ 139,726	\$ 61,757	\$ 81,688	

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.	3,448,485
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.	(847,009)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,179,395
Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	57,770
Long-term liabilities, including the net OPEB obligation of \$216,993 and compensated absences of \$357,859 are not due and payable in the current period and, therefore, are not reported in the funds.	(574,852)
Net position of governmental activities	\$ 23,505,616

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

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

<i>Year ended September 30, 2023</i>	General	Industrial Development Fund	Community Development Capital Project	Nonmajor Funds	Total Governmental Funds
Revenues					
Taxes	\$ 3,665,950	\$ -	\$ -	\$ -	\$ 3,665,950
Intergovernmental	4,530,244	-	-	-	4,530,244
Charges for services	805,484	-	-	-	805,484
Permits and fees	938,499	-	-	-	938,499
Fines and forfeitures	60,883	-	-	3,612	64,495
Investment earnings	528,394	-	-	-	528,394
Miscellaneous	51,684	-	-	-	51,684
Total revenues	10,581,138	-	-	3,612	10,584,750
Expenditures					
Current:					
General government	1,601,455	-	-	-	1,601,455
Public safety	3,777,001	-	-	-	3,777,001
Transportation	1,539,866	-	-	-	1,539,866
Physical environment	283,406	35,788	-	8,100	327,294
Capital outlay	930,207	1,277,797	6,884	37,052	2,251,940
Total expenditures	8,131,935	1,313,585	6,884	45,152	9,497,556
Excess (deficiency) of revenues over (under) expenditures	2,449,203	(1,313,585)	(6,884)	(41,540)	1,087,194
Other financing sources (uses)					
Transfers in	-	1,313,585	-	63,640	1,377,225
Transfers out	(1,377,225)	-	-	-	(1,377,225)
Total other financing sources (uses)	(1,377,225)	1,313,585	-	63,640	-
Net change in fund balances	1,071,978	-	(6,884)	22,100	1,087,194
Fund balances, beginning of year	11,102,972	(28,433)	61,757	18,337	11,154,633
Fund balances, end of year	\$ 12,174,950	\$ (28,433)	\$ 54,873	\$ 40,437	\$ 12,241,827

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, 2023

Net change in fund balances - total governmental funds	\$	1,087,194
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.</p>		
Capital outlay	\$	2,251,940
Depreciation expense		(709,556)
		1,542,384
<p>Pension contributions are reported as expenditures in the fund financial statements and the change in net position asset and related outflows (inflows) are reported on the statement of activities.</p>		
		162,281
<p>Other post employment benefits are reported as expenditures in the fund financial statements and the change in net position asset and related outflows (inflows) are reported on the statement of activities.</p>		
		41,547
<p>Compensated absences are reported in the statement of activities when earned. Only compensated absences that require the use of current financial resources are reported as expenditures in the governmental funds. This is the difference between the two.</p>		
		(7,117)
<hr/>		
Change in net position of governmental activities	\$	2,826,289

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

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

<i>September 30, 2023</i>	Pension Trust Funds
ASSETS	
Cash equivalents	\$ 236,572
Investments:	
Mutual funds	19,490,952
Receivables	200,683
Prepaid expenses	1,478
Total assets	19,929,685
LIABILITIES	
Accounts payable	34,110
Total liabilities	34,110
NET POSITION	
Restricted for pension benefits	\$ 19,895,575

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

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

<i>Year ended September 30, 2023</i>	Pension Trust Funds
ADDITIONS	
Contributions:	
State	\$ 181,506
City	73,557
Employees	144,991
Total contributions	400,054
Investment earnings:	
Net appreciation in the fair value of investments	1,726,235
Interest and dividends	622,002
Total investment earnings	2,348,237
Less investment expenses	(67,150)
Net investment gain	2,281,087
Total additions	2,681,141
DEDUCTIONS	
Benefits paid to participants	866,441
Refunds on termination	20,907
DROP payments	268,238
Administrative expenses	185,375
Total deductions	1,340,961
Change in net position	1,340,180
Net position, beginning of year	18,555,395
Net position, end of year	\$ 19,895,575

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 2023 as the City does have fiduciary responsibility.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities normally are supported by taxes and intergovernmental revenues. Likewise the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

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

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

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

The 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 program revenues. Therefore, general revenue includes all taxes.

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments

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

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments (Continued)

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

2. Receivables and Payables

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

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

The City is permitted by State law to levy taxes up to 10 mills on assessed valuation. During a Special Session in June 2007, the Florida Legislature adopted HB1B, which limits municipal property tax rates beginning in the 2008 fiscal year. This legislation established reductions in the millage rate based on a calculated growth in per capita taxes between the 2002 and 2007 fiscal years. The Legislature did authorize local governments to use the rolled back millage rate if approved by a super majority vote of the governing body. The Okeechobee City Council levy for the fiscal year ended September 30, 2023 was 6.8987 mills, which is 11.63% 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 \$847,009, and total deferred outflows were \$3,448,485 for the year ended September 30, 2023. Note 4-B includes a complete discussion of retirement commitments.

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

7. Unearned Revenue

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Long-term Obligations

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

9. Fund Equity

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

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

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

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

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

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Fund Equity (Continued)

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

10. Pensions

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

11. Other Post-Employment Benefits

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

12. Use of Estimates

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

13. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 8, 2024, see Note 5. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

14. Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. There were no significant impacts of implementing this Statement.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments. As of July 1, 2023, derivative instruments that hedge the interest rate risk of taxable debt and use an IBOR as a reference rate are no longer eligible for hedge accounting. There were no significant impacts of implementing this Statement.

