

CITY OF PAHOKEE



AGENDA

City Commission Regular Meeting
Tuesday, January 23, 2024, at 6:00 PM

Pahokee Commission Chambers
360 East Main Street
Pahokee, Florida 33476

CITY COMMISSION:

Keith W. Babb, Jr., Mayor
Clara Murvin, Vice Mayor
Derrick Boldin, Commissioner
Juan Gonzalez, Commissioner
Sara Perez, Commissioner

CITY STAFF:

Rodney D. Lucas, City Manager
Tijauna Warner, City Clerk
Burnadette Norris-Weeks, Esq., City Attorney
Joseph R. Martin, Interim Director of Finance

[TENTATIVE: SUBJECT TO REVISION]

AGENDA

- A. CALL TO ORDER**
- B. INVOCATION AND PLEDGE OF ALLEGIANCE**
- C. ROLL CALL**
- D. ADDITIONS OF EMERGENCY BASIS FROM CITY MANAGER, DELETIONS AND APPROVAL OF AGENDA ITEMS**
- E. PUBLIC COMMENTS / PUBLIC SERVICE ANNOUNCEMENTS / PRESENTATIONS / PROCLAMATIONS**

(This section of the agenda allows for comments from the public to speak. Each speaker will be given a total of three (3) minutes to comment. A public comment card should be completed and returned to the City Clerk. When you are called to speak, please go to the podium or unmute your device, and prior to addressing the Commission, state your name and address for the record)

- 1. 2021 Audit - HCT Certified Public Accountants and Consultants, LLC
- 2. PBSO Crime Statistics - Lt. Avery

- F. CONSENT AGENDA**

- 1. December 12, 2023 City Commission Meeting Minutes
- 2. December 27, 2023 City Commission Special Meeting Minutes

- G. OLD BUSINESS** *(discussion of existing activities or previously held events, if any)*

- 1. Chamber of Commerce (Central, Black, & Belle Glade)

- H. PUBLIC HEARINGS AND/OR ORDINANCES**

- A. ORDINANCE 2023 - 08 *(second reading)* AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, ESTABLISHING A POLICY FOR THE DISPOSAL OF CITY-OWNED SURPLUS PROPERTY; PROVIDING FOR AN EFFECTIVE DATE.

- I. RESOLUTION(S)**

- A. RESOLUTION 2024 - 01 A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, AUTHORIZING THE EXECUTION OF A MODIFIED LEASE RENEWAL AGREEMENT TO THE SOVEREIGNTY SUBMERGED LANDS LEASE AGREEMENT #500224016, BETWEEN THE CITY OF PAHOKEE AND THE BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR AN EFFECTIVE DATE.

- J. NEW BUSINESS** *(presentation by city manager of activity or upcoming event, if any)*

- K. REPORT OF THE MAYOR**

- L. REPORT OF THE CITY MANAGER**

- M. REPORT OF THE CITY ATTORNEY**

- N. FUTURE AGENDA ITEMS OF COMMISSIONERS, IF ANY**

- O. COMMISSIONER COMMENTS AND FOR THE GOOD OF THE ORDER** *(community events, feel good announcements, if any)*

P. ADJOURN

Any citizen of the audience wishing to appear before the City Commission to speak with reference to any agenda or non-agenda item must complete the “Request for Appearance and Comment” form and present completed form to the City Clerk prior to commencement of the meeting.

Should any person seek to appeal any decision made by the City Commission with respect to any matter considered at this meeting, such person will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Reference: Florida Statutes 286.0105)

In accordance with the provisions of the Americans with Disabilities Act (ADA), this document can be made available in an alternate format upon request. Special accommodations can be provided upon request with three (3) days advance notice of any meeting, by contacting City Clerk Tijauna Warner at Pahokee City Hall, 207 Begonia Dr. Pahokee, FL 33476 Phone: (561) 924-5534. If hearing impaired, telephone the Florida Relay Service Number, 800-955-8771 (TDD) or 800-955-8770 (Voice), for assistance. (Reference: Florida Statutes 286.26).

City of Pahokee, Florida

Financial Statements

For the Fiscal Year ended September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund information of the City of Pahokee, Florida (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Qualified
General Fund	Unmodified
Henderson Endowment Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Special Revenues Fund	Unmodified
Marina and Campground Fund	Qualified
Cemetery Fund	Qualified

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified and Unmodified Opinions" section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Cemetery Fund, Marina and Campground Fund, and Business-type Activities of the City of Pahokee, Florida, as of September 30, 2021, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major governmental fund of the City of Pahokee, Florida, as of September 30, 2021, and the respective changes in financial position and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Pahokee, 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 qualified and unmodified audit opinions.

Matters Giving Rise to the Qualified Opinion on the Cemetery Fund, Marina and Campground Fund, and Business-Type Activities

The City has not performed a physical count of inventories and has not maintained perpetual inventory records for the Cemetery Fund. The City also has not established adequate controls over the completeness of revenues and receivables of the Cemetery Fund. The amount by which these items would affect the assets, net position, revenue, and expenses of the Cemetery Fund and the business-type activities could not be determined. The City has not established adequate controls over the completeness of revenues and unearned revenues for the Marina and Campground Fund. The amount by which these items would affect the assets, liabilities, net position, and revenues of the Marina and Campground Fund and the business-type activities could not be determined.

Responsibilities of Management for the Financial Statements

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

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 Pahokee, 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 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, 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 Pahokee, 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 Pahokee, Florida’s ability to continue as a going concern for a reasonable period of time.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, on pages 4-11, budgetary comparison information, on pages 67-71, the schedule of funding progress – other postemployment benefits, on page 72, and the pension schedules, on pages 73-76, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2024, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is 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 internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC
Hollywood, Florida
January 8, 2024

City of Pahokee, Florida
Management's Discussion and Analysis
September 30, 2021

As the City Manager of the City of Pahokee, I offer readers of our financial statements this narrative overview and analysis of our financial activities for the fiscal year ended September 30, 2021. I encourage readers to consider the information presented here in conjunction with the City's financial statements beginning on page 12.

FINANCIAL HIGHLIGHTS

- The City of Pahokee's sum of assets and deferred outflows of resources less the sum of its liabilities and deferred inflows of resources is \$15,774,474 (net position) as of September 30, 2021. Unrestricted net position, which may be used to meet the government's ongoing obligations to citizens, was \$1,902,407 as of September 30, 2021.
- The governmental net position increased by \$1,302,816 for the fiscal year ended September 30, 2021.
- The business-type net position decreased by \$505,243 for the fiscal year ended September 30, 2021. The decrease was a result of construction in progress with the marina being transferred into service and the assets being depreciated.
- The business-type activities revenues decreased by \$31,505 during the fiscal year ended September 30, 2021. The decrease was the result of fewer revenues earned from services in FY 2021.
- The total net cost of all City programs was \$4,154,557 during the fiscal year ended September 30, 2021. This is a decrease of \$154,827 from the total net cost of all City programs during the prior fiscal year.
- The City's long-term liabilities totaled \$539,401, a decrease of \$168,467 during the current fiscal year. All long-term liabilities, compensated absences, and net pension liability decreased from prior fiscal year.

USING THIS REPORT

Management's Discussion and Analysis introduces the City's financial statements. The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability. The financial statements are described in the following graphic.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Pahokee's finances in a manner similar to a private-sector business. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

City of Pahokee, Florida

Management's Discussion and Analysis

September 30, 2021

Government-Wide Financial Statements (Continued)

The two government-wide statements report the City's net position and how they have changed. Net position, the difference between the City's assets and liabilities, is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position, is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the City's overall health.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Government activities – Most of the City's basic services are reported here, including the police, fire, public services, parks and recreation, and general administration. Property taxes, franchise fees, state shared revenues, and solid waste collection services finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. These activities include cemetery services, and marina and campground services.

Fund Financial Statements

Our fund basis financial statements begin on page 14. The fund financial statements provide detailed information about the most significant funds but do not provide information on the City as a whole. Funds are acting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Governmental funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can be readily converted to cash flow and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.
- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. In fact, the City's enterprise funds (one type of proprietary fund) are the same as its business-type activities. However, more detailed information is provided on the City's enterprise funds such as additional information provided in the statement of cash flows.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City has reported its financial statements in a government-wide format using the required GASB 34 reporting model. A comparative analysis of government-wide data is presented in the following sections.

City of Pahokee, Florida
Management's Discussion and Analysis
September 30, 2021

Section E, Item 1.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Net position

The City's combined net position as of September 30, 2021, was \$15,774,474. The City's governmental activities net position were reported as \$8,926,089, of which \$2,435,282 was unrestricted and available to fund future operations. The City's business-type activities net position as of September 30, 2021 is reported as \$6,848,385. The total net position included an unrestricted net position deficit of \$532,875.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 5,039,477	\$ 3,868,847	\$ (262,783)	\$ (295,544)	\$ 4,776,694	\$ 3,573,303
Capital assets	5,896,243	5,344,167	7,224,676	7,760,012	13,120,919	13,104,179
Total assets	10,935,720	9,213,014	6,961,893	7,464,468	17,897,613	16,677,482
Deferred outflows of resources						
Pension related items	38,470	33,048	-	-	38,470	33,048
Total deferred outflows of resources	38,470	33,048	-	-	38,470	33,048
Current and other liabilities	1,430,684	909,669	105,991	104,743	1,536,675	1,014,412
Long-term liabilities outstanding	376,796	513,984	4,947	3,527	381,743	517,511
Total liabilities	1,807,480	1,423,653	110,938	108,270	1,918,418	1,531,923
Deferred inflows of resources						
Unearned revenue	182,890	154,815	2,570	2,570	185,460	157,385
Pension related items	57,731	44,321	-	-	57,731	44,321
Total deferred inflows of resources	240,621	199,136	2,570	2,570	243,191	201,706
Net position:						
Invested in capital assets (net of related debt)	5,617,257	5,007,711	7,224,676	7,760,012	12,841,933	12,767,723
Restricted items	873,550	632,065	156,584	156,584	1,030,134	788,649
Unrestricted	2,435,282	1,983,497	(532,875)	(562,968)	1,902,407	1,420,529
Total net position	<u>\$ 8,926,089</u>	<u>\$ 7,623,273</u>	<u>\$ 6,848,385</u>	<u>\$ 7,353,628</u>	<u>\$ 15,774,474</u>	<u>\$ 14,976,901</u>

City of Pahokee, Florida
Management's Discussion and Analysis
September 30, 2021

Section E, Item 1.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Changes in Net Position

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal 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 that will only result in cash flows in the future fiscal periods (i.e., uncollected taxes and earned but unused vacation leave).

- The governmental activities reported a total increase in net position of \$1,302,816 for the fiscal year ended September 30, 2021.
- The business-type activities reported a total decrease in net position of \$(505,243) for the fiscal year ended September 30, 2021.

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City of Pahokee, Florida
Management's Discussion and Analysis
September 30, 2021

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

	Summary of Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charge for services	\$ 1,117,385	\$ 1,130,902	\$ 328,787	\$ 360,491	\$ 1,446,172	\$ 1,491,393
Operating grant and contribution	719,049	893,216	-	20	719,049	893,236
Capital grant	351,652	498,297	-	-	351,652	498,297
General revenues:						
Ad valorem taxes	602,960	584,953	-	-	602,960	584,953
Local option sales tax	176,936	157,961	-	-	176,936	157,961
Infrastructure surtax	443,363	383,036	-	-	443,363	383,036
Utility taxes	413,403	400,602	-	-	413,403	400,602
Franchise fees	232,520	227,238	-	-	232,520	227,238
Intergovernmental shared revenues	1,397,401	1,021,397	-	-	1,397,401	1,021,397
Unrestricted investment earnings	1,122	17,710	-	-	1,122	17,710
Miscellaneous revenues	36,094	69,811	50	200	36,144	70,011
Rental income	89,966	95,415	4,905	4,536	94,871	99,951
Total revenues	<u>5,581,851</u>	<u>5,480,538</u>	<u>333,742</u>	<u>365,247</u>	<u>5,915,593</u>	<u>5,845,785</u>
Program expenses:						
General government	1,278,941	1,124,095	-	-	1,278,941	1,124,095
Public safety	815,616	848,263	-	-	815,616	848,263
Transportation	864,567	984,177	-	-	864,567	984,177
Culture and recreation	699,827	758,782	-	-	699,827	758,782
Physical environment	480,450	573,695	-	-	480,450	573,695
Interest on long term debt	15,156	20,372	-	-	15,156	20,372
Marina	-	-	778,449	1,361,633	778,449	1,361,633
Cemetery	-	-	185,014	181,941	185,014	181,941
Total expenses	<u>4,154,557</u>	<u>4,309,384</u>	<u>963,463</u>	<u>1,543,574</u>	<u>5,118,020</u>	<u>5,852,958</u>
Increase (decrease) in net assets						
before transfer in (out)	1,427,294	1,171,154	(629,721)	(1,178,327)	797,573	(7,173)
Transfer in/(out)	(124,478)	(104,119)	124,478	104,119	-	-
Increase (decrease) in net position	<u>1,302,816</u>	<u>1,067,035</u>	<u>(505,243)</u>	<u>(1,074,208)</u>	<u>797,573</u>	<u>(7,173)</u>
Net position at beginning of year	<u>7,623,273</u>	<u>6,556,238</u>	<u>7,353,628</u>	<u>8,427,836</u>	<u>14,976,901</u>	<u>14,984,074</u>
Net position at end of year	<u>\$ 8,926,089</u>	<u>\$ 7,623,273</u>	<u>\$ 6,848,385</u>	<u>\$ 7,353,628</u>	<u>\$ 15,774,474</u>	<u>\$ 14,976,901</u>

City of Pahokee, Florida
Management's Discussion and Analysis
September 30, 2021

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Summary of Changes in Net Position (Continued)

For the fiscal year ended September 30, 2021, total taxes were \$1,636,662 and comprised 29% of the total revenues of \$5,582,145 for governmental activities during the year. For the fiscal year ended September 30, 2021, operating and capital grants revenues were \$1,070,701 for governmental activities, which represented 19% of total revenues. The majority of the operating and capital grant awards were for road improvements, parks, and recreational grants. Governmental activities intergovernmental shared revenues were \$1,397,401 and represented 25% of total revenues.

Financial Analysis of the Major Governmental Funds

As of September 30, 2021, the City of Pahokee's governmental funds reported a combined ending fund balance of \$3,581,339. The City reported an increase in the governmental fund balance of \$588,204 for the fiscal year ended September 30, 2021.

