City of Okeechobee
"Gateway to South Florida"

City Of Okeechobee, Florida

FINANCIAL STATEMENTS

September 30, 2025

City of Okeechobee, Florida
City Officials
For the year ended September 30, 2025

Dowling R. Watford, Jr.
Mayor, Chairman

Monica Clark
Vice Mayor

Noel Chandler
Bob Jarriel
David McAuley
Council Members

Gary Ritter
City Administrator

Lane Gamiotea
City Clerk

India Riedel
Finance Director

Donald Hagan
Chief of Police

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CARR, RIGGS & INGRAM, L.L.C.

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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, 2025, 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, 2025 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 29, 2026 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, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 29, 2026

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Our discussion and analysis of the City of Okeechobee, Florida's ("the City's") financial performance provides an overview of the City's financial activities for the year ended September 30, 2025. 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, 2025:

- The City's total assets exceeded its liabilities at September 30, 2025 by $28,801,311.
- The City's total revenues were $9,259,692 for the year ended September 30, 2025, compared to total expenses of $6,699,527, which resulted in a $2,560,165 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.

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

	2025	2024
Current assets	**$ 16,400,916**	$ 15,271,924
Capital assets	**10,882,392**	10,412,870
Noncurrent assets	**4,688,728**	2,054,724
Total assets	**31,972,036**	27,739,518
Deferred outflows	**447,614**	1,941,369
Other liabilities	**874,525**	1,564,804
Long-term liabilities	**591,914**	600,408
Total liabilities	**1,466,439**	2,165,212
Deferred inflows	**2,151,900**	1,274,529
Net position:		
Net investment in capital assets	**10,882,392**	10,412,870
Restricted	**4,065,310**	3,828,848
Unrestricted	**13,853,609**	11,999,428
Total net position	**$ 28,801,311**	$ 26,241,146

Governmental Activities

Total net position increased by $2,560,165 primarily as a result of a $1,128,992 increase in current assets and a $2,634,004 increase in noncurrent assets. In addition, an increase in capital of assets of $469,522 and a $623,260 decrease of unearned revenue also contributed to the increase in net position. The increase in total assets of $4,232,518 was primarily due to a $2,634,004 increase in net pension assets due to prior year investment gains that are recognized over the following five years through deferred inflows and outflows due to the difference between projected and actual earnings on pension investments in the actuarial valuation, and an increase of $469,522 in capital assets due to $1,427,739 in capital asset additions offset by $897,137 in depreciation expense. The net decrease in liabilities was $698,773 as other liabilities decreased by $43,459 related to timing of payables and unearned revenue decreased $623,260 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. Long-term liabilities decreased by $8,494 resulting from a decrease in the OPEB liability obligation of $7,516 and a decrease in compensated absences of $978.

The following table shows condensed revenue and expense data:

City of Okeechobee, Florida
Statement of Activities

	2025	2024
REVENUES:		
Program revenues:		
Charges for services	$ 1,319,757	$ 1,143,165
Operating grants and contributions	788,706	755,632
Capital grants and contributions	743,515	1,429,763
General revenues:		
Property taxes	3,036,958	2,861,063
Public utility taxes	1,146,262	1,101,255
Franchise fees	824,283	789,214
Shared revenues	856,094	967,664
Investment income	490,330	602,528
Other income	53,787	88,031
Total revenues	9,259,692	9,738,315
EXPENSES:		
General government	846,709	970,005
Public safety	3,551,316	3,654,240
Transportation	1,585,810	1,643,340
Physical environment	715,692	732,500
Economic environment	-	2,700
Total expenses	6,699,527	7,002,785
Change in net position	2,560,165	2,735,530
Net position, beginning of year	26,241,146	23,505,616
Net position, end of year	$ 28,801,311	$ 26,241,146

The City experienced an decrease of 4.9% in total revenues, a $478,623 decrease to $9.26 million. The decrease is primarily due to a $686,248 decrease in capital grants and contributions due to completion of FRDEP and SCOP grants. In addition, a decrease in investment income of $112,198 as interest rates decreased over the year. Decreases in shared revenues of $111,570 and other income of $34,244 also contributed to the City's decrease in revenues for the year. Increases in property tax of $175,895 were due primarily to an increase in taxable values and new construction values. Increases in charges for services of $33,074 were due to an increase in building permits and fees and site plan fees due to increased commercial projects and residential housing. The public utility tax revenue increase of $45,007 and franchise fees of $35,069 is due to an increase in usage of utilities within the City helping offset the decrease in revenues for the year. The City experienced an 4.3% decrease in total expenses – a $303,258 decrease to $6.7 million. The decrease is due to a $123,296 decrease in expenses for general government, $102,924 decrease in public safety, $57,530 decrease in transportation expense, $16,808 decrease in physical environment, and a $2,700 decrease in economic environment. The combined decrease of revenues with the offset of decreased expenses resulted in an increase in net position of $2,560,165.

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 $15,451,506, an increase of $1,948,452 in comparison with the prior year. Approximately 83% of this total amount, $12,849,896, constitutes unassigned fund balance, which is available for spending at the government's discretion. Assigned fund balances include $1,526,128 for subsequent year's expenditures. Public facilities fund balance of $1,014,714 and non-major fund balance of $14,398 for law enforcement are restricted funds based on their specific stipulated purpose. The remainder of the fund balance is non-spendable inventory of $46,370.

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 $14,431,064 while total fund balance was $15,492,148. 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 166% and 179% respectively of total general fund expenditures.

General Fund Budgetary Highlights

Intergovernmental revenues was budgeted at $2,962,550 but actual was $3,813,557 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 24/25 budget decreased from $10,892,324 to $9,604,197 in the final 24/25 budget. Actual (on a budgetary basis) expenditures of $8,614,310 were less than the budgeted expenditures by $989,887. 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, 2025, amounted to $10,882,392, (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 $469,522, net of depreciation expense of $897,137.

The City's major additions of $1,427,739 to capital assets during the current fiscal year included the following:

- Infrastructure projects, including:
  - NE 9th Street-8th Avenue to 441 and NW 9th Avenue to NW 9th Street to Hwy 70 Hwy Project Resurfacing
  - SW Park Street/SW 11th Avenue Roadway Improvements
- Improvements to Public Safety Building
- Replacement Cummins Natural Gas Generator (Police)
- Computers (1) IT-Police Department; (1) Finance, (1) Dispatch
- Replacement (4) Tasers with batteries
- Furniture and conference table
- City Park Lighted Christmas Display
- Towable boom lift
- Hustler Lawnmower
- Document scanner
- Replacement (5) Police vehicles with equipment
- Street Sweeper Truck

- Retention area for Mallard Landing

- Construction in Progress including:
    - City hall hardening project (continues)
    - SE 8th Drainage Project
    - Laserfiche Platform Upgrade

City's Capital Assets
(net of depreciation)

		2025		2024
Land	$	**1,199,108**	$	1,208,332
Construction in progress		**148,749**		71,005
Buildings		**914,881**		991,911
Improvements other than buildings		**6,319,161**		6,115,522
Equipment		**2,300,493**		2,026,100
Total	$	**10,882,392**	$	10,412,870

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council adopted a millage rate of 5.9062 for budget year 2026. The adopted millage rate is 4.51% more than the roll-back rate of 5.7030. A $151,036 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 2026 adopted budget for all funds of the City total approximately $10,572,950, a decrease from the prior year final budget of approximately $395,590. These revenues include the General, Public Facility, Capital Projects, Grant and Special Law Enforcement fund revenues.