In May 2020, the GASB issued GASB 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 fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. There were no significant impacts of implementing this Statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

14. Recently Issued and Implemented Accounting Pronouncements (Continued)

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*, this Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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

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, 2023, \$250,000 of the City's bank balances is covered by federal depository insurance (FDIC). Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the City pursuant to Section 280.08, Florida Statutes.

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

Fair Value

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

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2023.

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

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

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

Mutual funds – equities are valued at quoted market prices.

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

City of Okeechobee, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

At September 30, 2023, the City had the following investments and effective duration presented in terms of years and levels:

Investment type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10	Rating	Agency	Level
Primary government:								
SBA (Florida Prime)	\$ 7,521,184	\$ 7,521,184	\$ -	\$ -	\$ -	AAAm	S&P	-
Primary government total	\$ 7,521,184	\$ 7,521,184	\$ -	\$ -	\$ -			
Pension trust funds:								
Mutual funds- equities	\$ 11,793,052	\$ -	\$ -	\$ 11,793,052	\$ -	Not rated	-	L1
Mutual funds- fixed income	7,697,900	-	-	7,697,900	-	BBB - AA	S&P	L2
	19,490,952	\$ -	\$ -	\$ 19,490,952	\$ -			
Cash Equivalents, at amortized cost								
Money Market Fund	236,572							
Total Cash Equivalents, at cost	236,572							
Pension trust fund total	\$ 19,727,524							

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.

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.

City of Okeechobee, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

B. RECEIVABLES

Receivables as of September 30, 2023 are as follows:

	General Fund	Law Enforcement Special Revenue Fund	Municipal Police Officers' Pension Trust	Municipal Firefighters' Pension Trust	General Employees Pension Trust
Franchise/Utility taxes	\$ 152,476	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	113,849	77,569	9,265
Other	11,009	75	-	-	-
Receivables, net	\$ 163,393	\$ 75	\$ 113,849	\$ 77,569	\$ 9,265

C. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,435,648	\$ -	\$ -	\$ -	\$ 1,435,648
Construction in progress	151,898	66,937	-	(151,898)	66,937
Total capital assets, not being depreciated	1,587,546	66,937	-	(151,898)	1,502,585
Capital assets, being depreciated:					
Buildings	2,481,722	-	-	-	2,481,722
Improvements other than buildings	8,693,438	1,166,903	-	148,603	10,008,944
Equipment	3,162,890	1,018,100	-	3,295	4,184,285
Total capital assets, being depreciated	14,338,050	2,185,003	-	151,898	16,674,951
Less accumulated depreciation for:					
Buildings	(1,392,453)	(78,052)	-	-	(1,470,505)
Improvements other than buildings	(4,942,891)	(375,037)	-	-	(5,317,928)
Equipment	(1,953,241)	(256,467)	-	-	(2,209,708)
Total accumulated depreciation	(8,288,585)	(709,556)	-	-	(8,998,141)
Total capital assets, being depreciated, net	6,049,465	1,475,447	-	151,898	7,676,810
Governmental activities capital assets, net	\$ 7,637,011	\$ 1,542,384	\$ -	\$ -	\$ 9,179,395

City of Okeechobee, Florida
Notes to Financial Statements

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 140,566
Public safety	184,235
Physical environment	384,755
<u>Total depreciation expense - governmental activities</u>	<u>\$ 709,556</u>

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 Special Revenue fund of \$8,303 and of \$10,000 from the Industrial Development fund, and a due to the Community Development Capital Projects fund from the Industrial Development fund of \$30,000.

	<u>Due from:</u>		Total
	Nonmajor Funds	Industrial Development Fund	
Due to:			
General Fund	\$ 8,303	\$ 10,000	\$ 18,303
Community Development Capital Project	-	30,000	30,000
<u>Total</u>	<u>\$ 8,303</u>	<u>\$ 40,000</u>	<u>\$ 48,303</u>

E. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 350,742	\$ 217,699	\$ (210,582)	\$ 357,859	\$ 42,518
Net OPEB liability	258,540	27,730	(69,277)	216,993	-
<u>Long-term liabilities</u>	<u>\$ 609,282</u>	<u>\$ 245,429</u>	<u>\$ (279,859)</u>	<u>\$ 574,852</u>	<u>\$ 42,518</u>

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

Note 4: OTHER INFORMATION

A. RISK MANAGEMENT

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

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS

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

At September 30, 2023, the Police Officers’ plan included 12 retirees or beneficiaries either receiving or entitled to receive benefits, plus 3 survivor beneficiaries. The Police Officers’ plan also includes 2 terminated members with vested benefits, and has 2 DROP participants. There are 21 active current employees of which 6 are vested and 15 are non-vested.

At September 30, 2023, the Firefighters’ plan included 8 retirees receiving or entitled to receive benefits, plus 1 beneficiary receiving benefits. The Plan has no DROP participants. There are no active current employees who are vested. The Plan has 4 terminated members with vested benefits.

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 3.0% for the Police Officers’ plan and 79.4% for the Firefighters’ plan.

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

The City recognized as revenues and expenditures on-behalf payments relating to pension contributions for its public safety employees that the State of Florida paid to the Police Officers' and Firefighters' Plans in the amounts of \$103,937 and \$77,569, respectively. These contributions are funded by an excise tax upon certain casualty insurance companies on their gross receipts of premiums from policy holders.