The General Fund is the chief operating fund of the City of Pahokee. As of September 30, 2021, the General Fund unassigned fund balance was \$2,110,989; and the total non-spendable fund balance was \$596,792.

As of September 30, 2021, the Henderson Endowment Fund reported a non-spendable fund balance in the amount of \$875,000; no change from prior year.

As of September 30, 2021, the Capital Projects Fund reported a committed fund deficit in the amount of \$(477,662). The Capital Projects Fund was established in FY 2019 to account for the capital projects of the City that are grant funded. Major projects were conducted using discretionary surtax revenues that were previously accounted for in the General Fund. The deficit fund balance represents projects that were supported by the General Fund.

Financial Analysis of the Major Proprietary Funds

Marina and Campground Fund

As of September 30, 2021, the Marina and Campground Fund reported unrestricted net position deficit of \$279,338, and investment in capital assets of \$7,091,180. The Marina and Campground Fund total net position decreased by \$532,413 during the fiscal year ended September 30, 2021. The decrease was due to construction in progress capital assets being transferred into service and the assets being depreciated.

City of Pahokee, Florida
Management's Discussion and Analysis
September 30, 2021

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (Continued)

Cemetery Fund

As of September 30, 2021, the Cemetery Fund reported an unrestricted net position deficit of \$253,537, investment in capital assets of \$133,496 and \$156,584 in restricted net position. The Cemetery Fund total net position increased by \$27,170 during the fiscal year ended September 30, 2021. The increase was due to an increase in the sale of burial plots.

General Fund Budgetary Highlights

General Fund actual revenues were more than budgeted revenues by \$14,168 for the fiscal year ended September 30, 2021. General Fund budgeted expenditures exceeded actual expenditures by \$306,531 during the fiscal year ended September 30, 2021.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 404,742	\$ 404,742	\$ 98,000	\$ 98,000	\$ 502,742	\$ 502,742
Construction in Progress	1,366,114	514,599	-	-	1,366,114	514,599
Improvements other than buildings	3,126,315	3,321,308	2,062,966	2,325,188	5,189,281	5,646,496
Buildings	761,008	827,660	5,061,623	5,333,545	5,822,631	6,161,205
Equipment	238,064	275,858	2,087	3,279	240,151	279,137
Total	<u>\$ 5,896,243</u>	<u>\$ 5,344,167</u>	<u>\$ 7,224,676</u>	<u>\$ 7,760,012</u>	<u>\$ 13,120,919</u>	<u>\$ 13,104,179</u>

As of September 30, 2021, the City had invested \$13,120,919 (net of accumulated depreciation) in a broad range of capital assets including parks and recreation facilities, roads, marina and campground sites, and cemetery land. Additional information can be found in Note 5 of the notes to the financial statements.

City of Pahokee, Florida
Management's Discussion and Analysis
September 30, 2021

Section E, Item 1.

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Liabilities

As of September 30, 2021, the City had \$539,401 in total long-term liabilities as shown in the following table. Additional information can be found in Note 7 of the notes to the financials.

	Bonded Debt, Notes and Loan Payable, and Capital leases					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Notes payable	\$ 278,986	\$ 316,456	\$ -	\$ -	\$ 278,986	\$ 316,456
Compensated absences	74,303	176,611	7,169	5,112	81,472	181,723
Net pension liability	39,752	113,516	-	-	39,752	113,516
OPEB obligation	139,191	96,173	-	-	139,191	96,173
Total	<u>\$ 532,232</u>	<u>\$ 702,756</u>	<u>\$ 7,169</u>	<u>\$ 5,112</u>	<u>\$ 539,401</u>	<u>\$ 707,868</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2021 fiscal year, General Fund revenue projections were conservative and consistent with previous years.

The budget was balanced based on annual revenue intake and external projected revenue for services. Occasionally, the city if required would utilize reserves, however this practice has not occurred in two years thus protecting those funds for unforeseen commitments or emergencies.

The millage rate remained the same 6.5419 mills.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report was designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the City Manager at the following address:

City of Pahokee, Florida
City Manager
207 Bacom Point Road
Pahokee, FL 33476

CITY OF PAHOKEE, FLORIDA
Statement of Net Position
September 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 2,924,310	\$ 146,372	\$ 3,070,682
Receivable (net)			
Accounts	74,876	4,468	79,344
Taxes	806,477	-	806,477
Due from other government	115,326	-	115,326
Internal balances	596,610	(596,610)	-
Inventory	-	26,403	26,403
Prepaid items	8	-	8
Restricted assets:			
Cash and cash equivalents	521,870	156,584	678,454
Capital assets			
Non-depreciable	1,770,856	98,000	1,868,856
Depreciable, net of depreciation	4,125,387	7,126,676	11,252,063
Total assets	<u>10,935,720</u>	<u>6,961,893</u>	<u>17,897,613</u>
Deferred outflows of resources:			
Pension and OPEB related items	38,470	-	38,470
Total deferred outflows	<u>38,470</u>	<u>-</u>	<u>38,470</u>
Liabilities:			
Accounts payable	1,238,419	98,779	1,337,198
Accrued liabilities	36,829	4,990	41,819
Non-current liabilities			
Due within in one year	155,436	2,222	157,658
Due in more than one year	197,853	4,947	202,800
Net pension liability	39,752	-	39,752
Net OPEB liability	139,191	-	139,191
Total liabilities	<u>1,807,480</u>	<u>110,938</u>	<u>1,918,418</u>
Deferred inflows of resources			
Unearned revenues	182,890	2,570	185,460
Pension and OPEB related items	57,731	-	57,731
	<u>240,621</u>	<u>2,570</u>	<u>243,191</u>
Net Position:			
Invested in capital assets, net of related debt	5,617,257	7,224,676	12,841,933
Restricted for:			
Infrastructure	(1,450)	-	(1,450)
Perpetual care	-	126,278	126,278
Pre-need	-	30,306	30,306
Endowment-nonexpendable	875,000	-	875,000
Unrestricted	2,435,282	(532,875)	1,902,407
Total net position	<u>\$ 8,926,089</u>	<u>\$ 6,848,385</u>	<u>\$ 15,774,474</u>

See notes to the financial statements

CITY OF PAHOKEE, FLORIDA
Statement of Activities
For the year ended September 30, 2021

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business- Type Activities	Total
Governmental activities:							
General government	\$ 1,281,122	\$ 106,112	\$ -	\$ 46,637	\$ (1,128,373)	\$ -	\$ (1,128,373)
Public safety	813,434	118,713	-	-	(694,721)	-	(694,721)
Transportation	864,568	-	719,049	-	(145,519)	-	(145,519)
Culture and recreation	699,827	24,030	-	70,760	(605,037)	-	(605,037)
Physical environment	480,450	868,530	-	234,255	622,335	-	622,335
Interest	15,156	-	-	-	(15,156)	-	(15,156)
Total governmental activities	4,154,557	1,117,385	719,049	351,652	(1,966,471)	-	(1,966,471)
Business-type activities:							
Marina and campground	778,449	121,718	-	-	-	(656,731)	(656,731)
Cemetery	185,014	211,974	-	-	-	26,960	26,960
Total business-type activities	963,463	333,692	-	-	-	(629,771)	(629,771)
Total primary governmental	\$ 5,118,020	\$ 1,451,077	\$ 719,049	\$ 351,652	(1,966,471)	(629,771)	(2,596,242)
General revenue:							
Ad Valorem taxes					602,960	-	602,960
Local option gas taxes					176,936	-	176,936
Infrastructure surtax					443,363	-	443,363
Utility taxes					413,403	-	413,403
Franchise fees					232,520	-	232,520
Intergovernmental shared revenues					1,397,401	-	1,397,401
Unrestricted investment earnings					1,122	-	1,122
Miscellaneous revenues					36,094	50	36,144
Rental income					89,966	-	89,966
Transfers					(124,478)	124,478	-
Total general revenues and transfers					3,269,287	124,528	3,393,815
Change in net position					1,302,816	(505,243)	797,573
Net position - beginning					7,623,273	7,353,628	14,976,901
Net position - ending					\$ 8,926,089	\$ 6,848,385	\$ 15,774,474

See notes to the financial statements

CITY OF PAHOKEE, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2021

	General Fund	Henderson Endowment Fund	Special Revenues Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 1,685,094	\$ 875,182	\$ 302,145	\$ -	\$ 61,889	\$ 2,924,310
Accounts receivable, net	74,876	-	-	-	-	74,876
Taxes receivable	111,153	-	45,422	-	649,902	806,477
Due from government	114,857	-	-	-	469	115,326
Prepaid items	8	-	-	-	-	8
Advances to other funds	596,792	-	-	-	-	596,792
Restricted assets:						
Cash and cash equivalents	384,285	-	137,585	-	-	521,870
Total assets	\$ 2,967,065	\$ 875,182	\$ 485,152	\$ -	\$ 712,260	\$ 5,039,659
Liabilities and fund balances:						
Liabilities:						
Accounts payable	\$ 212,692	\$ -	\$ 8,940	\$ -	\$ 1,016,787	\$ 1,238,419
Accrued liabilities	36,829	-	-	-	-	36,829
Due to other funds	-	182	-	-	-	182
Total liabilities	249,521	182	8,940	-	1,016,787	1,275,430
Deferred inflows of resources						
Unearned revenue	-	-	-	-	86,085	86,085
Unavailable revenue	9,755	-	-	-	87,050	96,805
Total deferred inflows of resources	9,755				173,135	182,890
Fund balances:						
Non-spendable:						
Prepaid items	8	-	-	-	-	8
Advances to other funds	596,792	-	-	-	-	596,792
Endowment - nonexpendable	-	875,000	-	-	-	875,000
Committed for						
Capital projects	-	-	476,212	-	(477,662)	(1,450)
Unassigned	2,110,989	-	-	-	-	2,110,989
Total fund balances	2,707,789	875,000	476,212	-	(477,662)	3,581,339
Total liabilities, deferred inflows of resources and fund balances	\$ 2,967,065	\$ 875,182	\$ 485,152	\$ -	\$ 712,260	\$ 5,039,659

CITY OF PAHOKEE, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2021

Fund Balance – Total Governmental Funds **\$ 3,581,339**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. However, they are reported in the government-wide statements.

Governmental capital assets	\$ 14,202,521	
Less accumulated depreciation	(8,306,278)	5,896,243

Long-term liabilities, including accrued interest payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Notes payable	(278,986)	
Compensated absences	(74,303)	
Pension liabilities	(39,752)	
OPEB liabilities	(139,191)	(532,232)

Deferred outflows or resources and deferred inflows of resources related to defined benefit pension plans are applicable to future periods and are not reported in the government funds

Pension related deferred outflows	38,470	
Pension and OPEB related deferred inflows	(57,731)	(19,261)

Total Net Position – Governmental Activities **\$ 8,926,089**

CITY OF PAHOKEE, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended September 30, 2021

	General Fund	Henderson Endowment Fund	Special Revenues Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues:						
Taxes	\$ 1,193,299	\$ -	\$ 443,363	\$ -	\$ -	\$ 1,636,662
Licenses and permits	329,877	-	-	-	-	329,877
Intergovernmental	1,230,992	-	-	-	1,166,350	2,397,342
Charges for services	971,321	-	-	-	-	971,321
Fines and forfeitures	118,713	-	-	-	-	118,713
Investment income	962	160	-	-	-	1,122
Miscellaneous revenues	127,108	-	-	-	-	127,108
Total revenues	<u>3,972,272</u>	<u>160</u>	<u>443,363</u>	<u>-</u>	<u>1,166,350</u>	<u>5,582,145</u>
Expenditures:						
Current:						
General government	1,148,157	-	-	-	-	1,148,157
Public safety	810,647	-	-	-	-	810,647
Transportation	693,805	-	-	-	-	693,805
Culture and recreation	564,601	-	-	-	-	564,601
Physical environment	480,450	-	-	-	-	480,450
Capital outlay	-	-	59,844	-	1,173,150	1,232,994
Debt services:						
Principal	-	-	-	120,078	-	120,078
Interest	-	-	-	15,156	-	15,156
Total expenditures	<u>3,697,660</u>	<u>-</u>	<u>59,844</u>	<u>135,234</u>	<u>1,173,150</u>	<u>5,065,888</u>
Excess of revenues over (under) before other financing sources (uses):	<u>274,612</u>	<u>160</u>	<u>383,519</u>	<u>(135,234)</u>	<u>(6,800)</u>	<u>516,257</u>
Other financing sources (uses)						
Transfers in/(out)	(124,318)	(160)	(135,234)	135,234	-	(124,478)
Debt proceeds	-	-	-	-	-	-
Sale of assets	196,425	-	-	-	-	196,425
Total other financing sources (uses):	<u>72,107</u>	<u>(160)</u>	<u>(135,234)</u>	<u>135,234</u>	<u>-</u>	<u>71,947</u>
Net change in fund balance	346,719	-	248,285	-	(6,800)	588,204
Fund balances, beginning of year	<u>2,361,070</u>	<u>875,000</u>	<u>227,927</u>	<u>-</u>	<u>(470,862)</u>	<u>2,993,135</u>
Fund balances, end of year	<u>\$ 2,707,789</u>	<u>\$ 875,000</u>	<u>\$ 476,212</u>	<u>\$ -</u>	<u>\$ (477,662)</u>	<u>\$ 3,581,339</u>

CITY OF PAHOKEE, FLORIDA
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the year ended September 30, 2021

Net change in fund balance – total governmental funds \$ 588,204

Amounts reported for governmental activities in the statement of activities are

Governmental fund report capital outlay as expenditures. However, in the statement of the activities the cost of those assets is depreciated over their estimated useful lives:

Expenditures for capital assets	\$ 1,232,994	
Less current year depreciation	<u>(347,049)</u>	885,945

Principal payments on long-term debt are reported as expenditures in governmental funds, but as reduction of long-term liabilities in the statement of net position.		24,523
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences		(102,308)
Change in net pension liability		(51,332)
Change in deferred outflows related to pension and OPEB		(5,422)
Change in deferred inflows related to pension		<u>13,410</u>

Change in net position of governmental activities		<u>\$1,302,816</u>
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CITY OF PAHOKEE, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2021