The change in revenue is based on the expected decrease in grant revenue of $2,470,246 which is offset by other expected increases in revenues, ad valorem tax revenue, intergovernmental revenue, and charges for services revenue.

Expenditures for the fiscal year 2026 adopted budgets for all funds of the City total approximately $12,554,144, a decrease of 2.6% or $331,467 from the prior year budget. The decrease in expenditure is based mostly on the decrease in budgeted grant fund expenditure. 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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September 30, 2025

ASSETS		
Cash and cash equivalents	$	**7,751,358**
Investments		**7,998,574**
Accounts receivable		**180,526**
Due from other governments		**424,088**
Inventory		**46,370**
Capital assets:		
Nondepreciable		
Land		**1,199,108**
Construction in progress		**148,749**
Depreciable, net of accumulated depreciation		
Buildings		**914,881**
Improvements other than buildings		**6,319,161**
Equipment		**2,300,493**
Net pension asset		**4,688,728**
Total assets		**31,972,036**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pensions		**447,614**
Total deferred outflows of resources		**447,614**
LIABILITIES		
Accounts payable		**207,954**
Accrued expenses		**199,129**
Compensated absences - due within one year		**85,677**
Unearned revenue - American Rescue Plan Act		**467,442**
Noncurrent liabilities:		
Due in more than one year		
Compensated absences		**286,868**
OPEB liability		**219,369**
Total liabilities		**1,466,439**
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - business tax receipts		**51,756**
Deferred inflows - pensions		**2,100,144**
Total deferred inflows of resources		**2,151,900**
NET POSITION		
Net investment in capital assets		**10,882,392**
Restricted for:		
Law enforcement		**14,398**
Public facilities		**1,014,714**
Pension benefits		**3,036,198**
Unrestricted		**13,853,609**
Total net position	$	**28,801,311**

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

Year ended September 30, 2025		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	$ 846,709	$ 478,400	$ -	$ 106,275	$ (262,034)
Public safety	3,551,316	135,701	28,845	-	(3,386,770)
Transportation	1,585,810	705,656	759,861	-	(120,293)
Physical environment	715,692	-	-	637,240	(78,452)
Total governmental activities	$ 6,699,527	$ 1,319,757	$ 788,706	$ 743,515	(3,847,549)

General revenues:	
Property taxes	**3,036,958**
Public utility taxes	**1,146,262**
Franchise fees	**824,283**
Shared revenues not restricted to specific programs	**856,094**
Unrestricted investment earnings	**490,330**
Miscellaneous	**53,787**
Total general revenues	**6,407,714**
Change in net position	**2,560,165**
Net position, beginning of year	**26,241,146**
Net position, end of year	**$ 28,801,311**

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

September 30, 2025	General	Industrial Development Fund	Appropriations Grant Fund	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	**$ 7,416,186**	**$ 223,928**	**$ 98,133**	**$ 13,111**	**$ 7,751,358**
Investments	**7,998,574**	**-**	**-**	**-**	**7,998,574**
Accounts receivable	**180,526**	**-**	**-**	**-**	**180,526**
Due from other funds	**268,475**	**-**	**-**	**1,287**	**269,762**
Due from other governments	**400,959**	**-**	**23,129**	**-**	**424,088**
Inventory	**46,370**	**-**	**-**	**-**	**46,370**
Total assets	**$ 16,311,090**	**$ 223,928**	**$ 121,262**	**$ 14,398**	**$ 16,670,678**
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable	**$ 196,456**	**$ -**	**$ 11,498**	**$ -**	**$ 207,954**
Accrued expenses	**199,129**	**-**	**-**	**-**	**199,129**
Due to other funds	**1,287**	**93,475**	**175,000**	**-**	**269,762**
Unearned revenue	**370,314**	**97,128**	**-**	**-**	**467,442**
Total liabilities	**767,186**	**190,603**	**186,498**	**-**	**1,144,287**
Deferred inflows of resources:					
Unavailable revenue - grants	**-**	**-**	**23,129**	**-**	**23,129**
Deferred revenue - business tax receipts	**51,756**	**-**	**-**	**-**	**51,756**
Fund balances:					
Nonspendable for:					
Inventory	**46,370**	**-**	**-**	**-**	**46,370**
Restricted for:			**-**		
Public facilities	**1,014,714**	**-**	**-**	**-**	**1,014,714**
Law enforcement	**-**	**-**	**-**	**14,398**	**14,398**
Assigned for:					
Subsequent year's expenditures	**1,526,128**	**-**		**-**	**1,526,128**
Unassigned	**12,904,936**	**33,325**	**(88,365)**	**-**	**12,849,896**
Total fund balances	**15,492,148**	**33,325**	**(88,365)**	**14,398**	**15,451,506**
Total liabilities, deferred inflows of resources and fund balances	**$ 16,311,090**	**$ 223,928**	**$ 121,262**	**$ 14,398**	

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.	**447,614**
Unavailable revenue is recorded as a liability in the fund statements but is recorded as revenue in the governmental activities	**23,129**
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.	**(2,100,144)**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	**10,882,392**
Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	**4,688,728**
Long-term liabilities, including the net OPEB obligation of $219,369 and compensated absences of $372,545 are not due and payable in the current period and, therefore, are not reported in the funds.	**(591,914)**
Net position of governmental activities	**$ 28,801,311**