The City and employees contributions for the year ended September 30, 2023, are as follows:

		City		Employees
Police Officers'	\$	38,602	\$	63,770
Firefighters'	\$	-	\$	13,566

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, 2023, and the current target and actual allocation of these investments at market, per the performance analysis report, is as follows as of September 30, 2023:

Police Officers'		
	Actual	Target
Investments	Percent	Percent
Domestic Equity	49.1%	50.0%
International Equity	10.2%	10.0%
Fixed Income	39.9%	40.0%
Cash Equivalents	0.8%	0.0%
Total	100.0%	100.0%

Firefighters'		
	Actual	Target
Investments	Percent	Percent
Domestic Equity	44.3%	50.0%
International Equity	15.1%	10.0%
Fixed Income	39.2%	40.0%
Cash Equivalents	1.4%	0.0%
Total	100.0%	100.0%

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Money-Weighted Rate of Return - For the year ended September 30, 2023, the annual money-weighted rate of return on the Police Officers' pension plan investments was 12.69% and on the Firefighters' pension plan investments was 13.22%. The money-weighted rate of return expresses investment performance, net of plan investment expenses, as adjusted for the changing amounts actually invested on a monthly basis.

Net Pension Liability (Asset) – The City's net pension liability (asset) was measured as of September 30, 2022, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of September 30, 2023 for the Police Officers' and Firefighters' pension plan.

Total Pension Liability	Police Officers'	Firefighters'
Service cost	\$ 300,327	\$ 18,570
Interest	642,970	225,789
Difference between actual & expected experience	(69,960)	(254,300)
Benefit payments, including refunds	(377,386)	(548,385)
Net change in total pension liability	495,951	(558,326)
Total pension liability - beginning	9,333,222	4,278,589
Total pension liability - ending (a)	\$ 9,829,173	\$ 3,720,263

Plan Fiduciary Net Position	Police Officers'	Firefighters'
Contributions - employer (from City)	\$ 70,877	\$ 569
Contributions - employer (from State)	89,462	39,083
Contributions - members	54,837	249
Net investment income	(2,340,675)	(1,079,229)
Benefit payments, including refunds	(377,386)	(548,385)
Administrative expense	(55,854)	(44,389)
Net change in plan fiduciary net position	(2,558,739)	(1,632,102)
Plan fiduciary net position - beginning	12,045,012	5,639,241
Plan fiduciary net position - ending (b)	9,486,273	4,007,139

Net pension liability (asset) - Ending (a) - (b)	\$ 342,900	\$ (286,876)
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Plan fiduciary net position as a percentage or Total Pension Liability (Asset)	96.51%	107.71%
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City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

For the year ending September 30, 2023, the City recognized a pension expense (income) of \$292,254 for the Police Officers’ Plan and \$(285,573) for the Firefighters’ Plan. On September 30, 2023, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police Officers'	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 184,973
Change in assumptions	-	118,110
Net difference between projected and actual earnings on pension plan investments	1,648,432	-
Contributions subsequent to the measurement date	142,539	-
Total	\$ 1,790,971	\$ 303,083

	Firefighters'	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 5,125	\$ 284,678
Change in assumptions	613	62,269
Net difference between projected and actual earnings on pension plan investments	700,601	-
Contributions subsequent to the measurement date	77,569	-
Total	\$ 783,908	\$ 346,947

Deferred outflows relating to subsequent contributions of \$142,539 and \$77,569 for the Police Officers’ and Firefighters’ Pension Plans, respectively will be recognized as a reduction in net pension liability in the fiscal year ending September 30, 2023.

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

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

Police Officers'	
Year ended September 30:	
2024	\$ 246,765
2025	204,844
2026	320,082
2027	583,308
2028	(9,650)
Total	\$ 1,345,349

Firefighters'	
Year ended September 30:	
2024	\$ 2,718
2025	36,353
2026	104,649
2027	241,182
2028	(25,510)
Total	\$ 359,392

Net Pension Liability of the City of Okeechobee – The components of the net pension liability of the City at September 30, 2023, 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, 2022 which is allowed by GASB Statement No. 68.

	Police	Fire
Total pension liability	\$ 9,528,258	\$ 3,414,437
Plan fiduciary net position	(10,176,710)	(4,307,710)
City's net pension liability (asset)	\$ (648,452)	\$ (893,273)

Plan fiduciary net position as a		
percentage of total pension liability (asset)	106.81%	126.16%

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

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized as follows:

Police Officers'		
	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%
Real Estate	0.0%	4.5%
Cash Equivalents	0.0%	0.0%
Total	100.0%	

*Net of long-term inflation assumption of 2.5%

Firefighters'		
	Percent	Long-Term
Investments	Target	Rate of Return*
Domestic Equity	50.0%	7.5%
International Equity	10.0%	8.5%
Domestic Fixed Income	40.0%	2.5%
Global Fixed Income	0.0%	3.5%
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' Pension:

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

	Police Officers'		
	1% Decrease	Current Discount	1% Increase
	6.00%	7.00%	8.00%
Sponsor's net pension liability (asset)	\$ (459,326)	\$ (648,452)	\$ (1,573,792)

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

	Firefighters'		
	1% Decrease	Current Discount	1% Increase
	5.00%	6.00%	7.00%
Sponsor's net pension liability (asset)	\$ (455,287)	\$ (893,273)	\$ (1,250,725)

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, 2023, the Plan included 20 retirees and/or beneficiaries currently receiving benefits plus 5 terminated employees entitled to benefits but not yet receiving them, and 3 DROP participant. There are 30 active current employees in the Plan, of which 10 are vested and 20 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 3.1% of covered payroll. The City's contributions for the year ended September 30, 2023, was \$34,955, which agreed to the actuarially required contribution for the year of \$34,955.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Net Pension Liability (Asset) - For the year ending September 30, 2023, the City reported an asset of \$(113,794) for the Pension Plan's net pension (asset). The net pension liability (asset) was measured as of September 30, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of October 1, 2023.