	Major Funds		Total Business-Type Activities Enterprise Funds
	Marina and Campground	Cemetery	
Assets			
Current assets:			
Cash and cash equivalents	\$ 100	\$ 146,272	\$ 146,372
Accounts receivable, net	-	4,468	4,468
Due from other funds	-	182	182
Inventory	-	26,403	26,403
Restricted assets:			
Cash and cash equivalents	-	156,584	156,584
Total current assets	100	333,909	334,009
Capital assets:			
Property, plant and equipment	17,266,095	590,085	17,856,180
Less accumulated depreciation	(10,174,915)	(456,589)	(10,631,504)
Total non-current assets	7,091,180	133,496	7,224,676
Total assets	\$ 7,091,280	\$ 467,405	\$ 7,558,685

CITY OF PAHOKEE, FLORIDA
Statement of Net Position (Continued)
Proprietary Funds
September 30, 2021

	Major Funds		Total Business-Type Activities Enterprise Funds
	Marina and Campground	Cemetery	
Liabilities and net assets			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 89,347	\$ 9,432	\$ 98,779
Accrued liabilities	3,099	1,891	4,990
Compensated absences-current	-	2,222	2,222
Total current liabilities	92,446	13,545	105,991
Non-current liabilities:			
Compensated absences	-	4,947	4,947
Advances from other funds	184,422	412,370	596,792
Total non-current liabilities	184,422	417,317	601,739
Total liabilities	276,868	430,862	707,730
Deferred inflows of resources			
Unearned revenues	2,570	-	2,570
Total deferred inflows of resources	2,570	-	2,570
Net position:			
Invested in capital assets	7,091,180	133,496	7,224,676
Restricted for:			
Perpetual care	-	126,278	126,278
Pre-need	-	30,306	30,306
Unrestricted	(279,338)	(253,537)	(532,875)
Total net position	\$ 6,811,842	\$ 36,543	\$ 6,848,385

CITY OF PAHOKEE, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended September 30, 2021

	Marina and Campground	Cemetery	Total Enterprise Funds
Operating revenues:			
Sales	\$ 121,349	\$ 207,438	\$ 328,787
Rental income	369	4,536	4,905
Total operating revenues	<u>121,718</u>	<u>211,974</u>	<u>333,692</u>
Operating expenses:			
Cost of sales	-	17,953	17,953
Personal services	22,873	114,633	137,506
Utilities	175,419	13,855	189,274
Supplies	18,095	11,239	29,334
Equipment	194	-	194
Insurance	5,444	6,137	11,581
Depreciation	526,865	8,471	535,336
Repairs and maintenance	16,045	10,626	26,671
Other	13,514	2,100	15,614
Total operating expenses	<u>778,449</u>	<u>185,014</u>	<u>963,463</u>
Operating (loss)	<u>(656,731)</u>	<u>26,960</u>	<u>(629,771)</u>
Non-operating revenues (expenses):			
Miscellaneous revenues	-	50	50
Total non-operating revenues (expenses)	<u>-</u>	<u>50</u>	<u>50</u>
Income (loss) before transfer	(656,731)	27,010	(629,721)
Transfer in	<u>124,318</u>	<u>160</u>	<u>124,478</u>
Change in net position	(532,413)	27,170	(505,243)
Net position, beginning of year	<u>7,344,255</u>	<u>9,373</u>	<u>7,353,628</u>
Net position, end of year	<u>\$ 6,811,842</u>	<u>\$ 36,543</u>	<u>\$ 6,848,385</u>

CITY OF PAHOKEE, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the year ended September 30, 2021

	Marina and Campground	Cemetery	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 118,012	\$ 220,333	\$ 338,345
Payments to suppliers	(228,711)	(61,911)	(290,622)
Payments to employees	(23,215)	(114,168)	(137,383)
Net cash provided by (used in) operating activities	<u>(133,914)</u>	<u>44,254</u>	<u>(89,660)</u>
Cash flows from non-capital financing activities:			
Grant proceeds	-	-	-
Payments (to) other funds	9,596	-	9,596
Operating transfers in	124,318	160	124,478
Net cash provided by non-capital financing activities	<u>133,914</u>	<u>160</u>	<u>134,074</u>
Cash flows from capital and related financing activities:			
Interest paid	-	-	-
Capital grant proceeds	-	-	-
Acquisition and construct of capital assets	-	-	-
Net cash provided by (used in) capital and related activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest and dividends on investments	-	-	-
Other revenue	-	50	50
Proceeds from land lease	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>50</u>	<u>50</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>44,464</u>	<u>44,464</u>
Cash and cash equivalents at beginning of year	100	258,392	258,492
Cash and cash equivalents at end of year	<u>\$ 100</u>	<u>\$ 302,856</u>	<u>\$ 302,956</u>

CITY OF PAHOKEE, FLORIDA
Statement of Cash Flows (Continued)
Proprietary Funds
For the year ended September 30, 2021

	Marina and Campground	Cemetery	Total
Cash flows from operating activities:			
Operating (loss)	\$ (656,731)	\$ 26,960	\$ (629,771)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	526,865	8,471	535,336
Change in assets and liabilities:			
(Increase) decrease in receivables	-	2,107	2,107
Increase (decrease) in accounts payable	(3,706)	6,251	2,545
Increase (decrease) in accrued liabilities	(342)	(1,592)	(1,934)
Increase (decrease) in compensated absences	-	2,057	2,057
Total adjustments	<u>522,817</u>	<u>17,294</u>	<u>538,054</u>
Net cash provided by (used in) operating activities	<u>\$ (133,914)</u>	<u>\$ 44,254</u>	<u>\$ (91,717)</u>
 Cash and cash equivalents:			
Unrestricted	\$ 100	\$ 146,272	\$ 146,372
Restricted	-	156,584	156,584
Total cash and cash equivalents	<u>\$ 100</u>	<u>\$ 302,856</u>	<u>\$ 302,956</u>

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Pahokee, Florida (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Financial Reporting Entity

The City of Pahokee is a municipal corporation organized pursuant to Chapter 9872, Laws of Florida, in 1923. The City provides the full range of municipal services contemplated by statute or charter. The services provided include: law enforcement, fire control, roads and streets, culture and recreation, public improvements, planning and zoning, marina and campground, garbage and solid waste, cemetery, and general administrative services.

As required by generally accepted accounting principles, these financial statements include the City (the primary government) and its component units. Component units are legally separate entities for which the City is financially accountable. The City is financially accountable if:

- a) the City appoints a voting majority of the organization's governing board and (1) the City is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City,

or

- b) the organization is fiscally dependent on the City and (1) there is a potential for the organization to provide specific financial benefits to the City or (2) impose specific financial burdens on the City.

Organizations for which the City is not financially accountable are also included when doing so is necessary in order to prevent the City's financial statements from being misleading.

Management has determined that component units exist which would require inclusion in this report. Further, the City is not aware of any entity that would consider the City to be a component unit.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund Financial Statements

The underlying accounting system for the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds used by the City are classified into two categories: governmental funds and enterprise funds. Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Governmental Funds

The City reports the following as major governmental funds.

The *General Fund* is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Henderson Endowment Fund* is used to account for the permanently restricted principal received from the Estate of Henderson and the related investment income restricted for cemetery operation.

The *Special Revenues Fund* is used to account for the City’s proceeds from specific sources not accounted for in the General Fund.

The *Debt Service Fund* is used to account for the City’s debt and the principle and interest payments of those debts, as well as proceeds received from new debt issuances.

The *Capital Projects Fund* is used to account for the completion of the City’s capital projects.

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City reports the following major proprietary funds:

The *Marina and Campground Fund* accounts for leasing activities of the marina and campsite area.

The *Cemetery Fund* accounts for the operation of the Port Mayaca Cemetery.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows. The City does not accrue property tax revenues since the collection of these taxes coincides with the fiscal year in which levied, and since the City consistently has no material uncollected property taxes at year end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. A 60-day availability period is used for revenue recognition for governmental fund revenues. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences claims and judgments, are recorded only when payment is due.

Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash. Property taxes, franchise taxes, licenses, interest revenue, intergovernmental revenues, and charges for services 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses report on the costs to maintain the proprietary systems, the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with maturities of three months or less when purchased.

Investments

Investments are stated at fair value, except as discussed below. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of fair value measurement in both cases is the same, that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The City categorizes investments reported at fair value in accordance with the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*.

Investments include amounts held in the Florida PRIME investment pool administered by the State Board of Administration. The City reports its investment in Florida PRIME at amortized cost. Investments in Florida PRIME are exempt from the GASB 72 fair value hierarchy disclosures.

Accounts Receivable

Accounts receivable of the governmental funds and enterprise funds consist of billed and unbilled receivables.

Inventory

Inventory is valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs of governmental fund type inventory are recorded as expenditures when consumed rather than when purchased.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Interfund Transactions (Continued)

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and sidewalks) are reported in the applicable governmental or business-type activities columns in the governmental-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000. Capital assets are recorded at cost or the fair market value of the assets at the time of contribution. Depreciation has been provided over the useful lives using the straight line method. The estimated useful lives are as follows:

Buildings	20-40 years
Improvements	20-30 years
Equipment	3-10 years

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place. All vacation, sick leave, and sabbatical leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Interest Cost

Interest costs in governmental funds in the fund basis statements are charged to expenditures as incurred. Construction period interest incurred in proprietary funds is capitalized and included in the cost of the assets in accordance with generally accepted accounting principles.

Unavailable Revenue

The government reports unavailable revenue on its governmental funds balance sheet. Unavailable revenues in governmental funds arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Unearned Revenue

The government reports unearned revenue on its government wide statement of net position and proprietary statement of net position. Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures.

Deferred Outflows of Resources

In addition to assets, the statement of financial position might sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that is applicable to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) in the current period. At the current time, the City has only pension related items that qualify for reporting in this category.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position might sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) in the current period. At the current time, the City has three items that qualify for reporting in this category: (1) Pension related items; (2) Local business tax receipts that are received by the City prior to the period for which the taxes are levied are reported as deferred inflows of resources on both the entity-wide statement of net position and on the governmental funds balance sheet; and (3) Governmental fund revenues that are not received within 60 days of the fiscal year end don't meet the availability criterion for revenue recognition of the modified accrual basis of accounting, and are therefore reported as deferred inflows of resources on the governmental funds balance sheet.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Net Position

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflows of resources and (b) liabilities and deferred inflows of resources. A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period. Net position is displayed in the following three components:

1. *Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. *Restricted net position* – Consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions of enabling legislation.
3. *Unrestricted net position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Fund Balances

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported under the following categories:

1. *Nonspendable Fund Balance* – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale. However, if the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned, then they should be included in the appropriate fund balance classification (restricted, committed, or assigned), rather than the nonspendable fund balance. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Balances (Continued)

2. *Restricted Fund Balance* – Includes amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. *Committed Fund Balance* – Includes amounts that can be used only for specific purposes pursuant to constraints imposed by an ordinance, the City's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (an ordinance) it employed to previously commit those amounts.
4. *Assigned Fund Balance* – Includes amounts intended to be used by the City for specific purposes, but are neither restricted nor committed. Intent should be expressed by the City Commission or the City Manager to which the City Commission has delegated authority to assign amounts to be used for specific purposes. The authority for making an assignment is not required to be the City's highest level of decision making authority. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts classified as committed.
5. *Unassigned Fund Balance* – Includes 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. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the City's policy to reduce restricted amounts first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the City's policy to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of Governmental Accounting Standards Board Statements

The City implemented the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended September 30, 2021.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The implementation of this statement did not impact the City's financial statements.

In August 2018, the GASB issued Statement No. 90, *Major Equity Interests*. This Statement will improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The implementation of this statement did not impact the City's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements related to (1) intra-entity transfers of assets and those related to the applicability of Statements 73 and 74; (2) application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities; and (3) the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition.

In May 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This Statement provides guidance on to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of Governmental Accounting Standards Board Statements (Continued)

In October 2021, the GASB issued statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness.

Recently Issued Accounting Pronouncements

A brief description of new accounting pronouncements that might have a significant impact on the City’s financial statements is presented below. Management is currently evaluating the impact of the adoption of these pronouncements on the City’s financial statements.

In May 2017, the GASB issued Statement No. 87, *Leases*. This Statement will increase the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the fiscal year ending September 30, 2022.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for the fiscal year ending September 30, 2022.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement is effective for the fiscal year ending September 30, 2023.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement is designed to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement is effective for the fiscal year ending September 30, 2021. Additionally, in March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement is designed to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for the fiscal year ending September 30, 2022.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for the fiscal year ending September 30, 2022.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

Formal budgetary integration is employed as a management control device during the year for the General Fund and the Enterprise Funds. All budgets are legally enacted. The annual appropriated budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles. Except for not budgeting for depreciation, the annual appropriated budgets for the Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles. For budgeting purposes, current year encumbrances are not treated as expenditures.

The following procedures are utilized to establish the annual budget:

1. Prior to August 1st, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1st, the budget is legally enacted through passage of a resolution.
4. The City Manager is authorized to transfer budgeted amounts within functional areas (general government, public safety, transportation, and culture and recreation); however, any revisions that alter the total expenditures of functional area must be approved by the City Commission through a legally enacted resolution.
5. Appropriations along with encumbrances lapse on September 30th.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide.

The tax levy of the City is established by the City Commission prior to October 1st of each year and the Palm Beach County Property Appraiser incorporates the City's millage into the total tax levy, which includes Palm Beach County, the Palm Beach County School Board, and special district tax requirements. All property is reassessed according to its fair market value on January 1st of each year, which is also the lien date. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all the appropriate requirements of State statutes. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The tax rate for the Palm Beach County Fire/Rescue Municipal Service Taxing Unit (MSTU) is included in the 10 mills. See Note 15. The millage rate assessed by the City for the year ended September 30, 2021, was 6.5419 (\$6.5419 for each \$1,000 of assessed valuation). The MSTU portion of the City's millage rate was 3.4581 mills.

All taxes are due and payable on November 1st of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1st following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1st following the tax year, certificates are sold for all delinquent taxes on real property. After the sale, tax certificates bear interest of 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. At September 30, 2021, unpaid delinquent taxes were not material.

Compliance

The audit report and the Annual Comprehensive Financial Report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2021 were not filed timely.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The City's deposits at year end are considered insured for custodial credit risk purposes. At year end, the carrying amounts of the City's deposits were \$3,224,512 and the bank balances were \$3,555,252. The City also had \$550 in petty cash.