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

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

Year ended September 30, 2025	General	Industrial Development Fund	Appropriations Grant Fund	Nonmajor Funds	Total Governmental Funds
Revenues					
Taxes	**$ 4,158,456**	**$ -**	**$ -**	**$ -**	**$ 4,158,456**
Intergovernmental	**3,813,557**	**-**	**203,708.00**	**-**	**4,017,265**
Charges for services	**817,943**	**-**	**-**	**-**	**817,943**
Permits and fees	**1,204,265**	**-**	**-**	**-**	**1,204,265**
Fines and forfeitures	**61,219**	**-**	**-**	**1,410**	**62,629**
Investment earnings	**490,330**	**-**	**-**	**-**	**490,330**
Miscellaneous	**14,572**	**-**	**-**	**-**	**14,572**
Total revenues	**10,560,342**	**-**	**203,708**	**1,410**	**10,765,460**
Expenditures					
Current:					
General government	**1,787,886**	**-**	**55,846**	**-**	**1,843,732**
Public safety	**4,313,420**	**-**	**-**	**9,814**	**4,323,234**
Transportation	**1,596,034**	**-**	**-**	**-**	**1,596,034**
Physical environment	**245,341**	**-**	**-**	**-**	**245,341**
Capital outlay	**725,803**	**623,260**	**64,696**	**-**	**1,413,759**
Total expenditures	**8,668,484**	**623,260**	**120,542**	**9,814**	**9,422,100**
Excess (deficiency) of revenues over (under) expenditures	**1,891,858**	**(623,260)**	**83,166**	**(8,404)**	**1,343,360**
Other financing sources (uses)					
Transfers in	**2,981**	**626,241**	**-**	**-**	**629,222**
Transfers out	**(626,241)**	**(2,981)**	**-**	**-**	**(629,222)**
Proceeds from sale of capital assets	**605,092**	**-**	**-**	**-**	**605,092**
Total other financing sources (uses)	**(18,168)**	**623,260**	**-**	**-**	**605,092**
Net change in fund balances	**1,873,690**	**-**	**83,166**	**(8,404)**	**1,948,452**
Fund balances, beginning of year	**12,174,950**	**(28,433)**	**-**	**40,437**	**12,241,827**
Adjusments	**-**	**-**	**18,488**	**(18,488)**	**-**
Fund balances, beginning of year after adjustments	**13,618,458**	**33,325**	**(171,531)**	**22,802**	**13,503,054**
Fund balances, end of year	**$ 15,492,148**	**$ 33,325**	**$ (88,365)**	**$ 14,398**	**$ 15,451,506**

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, 2025

Net change in fund balances - total governmental funds		**$ 1,948,452**
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.		
Capital outlay	$ 1,413,759	
Capital assets granted to City	13,980	
Depreciation expense	(897,137)	**530,602**
In the statement of activities, only the gain (loss) on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets.		**(61,080)**
Some revenues will not be collected within 60 days after the close of the City's fiscal year end, therefore they are not considered available revenue in the governmental funds. In the Statement of Activities, presented on accrual basis, these revenues are recognized.		**(133,033)**
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.		**266,730**
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.		**7,516**
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.		**978**
Change in net position of governmental activities		**$ 2,560,165**

September 30, 2025	Pension Trust Funds
ASSETS	
Cash equivalents	**$ 325,165**
Investments:	
Mutual funds	**24,807,761**
Receivables	**49,084**
Prepaid expenses	**2,782**
Total assets	**25,184,792**
LIABILITIES	
Accounts payable	**171,696**
Total liabilities	**171,696**
NET POSITION	
Restricted for pension benefits	**$ 25,013,096**

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

Year ended September 30, 2025	**Pension Trust Funds**
ADDITIONS	
Contributions:	
State	**$ 205,659**
City	**72,925**
Employees	**152,894**
Total contributions	**431,478**
Investment earnings:	
Net appreciation in the fair value of investments	**1,450,598**
Interest and dividends	**1,186,619**
Total investment earnings	**2,637,217**
Less investment expenses	**(70,329)**
Net investment gain	**2,566,888**
Total additions	**2,998,366**
DEDUCTIONS	
Benefits paid to participants	**973,255**
Refunds on termination	**87,246**
DROP payments	**316,947**
Administrative expenses	**180,194**
Total deductions	**1,563,874**
Change in net position	**1,434,492**
Net position, beginning of year	**23,578,604**
Net position, end of year	**$ 25,013,096**

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 2025 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 *Industrial Development fund* accounts for all financial resources used for infrastructure construction, improvement and equipment purchases.

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

The City reports the following nonmajor governmental funds:

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

Additionally, the City reports the following fund types:

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments

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

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

The Florida PRIME has adopted operating procedures consistent with the requirements for an investment pool under GASB I50: *Investments* to be reported at amortized cost. The fair value of the City's position in the pool is equal to the value of pooled shares. The funds can be withdrawn at any time, and there are no unfunded commitments.

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, 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, 2025 was 5.9602 mills, which is 2.26% 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 $2,100,144, and total deferred outflows were $447,614 for the year ended September 30, 2025. 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 29, 2026, 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

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 requirement of this Statement requires retroactive application; however, the impact of the implementation was not significant.

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

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Statement 102 will be effective for the fiscal year ending September 30, 2025. The City implemented this pronouncement but its guidance has no significant impact on the City's financial statements or its current accounting practices.

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

GASB Statement 104, *Disclosure of Certain Capital Assets*. This Statement was issued September 2024 to provide users of government financial statements with essential information about certain types of capital assets. This requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public- Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. Statement 10 will be effective for the fiscal year ending September 30, 2026.

The City is evaluating the requirements of the above statement 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, 2025, $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 I50: *Investment Pools (External)* of the GASB Codification to measure its investments at amortized cost; therefore, the City's account balance in the SBA is also reported at amortized cost.

<u>Fair Value</u>

GASBC I50: *Investments*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under GASBC I50 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

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, 2025.

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.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

At September 30, 2025, 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)	$ 7,998,574	$ 7,998,574	$ -	$ -	$ -	AAAm	S&P	-
Primary government total	$ 7,998,574	$ 7,998,574	$ -	$ -	$ -			
Pension trust funds:								
Mutual funds- equities	$ 16,080,925	$ -	$ -	$ 16,080,925	$ -	Not rated	-	L1
Mutual funds- fixed income	8,726,836	-	-	8,726,836	-	BBB - AA	S&P	L2
	24,807,761	$ -	$ -	$ 24,807,761	$ -			
Cash Equivalents, at amortized cost								
Money Market Fund	325,165							
Total Cash Equivalents, at cost	325,165							
Pension trust fund total	$ 25,132,926							

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.

Note 3: DETAILED NOTES ON ALL FUNDS (Continued)

B. RECEIVABLES

Receivables as of September 30, 2025 are as follows:

	General Fund	Municipal Police Officers' Pension Trust	Municipal Firefighters' Pension Trust	General Employees Pension Trust
Franchise/Utility taxes	$ 158,820	$ -	$ -	$ -
Contributions	-	14,082	22,861	12,141
Other	6,199	-	-	-
Receivables, net	$ 180,526	$ 14,082	$ 22,861	$ 12,141

C. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,208,332	$ 13,980	$ (23,204)	$ -	$ 1,199,108
Construction in progress	71,005	88,983	-	(11,239)	148,749
Total capital assets, not being depreciated	1,279,337	102,963	(23,204)	(11,239)	1,347,857
Capital assets, being depreciated:					
Buildings	2,514,746	4,427	-	-	2,519,173
Improvements other than buildings	11,841,557	664,014	-	-	12,505,571
Equipment	3,983,097	656,335	(142,081)	11,239	4,508,590
Total capital assets, being depreciated	18,339,400	1,324,776	(142,081)	11,239	19,533,334
Less accumulated depreciation for:					
Buildings	(1,522,835)	(81,457)	-	-	(1,604,292)
Improvements other than buildings	(5,726,035)	(460,375)	-	-	(6,186,410)
Equipment	(1,956,997)	(355,305)	104,205	-	(2,208,097)
Total accumulated depreciation	(9,205,867)	(897,137)	104,205	-	(9,998,799)
Total capital assets, being depreciated, net	9,133,533	427,639	(37,876)	11,239	9,534,535
Governmental activities capital assets, net	$ 10,412,870	$ 530,602	$ (61,080)	$ -	$ 10,882,392

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	$ 193,862
Public safety	229,925
Physical environment	473,350
Total depreciation expense - governmental activities	$ 897,137

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans for short-term operating purposes resulted in a due to the General fund from the Industrial Development fund of $93,475 and from the Appropriations Grant fund of $175,000, and a due to the Law Enforcement Special Revenue fund from the General fund of $1,287.