	General	
Total Pension Liability		
Service cost	\$	185,154
Interest		333,968
Difference between actual & expected experience		(170,274)
Benefit payments, including refunds		(313,369)
Net change in total pension liability		35,479
Total pension liability - beginning		4,912,707
Total pension liability - ending (a)		4,948,186
Plan Fiduciary Net Position		
Contributions - employer (from City)		85,670
Contributions - members		69,461
Net investment income		(1,219,252)
Benefit payments, including refunds		(313,369)
Administrative expense		(42,586)
Net change in plan fiduciary net position		(1,420,076)
Plan fiduciary net position - beginning		6,482,056
Plan fiduciary net position - ending (b)		5,061,980
Net pension liability (asset) - Ending (a) - (b)	\$	(113,794)
 Plan fiduciary net position as a percentage of Total Pension Liability (Asset)		 102.30%

The City and employees contributions for the year ended September 30, 2023, are as follows.

		City		Employees
General	\$	34,955	\$	67,655

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 12.37% for the year ended September 30, 2023. 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, 2023 the City recognized a pension expense of \$86,101 for the General Employees' Retirement Plan. On September 30, 2023, 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	\$	4,578	\$	177,308
Change in assumptions		-		19,671
Net difference between projected and actual earnings on pension plan investments		834,073		-
Contributions subsequent to the measurement date		34,955		-
Total	\$	873,606	\$	196,979

Deferred outflows relating to subsequent contributions of \$34,955 for the General Pension Plan will be recognized as a reduction in net pension liability in the fiscal year ending September 30, 2023.

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:		
2024	\$	108,491
2025		71,929
2026		150,260
2027		310,992
Total	\$	641,672

Net Pension Liability of the City of Okeechobee – The components of the net pension liability of the City at September 30, 2023, 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, 2022 which is allowed by GASB Statement No. 68.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

		General
Total pension liability	\$	4,893,392
Plan fiduciary net position		(5,406,391)
City's net pension liability (asset)	\$	(512,999)

Plan fiduciary net position as a
percentage of total pension liability (asset) 110.48%

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	
Investments	Percent Actual	Percent Target
Domestic Equity	49.1%	50.0%
International Equity	10.2%	10.0%
Fixed Income	39.9%	40.0%
Cash Equivalents	0.8%	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, 2023 are summarized in the following table:

	General	
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%

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

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

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

	General 1% Decrease 5.75%	Current Discount 6.75%	1% Increase 7.75%
Sponsor's net pension liability (asset)	\$ 16,001	\$ (512,999)	\$ (959,220)

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

	Fire	Police	General
Actuarial Cost Method	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%	6.75%
Retirement Age	100% when first eligible for Normal Retirement or DROP entry	100% when first eligible for Normal Retirement or DROP entry	100% when first eligible for Normal Retirement or DROP entry
Cost of Living	.05% every odd year	.05% every odd year	None

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

	Fire	Police	General
Mortality	<p>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.</p>	<p>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.</p>	<p>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.</p>

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Pension trust funds fiduciary net position activity as of September 30, 2023 was as follows:

	Firefighters' Pension	Police Officers' Pension	General Employees' Pension	Total Pension Trust Funds
ASSETS				
Cash equivalents	\$ 60,252	\$ 133,189	\$ 43,131	\$ 236,572
Investments:				
Mutual funds	4,186,793	9,941,412	5,362,747	19,490,952
Receivables	77,569	113,849	9,265	200,683
Prepaid expenses	-	-	1,478	1,478
Total assets	4,324,614	10,188,450	5,416,621	19,929,685
LIABILITIES				
Accounts payable	16,903	8,970	8,237	34,110
Total liabilities	16,903	8,970	8,237	34,110
NET POSITION				
Restricted for pension benefits	\$ 4,307,711	\$ 10,179,480	\$ 5,408,384	\$ 19,895,575

City of Okeechobee, Florida
Notes to Financial Statements

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Pension trust funds increase in fiduciary net position activity as of September 30, 2023 was as follows:

	Firefighters' Pension	Police Officers' Pension	General Employees' Pension	Total Pension Trust Funds
ADDITIONS				
Contributions				
State	\$ 77,569	\$ 103,937	\$ -	\$ 181,506
City	-	38,602	34,955	73,557
Employees	13,566	63,770	67,655	144,991
Total contributions	91,135	206,309	102,610	400,054
Investment earnings:				
Net depreciation in the fair value of investments	387,784	877,786	460,665	1,726,235
Interest and dividends	138,594	321,488	161,920	622,002
Total investment earnings	526,378	1,199,274	622,585	2,348,237
Less investment expenses	(22,750)	(23,150)	(21,250)	(67,150)
Net investment gain	503,628	1,176,124	601,335	2,281,087
Total additions	594,763	1,382,433	703,945	2,681,141
DEDUCTIONS				
Benefits paid to participants	231,868	397,518	237,055	866,441
Refunds on termination	-	-	20,907	20,907
DROP payments	-	233,034	35,204	268,238
Administrative expenses	62,325	58,674	64,376	185,375
Total deductions	294,193	689,226	357,542	1,340,961
Change in net position	300,570	693,207	346,403	1,340,180
Net position, beginning of year	4,007,141	9,486,273	5,061,981	18,555,395
Net position, end of year	\$ 4,307,711	\$ 10,179,480	\$ 5,408,384	\$ 19,895,575

Note 4: OTHER INFORMATION (Continued)

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

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

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

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

Contributions of plan members for the year ended September 30, 2023 totaled \$1,780.