Investments

Florida Statutes and the City's investment policy authorize the City to invest in the following types of securities:

- The Local Government Surplus Funds Trust Fund.
- Direct obligations of the United States Treasury.
- Interest bearing time deposits (Certificates of Deposit) or savings accounts in Qualified Public Depositories as defined in Florida Statutes.
- Obligations of federal agencies and instrumentalities.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

The investment policy applies to all funds held by the City in excess of those required to meet current expenses, with the exception of pension fund assets and funds whose uses are restricted by debt covenants or legal, regulatory or other constraints. The State Board of Administration (SBA) administers the Florida PRIME investment pool, which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME. The investment in Florida PRIME is reported at amortized cost in accordance with GASB Statement No. 79, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (GASB 79). The investment in the Florida PRIME is not insured by FDIC or any other governmental agency.

GASB 79 requires that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.”

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value in the Florida PRIME.

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value in the Florida PRIME.

The weighted average days to maturity (WAM) of Florida PRIME at September 30, 2021, was 51 days. A portfolio’s WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of Florida PRIME to interest rate changes.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

GASB 72 requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires governments to disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques. GASB 72 establishes a three-tier fair value hierarchy. The hierarchy is based on valuation inputs used to measure the fair value as follows:

- Level 1:Inputs are directly observable, quoted prices in active markets for identical assets or liabilities.
- Level 2:Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.
- Level 3:Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs.

As of September 30, 2021, the City did not hold any investments that are required to be reported in accordance with GASB 72.

As of September 30, 2021, the City had the following investments:

<u>Investment Measured at Amortized Cost</u>	<u>Maturity</u>	<u>Amount</u>
Florida PRIME	50 days	<u>\$ 330,190</u>

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

A reconciliation of cash and cash equivalents and investments as shown on the statement of net position to deposits and investments as of September 30, 2021 is as follows:

By category:	
Deposits	\$ 3,224,512
Petty cash	550
Investments	330,190
Total deposits and investments	<u>\$ 3,555,252</u>
Presented in the statement of net position:	
Unrestricted cash and cash equivalents	\$ 3,070,682
Restricted cash and cash equivalents	<u>678,454</u>
Total cash and cash equivalents	<u>\$ 3,749,136</u>

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The City’s investment policies limit its investments to high quality investments to control credit risk. As of September 30, 2021, the SBA Florida PRIME Pool was rated AAAm by Standard and Poor’s.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the interest rate risk. The City’s investment policy attempts to match investment maturities with known cash needs and anticipated cash flow requirements to limit interest rate risk. Investments of current operating funds are limited to maturities of no longer than five years. Investments of bond reserves, construction funds, and other non-operating funds shall have a term appropriate to the need for funds, but no longer than ten years.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. To limit concentration of credit risk, the City's investment policy has established the following maximum limits by instrument:

<u>Investment Instrument</u>	<u>Maximum</u>
Local Government Surplus Funds Trust Fund	75%
Direct Obligations of the U.S. Treasury	75%
Money Market, CD's and Savings Accounts	75%
Other U.S. Government Obligations/Agencies	50%

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2021, are comprised of the following:

	<u>General Fund</u>	<u>Special Revenues Fund</u>	<u>Capital Projects Fund</u>	<u>Cemetery Fund</u>
Billed	\$ 68,447	\$ -	\$ -	\$ 4,468
Unbilled	58,019	-	-	-
Taxes receivable	111,153	45,422	649,902	-
Grant receivables	-	-	-	-
Due from other governments	114,857	-	469	-
Subtotal	352,476	45,422	650,371	4,468
Less allowance for uncollectable	(51,590)	-	-	-
Total	<u>\$ 300,886</u>	<u>\$ 45,422</u>	<u>\$ 650,371</u>	<u>\$ 4,468</u>

The Palm Beach County Water Utility Department (PBCWUD) provides billing and collection services for the City's solid waste collection activities. Amounts collected by the PBCWUD but not yet paid to the City are reported as due from other governments. The amounts are reported net of a one percent administrative fee.

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CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 404,742	\$ -	\$ -	\$ -	\$ 404,742
Construction in progress	514,599	863,165	-	(11,650)	1,366,114
Total not being depreciated	919,341	863,165	-	(11,650)	1,770,856
Capital assets being depreciated:					
Improvements other than buildings	5,278,580	11,650	-	-	5,290,230
Buildings	5,144,902	-	-	-	5,144,902
Equipment	1,933,573	62,960	-	-	1,996,533
Total being depreciated	12,357,055	74,610	-	-	12,431,665
Total at historical cost	13,276,396	937,775	-	(11,650)	14,202,521
Less accumulated depreciation for:					
Improvements other than buildings	(1,957,272)	(206,643)	-	-	(2,163,915)
Buildings	(4,317,242)	(66,652)	-	-	(4,383,894)
Equipment	(1,657,715)	(100,754)	-	-	(1,758,469)
Total accumulated depreciation	(7,932,229)	(374,049)	-	-	(8,306,278)
Governmental activities capital assets, net	\$ 5,344,167	\$ 563,726	\$ -	\$ (11,650)	\$ 5,896,243
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 98,000	\$ -	\$ -	\$ -	\$ 98,000
Total not being depreciated	98,000	-	-	-	98,000
Capital assets being depreciated:					
Improvements other than buildings	9,424,642	-	-	-	9,424,642
Buildings	8,170,492	-	-	-	8,170,492
Equipment	163,046	-	-	-	163,046
Total being depreciated	17,758,180	-	-	-	17,758,180
Total at historical cost	17,856,180	-	-	-	17,856,180
Less accumulated depreciation for:					
Improvements other than buildings	(7,099,454)	(262,222)	-	-	(7,361,676)
Buildings	(2,836,947)	(271,922)	-	-	(3,108,869)
Equipment	(159,767)	(1,192)	-	-	(160,959)
Total accumulated depreciation	(10,096,168)	(535,336)	-	-	(10,631,504)
Business-types activities capital assets, net	\$ 7,760,012	\$ (535,336)	\$ -	\$ -	\$ 7,224,676

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 5 – CAPITAL ASSETS (Continued)

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

Governmental activities:		
General government	\$	38,273
Public safety		2,787
Transportation		170,763
Culture and recreation		135,226
Total depreciation expense governmental activities	\$	374,043
Business-type activities:		
Marina & Campground	\$	526,865
Cemetery		8,471
Total depreciation expense business-type activities	\$	535,336

NOTE 6 – INTERFUND TRANSACTIONS

The composition of interfund balances at September 30, 2021, is as follows:

<u>Due to/from other funds:</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Cemetery Fund	Henderson Endowment Fund	\$ 182

The outstanding balances between funds result primarily from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur; transactions are recorded in the accounting system; and payments between funds are made.

<u>Advances to/from other funds:</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Marina and Campground Fund	\$ 184,422
General Fund	Cemetery Fund	412,370
		<u>\$ 596,792</u>

The outstanding balances between funds represent interfund loans to cover operating deficits.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 6 – INTERFUND TRANSACTIONS (Continued)

Transfers

Interfund transfers for the year ended September 30, 2021, are as follows:

<u>Transfers Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Marina and Campground Fund	\$ 124,318
Henderson Endowment Fund	Cemetery Fund	160
Special Revenues Fund	Debt Service Fund	135,234
		<u>\$ 259,712</u>

NOTE 7 – LONG-TERM LIABILITIES

Governmental Activities

Long-term liabilities of the governmental activities at September 30, 2021, consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Governmental activities:					
Notes payable	\$ 316,456	\$ -	\$ (37,470)	\$ 278,986	\$ 124,972
Compensated absences	176,611	89,308	(191,616)	74,303	30,464
OPEB	88,987	50,204	-	139,191	-
Net pension liability	91,084	22,432	(73,764)	39,752	-
Total governmental	<u>\$ 673,138</u>	<u>\$ 161,944</u>	<u>\$ (302,850)</u>	<u>\$ 532,232</u>	<u>\$ 155,436</u>

Business-Type Activities

Long-term liabilities of the business-type activities at September 30, 2021, consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Business-type activities:					
Compensated absences	<u>\$ 5,112</u>	<u>\$ 10,143</u>	<u>\$ (8,086)</u>	<u>\$ 7,169</u>	<u>\$ 2,222</u>

The liability for compensated absences, other postemployment benefits, and the net pension liability have been paid out of the fund where the related employees work.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Bank of Belle Glades Promissory Note, Series 2018

On November 13, 2018, the City issued the City Pahokee Promissory Note, Series 2018 in the principle amount of \$605,780. The note was issued to finance the purchase and installation of an artificial turf surface on the City’s Everglades Preparatory Academy football field and to pay costs related thereto (the “Project”) and to pay costs of issuance of the Note. Principle and interest (4.40%) payments are due monthly beginning January 1, 2019. The Note is to be repaid using the City’s discretionary sales tax revenues. Annual debt service requirements are as follows:

Fiscal Year Ending	
September 30	Amount
2022	\$ 124,972
2023	154,014
	<u>\$ 278,986</u>

NOTE 8 – FLORIDA RETIREMENT SYSTEM

General Information

All full-time employees hired before January 1, 1996 are eligible to participate in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the Florida Retirement System Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing multiple-employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance.

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

General Information (Continued)

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or calling toll free at 877-377-1737. The report is also available at the Florida Department of Management Services web site www.dms.myflorida.com.

Significant Accounting Policies

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 Florida Retirement System Pension Plan (FRSP) and the Florida Retirement System Health Insurance Subsidy Program and additions to/deduction from the FRSP and HIS fiduciary net position have been determined on the same basis as they are reported by FRSP and HIS. 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.

PENSION PLAN

Plan Description

The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class
- Special Risk Class
- Elected Officials Class
- Senior Management Service Class

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service.

Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

PENSION PLAN (Continued)

Benefits Provided

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits.

The following table shows the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00%
Service on or after October 1, 1974	3.00%
Elected Officials Class	3.00%
Senior Management Service Class	2.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

PENSION PLAN (Continued)

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1st of each year. The employer contribution rates by job class for the fiscal year ended September 30, 2021 were as follows:

Class	10/01/20 through 06/30/21	07/01/21 through 09/30/21
Regular Class	8.26%	8.47%
Senior Management Service Class	24.06%	24.41%
Special Risk Class	24.50%	25.48%
DROP	14.03%	14.60%

The employer contribution rates include a 1.66% HIS Plan subsidy. Except for DROP, the rates also include 0.06% for administrative costs of the Public Employee Optional Retirement Program.

For the fiscal year ended September 30, 2021, the City made contributions of \$6,103 to the Pension Plan and the City’s employees made contributions of \$6,992, for total contributions of \$13,095.

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

At September 30, 2021, the City reported a liability of \$12,102 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City’s proportionate share of the net pension liability was based on the City’s 2020-2021 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members. At June 30, 2021, the City's proportionate share was 0.000160215 percent, which was a decrease of 0.00000015591 percent from its proportionate share measured as of June 30, 2020. For the fiscal year ended September 30, 2021, the City recognized pension expense of \$4,704 related to the Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions on the following page from the following sources:

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,074	\$ -
Change of assumptions	8,281	-
Net difference between projected and actual earnings of Pension Plan investments	-	42,222
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	1,057	9,406
	<u>\$ 11,412</u>	<u>\$ 51,628</u>

The deferred outflows of resources related to the Pension Plan, totaling \$11,412 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2022	\$ (3,121)
2023	(1,822)
2024	(1,739)
2025	(1,069)
2026	(598)
Thereafter	-
	<u>\$ (8,349)</u>

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2021
Measurement date	June 30, 2021
Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Mortality	Generational RP-2000 with projection scale BB
Actuarial cost method	Individual Entry Age

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	10/01/20 through 06/30/21	07/01/21 through 09/30/21		
Cash	1.0%	3.0%	3.0%	1.8%
Fixed Income	18.0%	4.5%	4.4%	4.2%
Global Equity	53.0%	7.8%	6.6%	17.0%
Real Estate (Property)	10.0%	6.6%	5.9%	12.8%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	9.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean		2.6%		1.9%

(1) As outlined in the Pension Plan's investment policy

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

PENSION PLAN (Continued)

Discount Rate

The long-term expected rate of return assumption of 6.90% used in the discount rate calculations consists of two building block components: 1) a real (in excess of inflation) return of 4.5%, consistent with the currently articulated real return target in the current Florida State Board of Administration’s investment policy, developed using capital market assumptions calculated by Aon Hewitt Investment Consulting; 2) a long-term average annual inflation assumption of 2.6% as most recently adopted in October 2018 by the FRS Actuarial Assumption Conference. The discount rate of 6.90% used for the net pension liability calculations differs from the 7.50% investment rate of return chosen by the FRS Actuarial Assumptions Conference used for funding policy.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

Asset Class	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$ 10,348	\$ 12,102	\$ 13,856

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan

At September 30, 2021, the City reported no payable for outstanding contributions to the Pension Plan.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM

Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2021, the HIS contribution was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City’s contributions to the HIS Plan totaled \$1,325 for the fiscal year ended September 30, 2021.

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

At September 30, 2021, the City reported a liability of \$27,650 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City’s proportionate share of the net pension liability was based on the City’s 2020-2021 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2021, the City's proportionate share was .00000225408 percent, which was a decrease of 0.000002831092 percent from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the City recognized a pension expense of \$1,343. In addition, the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 925	\$ 12
Change in assumptions	2,173	1,139
Net difference between projected and actual earnings on pension plan investments	29	-
Change in proportion and differences between City pension plan contributions and proportionate share of contributions	1,208	10,453
	<u>\$ 4,335</u>	<u>\$ 11,604</u>

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CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to the HIS Plan, totaling \$4,335 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending	
September 30	Amount
2022	\$ (3,340)
2023	(1,768)
2024	(1,213)
2025	(1,163)
2026	(1,232)
Thereafter	(528)
	<u>\$ (9,244)</u>

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2021
Measurement date	June 30, 2020
Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.58%
Investment rate of return	N/A
Mortality	GenerationalRP-2000 with projection scale BB
Actuarial cost method	Individual Entry Age

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.58%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 3.58%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.58%) or one percentage point higher (4.58%) than the current rate:

Asset Class	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
City's proportionate share of the net pension liability	\$ 19,927	\$ 27,650	\$ 35,373

Pension Plan Fiduciary Net Position

Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan

At September 30, 2021, the City reported no payable for outstanding contributions to the HIS Plan.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 8 – FLORIDA RETIREMENT SYSTEM (Continued)

Summary Data

The following table provides a summary of significant information related to the Florida Retirement System defined benefit plans for the year ended September 30, 2021:

Description	Pension Plan	HIS Program	Total
Total pension liability	\$ 296,149	\$ 28,806	\$ 324,955
Plan fiduciary net position	284,047	1,156	285,203
Net pension liability	12,102	27,650	39,752
Deferred outflows of resources	11,412	4,335	15,747
Deferred inflows of resources	51,628	11,604	63,232
Pension expense	4,704	1,343	6,047

NOTE 9 – GENERAL EMPLOYEES' RETIREMENT PLAN

The General Employees Retirement Plan (the "Plan") is a single employer defined contribution pension plan established by the City to provide retirement and death benefits to general employees hired on or after January 1, 1996. A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of these contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account. Under the terms of the Plan agreement, all forfeitures shall be used to reduce the employer's contributions.