	Due from: General Fund	Industrial Development Fund	Appropriations Grant Fund	Total
Due to:				
General Fund	$ -	$ 93,475	$ 175,000	$ 268,475
Nonmajor Funds	1,287	-	-	1,287
Total	$ 1,287	$ 93,475	$ 175,000	$ 269,762

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences*	$ 373,523	$ -	$ (978)	$ 372,545	$ 85,677
Net OPEB liability	226,885	27,009	(34,525)	219,369	-
Long-term liabilities	$ 600,408	$ 27,009	$ (35,503)	$ 591,914	$ 85,677

**Changes are shown net*

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, 2025, the Police Officers' plan included 15 retirees or beneficiaries either receiving or entitled to receive benefits plus 2 terminated employees entitled to benefits but not yet receiving them, and 2 DROP participants. There are 18 active current employees in the Plan, of which 7 were vested and 11 were non-vested.

At September 30, 2025, the Firefighters' plan included 9 retirees and/or beneficiaries currently receiving benefits plus 4 terminated employees entitled to benefits but not yet receiving them, and 0 DROP participants. There are 0 active current employees in the Plan.

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 5% for the Police Officers' plan and 0% for the Firefighters' plan.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

The City recognized as revenues and expenditures on-behalf payments relating to pension contributions for its public safety employees that the State of Florida paid to the Police Officers' and Firefighters' Plans in the amounts of $137,232 and $68,427, 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, 2025, are as follows:

	City	Employees
Police Officers'	$ 53,217	$ 66,129
Firefighters'	$ 13,213	$ -

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, 2025, and the current target and actual allocation of these investments at market, per the performance analysis report, is as follows as of September 30, 2025:

Police Officers' and Firefighters'		
Investments	Actual Percent	Target Percent
Domestic Equity	47.2%	45.0%
International Equity	17.4%	15.0%
Fixed Income	34.1%	40.0%
Cash Equivalents	1.3%	0.0%
Total	100.0%	100.0%

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Money-Weighted Rate of Return - For the year ended September 30, 2025, the annual money-weighted rate of return on the Police Officers' and the Firefighters' pension plan investments was 11.44%. 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, 2024, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of September 30, 2025 for the Police Officers' and Firefighters' pension plan.

Total Pension Liability	Police Officers'	Firefighters'
Service cost	$ 328,700	$ -
Interest	689,166	205,445
Difference between actual & expected experience	154,083	169,694
Benefit payments, including refunds	(438,754)	(321,831)
Net change in total pension liability	733,195	53,308
Total pension liability - beginning	9,528,258	3,414,437
Total pension liability - ending (a)	$ 10,261,453	$ 3,467,745

Plan Fiduciary Net Position	Police Officers'	Firefighters'
Contributions - employer (from City)	$ 15,766	$ 12,742
Contributions - employer (from State)	115,793	-
Contributions - members	65,692	-
Net investment income	2,360,145	960,146
Benefit payments, including refunds	(438,754)	(321,831)
Administrative expense	(60,652)	(46,122)
Other	2,770	-
Net change in plan fiduciary net position	2,060,760	604,935
Plan fiduciary net position - beginning	10,176,710	4,307,710
Plan fiduciary net position - ending (b)	12,237,470	4,912,645
Net pension liability (asset) - Ending (a) - (b)	$ (1,976,017)	$ (1,444,900)
Plan fiduciary net position as a percentage or Total Pension Liability (Asset)	119.26%	141.67%

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

For the year ending September 30, 2025, the City recognized a pension expense (income) of $(434) for the Police Officers’ Plan and $37,027 for the Firefighters’ Plan. On September 30, 2025, 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	$ 128,402	$ 454,887
Change in assumptions	-	55,946
Net difference between projected and actual earnings on pension plan investments	-	625,773
Contributions subsequent to the measurement date	190,449	-
Total	$ 318,851	$ 1,136,606

Firefighters'

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 80,937
Change in assumptions	-	35,436
Net difference between projected and actual earnings on pension plan investments	-	294,752
Contributions subsequent to the measurement date	81,640	-
Total	$ 81,640	$ 411,125

Deferred outflows relating to subsequent contributions of $190,449 and $81,640 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, 2025.

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:		
2026	$	(193,361)
2027		69,865
2028		(523,093)
2029		(387,293)
2030		25,678
Total	$	(1,008,204)

Firefighters'		
Year ended September 30:		
2026	$	(91,677)
2027		44,856
2028		(221,836)
2029		(142,468)
Total	$	(411,125)

Net Pension Liability of the City of Okeechobee – The components of the net pension liability of the City at September 30, 2025, 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, 2024 which is allowed by GASB Statement No. 68.

		Police		Fire
Total pension liability	$	10,268,345	$	3,098,455
Plan fiduciary net position		(13,072,845)		(5,232,511)
City's net pension liability (asset)	$	(2,804,500)	$	(2,134,056)
Plan fiduciary net position as a percentage of total pension liability (asset)		127.31%		168.87%

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, 2025 are summarized as follows:

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

*Net of long-term inflation assumption of 2.5%

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

*Net of long-term inflation assumption of 2.5%

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

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

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

	Police Officers'		
	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
Sponsor's net pension liability (asset)	$ (759,593)	$ (1,976,017)	$ (2,990,963)

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

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

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

At September 30, 2025, the Plan included 21 retirees and/or beneficiaries currently receiving benefits plus 5 terminated employees entitled to benefits but not yet receiving them, and 2 DROP participant. There are 36 active current employees in the Plan, of which 11 are vested and 25 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 3.9% of covered payroll. The City's contributions for the year ended September 30, 2025, was $6,495, which was less than the actuarially required contribution for the year of $54,744.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Net Pension Liability (Asset) - For the year ending September 30, 2025, the City reported an asset of $(1,267,811) for the Pension Plan's net pension (asset). The net pension liability (asset) was measured as of September 30, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of October 1, 2024.