Plan membership. Plan membership as of September 30, 2021 (the latest valuation date) was:

	Number of covered individuals
Inactive members currently receiving benefits	2
Inactive members entitled to but not yet receiving benefits	-
Active members	53
Total	55

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

Employer’s reporting date:	September 30, 2023
Measurement date:	September 30, 2022
Valuation date:	September 30, 2021

Note 4: OTHER INFORMATION (Continued)

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Actuarial assumptions and other inputs. On the September 30, 2022 measurement date, the actuarial assumptions and other inputs applied include the following:

Inflation	2.25 percent
Salary increases	6.00 percent
Discount rate	4.40 percent
Healthcare cost trend rates	6.00 percent for FY beginning 2022, 5.75 percent for FY beginning 2023 and then gradually decreasing to an ultimate trend of 3.75 percent
Mortality	Mortality tables used in the July 1, 2021 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class members. These rates were taken from adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Changes	Changes in assumptions and other inputs include the change in the discount rate from 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022. This change is reflected in the Schedule of Changes in Total OPEB Liability.

There were no benefit changes during the year.

Change in Total OPEB Liability

	Increase (Decrease)
	Total OPEB Liability (a)
Balance as of September 30, 2022	\$ 258,540
Changes for the year:	
Service cost	22,010
Interest	5,720
Changes in assumptions and other inputs	(30,595)
Benefit payments	(38,682)
Net changes	(41,547)
Balance as of September 30, 2023	\$ 216,993

Note 4: OTHER INFORMATION (Continued)

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Sensitivity of the Total OPEB Liability – The following table represents the City’s total OPEB liability calculated using the discount rate of 4.40%, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.40%) or one percentage point higher (5.40%) than the current rate:

	1% Decrease (3.40%)	Current Discount Rate (4.40%)	1% Increase (5.40%)
Total OPEB Liability	\$ 231,708	\$ 216,993	\$ 202,335

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

	1% Decrease (2.75%)	Ultimate Trend (3.75%)	1% Increase (4.75%)
Total OPEB Liability	\$ 194,161	\$ 216,993	\$ 244,453

D. ASSET RETIREMENT OBLIGATIONS

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

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

Note 5: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after September 30, 2023 through April 8, 2024, the date the current year's financial statements were available to be issued. The following events occurred:

- Approval to sell two parcels of land for \$420,000 and \$140,000
- Approval of police/fire pension plan merger
- Grant award of \$1,200,000 from State of Florida Department of Commerce
- Grant award of \$334,951 is extended from FDOT Small County Outreach Program Grant

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

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

<i>Year ended September 30, 2023</i>	Original Budget	Final Budget	Actual (on Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 3,311,716	\$ 3,624,900	\$ 3,665,950	\$ 41,050
Intergovernmental	2,907,051	3,097,000	4,530,244	1,433,244
Charges for services	706,700	794,500	805,484	10,984
Permits and fees	681,600	866,800	938,499	71,699
Fines and forfeitures	40,200	53,290	60,883	7,593
Investment earnings	11,200	434,300	528,394	94,094
Miscellaneous	4,600	75,600	51,684	(23,916)
Total revenues	7,663,067	8,946,390	10,581,138	1,634,748
Expenditures				
Current:				
General government:				
Legislative	182,766	154,266	150,914	3,352
Executive	265,142	247,760	228,738	19,022
City clerk	323,086	302,500	295,716	6,784
Financial services	343,600	321,270	305,373	15,897
Legal council	188,900	114,100	113,280	820
General services	585,637	537,400	501,641	35,759
Total general government	1,889,131	1,677,296	1,595,662	81,634
Public safety:				
Fire	706,214	735,600	729,347	6,253
Police	3,220,258	3,165,800	3,064,417	101,383
Total public safety	3,926,472	3,901,400	3,793,764	107,636
Transportation	1,637,263	1,573,175	1,540,208	32,967
Physical environment	1,156,251	770,800	576,785	194,015
Capital outlay	857,000	699,600	687,405	12,195
Total expenditures	9,466,117	8,622,271	8,193,824	428,447
Excess (deficiency) of revenues under (over) expenditures	(1,803,050)	324,119	2,387,314	2,063,195
Other financing sources (uses)				
Operating transfers out	-	-	(1,377,225)	(1,377,225)
Net other financing sources (uses)	-	-	(1,377,225)	(1,377,225)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(1,803,050)	324,119	1,010,089	685,970
Fund balances, beginning of year	11,102,972	11,102,972	11,102,972	-
Fund balances, end of year	\$ 9,299,922	\$ 11,427,091	12,113,061	\$ 685,970
Reconciliation of budgetary to GAAP basis				
Current year encumbrances			357,631	
Prior year encumbrances			(295,742)	
Fund balance on GAAP basis			\$ 12,174,950	

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

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

A. BUDGETARY INFORMATION

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

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

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

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City of Okeechobee, Florida
Required Pension Supplementary Information