Vesting commences at a rate of 20% each year until the employee is fully vested after five years. Credited service begins with the first day of the month coinciding with or the next day following six months of service. Plan provisions and contribution requirements are established and may be amended by the City Commission.

The City is required to contribute 3% of covered compensation. Plan members are not allowed to contribute to the Plan. However, if Plan members contribute 3% of compensation to the Internal Revenue Code Section 457 Deferred Compensation Plan (see Note 10), the City will make a matching contribution of 4.35% to the General Employees' Retirement Plan. For the year ended September 30, 2021, the City recognized pension expense of \$63,765 for the General Employees' Retirement Plan, which included forfeitures of \$63,765. At September 30, 2021, the City reported no payable for outstanding contributions to the Plan.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 9 – GENERAL EMPLOYEES’ RETIREMENT PLAN (Continued)

The Plan is administered by the Florida League of Cities, which provides various investment alternatives. Participants direct the allocation of contributions to investment alternatives offered under the Plan. Because the City does not hold or administer funds for the Plan, the Plan does not meet the criteria for inclusion in the City’s financial statements as a fiduciary fund.

NOTE 10 – DEFERRED COMPENSATION PLAN

Employees of the City of Pahokee may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. Valic, Inc. administers the deferred compensation plan.

On December 15, 1998, the Deferred Compensation Plan was amended to conform with the changes in the Internal Revenue Code brought about by the Small Business Job Protection Act of 1996 (the “Act”). The Act requires that eligible deferred compensation plans established and maintained by governmental employers be amended to provide that all assets of the plan be held in trust, or under one or more appropriate annuity contracts or custodial accounts, for the exclusive benefit of plan participants and their beneficiaries. As a result of this change, plan assets will no longer be subject to the claims of the City’s general creditors.

Because the City has little administrative involvement and does not perform the investing function for funds in the Pinnacle Associates Plan, the City’s activities do not meet the criteria for inclusion in the fiduciary funds of a government.

NOTE 11 – DEFICIT NET POSITION OF INDIVIDUAL

As of September 30, 2021, the Marina and Campground Enterprise Fund reported positive net position but reported a deficit of \$279,338 in unrestricted net position, and the Cemetery Enterprise Fund reported a positive \$36,543 in total net position and a deficit of \$253,537 in unrestricted net position.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 12 – INDUSTRIAL DEVELOPMENT BONDS

In May 2009, the City issued \$2,480,000 of Series 2009 bonds pursuant to an Indenture of Trust dated as of May 1, 2009 between the City and U.S. Bank National Association of Fort Lauderdale, Florida. The City issued \$2,480,000 of its Healthcare Facility Refunding Revenue Bonds, Series 2009 in two series. The City issued \$2,130,000 of its 6.5%-9.0% Series 2009A bonds and \$350,000 of its 9.0%-11.5% Taxable Series 2009B bonds. The Series 2009A bonds were issued to repay the remaining principal on the Series 1990 bonds and enable the Council to improve the Glades Health Care Center. The proceeds from the sale of the Series 2009B bonds were used to pay certain costs of issuance relating to the issuance of the Series 2009A bonds and the Series 2009B bonds. The bonds are secured by a first mortgage lien on, and security interest in, the real property, personal property and fixtures, and a pledge and assignment of, and security interest in, the gross revenues of the Council. The Gainesville Council on Aging, Inc. is a guarantor on the bonds.

The Series 2009 bonds do not constitute a debt, liability or obligation of the City, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal of or the interest on the Series 2009 bonds. The City is not obligated to pay the Series 2009 bonds or the interest thereon except from the revenues and proceeds pledged from the borrower.

As of September 30, 2021, there was \$1,025,000 of the Series 2009A conduit debt outstanding.

NOTE 13 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City has not significantly reduced insurance coverage from the prior year, and there were no settled claims which exceeded insurance coverage during the past three fiscal years.

Florida Statutes limit the City’s maximum loss for most liability claims to \$200,000 per person and \$300,000 per occurrence under the Doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in Federal courts.

NOTE 14 – LITIGATION CONTINGENCIES

The City is involved in various litigations and claims arising in the course of operations. It is the opinion of legal counsel that the likelihood of unfavorable outcome and the amounts of potential losses cannot be reasonably determined at this time. Accordingly, no provision for any liability that may result has been made in the accompanying financial statements.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 15 – COMMITMENTS

Palm Beach County Fire Rescue Services Interlocal Agreement

On September 12, 2006, the City entered into a 10-year inter-local agreement with Palm Beach County to provide fire suppression, emergency medical services, special operations, hazardous materials response and mitigation, emergency communications, confined space rescue, dive rescue, fire code inspections, arson investigation, new construction inspection, community education programs, and all other emergency and non-emergency services to the City of Pahokee commencing October 1, 2006. Under the terms of the Agreement, the City transferred all the City's fire rescue apparatus and related equipment, to Palm Beach County Fire Rescue on October 1, 2006.

The costs of the services under the Agreement are to be funded through the Fire/Rescue MSTU pursuant to ordinances adopted by the County and the City providing for the inclusion of the City into the Fire/Rescue MSTU. It is anticipated that the County Fire/Rescue dispatch and related communication services to the City will be funded from countywide ad valorem tax revenues through the Countywide Common Dispatch program offered by the County to any fire-rescue providers that desire these services. If the County's ability to fund the dispatch and related communication services from non-MSTU revenues is eliminated for any reason, then the County may fund these dispatch and related services to the City through the Fire/Rescue MSTU. The tax rate for the MSTU is included in the 10 mills the City is legally allowed to assess. For the fiscal year ended September 30, 2021, the MSTU portion of the City's millage rate was 3.4581 mills.

Should the City for any reason no longer be included in the Fire/Rescue MSTU during the term of the Agreement, the City shall pay the County an annual, or prorated, contract amount equal to the value of taxable property within the incorporated boundaries of the City multiplied by the Fire/Rescue MSTU millage rate.

As part of the Agreement, the City agreed to lease the building and surrounding property known as the Pahokee Fire Station to the County for its use as a fire station for the sum of one dollar per year for a period of ten years commencing on October 1, 2006.

The City entered into an inter-local agreement with the Palm Beach County Sheriff's Office to provide law enforcement services commencing February 12, 2006, and ending September 30, 2008. The agreement was later amended to extend the contract through September 30, 2009. On July 12, 2020, the City approved the eleventh addendum to the agreement extending the agreement through September 30, 2021. The contractual cost for the year ended September 30, 2021 was \$565,501.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 16 – SPECIAL ENDOWMENT

On October 12, 1999, the Port Mayaca Cemetery received \$875,000 from an estate. The bequest was intended as a permanent endowment for the cemetery. All earnings on the principal amount can be used by the cemetery for the upkeep, maintenance, and beautification of the cemetery. In addition, the cemetery is allowed to borrow up to \$100,000 to purchase equipment or to make improvements to the cemetery. Any amount borrowed must be paid back into the endowment over a period not to exceed seven years.

The City has established a permanent fund to account for the endowment principal, investment earnings, and transfers to the Cemetery Fund for upkeep, maintenance, and beautification of the cemetery. During the fiscal year ended September 30, 2021, the permanent fund transferred \$182 to the Cemetery Fund.

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS

In June 2015, GASB released GASB Statement No. 75 which replaces the accounting standards for other post employment benefits (OPEB) for employer accounting. This standard will be applied to post employment medical benefits that are by provided to the City's retirees. Prior to the GASB No. 75, benefits were accounted for under GASB No. 45.

Under GASB No. 45, the net OPEB obligation was a liability of the City. Under GASB No. 75, the entire unfunded actuarial accrued liability is now reported on the financial statements. There is no longer a net OPEB obligation. The annual expense is equal to the increase (decrease) in the funded actuarial accrued liability. To minimize expense volatility, some of the increase (decrease) is deferred.

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CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Plan Description

The City provides a single employer defined benefit health care plan to all of its employees. The plan allows its employees and their beneficiaries to continue to obtain health benefits upon retirement. The normal retirement age for City employees is age 62 for employees enrolled in the retirement plan before July 1, 2011 and age 65 for employees enrolled in the retirement plan after July 1, 2011. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Funding Policy

The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City’s actuaries in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City or its active employees for coverage of the retirees and their dependents for the year net of the retiree’s own payments for the year.

Plan membership

Based on the actuarial valuation results as of September 30, 2021, the number of participants included in the plan is as follows:

Retired participants	-
Active employees	39
Total	<u>39</u>

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CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	October 1, 2021
Actuarial cost method	Entry Age Normal (Alternative Measurement Method)
Amortization method	Level Dollar - Open
Amortization period	30-year closed period
Asset valuation method	Not Applicable
Actuarial assumptions:	
Discount rate	2.43%
Healthcare cost trend	10.00% for 2019, 9.44% for 2020, 8.89% for 2021 decreasing to 5.0% in 2028
Mortality	RP-20 14 Combined Annuitant Mortality Table for males and females. The Mortality Table reflects recent rates developed by the Society of Actuaries.

Change in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of 9/30/2019	\$ 96,173	\$ -	\$ 96,173
Service Cost	8,875	-	8,875
Interest on Total OPEB Liability	3,761	-	3,761
Difference Between Expected and Actual Experience	108,809	-	108,809
Changes of Assumptions and Other Inputs	26,207	-	26,207
Benefit Payments	-	-	-
Other Changes	4,175	-	4,175
Net Changes	30,382	-	30,382
Balances as of 9/30/2021	<u>\$ 139,191</u>	<u>\$ -</u>	<u>\$ 139,191</u>

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of Net OPEB Liability

The following table presents the net OPEB liability, using a discount rate and health care cost trend rate that is 1-percentage point lower and 1-percentage point higher:

	1% Decrease	Current Discount Rate	1% Increase
	1.43%	2.43%	3.43%
Discount rate	\$ 173,067	\$ 139,191	\$ 113,480

Discount Rate

The City does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher (or equivalent quality on another rating scale). A rate of 2.43% is used, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of September 30, 2021.

OPEB Expense

Service Cost	\$ 8,875
Interest on Service Cost	3,761
Total	12,636
Interest Cost	-
Difference Between Expected & Actual Experience	224
Changes of Assumptions and Other Inputs	1,408
Total	\$ 14,268

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CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Schedule of Deferred Inflows and Outflows of Resources

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,950
Changes of assumptions	24,799	-
Net difference between projected and actual earnings	-	-
Employer contribution subsequent to measurement date	<u>\$ 24,799</u>	<u>\$ 3,950</u>

The deferred outflows and deferred inflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan are as follows:

Fiscal Year Ending September 30	Outflows	Inflows
2021	\$ 1,408	\$ (224)
2022	1,408	(224)
2023	1,408	(224)
2024	1,408	(224)
2025	1,408	(224)
Thereafter	<u>17,762</u>	<u>(2,826)</u>
	<u>\$ 24,802</u>	<u>\$ (3,946)</u>

NOTE 18 – OPERATING LEASES

Everglades Preparatory Academy

In March 2007, the City entered into an agreement with Everglades Preparatory Academy, Inc. (Everglades) to lease certain facilities at the Old Pahokee High School to Everglades. The term of the lease was for a 10-year period commencing on May 1, 2007, with an option to renew for an additional 10-year term. In 2017, Everglades exercised its option to renew the lease. Total lease payments received under the lease during the fiscal year ended September 30, 2021 were \$33,600. As of September 30, 2021, the cost of the land and building under the operating lease was \$2,607,755 and accumulated depreciation was \$2,425,376 resulting in a net book value of \$182,379. The building is fully depreciated.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 18 – OPERATING LEASES (Continued)

Everglades Preparatory Academy (Continued)

The future minimum rentals for the noncancelable lease are as follows:

<u>Fiscal Year Ending</u> <u>September 30th</u>	<u>Future Minimum</u> <u>Rentals</u>
2022	\$ 33,600
2023	33,600
2024	33,600
2025	33,600
2026	33,600
Thereafter	33,600
	<u>\$ 201,600</u>

Lutheran Services Florida

In May 2014, the City entered into an agreement with Lutheran Services Florida, Inc. (Lutheran) to lease to Lutheran a building and various other improvements located at 380 East Dr. Martin Luther King Jr. Boulevard to Lutheran. The term of the lease was for a 5-year period commencing May 2014. Lutheran has the right to terminate the lease for any reason upon 120 days prior written notice to the City. Total lease payments received under the lease during the fiscal year ended September 30, 2021 were \$25,910. As of September 30, 2021, the cost of the land and building under the operating lease was \$100,800 and accumulated depreciation was \$83,664, resulting in a net book value of \$17,136. The building is fully depreciated.

Metro PCS

In April 2005 the City into an agreement with MetroPCS California/Florida, Inc. (Metro PCS) to lease land consisting of approximately 180 square feet located at 335 Muck City Road to Metro PCS for use as a personal communications service system. The term of the lease was for a 5-year period commencing on April 29, 2005. The agreement will be automatically renewed for four additional terms of 5 years each unless Metro PCS provides the City notice of intention not to renew not less than 90 days prior to the expiration of any renewal term. Total lease payments received under the lease during the fiscal year ended September 30, 2021 were \$23,666. As of September 30, 2021, the cost of the land under the operating lease was approximately \$81.

CITY OF PAHOKEE, FLORIDA
Notes to Financial Statements
September 30, 2021

NOTE 20 – SUBSEQUENT EVENT

Management has evaluated subsequent events to determine if events or transactions occurring through January 08, 2024, the date the financial statements available to be issued, require potential adjustment to or disclosure in the financial statements.

The City evaluated its September 30, 2021 financial statements for subsequent events through the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen and will likely have a negative impact to financial operations; although such potential impact is unknown at this time.