	General
Total Pension Liability	
Service cost	$ 152,469
Interest	333,226
Difference between actual & expected experience	23,499
Benefit payments, including refunds	(265,454)
Net change in total pension liability	243,740
Total pension liability - beginning	4,893,392
Total pension liability - ending (a)	5,137,132
Plan Fiduciary Net Position	
Contributions - members	78,493
Net investment income	1,249,539
Benefit payments, including refunds	(265,454)
Administrative expense	(66,019)
Other	1,993
Net change in plan fiduciary net position	998,552
Plan fiduciary net position - beginning	5,406,391
Plan fiduciary net position - ending (b)	6,404,943
Net pension liability (asset) - Ending (a) - (b)	$ (1,267,811)
Plan fiduciary net position as a percentage of Total Pension Liability (Asset)	124.68%

The City and employees contributions for the year ended September 30, 2025, are as follows.

	City	Employees
General	$ 6,495	$ 86,765

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 9.98% for the year ended September 30, 2025. 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, 2025 the City recognized a pension expense (income) of $(103,232) for the General Employees' Retirement Plan. On September 30, 2025, 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	$ 17,416	$ 197,334
Change in assumptions	23,212	937
Net difference between projected and actual earnings on pension plan investments	-	354,142
Contributions subsequent to the measurement date	6,495	-
Total	$ 47,123	$ 552,413

Deferred outflows relating to subsequent contributions of $6,495 for the General Pension Plan will be recognized as a reduction in net pension liability in the fiscal year ending September 30, 2025.

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:	
2026	$ (139,668)
2027	33,830
2028	(227,333)
2029	(178,614)
Total	$ (511,785)

Net Pension Liability of the City of Okeechobee – The components of the net pension liability of the City at September 30, 2025, 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, 2024 which is allowed by GASB Statement No. 68.

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

		General
Total pension liability	$	5,505,094
Plan fiduciary net position		(6,847,547)
City's net pension liability (asset)	$	(1,342,453)
Plan fiduciary net position as a percentage of total pension liability (asset)		124.39%

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	Actual Percent	Target Percent
Domestic Equity	50.6%	50.0%
International Equity	11.6%	10.0%
Fixed Income	36.5%	40.0%
Cash Equivalents	1.3%	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, 2025 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%

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)	$ (728,053)	$ (1,267,811)	$ (1,723,858)

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of October 1, 2024 using the following actuarial assumptions applied to all measurement periods.

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

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

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

Note 4: OTHER INFORMATION (Continued)

B. RETIREMENT COMMITMENTS – DEFINED BENEFIT PLANS (Continued)

Pension trust funds fiduciary net position activity as of September 30, 2025 was as follows:

	Firefighters' Pension	Police Officers' Pension	General Employees' Pension	Total Pension Trust Funds
ASSETS				
Cash equivalents	$ 74,074	$ 164,655	$ 86,436	$ 325,165
Investments:				
Mutual funds	5,146,071	12,905,790	6,755,900	24,807,761
Receivables	22,861	14,082	12,141	49,084
Prepaid expenses	-	-	2,782	2,782
Total assets	5,243,006	13,084,527	6,857,259	25,184,792
LIABILITIES				
Accounts payable	10,495	151,488	9,713	171,696
Total liabilities	10,495	151,488	9,713	171,696
NET POSITION				
Restricted for pension benefits	$ 5,232,511	$ 12,933,039	$ 6,847,546	$ 25,013,096

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, 2025 was as follows:

	Firefighters' Pension	Police Officers' Pension	General Employees' Pension	Total Pension Trust Funds
ADDITIONS				
Contributions				
State	$ 68,427	$ 137,232	$ -	$ 205,659
City	13,213	53,217	6,495	72,925
Employees	-	66,129	86,765	152,894
Total contributions	81,640	256,578	93,260	431,478
Investment earnings:				
Net appreciation in the fair value of investments	287,694	743,118	419,786	1,450,598
Interest and dividends	321,175	567,589	297,855	1,186,619
Total investment earnings	608,869	1,310,707	717,641	2,637,217
Less investment expenses	(21,393)	(25,936)	(23,000)	(70,329)
Net investment gain	587,476	1,284,771	694,641	2,566,888
Total additions	669,116	1,541,349	787,901	2,998,366
DEDUCTIONS				
Benefits paid to participants	323,413	415,210	234,632	973,255
Refunds on termination	-	71,332	15,914	87,246
Share plan distribution	243	5,989	-	6,232
DROP payments	-	288,938	28,009	316,947
Administrative expenses	49,140	64,311	66,743	180,194
Total deductions	372,796	845,780	345,298	1,563,874
Change in net position	296,320	695,569	442,603	1,434,492
Net position, beginning of year	4,936,191	12,237,470	6,404,943	23,578,604
Net position, end of year	$ 5,232,511	$ 12,933,039	$ 6,847,546	$ 25,013,096

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 3 retirees receiving benefits and has a total of 54 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, 2025 totaled $1,566.

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

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

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

Employer's reporting date:	September 30, 2025
Measurement date:	September 30, 2024
Valuation date:	September 30, 2023

Note 4: OTHER INFORMATION (Continued)

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

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

Inflation	2.50 percent
Salary increases	6.00 percent
Discount rate	3.81 percent
Healthcare cost trend rates	6.50 percent for FY beginning 2024, 6.25 percent for FY beginning 2025 and then gradually decreasing to an ultimate trend of 4.00 percent
Mortality	Mortality tables used in the July 1, 2023 actuarial valuation of the Florida Retirement System for non-K-12 Instructional Regular Class members. These rates were taken from adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018.
Changes	Changes in assumptions and other inputs include the change in the discount rate to 3.81% (from 4.63%). There were no benefit changes during the year.

Change in Total OPEB Liability

	Increase (Decrease) Total OPEB Liability (a)
Balance as of September 30, 2024	$ 226,885
Changes for the year:	
Service cost	7,606
Interest	10,058
Changes in assumptions and other inputs	9,345
Benefit payments	(34,525)
Net changes	(7,516)
Balance as of September 30, 2025	$ 219,369

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 3.81%, 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 (2.81%) or one percentage point higher (4.81%) than the current rate:

	1% Decrease (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
Total OPEB Liability	$ 230,113	$ 219,369	$ 208,037

The following table represents the City's total OPEB liability calculated using the ultimate health care cost trend rate of 6.50%, 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 (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Ultimate Trend (6.50%)	1% Increase (7.50%)
Total OPEB Liability	$ 200,021	$ 219,369	$ 242,382

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, 2025 through April 29, 2026, the date the current year's financial statements were available to be issued. The following events occurred:

- Approved award to a contractor to pave NE 3rd Ave from 2nd Street to NE 6th Street, NE 4th Ave from SR 70 to NE 6th Street, NE 5th Ave from SR 70 to NE 4th Street and NE 6th Ave from SR 70 to NE 6th Street in the amount of $226,798 not to exceed $238,138.
- Approved a contract for software, maintenance, and support for the police department in the amount of $216,522.
- Approved award to a contractor for the City Hall Resiliency Hardening Improvement Project in the amount of $830,994 not to exceed $863,509.
- Approved entering into a grant agreement with the Florida Department of Commerce for resurfacing the roads in the Commerce Park and NE 9th Street to N Parrott Avenue in the amount of $1,200,000.
- Approved award to a contractor for Phase I roadway Work in the Park Street Commerce Center in the amount of $677,326.
- Approved award to a contractor to pave NE 9th Street in the amount of $678,004.