	Police Officers'			
	2023*	2022*	2021*	2020*
Total Pension Liability				
Service cost	\$ 274,718	\$ 300,327	\$ 277,048	\$ 279,173
Interest	645,176	642,970	635,386	615,045
Difference between actual and expected experience	(589,604)	(69,960)	(48,536)	(76,855)
Assumption changes	-	-	-	(211,356)
Benefit payments	(631,205)	(377,386)	(630,299)	(557,786)
Refunds	-	-	-	-
Net change in total pension liability	(300,915)	495,951	233,599	48,221
Total pension liability - beginning	9,829,173	9,333,222	9,099,623	9,051,402
Total pension liability - ending (a)	9,528,258	9,829,173	9,333,222	9,099,623
Plan Fiduciary Net Position				
Contributions - employer (from City)	37,808	70,877	100,195	126,811
Contributions - employer (from State)	103,937	89,462	86,979	90,650
Contributions - members	62,446	54,837	56,261	53,051
Net investment income (loss)	1,176,125	(2,340,675)	1,980,592	1,170,587
Benefit payments	(631,205)	(372,018)	(623,923)	(542,324)
Refunds	-	(5,368)	(6,376)	(15,462)
Administrative expense	(58,674)	(55,854)	(41,277)	(41,667)
Other	-	-	(3,248)	(2,155)
Net change in plan fiduciary net position	690,437	(2,558,739)	1,549,203	839,491
Plan fiduciary net position - beginning	9,486,273	12,045,012	10,495,809	9,656,318
Plan fiduciary net position - ending (b)	10,176,710	9,486,273	12,045,012	10,495,809
Net pension liability (asset) - Ending (a) - (b)	\$ (648,452)	\$ 342,900	\$ (2,711,790)	\$ (1,396,186)
Plan fiduciary net position as a percentage of Total Pension Liability	106.81%	96.51%	129.06%	115.34%
Covered payroll**	\$ 1,248,920	\$ 1,097,275	\$ 1,125,784	\$ 1,061,193
Net pension liability (asset) as a percentage of covered payroll	-51.92%	31.25%	-240.88%	-131.57%

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

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

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

Assumption changes:

- Effective 10/1/2021, the valuation will use the mortality tables from the most recent FRS valuation as of 7/1/2021.

- 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.

City of Okeechobee, Florida
Required Pension Supplementary Information

		Police Officers'									
2019*		2018*		2017	2016	2015	2014				
\$	254,066	\$	258,622	\$	235,345	\$	264,445	\$	247,353	\$	251,499
	607,391		580,995		573,285		543,946		506,147		479,146
	(153,927)		(276,621)		(270,100)		126,875		(219,850)		(784)
	-		-		22,143		-		94,065		-
	(502,852)		(281,028)		(255,731)		(468,694)		(203,855)		(201,397)
	(12,836)		72,669		-		(25,003)		(321)		(26,953)
	191,842		354,637		304,942		441,569		423,539		501,511
	8,859,560		8,504,923		8,199,981		7,758,412		7,334,873		6,833,362
	9,051,402		8,859,560		8,504,923		8,199,981		7,758,412		7,334,873
	130,886		151,492		169,789		147,312		192,581		200,210
	90,153		81,690		78,659		73,960		70,807		67,639
	50,359		46,212		45,863		45,554		47,740		43,135
	330,227		727,699		903,712		607,763		(95,964)		694,790
	(502,852)		(281,028)		(255,731)		(468,694)		(203,855)		(201,397)
	(12,836)		-		-		(25,003)		(321)		(26,953)
	(47,116)		(45,827)		(41,855)		(32,120)		(30,198)		(18,097)
	-		-		(3,284)		(6)		3,886		-
	38,821		680,238		897,153		348,766		(15,324)		759,327
	9,617,497		8,937,259		8,040,106		7,691,340		7,706,664		6,947,337
	9,656,318		9,617,497		8,937,259		8,040,106		7,691,340		7,706,664
\$	(604,916)	\$	(757,937)	\$	(432,336)	\$	159,875	\$	67,072	\$	(371,791)
	106.68%		108.56%		105.08%		98.05%		99.14%		105.07%
\$	1,007,180	\$	924,250	\$	917,260	\$	970,646	\$	911,189	\$	862,700
	-60.06%		-82.01%		-47.13%		16.47%		7.36%		-43.10%

City of Okeechobee, Florida Required Pension Supplementary Information

	Firefighters'			
	2023*	2022*	2021*	2020*
Total Pension Liability				
Service cost	\$ -	\$ 18,570	\$ 64,244	\$ 117,980
Interest	199,748	225,789	247,616	275,148
Benefit changes	-	-	268,575	(945)
Difference between actual & expected experience	(273,706)	(254,300)	(242,201)	(85,233)
Assumption changes	-	-	-	(96,526)
Benefit payments	(231,868)	(548,385)	(191,302)	(152,193)
Refund	-	-	-	-
Other	-	-	-	-
Net change in total pension liability	(305,826)	(558,326)	146,932	58,231
Total pension liability - beginning	3,720,263	4,278,589	4,131,657	4,073,426
Total pension liability - ending (a)	3,414,437	3,720,263	4,278,589	4,131,657
Plan Fiduciary Net Position				
Contributions - employer (from City)	11,909	569	43,576	86,196
Contributions - employer (from State)	77,569	39,083	45,578	52,670
Contributions - members	-	249	18,140	20,552
Net investment income (loss)	503,627	(1,079,229)	906,378	507,378
Benefit payments	(231,868)	(548,385)	(150,688)	(150,688)
Refunds	-	-	(40,614)	(1,505)
Administrative expense	(62,323)	(44,389)	(44,943)	(40,275)
Other	1,657	-	-	652
Net change in plan fiduciary net position	300,571	(1,632,102)	777,427	474,980
Plan fiduciary net position - beginning	4,007,139	5,639,241	4,861,814	4,386,834
Plan fiduciary net position - ending (b)	4,307,710	4,007,139	5,639,241	4,861,814
Net pension liability (asset) - Ending (a) - (b)	\$ (893,273)	\$ (286,876)	\$ (1,360,652)	\$ (730,157)
Plan fiduciary net position as a percentage of Total Pension Liability	126.16%	107.71%	131.80%	117.67%
Covered payroll**	-	4,990	367,446	411,033
Net pension liability (asset) as a percentage of covered payroll	N/A	-5749.02%	-370.30%	-177.64%

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

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

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

Assumption changes:

- Effective 10/1/2021, the valuation will use the mortality tables from the most recent FRS valuation as of 7/1/2021.