CITY OF PAHOKEE, FLORIDA
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 1,156,954	\$ 1,156,954	\$ 1,193,299	\$ 36,345
Licenses and permits	311,655	311,655	329,877	18,222
Intergovernmental	1,057,565	1,169,019	1,230,992	61,973
Charges for services	857,720	857,720	971,321	113,601
Fines and forfeitures	64,000	116,618	118,713	2,095
Investment income	16,600	16,600	962	(15,638)
Miscellaneous	493,610	329,538	127,108	(202,430)
Total revenues	<u>3,958,104</u>	<u>3,958,104</u>	<u>3,972,272</u>	<u>14,168</u>
Expenditures:				
Current:				
General government	1,179,256	1,281,708	1,145,976	135,732
Public safety	784,647	839,068	812,829	26,239
Transportation	792,705	808,460	693,804	114,656
Culture and recreation	585,391	594,955	564,601	30,354
Physical environment	480,000	480,000	480,450	(450)
Capital outlay	-	-	-	-
Total expenditures	<u>3,821,999</u>	<u>4,004,191</u>	<u>3,697,660</u>	<u>306,531</u>
Excess of revenues over expenditures	<u>136,105</u>	<u>(46,087)</u>	<u>274,612</u>	<u>320,699</u>
Other financing sources (uses):				
Operating transfer out	(136,105)	(136,105)	(124,318)	11,787
Sale of assets	-	182,192	196,425	14,233
Total other financing sources (uses):	<u>(136,105)</u>	<u>46,087</u>	<u>72,107</u>	<u>26,020</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>346,719</u>	<u>\$ 346,719</u>
Fund balance, beginning of year			2,361,070	
Fund balance, end of year			<u>\$ 2,707,789</u>	

CITY OF PAHOKEE, FLORIDA
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Henderson Endowment Fund
For the Fiscal Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Interest income	3,000	3,000	160	(2,840)
Total revenues	3,000	3,000	160	(2,840)
Expenditures:				
Current:				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	3,000	3,000	160	(2,840)
Other financing sources (uses):				
Operating transfer out	(3,000)	(3,000)	(160)	2,840
Total other financing sources (uses):	(3,000)	(3,000)	(160)	2,840
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			875,000	
Fund balance, end of year			\$ 875,000	

CITY OF PAHOKEE, FLORIDA
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Special Revenues Fund
For the Fiscal Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 348,061	\$ 348,061	\$ 443,363	\$ 95,302
Total revenues	348,061	348,061	443,363	95,302
Expenditures:				
Current:				
Capital Outlay	212,827	212,827	59,844	152,983
Total expenditures	212,827	212,827	59,844	152,983
Excess of revenues over expenditures	135,234	135,234	383,519	248,285
Other financing sources (uses):				
Operating transfer in	(135,234)	(135,234)	(135,234)	-
Total other financing sources (uses):	(135,234)	(135,234)	(135,234)	-
Net change in fund balance	\$ -	\$ -	248,285	\$ 248,285
Fund balance, beginning of year			227,927	
Fund balance, end of year			\$ 476,212	

CITY OF PAHOKEE, FLORIDA
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Debt Service Fund
For the Fiscal Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Total revenues	-	-	-	-
Expenditures:				
Current:				
Debt service:				-
Principal	120,078	120,078	120,078	-
Interest	15,156	15,156	15,156	-
Total expenditures	135,234	135,234	135,234	-
Excess of revenues over expenditures	(135,234)	(135,234)	(135,234)	-
Other financing sources (uses):				
Operating transfer in	135,234	135,234	135,234	-
Total other financing sources (uses):	135,234	135,234	135,234	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

CITY OF PAHOKEE, FLORIDA
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Capital Projects Fund
For the Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Intergovernmental	\$ 1,893,943	\$ 1,893,943	\$ 1,166,350	\$ (727,593)
Total revenues	1,893,943	1,893,943	1,166,350	(727,593)
Expenditures:				
Current:				
Capital Outlay	1,893,943	1,893,943	1,173,150	720,793
Total expenditures	1,893,943	1,893,943	1,173,150	720,793
Excess of revenues over expenditures	-	-	(6,800)	(6,800)
Other financing sources (uses):				
Operating transfer out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Net change in fund balance	\$ -	\$ -	(6,800)	\$ (6,800)
Fund balance, beginning of year			(470,862)	
Fund balance, end of year			\$ (477,662)	

CITY OF PAHOKEE, FLORIDA
Notes to the Budgetary Required Supplementary Information
For the Fiscal Year Ended September 30, 2021

Note 1 - Basis of Accounting

A budgetary comparison schedule is presented for the General Fund as required by generally accepted accounting principles. The procedures for establishing budgetary data reflected in the budgetary comparison schedule are described in Note 2 to the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Note 2 - Stewardship, Compliance, and Accountability

Formal budgetary integration is employed within the accounting system as a management control device. Appropriations are legally controlled at the functional area level and expenditures may not legally exceed budgeted appropriations at that level.

CITY OF PAHOKEE, FLORIDA
Required Supplementary Information
Schedule of Funding Progress
Other Postemployment Benefits
For the Fiscal Year Ended September 30, 2020

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age(1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2012	\$ -	\$ 89,191	\$ 89,191	\$ -	N/A	N/A
10/1/2015	-	84,708	84,708	-	1,182,214	7.17%
10/1/2017	-	88,987	88,987	-	1,428,366	6.23%
10/1/2018	-	96,173	96,173	-	1,428,366	6.73%
10/1/2020	-	139,191	139,191	-	1,017,696	13.68%

The schedule of funding progress presented above will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The City implemented GASB 45 during the fiscal year ended September 30, 2013, and elected to apply the statement prospectively. Consequently, there are no disclosures for prior years. The City is required to have an actuarial valuation every three years. The next valuation was scheduled for October 1, 2021. In future years, required trend data will be presented.

CITY OF PAHOKEE, FLORIDA
Required Supplementary Information
Schedule of Employer Contributions
Florida Retirement System
Pension Plan

Last 10 Fiscal Years*

	<u>2014**</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 7,035	\$ 8,522	\$ 5,217	\$ 5,382	\$ 5,868	\$ 5,257	\$ 5,841	\$ 6,103
Contribution in relation to the contractually required contribution	7,035	8,522	5,217	5,382	5,868	5,257	5,841	6,103
City's covered-employee payroll	129,357	132,646	87,507	92,780	110,573	104,500	110,536	63,383
Contribution as a percentage of covered-employee payroll	5.44%	6.42%	5.96%	5.80%	5.31%	5.03%	5.28%	9.63%

* Amount represented for each fiscal year were determined as of 9/30.

** Information prior to 2014 is not available.

CITY OF PAHOKEE, FLORIDA
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System
Pension Plan

Last Ten Fiscal Years*

	2014**	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability (asset)	0.000321157%	0.000349549%	0.000213941%	0.000206741%	0.000205914%	0.000169532%	0.000175806%	0.000160215%
City's proportion share of the net pension liability (asset)	\$ 19,595	\$ 45,149	\$ 54,020	\$ 61,174	\$ 62,022	\$ 58,383	\$ 76,197	\$ 12,102
City's covered-employee payroll	129,357	132,646	87,507	92,780	110,573	104,500	110,536	63,383
City's proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	15.15%	34.04%	61.73%	65.93%	56.09%	55.87%	68.93%	19.09%
Plan fiduciary net position as a percentage of the total pension liability	96.09%	92.00%	84.88%	83.89%	83.70%	83.70%	83.70%	83.70%

* Amount represented for each fiscal year were determined as of 6/30.

** Information prior to 2014 is not available.

**CITY OF PAHOKEE, FLORIDA
Required Supplementary Information
Schedule of Employer Contribution
Florida Retirement System
Retiree Health Insurance Subsidy Program**

Last Ten Fiscal Years*

	<u>2014**</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 1,573	\$ 1,781	\$ 1,453	\$ 1,541	\$ 1,571	\$ 1,644	\$ 1,761	\$ 1,325
Contribution in relation to the contractually required contribution	1,573	1,781	1,453	1,541	1,571	1,644	1,761	1,325
City's covered-employee payroll	129,357	132,646	87,507	92,780	110,573	110,573	110,536	63,383
Contribution as a percentage of covered-employee payroll	1.2%	1.3%	1.7%	1.7%	1.4%	1.5%	1.6%	2.1%

* Amount represented for each fiscal year were determined as of 9/30.

** Information prior to 2014 is not available.

CITY OF PAHOKEE, FLORIDA
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System
Retiree Health Insurance Subsidy Program

Last Ten Fiscal Years*

	<u>2014**</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City's proportion of the net pension liability (asset)	0.038232292%	0.040376046%	0.041674824%	0.042122000%	0.044162719%	0.045544109%	0.000076570%	0.000074857%
City's proportion share of the net pension liability (asset)	\$ 40,054	\$ 47,198	\$ 35,422	\$ 31,124	\$ 30,668	\$ 33,121	\$ 9,323	\$ 9,182
City's covered-employee payroll	129,357	132,646	87,507	92,780	110,573	104,500	110,536	63,383
City's proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	30.96%	35.58%	40.48%	33.55%	27.74%	31.69%	8.43%	14.49%
Plan fiduciary net position as a percentage of the total pension liability	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%

* Amount represented for each fiscal year were determined as of 6/30.

** Information prior to 2014 is not available.

**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***

To The Honorable Mayor and Members of the City Council
City of Pahokee, 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, the business-type activities, and each major fund information of the City of Pahokee, Florida (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 8, 2024.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2010-01, 2015-01, and 2016-01 that we considered to be material weaknesses.

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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned cost as items 2014-03, 2014-04, and 2017-01.

City of Pahokee, Florida’s Response to Findings

The City of Pahokee, Florida’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Pahokee, Florida’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
January 8, 2024

City of Pahokee, Florida
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2021

I. Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Qualified
General Fund	Unmodified
Henderson Endowment Fund	Unmodified
Debt Service Fund	Unmodified
Special Revenues Fund	Unmodified
Capital Projects Fund	Unmodified
Marina and Campground Fund	Qualified
Cemetery Fund	Qualified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(s) X yes none reported

Noncompliance material to financial statements noted? X yes no

City of Pahokee, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2021

Section E, Item 1.

I. Financial Statement Findings

Finding 2010 – 01 – Material weakness

Condition: The City did not perform a physical count of inventories and has not maintained perpetual inventory records for the Cemetery Fund. Also, the City has not established adequate controls over the completeness of revenues and receivables for the Cemetery Fund.

Criteria: Adequate accounting records and internal controls are required for the preparation of financial statements.

Effect: Because of inadequacies in internal controls and accounting records relating to the Cemetery Fund, we were unable to form opinions regarding the amounts of inventories, accounts receivable, service revenue, and cost of goods sold for the fund.

Recommendation: We recommend that the City implement the following for the Cemetery Fund:

- 1) Perform an annual physical count of inventories at year end.
- 2) Develop and maintain perpetual inventory records.
- 3) Develop and implement procedures to monitor the completeness of revenues and receivables.

Current year status: Partially implemented.

Views of responsible officials and planned corrective actions: The City acknowledges the necessity of implementing established policies and processes to monitor and evaluate activities at the Cemetery. The administration has implemented various policy modifications, one of which is transferring all accounting and cash receipt operations from the cemetery to the Finance Department at City Hall. This reform aims to enhance accountability and establish stricter controls over cemetery operations. The City's employment of a full-time coordinator since January 2019 enables more effective monitoring and oversight.

The administration is assessing software options that incorporate precise mapping capabilities together with an inventory module. These software solutions should be capable of generating timely monitoring reports, ensuring compliance, and offering a user-friendly interface.

City of Pahokee, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2021

Section E, Item 1.

Finding 2014 – 01 – Material Weakness

Condition: We noted there was a lack of oversight of the financial reporting process.

Criteria: Timely and accurate accounting records are required for internal and external financial reporting.

Effect: Transactions were not properly recorded in the general ledger. Consequently, numerous audit adjustments were required to correct the financial records.

Recommendation: We recommend that the City increase oversight of the financial reporting process to facilitate the preparation of timely and accurate financial reports.

Current year status: Implemented.

Finding 2014 – 02 – Noncompliance or other matters that are required to be reported under Government Auditing Standards

Condition: We noted that the audit report and the Annual Financial Report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2017 were not filed timely.

Criteria: Florida Statutes require audit reports for local governmental entities and the Annual Financial Report to be filed within nine months of the fiscal year end. The City's reports were due June 30, 2018.

Effect: Failure to file audit reports timely subjects the City to the risk of losing state shared revenues.

Recommendation: We recommend that the City review the financial reporting process and make any changes required to facilitate the timely preparation of financial reports.

Current year status: Implemented.

Finding 2014 – 03 – Noncompliance or other matters that are required to be reported under Government Auditing Standards

Condition: As indicated in Note 2 to the Budgetary Required Supplementary Information, certain functions in the General Fund had expenditures in excess of appropriations, and total expenditures of the General Fund exceeded total appropriations.

Criteria: Florida Statutes prohibit expenditures in excess of appropriations.

Effect: Noncompliance with budgetary requirements.

City of Pahokee, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2021

Section E, Item 1.

Recommendation: We recommend that the City adopt budget amendments as necessary to eliminate expenditures in excess of appropriations.

Current year status: Implemented.

Finding 2014 – 04 – Noncompliance or other matters that are required to be reported under Government Auditing Standards

Condition: During our testing of credit card activity we noted the following issues:

- Some payments were not made timely resulting in the payment of late fees and finance charges.
- Sales tax was paid on certain purchases.
- Accounting records did not identify the public purpose for certain transactions.

Criteria: Adequate internal controls and accounting records are required for the preparation of financial reports.

Effect: Inadequate controls for credit card activity expose the City to the risk of fraud, misuse, and financial reporting errors.

Recommendation: We recommend that the City review its policies and procedures for credit card purchases and implement steps to provide adequate control over credit card use.

Current year status: Partially implemented.

Views of responsible officials and planned corrective actions: The City has made changes to their processes and will continue to review the policies and procedures for credit card use and will implement appropriate procedures to provide adequate control and accounting records for these activities.

Finding 2015 – 01 – Material Weakness

Condition: The City has not established adequate controls over the completeness of revenues and unearned revenues for the Marina and Campground Fund.

Criteria: Adequate accounting records and internal controls are required for the preparation of financial statements.

Effect: Because of inadequacies in internal controls and accounting records relating to the Marina and Campground Fund, we were unable to form opinions regarding the amounts of service revenue and unearned revenue for the fund.

City of Pahokee, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2021

Section E, Item 1.