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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Year ended September 30, 2025	Original Budget	Final Budget	Actual (on Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 3,911,422	$ 4,079,900	$ 4,158,456	$ 78,556
Intergovernmental	2,843,534	2,962,550	3,813,557	851,007
Charges for services	813,900	816,750	817,943	1,193
Permits and fees	831,526	1,147,000	1,204,265	57,265
Fines and forfeitures	40,600	59,530	61,219	1,689
Investment earnings	366,700	460,274	490,330	30,056
Miscellaneous	13,600	13,400	14,572	1,172
Total revenues	8,821,282	9,539,404	10,560,342	1,020,938
Expenditures				
Current:				
General government:				
Legislative	179,730	154,960	151,643	3,317
Executive	310,777	240,582	236,379	4,203
City clerk	316,507	297,222	297,033	189
Human resources	89,582	81,850	79,821	2,029
Financial services	369,966	349,777	340,892	8,885
Legal council	196,400	119,410	119,076	334
General services	656,382	581,226	575,796	5,430
Total general government	2,119,344	1,825,027	1,800,640	24,387
Public safety:				
Fire	934,562	930,940	928,347	2,593
Police	3,668,455	3,440,115	3,385,123	54,992
Total public safety	4,603,017	4,371,055	4,313,470	57,585
Transportation	1,792,412	1,625,205	1,595,398	29,807
Physical environment	1,268,551	867,300	550,762	316,538
Capital outlay	1,109,000	915,610	354,040	561,570
Total expenditures	10,892,324	9,604,197	8,614,310	989,887
Excess (deficiency) of revenues under (over) expenditures	(2,071,042)	(64,793)	1,946,032	2,010,825
Other financing sources (uses)				
Operating transfers out	(350,000)	(1,346,575)	(976,241)	370,334
Operating transfers in	350,000	350,000	352,981	2,981
Sale of capital assets	19,600	589,650	605,092	15,442
Net other financing sources (uses)	19,600	(406,925)	(18,168)	388,757
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(2,051,442)	(471,718)	1,927,864	2,399,582
Fund balances, beginning of year	13,618,458	13,618,458	13,618,458	-
Fund balances, end of year	$ 11,567,016	$ 13,146,740	15,546,322	$ 2,399,582
Reconciliation of budgetary to GAAP basis				
Current year encumbrances			29,944	
Prior year encumbrances			(84,118)	
Fund balance on GAAP basis			$ 15,492,148	

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

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.

Police Officers'		2025*	2024*	2023*	2022*
Total Pension Liability					
Service cost	$	316,510	$ 328,700	$ 274,718	$ 300,327
Interest		717,999	689,166	645,176	642,970
Difference between actual and expected experience		(385,956)	154,083	(589,604)	(69,960)
Assumption changes		-	-	-	-
Benefit payments		(641,661)	(438,754)	(631,205)	(377,386)
Refunds		-	-	-	-
Net change in total pension liability		6,892	733,195	(300,915)	495,951
Total pension liability - beginning		10,261,453	9,528,258	9,829,173	9,333,222
Total pension liability - ending (a)		10,268,345	10,261,453	9,528,258	9,829,173
Plan Fiduciary Net Position					
Contributions - employer (from City)		53,217	16,451	37,808	70,877
Contributions - employer (from State)		137,232	115,108	103,937	89,462
Contributions - members		66,129	65,692	62,446	54,837
Net investment income (loss)		1,284,770	2,360,145	1,176,125	(2,340,675)
Benefit payments		(641,661)	(438,754)	(631,205)	(372,018)
Refunds		-	-	-	(5,368)
Administrative expense		(64,312)	(60,652)	(58,674)	(55,854)
Other		-	2,770	-	-
Net change in plan fiduciary net position		835,375	2,060,760	690,437	(2,558,739)
Plan fiduciary net position - beginning		12,237,470	10,176,710	9,486,273	12,045,012
Plan fiduciary net position - ending (b)		13,072,845	12,237,470	10,176,710	9,486,273
Net pension liability (asset) - Ending (a) - (b)	$	(2,804,500)	$ (1,974,758)	$ (648,452)	$ 342,900
Plan fiduciary net position as a percentage of Total Pension Liability		127.31%	119.24%	106.81%	96.51%
Covered payroll**	$	1,322,580	$ 1,313,838	$ 1,248,920	$ 1,097,275
Net pension liability (asset) as a percentage of covered payroll		-212.05%	-150.30%	-51.92%	31.25%

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

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

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

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

Police Officers'					
2021*	2020*	2019*	2018*	2017*	2016*
$ 277,048	$ 279,173	$ 254,066	$ 258,622	$ 235,345	$ 264,445
635,386	615,045	607,391	580,995	573,285	543,946
(48,536)	(76,855)	(153,927)	(276,621)	(270,100)	126,875
-	(211,356)	-	-	22,143	-
(630,299)	(557,786)	(502,852)	(281,028)	(255,731)	(468,694)
-	-	(12,836)	72,669	-	(25,003)
233,599	48,221	191,842	354,637	304,942	441,569
9,099,623	9,051,402	8,859,560	8,504,923	8,199,981	7,758,412
9,333,222	9,099,623	9,051,402	8,859,560	8,504,923	8,199,981
100,195	126,811	130,886	151,492	169,789	147,312
86,979	90,650	90,153	81,690	78,659	73,960
56,261	53,051	50,359	46,212	45,863	45,554
1,980,592	1,170,587	330,227	727,699	903,712	607,763
(623,923)	(542,324)	(502,852)	(281,028)	(255,731)	(468,694)
(6,376)	(15,462)	(12,836.00)	-	-	(25,003)
(41,277)	(41,667)	(47,116)	(45,827)	(41,855)	(32,120)
(3,248)	(2,155)	-	-	(3,284)	(6)
1,549,203	839,491	38,821	680,238	897,153	348,766
10,495,809	9,656,318	9,617,497	8,937,259	8,040,106	7,691,340
12,045,012	10,495,809	9,656,318	9,617,497	8,937,259	8,040,106
$ (2,711,790)	$ (1,396,186)	$ (604,916)	$ (757,937)	$ (432,336)	$ 159,875
129.06%	115.34%	106.68%	108.56%	105.08%	98.05%
$ 1,125,784	$ 1,061,193	$ 1,007,180	$ 924,250	$ 917,260	$ 970,646
-240.88%	-131.57%	-60.06%	-82.01%	-47.13%	16.47%