- 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.

City of Okeechobee, Florida
Required Pension Supplementary Information

				Firefighters'							
2019*		2018*		2017	2016	2015	2014				
\$	145,856	\$	136,825	\$	156,989	\$	156,107	\$	144,773	\$	130,539
	271,341		257,407		255,218		235,684		213,154		196,106
	(132,896)		(162,443)		(91,659)		56,393		(19,771)		(741)
	-		-		(13,449)		-		49,797		-
	(141,381)		(107,105)		(106,572)		(102,590)		(96,939)		(142,060)
	(9,052)		(16,027)		(20,437)		-		-		-
	-		19,828		-		3,256		-		-
	133,868		128,485		180,090		348,850		291,014		183,844
	3,939,558		3,811,073		3,630,983		3,282,133		2,991,119		2,807,275
	4,073,426		3,939,558		3,811,073		3,630,983		3,282,133		2,991,119
	83,988		115,253		107,123		97,709		92,863		82,058
	52,810		52,793		50,589		49,889		52,662		53,235
	23,945		23,446		25,409		27,433		26,324		23,854
	140,894		308,920		404,267		246,381		(44,021)		318,708
	(141,381)		(107,105)		(106,572)		(102,590)		(96,939)		(142,060)
	(9,052)		(16,027)		(20,437)		-		-		-
	(43,675)		(59,878)		(34,933)		(31,639)		(27,132)		(16,233)
	-		-		(6,375)		(1,766)		-		-
	107,529		317,402		419,071		285,417		3,757		319,562
	4,279,305		3,961,903		3,542,832		3,257,415		3,253,658		2,934,096
	4,386,834		4,279,305		3,961,903		3,542,832		3,257,415		3,253,658
\$	(313,408)	\$	(339,747)	\$	(150,830)	\$	88,151	\$	24,718	\$	(262,539)
	107.69%		108.62%		103.96%		97.57%		99.25%		108.78%
	478,900	\$	468,920	\$	508,180	\$	563,285	\$	523,119	\$	477,080
	-65.44%		-72.45%		-29.68%		15.65%		4.73%		-55.03%

City of Okeechobee, Florida
Required Pension Supplementary Information

General Employees'

	2023*	2022*	2021*
Total Pension Liability			
Service cost	\$ 162,179	\$ 185,154	\$ 207,835
Interest	318,751	333,968	333,141
Benefit changes	-	-	-
Difference between actual & expected experience	(291,560)	(170,274)	242
Assumption changes	49,002	-	-
Benefit payments	(293,166)	(218,611)	(354,969)
Refunds	-	(94,758)	-
Other ***	-	-	-
Net change in total pension liability	(54,794)	35,479	186,249
Total pension liability - beginning	4,948,186	4,912,707	4,726,458
Transfer of pension liability for Okeechobee Utility Authority *****	-	-	-
Total pension liability - ending (a)	4,893,392	4,948,186	4,912,707
Plan Fiduciary Net Position			
Contributions - employer	34,276	85,670	114,175
Contributions - members	66,341	69,461	73,581
Net investment income (loss)	601,336	(1,219,252)	1,108,894
Benefit payments	(293,166)	(218,611)	(354,969)
Refunds	-	(94,758)	-
Administrative expense	(64,376)	(42,586)	(44,184)
Other****	-	-	-
Net change in plan fiduciary net position	344,411	(1,420,076)	897,497
Plan fiduciary net position - beginning	5,061,980	6,482,056	5,584,559
Transfer plan fiduciary net position to Okeechobee Utility Authority*****	-	-	-
Plan fiduciary net position - ending (b)	5,406,391	5,061,980	6,482,056
Net pension liability (asset) - Ending (a) - (b)	\$ (512,999)	\$ (113,794)	\$ (1,569,349)
Plan fiduciary net position as a percentage of Total Pension Liability	110.48%	102.30%	131.94%
Covered payroll**	\$ 1,105,677	\$ 1,157,694	\$ 1,229,302
Net pension liability (asset) as a percentage of covered payroll	-46.40%	-9.83%	-127.66%

City of Okeechobee, Florida
Required Pension Supplementary Information

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

City of Okeechobee, Florida

Required Pension Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

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

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

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

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

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

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

Assumption changes:

- Effective 10/1/2021, the valuation will use the mortality tables from the most recent FRS valuation as of 7/1/2021.