Recommendation: We recommend that the City implement the following for the Marina and Campground Fund:

- 1) Acquire and implement special purpose software to maintain detailed records of revenue and utilization of the facilities for the marina and campground.
- 2) Establish access controls for the campground such as gates, card entry systems, and security cameras.
- 3) Develop and implement procedures to monitor and control marina and campground revenues.

Current year status: Partially implemented. Controls over the Marina and Campground revenues have improved with updated policies and procedures.

Views of responsible officials and planned corrective actions: Management is addressing items 2 and 3 of the recommendation to establish better access controls for the campground.

Finding 2016 – 01 – Material Weakness

Condition: The City has not adequately trained staff to implement purchasing procedures and management has not adequately monitored the purchasing process.

Criteria: The City's purchasing procedures require all purchases to have a purchase order number, excluding minor purchases made from petty cash and those purchases declared exempt. The procedures further require that all purchases exceeding ten thousand dollars shall be approved by the City Commission and shall be awarded after receiving competitive bids. Emergency purchases not exceeding fifteen thousand dollars may be made by the City Manager to meet a pressing need for the protection of the public health, safety, or welfare of the community. The City Commission shall ratify every emergency purchase as soon as it is reasonable possible.

Effect: Noncompliance with purchasing procedures.

Recommendation: We recommend that City staff involved in the purchasing process receive training regarding the approved purchasing procedures and that management increase monitoring of the purchasing process to maintain adequate controls.

Current year status: Partially implemented.

Views of responsible officials and planned corrective actions: The City has made improvement in this area. The purchasing manual has been updated and is now enforced. The City Manager and the Finance Director have worked together to ensure that the policy is adhere to and best practices are a standard norm. Training programs are now incorporated for users throughout the city that are authorized to spend the City's funds.

City of Pahokee, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2021

Section E, Item 1.

Finding 2016 – 02 – Noncompliance or other matters that are required to be reported under Government Auditing Standards

Condition: The City has not complied with purchasing procedures.

Criteria: The City's purchasing procedures require all purchases to have a purchase order number, excluding minor purchases made from petty cash and those purchases declared exempt. The procedures further require that all purchases exceeding ten thousand dollars shall be approved by the City Commission and shall be awarded after receiving competitive bids. Emergency purchases not exceeding fifteen thousand dollars may be made by the City Manager to meet a pressing need for the protection of the public health, safety, or welfare of the community. The City Commission shall ratify every emergency purchase as soon as it is reasonable possible.

Effect: We noted the following instance of noncompliance with purchasing procedures:

- 1) Purchases in excess of ten thousand dollars were not approved by the City commission.
- 2) Competitive bids were not obtained for purchases in excess of ten thousand dollars.
- 3) Emergency purchases were not ratified by the City commission.
- 4) Purchase orders were not issued for all purchases that require them.
- 5) Purchases were made without the approval of management.
- 6) Source documents were not properly maintained.
- 7) The public purpose for purchases was not always documented.

Recommendation: We recommend that the City review the purchasing process and make changes required to maintain compliance with approved purchasing procedures.

Current year status: Implemented.

Finding 2017 – 01 – Noncompliance or other matters that are required to be reported under Government Auditing Standards

Condition: The Marina and Campground Enterprise Fund has experienced operating losses for many years and the Cemetery Enterprise Fund has frequently experienced operating losses. As of September 30, 2017, both funds reported a deficit in unrestricted net position. As of September 30, 2017, advances from the General Fund totaled \$193,486 for the Marina and Campground Enterprise Fund and \$338,865 for the Cemetery Enterprise Fund.

Criteria: Section 10.554 (1)(f), Rules of the Auditor General defines deteriorating financial condition as a circumstance determined as of the fiscal year end that significantly impairs a county, municipality, or special district's ability to generate

City of Pahokee, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2021

Section E, Item 1.

enough revenues to meet its expenditures without causing a condition described in Section 2018.503(1), Florida Statutes to occur.

Effect: The City's enterprise funds might not be able to generate enough revenues to meet their obligations.

Recommendation: We recommend that the City review the operations of the enterprise funds to develop options for increasing revenues for these funds.

Current year status: Not implemented. Both funds are still operating at a loss.

Views of responsible officials and planned corrective actions:

Marina and Campground Fund As a result of the significant investment in capital assets, this fund records a substantial depreciation expense. In the fiscal year that concluded on September 30, 2021, the depreciation expense amounted to approximately \$526,865, while a deficit of \$532,512 was recorded. The ongoing depreciation expense will persistently result in operating losses, making it improbable for this fund to generate a profit in the foreseeable future. The City would view this fund as working satisfactorily if its income is adequate to cover all expenses, except depreciation. The City will persist in examining alternative revenue streams to offset a portion of the fund's expenditures in the future.

Cemetery Fund

Before fiscal year 2009, losses were reduced by the profits generated from the Henderson Endowment. The earnings generated from the initial balance of \$875,000 are exclusively allocated for the purpose of preserving, maintaining, and enhancing the Port Mayaca Cemetery. The City has created a permanent fund to track the initial endowment, investment profits, and transfers to the Cemetery Fund. Investment returns have been significantly diminished in recent years due to the prevailing low interest rate environment. Once interest rates revert to their standard levels, the investment returns will once again offset the operational losses of the Cemetery Fund.

Currently, the city has created a purchasing mechanism to effectively manage and monitor daily spending to control running costs of the cemetery. The City has relocated all accounting operations from the cemetery to City Hall to integrate them into the control framework of the finance department, therefore addressing the identified issue. The financial department will assume responsibility for contract drafting, invoicing, and record-keeping tasks related to cemetery operations, with the aim of enhancing future oversight of cemetery activities. Furthermore, the city is actively pursuing methods to enhance the cemetery's earnings. However, this endeavor is impeded by the existing limitation of having just one funeral facility inside the City of Pahokee.

The City anticipates a favorable increase in net position of around \$38,600 for the Cemetery Fund during the fiscal year ending on September 30, 2021.

City of Pahokee, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2021

Section E, Item 1.

Finding 2017 – 03 – Material Weakness

Condition: We noted there is inadequate communication between personnel performing the accounting function and personnel managing grants.

Criteria: Policies and procedures should provide reasonable assurance that the City identifies, captures, and exchanges information enabling employees to carry out their responsibilities accurately and timely.

Effect: Grant transactions were not always properly recorded in the accounting system requiring audit adjustments to correct the financial records.

Recommendation: We recommend that the City review its grant management policies and procedures and implement steps to provide appropriate exchanges of information between departments.

Current year status: Implemented.

Finding 2017 – 04 – Noncompliance or other matters that are required to be reported under *Government Auditing Standards*

Condition: We noted that the City recorded infrastructure surtax revenues and expenditures in the General Fund.

Criteria: In November 2016, Palm Beach County voters approved raising the sales tax from 6 percent to 7 percent. This one-cent sales tax increase went into effect on January 1, 2017 and will end on December 31, 2016 unless \$2.7 billion is collected before then. Of the total funds collected from the surtax, 50% will be provided to the Palm Beach County School District and 30% will be provided to Palm Beach County. The 39 municipalities in Palm Beach County will split the remaining 20%. The surtax funds may only be used for infrastructure projects such as roads, bridges, schools, and government buildings. The entities receiving surtax funds are required to establish Citizen Oversight Committees to oversee the infrastructure projects. Because of the restrictions on the use of the surtax, it is desirable to account for the revenues and expenditures in a separate.

Effect: Infrastructure surtax expenditures can't be determined from the City's financial statements.

Recommendation: We recommend that the City create a separate fund to account for the infrastructure surtax revenues and expenditures.

Current year status: Implemented.

City of Pahokee, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2021

Section E, Item 1.

Finding 2018 – 01 – Material Weakness

Condition: We noted that the City had not incorporated auditor adjustments identified in the fiscal year 2017 audit to the City’s general ledger.

Criteria: The City provided a trial balance for fiscal 2017 and 2018 and as we were reconciling balances to the audited financial statements, several differences were noted.

Effect: Entries had to be made to fund balance to reconcile the general ledger to the audited financial statements.

Recommendation: We recommend that the City establish policies and procedures that would have staff, before the conclusion of the audit period, review the general ledger and ensure all necessary adjustments are entered into the general ledger.

Current year status: Implemented.

Finding 2019 – 001 – Material Weakness

Criteria: Adequate and complete accounting records and internal controls are required for the proper preparation of financial statements and to reduce the risk of material misstatements.

Condition: The City issued the City Pahokee Promissory Note, Series 2018 in the principle amount of \$605,780. The note was issued to finance the purchase and installation of an artificial turf surface on the City’s Everglades Preparatory Academy football field and to pay costs related thereto (the “Project”) and to pay costs of issuance of the Note.

Effect: This required a material adjustment to be recorded to the financial statements during the audit. Not recording all transactions could lead to the financial statements to be materially misstated.

Questioned Costs: None.

Recommendation: Management should increase oversight of financial records to ensure all transactions have been recorded and reduce the risk for material misstatements.

Current year status: Implemented.

II. State Award Findings and Questioned Costs

None

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor and Members of the City Council
The City of Pahokee, Florida

We have examined the City of Pahokee, Florida's compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the state of Florida during the year ended September 30, 2021. Management is responsible for City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the *American Institute of Certified Public Accountants* and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. 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 aforementioned requirements for the fiscal year ended September 30, 2021.

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
January 8, 2024

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF
THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor and Members of the City Council
City of Pahokee, Florida.

Report on the Financial Statements

We have audited the financial statements of the City of Pahokee, Florida (the “City”), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated January 80, 2024. The auditor’s reports on the financial statements of the Marina and Campground Enterprise Fund, the Cemetery Enterprise Fund, and business-type activities were qualified because of inadequacies in the internal controls and accounting records relating to inventories, cost of goods sold, revenues, and receivables.

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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings and Questioned Costs; 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 January 8, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

The following findings were included in the audit reports for the prior two years and still apply:

- Finding 2010-1 Cemetery Fund
- Finding 2014-4 Credit Cards
- Finding 2015-1 Marina and Campground Fund
- Finding 2016-1 Purchasing
- Finding 2017-1 The Marina and Campground Enterprise Fund

The following findings were included in the audit report for the prior year and still apply:
None

The current year findings are as follow:
None

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. There are no component units that need to be disclosed.

Financial Condition and Management

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

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

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, findings 2014-03, 2014-04, and 2017-1.

Special District Component Units

Sections 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
January 8, 2024

CITY OF PAHOKEE



MINUTES

City Commission Regular Meeting

Tuesday, December 12, 2023, at 6:00 PM

Pahokee Commission Chambers
360 East Main Street
Pahokee, Florida 33476

CITY COMMISSION:

Keith W. Babb, Jr., Mayor
Clara Murvin, Vice Mayor
Derrick Boldin, Commissioner
Juan Gonzalez, Commissioner
Sara Perez, Commissioner

CITY STAFF:

Rodney D. Lucas, City Manager
Tijauna Warner, City Clerk
Burnadette Norris-Weeks, Esq., City Attorney
Joseph R. Martin, Interim Director of Finance

MINUTES

A. CALL TO ORDER

The meeting was called to order by Mayor Babb at 6:03 PM.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Vice Mayor Murvin led the invocation, followed by the Pledge of Allegiance.

C. ROLL CALL

PRESENT

Mayor Keith Babb

Vice Mayor Clara Murvin

Commissioner Derrick Boldin

Commissioner Juan Gonzalez

Commissioner Sara Perez

Rodney D. Lucas, City Manager

Burnadette Norris-Weeks, City Attorney

Tijauna Warner, City Clerk

D. ADDITIONS OF EMERGENCY BASIS FROM CITY MANAGER, DELETIONS AND APPROVAL OF AGENDA ITEMS

Mr. Lucas requested adding Parks & Recreation and H. Kelly to the agenda and removing Resolution 2023 - 74 with a brief explanation.

Motion made by Vice Mayor Murvin to approve adding Parks & Recreation and H. Kelly to the agenda and removing Resolution 2023 - 74, Seconded by Commissioner Boldin. Mayor Babb called for questions. A discussion ensued. Motion passed unanimously.

Voting Yea: Mayor Babb, Vice Mayor Murvin, Commissioner Boldin, Commissioner Gonzalez, Commissioner Perez

E. PUBLIC COMMENTS / PUBLIC SERVICE ANNOUNCEMENTS / PRESENTATIONS / PROCLAMATIONS

(This section of the agenda allows for comments from the public to speak. Each speaker will be given a total of three (3) minutes to comment. A public comment card should be completed and returned to the City Clerk. When you are called to speak, please go to the podium or unmute your device, and prior to addressing the Commission, state your name and address for the record)

Public comments were provided by Luz Torres (*resident*), Robert Love (*non-resident*), Freeman Walker (*resident*), and Loletha Kimes (*resident*).

Charles Devito (H. Kelly Marine) presented to the City Commission and residents updated photos and information of the Marina Docks.

Greg Williams (Director of Parks & Recreation), Sedric Clervan (Assistant Director of Parks & Recreation), and Carlos Lammon (President) presented the 6U, 8U, and 12U Baby Blue Devils for being 2023 Super Bowl Champions.

1. Treasure Coast Regional Planning Council - Evaluation and Appraisal Review (EAR) and update City's Comprehensive Plan

Stephanie Heidt presented the Evaluation and Appraisal Review (EAR) and updated the City's Comprehensive Plan.

2. Aaron Taylor, Arc Development, One North Lake Project

Aaron Taylor (Arc Development) presented One North Lake Project to the City Commission.

3. Annie Ifill, Healthier Glades, Community Events

Annie Ifill (Director of Healthier Glades) gave an updated of community events hosted by Healthier Glades.

4. City of Pahokee 4th Quarter Financial Report

Joseph Martin (Interim Finance Director) presented City of Pahokee's 4th Quarter Financial Report.

F. CONSENT AGENDA

1. **October 24, 2023 City Commission Meeting Minutes**

2. **November 13, 2023 Special Meeting Minutes**

Motion made by Vice Mayor Murvin to approve Consent Agenda Items, Seconded by Commissioner Boldin. Mayor Babb called for questions. A discussion ensued. Motion passed 4-1.

Voting Yea: Mayor Babb, Vice Mayor Murvin, Commissioner Boldin, Commissioner Gonzalez

Voting Nay: Commissioner Perez

G. OLD BUSINESS *(discussion of existing activities or previously held events, if any)*

None.