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

Firefighters'	2025*	2024*	2023*	2022*
Total Pension Liability				
Service cost	$ -	$ -	$ -	$ 18,570
Interest	198,355	205,445	199,748	225,789
Benefit changes	-	-	-	-
Difference between actual & expected experience	106,607	169,694	(273,706)	(254,300)
Assumption changes	(350,596)	-	-	-
Benefit payments	(323,656)	(321,831)	(231,868)	(548,385)
Refund	-	-	-	-
Other	-	-	-	-
Net change in total pension liability	(369,290)	53,308	(305,826)	(558,326)
Total pension liability - beginning	3,467,745	3,414,437	3,720,263	4,278,589
Total pension liability - ending (a)	3,098,455	3,467,745	3,414,437	3,720,263
Plan Fiduciary Net Position				
Contributions - employer (from City)	13,213	12,742	11,909	569
Contributions - employer (from State)	68,427	-	77,569	39,083
Contributions - members	-	-	-	249
Net investment income (loss)	587,477	960,146	503,627	(1,079,229)
Benefit payments	(323,656)	(321,831)	(231,868)	(548,385)
Refunds	-	-	-	-
Administrative expense	(25,595)	(46,122)	(62,323)	(44,389)
Other	-	-	1,657	-
Net change in plan fiduciary net position	319,866	604,935	300,571	(1,632,102)
Plan fiduciary net position - beginning	4,912,645	4,307,710	4,007,139	5,639,241
Plan fiduciary net position - ending (b)	5,232,511	4,912,645	4,307,710	4,007,139
Net pension liability (asset) - Ending (a) - (b)	$ (2,134,056)	$ (1,444,900)	$ (893,273)	$ (286,876)
Plan fiduciary net position as a percentage of Total Pension Liability	168.87%	141.67%	126.16%	107.71%
Covered payroll**	$ -	$ -	$ -	$ 4,990
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	-5749.02%

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%.

	Firefighters'					
	2021*	2020*	2019*	2018*	2017*	2016*
	$ 64,244	$ 117,980	$ 145,856	$ 136,825	$ 156,989	$ 156,107
	247,616	275,148	271,341	257,407	255,218	235,684
	268,575	(945)				-
	(242,201)	(85,233)	(132,896)	(162,443)	(91,659)	56,393
	-	(96,526)	-	-	(13,449)	-
	(191,302)	(152,193)	(141,381)	(107,105)	(106,572)	(102,590)
	-	-	(9,052)	(16,027)	(20,437.00)	-
	-	-	-	19,828	-	3,256.00
	146,932	58,231	133,868	128,485	180,090	348,850
	4,131,657	4,073,426	3,939,558	3,811,073	3,630,983	3,282,133
	4,278,589	4,131,657	4,073,426	3,939,558	3,811,073	3,630,983
	43,576	86,196	83,988	115,253	107,123	97,709
	45,578	52,670	52,810	52,793	50,589	49,889
	18,140	20,552	23,945	23,446	25,409	27,433
	906,378	507,378	140,894	308,920	404,267	246,381
	(150,688)	(150,688)	(141,381)	(107,105)	(106,572)	(102,590)
	(40,614)	(1,505)	(9,052)	(16,027)	(20,437.00)	-
	(44,943)	(40,275)	(43,675)	(59,878)	(34,933)	(31,639)
	-	652	-	-	(6,375)	(1,766.00)
	777,427	474,980	107,529	317,402	419,071	285,417
	4,861,814	4,386,834	4,279,305	3,961,903	3,542,832	3,257,415
	5,639,241	4,861,814	4,386,834	4,279,305	3,961,903	3,542,832
	$ (1,360,652)	$ (730,157)	$ (313,408)	$ (339,747)	$ (150,830)	$ 88,151
	131.80%	117.67%	107.69%	108.62%	103.96%	97.57%
	$ 367,446	$ 411,033	$ 478,900	$ 468,920	$ 508,180	$ 563,285
	-370.30%	-177.64%	-65.44%	-72.45%	-29.68%	15.65%

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

General Employees'

	2025*	2024*	2023*
Total Pension Liability			
Service cost	$ 192,236	$ 152,469	$ 162,179
Interest	350,331	333,226	318,751
Benefit changes	-	-	-
Difference between actual & expected experience	103,950	23,499	(291,560)
Assumption changes	-	-	49,002
Benefit payments	(278,555)	(265,454)	(293,166)
Refunds	-	-	-
Other ***	-	-	-
Net change in total pension liability	367,962	243,740	(54,794)
Total pension liability - beginning	5,137,132	4,893,392	4,948,186
Transfer of pension liability for Okeechobee Utility Authority *****	-	-	-
Total pension liability - ending (a)	5,505,094	5,137,132	4,893,392
Plan Fiduciary Net Position			
Contributions - employer	6,495	-	34,276
Contributions - members	86,765	78,493	66,341
Net investment income (loss)	694,642	1,249,539	601,336
Benefit payments	(278,555)	(265,454)	(293,166)
Refunds	-	-	-
Administrative expense	(66,743)	(66,019)	(64,376)
Other****	-	1,993	-
Net change in plan fiduciary net position	442,604	998,552	344,411
Plan fiduciary net position - beginning	6,404,943	5,406,391	5,061,980
Transfer plan fiduciary net position to Okeechobee Utility Authority*****			-
Plan fiduciary net position - ending (b)	6,847,547	6,404,943	5,406,391
Net pension liability (asset) - Ending (a) - (b)	$ (1,342,453)	$ (1,269,070)	$ (512,999)
Plan fiduciary net position as a percentage of Total Pension Liability	124.39%	124.70%	110.48%
Covered payroll**	$ 1,446,087	$ 1,308,218	$ 1,105,677
Net pension liability (asset) as a percentage of covered payroll	-92.83%	-97.01%	-46.40%

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

General Employees'

	2022*	2021*	2020*	2019*	2018*	2017*
	$ 185,154	$ 207,835	$ 184,223	$ 152,255	$ 154,529	$ 136,373
	333,968	333,141	315,828	295,453	284,633	91,058
	-	-	90,157	-	-	-
	(170,274)	242	2,277	(141,938)	20,956.00	-
	-	-	(47,772)	-	-	133,790.00
	(218,611)	(354,969)	(201,373)	(259,463)	(164,189)	(336,740)
	(94,758)	-	-	(346)	(16,592)	(17,378)
	-	-	-	-	-	2,641,019
	35,479	186,249	343,340	45,961	279,337	2,648,122
	4,912,707	4,726,458	4,383,118	4,337,157	4,057,820	1,409,698
	-	-	-	-	-	-
	4,948,186	4,912,707	4,726,458	4,383,118	4,337,157	4,057,820
	85,670	114,175	118,781	115,324	75,793	94,009
	69,461	73,581	76,693	66,020	60,312	56,405
	(1,219,252)	1,108,894	603,919	155,830	394,042	477,649
	(218,611)	(354,969)	(178,547)	(259,463)	(164,189)	(336,740)
	(94,758)	-	(22,826)	(346)	(16,592)	(17,378)
	(42,586)	(44,184)	(40,906)	(53,249)	(46,328)	(48,490)
	-	-	(652)	-	-	3,117,018
	(1,420,076)	897,497	556,462	24,116	303,038	3,342,473
	6,482,056	5,584,559	5,028,097	5,003,981	4,700,943	1,358,470
	-	-	-	-	-	-
	5,061,980	6,482,056	5,584,559	5,028,097	5,003,981	4,700,943
	$ (113,794)	$ (1,569,349)	$ (858,101)	$ (644,979)	$ (666,824)	$ (643,123)
	102.30%	131.94%	118.16%	114.72%	115.37%	115.85%
	$ 1,157,694	$ 1,229,302	$ 1,278,231	$ 1,100,333	$ 1,005,204	$ 940,083
	-9.83%	-127.66%	-67.13%	-58.62%	-66.34%	-68.41%