- 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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City of Okeechobee, Florida
Required Pension Supplementary Information

Schedule of Contributions
Last Ten Fiscal Years

	Police Officers'			
	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Actuarially determined contributions	\$ 121,936	\$ 158,267	\$ 185,025	\$ 192,448
Contributions in relation to the actuarially determined contributions	141,745	160,339	187,174	217,461
Contribution deficiency (excess)	\$ (19,809)	\$ (2,072)	\$ (2,149)	\$ (25,013)
Covered payroll*	\$ 1,248,920	\$ 1,097,275	\$ 1,125,784	\$ 1,061,193
Contributions as a percentage of covered payroll	11.35%	14.61%	16.63%	20.49%
	Firefighters'			
	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Actuarially determined contributions	\$ 45,922	\$ 46,153	\$ 104,102	\$ 157,372
Contributions in relation to the actuarially determined contributions	89,478	39,652	89,154	138,866
Contribution deficiency (excess)	\$ (43,556)	\$ 6,501	\$ 14,948	\$ 18,506
Covered payroll*	\$ -	\$ 4,990	\$ 367,446	\$ 411,033
Contributions as a percentage of covered payroll	N/A	794.63%	24.26%	33.78%
	General Employees'			
	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Actuarially determined contributions	\$ 34,276	\$ 85,670	\$ 114,325	\$ 118,875
Contributions in relation to the actuarially determined contributions	34,276	85,670	114,175	118,781
Contribution deficiency (excess)	\$ -	\$ -	\$ 150.00	\$ 94
Covered payroll	\$ 1,105,677	\$ 1,157,694	\$ 1,229,302	\$ 1,278,231
Contributions as a percentage of covered payroll	3.10%	7.40%	9.29%	9.29%

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

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

City of Okeechobee, Florida
Required Pension Supplementary Information

Police Officers'						
9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	
\$ 204,611	\$ 212,571	\$ 251,591	\$ 219,093	\$ 263,240	\$ 267,849	
221,039	233,182	248,448	221,272	263,388	267,849	
\$ (16,428)	\$ (20,611)	\$ 3,143	\$ (2,179)	\$ (148)	\$ -	
\$ 1,007,180	\$ 924,250	\$ 917,260	\$ 970,646	\$ 911,189	\$ 862,700	
21.95%	25.23%	27.09%	22.80%	28.91%	31.05%	
Firefighters'						
9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	
\$ 139,143	\$ 167,871	\$ 170,269	\$ 143,632	\$ 138,914	\$ 122,212	
136,798	168,046	157,712	147,598	145,525	135,293	
\$ 2,345	\$ (175)	\$ 12,557	\$ (3,966)	\$ (6,611)	\$ (13,081)	
\$ 478,900	\$ 468,920	\$ 508,180	\$ 563,285	\$ 523,119	\$ 477,080	
28.57%	35.84%	31.03%	26.20%	27.82%	28.36%	
General Employees'						
9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	
\$ 114,875	\$ 75,793	\$ 42,774	\$ 49,115	\$ 379,111	\$ 379,099	
115,324	75,793	94,009	110,448	379,111	379,099	
\$ (449)	\$ -	\$ (51,235)	\$ (61,333)	\$ -	\$ -	
\$ 1,100,333	\$ 1,005,204	\$ 940,083	\$ 911,233	\$ 3,135,961	\$ 2,945,717	
10.48%	7.54%	10.00%	12.12%	12.09%	12.87%	

City of Okeechobee, Florida
Required Pension Supplementary Information

Police Officers'				
	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Annual money-weighted rate of return net of investment expense	12.69%	-20.10%	18.76%	11.78%

Fire Fighters'				
	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Annual money-weighted rate of return net of investment expense	13.22%	-20.53%	19.30%	10.61%

General Employees'				
	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Annual money-weighted rate of return net of investment expense	12.37%	-19.81%	19.17%	11.37%

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

City of Okeechobee, Florida
Required Pension Supplementary Information

Police Officers'					
9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
3.10%	8.73%	10.68%	7.59%	-1.65%	9.96%

Fire Fighters'					
9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
2.39%	6.11%	10.76%	6.83%	-2.19%	10.43%

General Employees'					
9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
2.23%	7.55%	9.78%	7.78%	-1.38%	10.60%

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

Year Ending September 30,	2023		2022		2021	
Total OPEB liability						
Service cost	\$	22,010	\$	23,718	\$	20,845
Interest		5,720		5,415		5,582
Difference between expected and actual experience		-		58,331		-
Changes of assumptions or other inputs		(30,595)		(23,809)		4,218
Benefit payments		(38,682)		(12,183)		(11,458)
Net change in total OPEB liability		(41,547)		51,472		19,187
Total OPEB liability - beginning		258,540		207,068		187,881
Total OPEB liability - ending	\$	216,993	\$	258,540	\$	207,068

Covered employee payroll	\$	2,428,727	\$	2,472,843	\$	3,359,887
Total OPEB liability as a percentage of covered employee payroll		8.93%		10.46%		6.16%

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

* The following discount rate was used in each period:

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

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

	<u>2020</u>		<u>2019</u>		<u>2018</u>
\$	12,015	\$	12,580	\$	13,441
	6,320		5,640		4,977
	6,792		-		-
	14,710		(4,290)		(3,808)
	(9,915)		(9,081)		(17,198)
	29,922		4,849		(2,588)
	157,959		153,110		155,698
\$	<u>187,881</u>	\$	<u>157,959</u>	\$	<u>153,110</u>

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

6.18% 5.29% 5.45%

City of Okeechobee, Florida
Notes to Required Supplementary Information

A. ADDITIONAL ACTUARIAL INFORMATION

Valuation Date: 10/01/2022

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

Methods and Assumptions Used to Determine Contributions Rates:

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

City of Okeechobee, Florida
Notes to Required Supplementary Information

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

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Okeechobee, Florida, (the “City”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated April 8, 2024.

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

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
April 8, 2024



INDEPENDENT AUDITOR’S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Okeechobee, Florida, (the “City”) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 8, 2024.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 8, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

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 City Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Melbourne, Florida
April 8, 2024



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

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

We have examined the City of Okeechobee, Florida’s (the “City”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management is responsible for the City’s compliance with the specified requirements. Our responsibility is to express an opinion on the City’s compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023.

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

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

Melbourne, Florida
April 8, 2024