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

Schedule of Changes in Net Pension Liability and Related Ratios

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

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

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

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

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

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

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

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

Schedule of Contributions
Last Ten Fiscal Years

	Police Officers'			
	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined contributions	$ 222,991	$ 108,237	$ 121,936	$ 158,267
Contributions in relation to the actuarially determined contributions	190,449	130,300	141,745	160,339
Contribution deficiency (excess)	$ 32,542	$ (22,063)	$ (19,809)	$ (2,072)
Covered payroll*	$ 1,322,580	$ 1,313,838	$ 1,248,920	$ 1,097,275
Contributions as a percentage of covered payroll	14.40%	9.92%	11.35%	14.61%

	Firefighters'			
	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined contributions	$ 67,934	$ 44,389	$ 45,922	$ 46,153
Contributions in relation to the actuarially determined contributions	81,640	12,742	89,478	39,652
Contribution deficiency (excess)	$ (13,706)	$ 31,647	$ (43,556)	$ 6,501
Covered payroll*	$ -	$ -	$ -	$ 4,990
Contributions as a percentage of covered payroll	N/A	N/A	N/A	794.63%

	General Employees'			
	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined contributions	$ 56,397	$ -	$ 34,276	$ 85,670
Contributions in relation to the actuarially determined contributions	6,495	1,259	34,276	85,670
Contribution deficiency (excess)	$ 49,902	$ (1,259.00)	$ -	$ -
Covered payroll	$ 1,446,087	$ 1,308,218	$ 1,105,677	$ 1,157,694
Contributions as a percentage of covered payroll	0.45%	0.10%	3.10%	7.40%

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%.

Police Officers'

9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
$ 185,025	$ 192,448	$ 204,611	$ 212,571	$ 251,591	$ 219,093
187,174	217,461	221,039	233,182	248,448	221,272
$ (2,149)	$ (25,013)	$ (16,428)	$ (20,611)	$ 3,143	$ (2,179)
$ 1,125,784	$ 1,061,193	$ 1,007,180	$ 924,250	$ 917,260	$ 911,080
16.63%	20.49%	21.95%	25.23%	27.09%	24.29%

Firefighters'

9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
$ 104,102	$ 157,372	$ 139,143	$ 167,871	$ 170,269	$ 143,632
89,154	138,866	136,798	168,046	157,712	147,598
$ 14,948	$ 18,506	$ 2,345	$ (175)	$ 12,557	$ (3,966)
$ 367,446	$ 411,033	$ 478,900	$ 468,920	$ 508,180	$ 563,285
24.26%	33.78%	28.57%	35.84%	31.03%	26.20%

General Employees'

9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
$ 114,325	$ 118,875	$ 114,875	$ 75,793	$ 42,774	$ 49,115
114,175	118,781	115,324	75,793	94,009	110,448
$ 150	$ 94	$ (449)	$ -	$ (51,235)	$ (61,333)
$ 1,229,302	$ 1,278,231	$ 1,100,333	$ 1,005,204	$ 940,083	$ 911,233
9.29%	9.29%	10.48%	7.54%	10.00%	12.12%

Police Officers'

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Annual money-weighted rate of return net of investment expense	11.44%	22.90%	12.69%	-20.10%

Fire Fighters'

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Annual money-weighted rate of return net of investment expense	11.44%	21.72%	13.22%	-20.53%

General Employees'

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Annual money-weighted rate of return net of investment expense	9.98%	22.25%	12.37%	-19.81%

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.

Police Officers'

9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
18.76%	11.78%	3.10%	8.73%	10.68%	7.59%

Fire Fighters'

9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
19.30%	10.61%	2.39%	6.11%	10.76%	6.83%

General Employees'

9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
19.17%	11.37%	2.23%	7.55%	9.78%	7.78%

Year Ending September 30,	2025	2024	2023
Total OPEB liability			
Service cost	$ 7,606	$ 13,786	$ 22,010
Interest	10,058	9,528	5,720
Difference between expected and actual experience	-	10,180	-
Changes of assumptions or other inputs	9,345	4,849	(30,595)
Benefit payments	(34,525)	(28,451)	(38,682)
Net change in total OPEB liability	(7,516)	9,892	(41,547)
Total OPEB liability - beginning	226,885	216,993	258,540
Total OPEB liability - ending	$ 219,369	$ 226,885	$ 216,993
Covered employee payroll	$ 2,998,506	$ 2,716,114	$ 2,428,727
Total OPEB liability as a percentage of covered employee payroll	7.32%	8.35%	8.93%

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

* The following discount rate was used in each period:
9/30/2018 - 3.50%
9/30/2019 - 3.83%
9/30/2020 - 2.75%
9/30/2021 - 2.41%
9/30/2022 - 2.19%
9/30/2023 - 4.40%
9/30/2024 - 4.63%
9/30/2025 - 3.81%

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

2022	2021	2020	2019	2018
$ 23,718	$ 20,845	$ 12,015	$ 12,580	$ 13,441
5,415	5,582	6,320	5,640	4,977
58,331	-	6,792	-	-
(23,809)	4,218	14,710	(4,290)	(3,808)
(12,183)	(11,458)	(9,915)	(9,081)	(17,198)
51,472	19,187	29,922	4,849	(2,588)
207,068	187,881	157,959	153,110	155,698
$ 258,540	$ 207,068	$ 187,881	$ 157,959	$ 153,110
$ 2,472,843	$ 3,359,887	$ 3,041,518	$ 2,984,722	$ 2,809,503
10.46%	6.16%	6.18%	5.29%	5.45%

A. ADDITIONAL ACTUARIAL INFORMATION

Valuation Date: 10/01/2024

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.

	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, 2025, 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 29, 2026.

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, 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 29, 2026

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Okeechobee, Florida, (the "City") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 29, 2026.

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 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report for 2024-001: Revenue Recognition.

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Melbourne, Florida
April 29, 2026

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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, 2025. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2025.

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 29, 2026