H. PUBLIC HEARINGS AND/OR ORDINANCES

1. **ORDINANCE 2023 - 08 (second reading) AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, ESTABLISHING A POLICY FOR THE DISPOSAL OF CITY-OWNED SURPLUS PROPERTY; PROVIDING FOR AN EFFECTIVE DATE.**

Mrs. Norris-Weeks read Ordinance 2023 - 08 into the record.

Mr. Lucas gave a brief explanation of Ordinance 2023 - 08.

Motion made by Commissioner Boldin to approve Ordinance 2023 - 08, Seconded by Vice Mayor Murvin. Mayor Babb called for questions. A discussion ensued. Motion passed 3-2.

Voting Yea: Mayor Babb, Vice Mayor Murvin, Commissioner Boldin

Voting Nay: Commissioner Gonzalez, Commissioner Perez

I. RESOLUTION(S)

- A. **RESOLUTION 2023 - 73 A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE THE 2024 MUNICIPAL ELECTION(S) VOTE PROCESSING EQUIPMENT USE AND ELECTIONS SERVICES AGREEMENT BETWEEN THE CITY OF PAHOKEE AND PALM BEACH**

COUNTY SUPERVISOR OF ELECTIONS IN THE FORM ATTACHED HERETO AS EXHIBIT “A”; PROVIDING FOR INCORPORATION OF RECITALS PROVIDING FOR AN EFFECTIVE DATE.

Mrs. Norris-Weeks read Resolution 2023 - 73 into the record.

Mr. Lucas gave a brief explanation of Resolution 2023 - 73.

Motion made by Vice Mayor Murvin to approve Resolution 2023 - 73, Seconded by Commissioner Boldin. Mayor Babb called for questions. Motion passed unanimously.

Voting Yea: Mayor Babb, Vice Mayor Murvin, Commissioner Boldin, Commissioner Gonzalez, Commissioner Perez

B. RESOLUTION 2023 - 74 A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE GRANT AGREEMENTS BETWEEN QUALIFIED APPLICANTS AND THE CITY OF PAHOKEE FOR THE COVID-19 RESIDENTIAL UTILITIES AND RENTAL ASSISTANCE PROGRAM AS SET FORTH IN EXHIBIT “A”; PROVIDING FOR AN EFFECTIVE DATE.

Removed.

C. RESOLUTION 2023 -75 A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, AUTHORIZING THE MAYOR TO EXECUTE THE FIRST AMENDMENT TO THE AMENDED AND RESTATED INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF PAHOKEE AND PALM BEACH COUNTY, FOR THE PURPOSE OF FLEET MANAGEMENT SERVICES, ATTACHED HERETO AS EXHIBIT “A”; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR AN EFFECTIVE DATE.

Mrs. Norris-Weeks read Resolution 2023 - 75 into the record.

Mr. Lucas gave a brief explanation of Resolution 2023 - 75.

Motion made by Commissioner Boldin to approve Resolution 2023 - 75, Seconded by Vice Mayor Murvin. Mayor Babb called for questions. A discussion ensued.

Motion passed 4-1.

Voting Yea: Mayor Babb, Vice Mayor Murvin, Commissioner Boldin, Commissioner Gonzalez

Voting Nay: Commissioner Perez

J. NEW BUSINESS *(presentation by city manager of activity or upcoming event, if any)*

1. January 9, 2024 City Commission Meeting Cancellation due to PBC Day 2024

Mr. Lucas requested January 9, 2024 City Commission Meeting to be cancelled due to Palm Beach County Days 2024.

Motion made by Commissioner Gonzalez to approve cancelling the January 9, 2024 City Commission Meeting, Seconded by Commissioner Perez. Mayor Babb called for questions. A discussion ensued. Motion passed unanimously.

Voting Yea: Mayor Babb, Vice Mayor Murvin, Commissioner Boldin, Commissioner Gonzalez, Commissioner Perez

2. Discussion and direction on Representative Rick Roth's recent request for an audit

Mr. Lucas gave a brief overview of the reason Representative Rick Roth requested an audit. A discuss ensued.

K. REPORT OF THE MAYOR

Mayor Babb thanked Aaron Taylor for his comments and congratulated the Pahokee Football Team. Mayor Babb requested a State of the City Address in January. He wished every candidate good luck and wishes everyone a safe and happy holiday.

L. REPORT OF THE CITY MANAGER

Mr. Lucas gave a brief description of upcoming events and project updates.

M. REPORT OF THE CITY ATTORNEY

Mrs. Norris-Weeks gave a brief overview of state oversight and advised this should concern everyone on the commission.

N. FUTURE AGENDA ITEMS OF COMMISSIONERS, IF ANY

Commissioner Boldin requested revisiting the Chamber of Commerce.

Motion made by Commissioner Boldin to approve adding the Chamber of Commerce to future agenda items, Seconded by Commissioner Gonzalez. Mayor Babb called for questions. Motion passed unanimously.

Voting Yea: Mayor Babb, Vice Mayor Murvin, Commissioner Boldin, Commissioner Gonzalez, Commissioner Perez

O. COMMISSIONER COMMENTS AND FOR THE GOOD OF THE ORDER (*community events, feel good announcements, if any*)

Commissioner Gonzalez advised he doesn't see why no one would fight against an audit. Wished everyone a happy holiday and congratulated the City of Pahokee's Football Teams.

Commissioner Boldin advised at some point the commission with have to commit to their duties without taking it personal and escalating the situations.

Commissioner Perez gave her opinion on Commissioner Boldin, gave brief explanation of the reason she ran as a commissioner, and thanked all the coaches.

Vice Mayor Murvin read a letter from the Office of the State Attorney and advised we have to do better as a commission.

P. ADJOURN

Motion made by Commissioner Boldin to adjourn the meeting, Seconded by Vice Mayor Murvin. Mayor Babb called for questions. Motion passed unanimously.

Voting Yea: Mayor Babb, Vice Mayor Murvin, Commissioner Boldin, Commissioner Gonzalez, Commissioner Perez

There being no further business to discuss, Mayor Babb adjourned the meeting at 9:39 PM.

Keith W. Babb, Jr., Mayor

ATTEST: Tijauna Warner, City Clerk

CITY OF PAHOKEE



MINUTES

City Commission Regular Meeting

Wednesday, December 27, 2023, at 3:00 PM

Pahokee Commission Chambers
360 East Main Street
Pahokee, Florida 33476

CITY COMMISSION:

Keith W. Babb, Jr., Mayor
Clara Murvin, Vice Mayor
Derrick Boldin, Commissioner
Juan Gonzalez, Commissioner
Sara Perez, Commissioner

CITY STAFF:

Rodney D. Lucas, City Manager
Tijauna Warner, City Clerk
Burnadette Norris-Weeks, Esq., City Attorney
Joseph R. Martin, Interim Director of Finance

MINUTES

A. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Babb called the meeting to order at 3:05 PM. Vice Mayor Murvin led the invocation, followed by the Pledge of Allegiance.

B. ROLL CALL

PRESENT

Mayor Keith Babb

Vice Mayor Clara Murvin

Commissioner Derrick Boldin

Commissioner Juan Gonzalez

Commissioner Sara Perez

Rodney D. Lucas, City Manager

Burnadette Norris-Weeks, City Attorney (*via telephone*)

Tijauna Warner, City Clerk

C. TOPIC

- 1. RESOLUTION 2023 - 76 A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, AMENDING THE STATE-FUNDED GRANT AGREEMENT BETWEEN THE CITY OF PAHOKEE, FLORIDA AND THE FLORIDA DEPARTMENT OF TRANSPORTATION EXECUTED ON FEBRUARY 21, 2019, ATTACHED HERETO AS EXHIBIT "A"; AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR AN EFFECTIVE DATE.**

Mrs. Norris-Weeks read Resolution 2023 - 76 into the record.

Mr. Lucas gave a brief explanation of Resolution 2023 - 76.

Motion made by Commissioner Murvin to approve Resolution 2023 - 76, Seconded by Commissioner Boldin. Mayor Babb called for questions. A discussion ensued. Motion passed unanimously.

Voting Yea: Mayor Babb, Commissioner Gonzalez, Commissioner Murvin, Commissioner Perez, Commissioner Boldin

D. DISCUSSION, COMMENTS, CONCERNS

None.

E. ADJOURN

Motion made by Commissioner Perez to adjourn the meeting, Seconded by Commissioner Murvin. Motion passed unanimously.

Voting Yea: Mayor Babb, Commissioner Gonzalez, Commissioner Murvin, Commissioner Perez, Commissioner Boldin

There being no further business to discuss, Mayor Babb adjourned the meeting at 3:18 PM.

Keith W. Babb, Jr., Mayor

ATTEST: Tijauna Warner, CMC, City Clerk

ORDINANCE NO. 2023 - 08**AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, ESTABLISHING A POLICY FOR THE DISPOSAL OF CITY-OWNED SURPLUS PROPERTY; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, pursuant to Section 166.021(1), Florida Statutes, municipalities have the power and authority to acquire and dispose of real property and other property declared surplus for a valid municipal purpose; and

WHEREAS, the City Commission of the Pahokee ("City Commission") desires to establish a policy for the disposal of city-owned surplus property determined obsolete or for which the continued use is uneconomical or inefficient, or which serves no useful function; and

WHEREAS, the City Commission further desires to establish a policy wherein the City of Pahokee can account for the sale, trade, donation and/or conveyance of real property and other property declared surplus; and

WHEREAS, any property owned by the City which has become obsolete, or which has outlived its usefulness, or which has become inadequate for the public purposes for which it was intended, or which is no longer needed for public purposes, may be declared surplus property.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, AS FOLLOWS:

Section 1. Adoption of Representations.

The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and the same are hereby made a specific part of this Ordinance.

Section 2.

The City Commission of the City of Pahokee hereby declares that any property owned by the City which has become obsolete, or which has outlived its usefulness, or

which has become inadequate for the public purposes for which it was intended, or which is no longer needed for public purposes, may be disposed of in accordance with the procedures set forth herein.

Section 3.

The City Commission desires to dispose of property in accordance with the following procedures:

1. The City Manager, after evaluation and good faith analysis, shall advise the City Commission in a written memorandum reasons why certain property should be declared surplus property.
2. Once the City Manager prepares a written Memorandum addressed to the Commission, a surplus Resolution shall be prepared by the City Attorney and shall be placed on the next available City Commission Meeting Agenda.
3. Under no circumstances may the City Manager dispose of City-owned property in the absence of a Resolution of the City Commission deeming the subject property as surplus property.
4. The City Manager shall then determine the most appropriate method to dispose of surplus items and report the decision at the next regular City Commission meeting. Such methods may include, but shall not be limited to, the following:
(a) Annual surplus equipment sale; (b) Sale; (c) Trade; (d) Donation.
5. The City Manager may require a surety bond for certain property, as the City Manager may deem appropriate.
6. The City Manager shall then advertise in a newspaper of general circulation that the disposal the surplus will be awarded by sealed bid or auction and awarded to the highest bidder. The City Manager may reject any and all bids as he/she deems appropriate.
7. Proceeds from the sale of the property shall go into the general fund of the City, unless the equipment was acquired by utilizing police forfeiture funds.

Section 4. Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 5. Inclusion in Code.

It is hereby the intention of the Commission of the City of Pahokee and it is hereby provided that the provisions of this Ordinance may become and be made a part of the Code of Pahokee, Florida.

Section 6. Conflict and Repealer.

All ordinances, parts of ordinances or code provisions in conflict herewith are hereby repealed.

Section 7. Effective Date.

This Ordinance shall take effect immediately upon final passage.

PASSED FIRST READING this 12th day of December 2023.

PASSED SECOND READING this 23rd day of January 2023.

ATTEST:

Keith W. Babb, Jr., Mayor

By: _____
Tijauna Warner, CMC, City Clerk

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**

Burnadette Norris-Week, P.A.
City Attorney

Moved by: _____

Seconded by: _____

VOTE:

Commissioner Boldin	_____ (Yes)	_____ (No)
Commissioner Gonzalez	_____ (Yes)	_____ (No)
Commissioner Perez	_____ (Yes)	_____ (No)
Vice-Mayor Murvin	_____ (Yes)	_____ (No)
Mayor Babb	_____ (Yes)	_____ (No)



AGENDA

MEMORANDUM

TO: HONORABLE MAYOR & CITY COMMISSIONERS

VIA: RODNEY LUCAS, CITY MANAGER

FROM: Staff

SUBJECT: Resolution 2024-01 Sovereign Submerged lands lease

DATE: 23 January 2024

GENERAL SUMMARY/BACKGROUND:

The State of Florida is requesting that we sign a 10-year extension of the Sovereign Submerged lands lease that will run from May 13, 2023 to May 13, 2033. The City has done all the repairs required to Docks D, E and F and would like to continue the relationship between City of Pahokee and Florida Department of Environmental Protection and the Board of Trustees of the Internal Improvements Trust Fund of the State of Florida.

BUDGET IMPACT: No Budget Impact

LEGAL NOTE: Defer to the City Attorney.

STAFF RECOMMENDATION: Staff recommends the approval of Resolution 2024-01

ATTACHMENTS:

Resolution 2024-01
Exhibit "A"

RESOLUTION 2024 - 01

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA, AUTHORIZING THE EXECUTION OF A MODIFIED LEASE RENEWAL AGREEMENT TO THE SOVEREIGNTY SUBMERGED LANDS LEASE AGREEMENT #500224016, BETWEEN THE CITY OF PAHOKEE AND THE BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA; PROVIDING FOR ADOPTION OF REPRESENTATIONS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Pahokee ("City") is the owner of a docketing facility located on sovereign submerged lands within the landward extent of Lake Okeechobee, adjacent to City's riparian upland real property; and

WHEREAS, the City desires to continue its use of the sovereign lands and the water column adjacent to the City's riparian upland real property beyond a current lease expiration date of May 13, 2023; and

WHEREAS, specifically, the City desires enter into a modified lease renewal agreement for the term May 13, 2023 through May 13, 2033 pertaining to a sovereignty submerged lands lease agreement between the City of Pahokee and the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida pursuant to the modified terms and conditions set forth in Exhibit "A"; and

WHEREAS, the City Commission finds that extending the Sovereign Submerged lands lease is in the best interest of the City of Pahokee.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PAHOKEE, FLORIDA AS FOLLOWS:

Section 1. Adoption of Representations. The foregoing "Whereas" clauses are hereby ratified and confirmed as being true and the same are hereby made a specific part of this Resolution.

Section 2. Authorization of City Manager. The City Commission of the City of Pahokee, Florida hereby authorizes the execution of a modified lease renewal agreement to the sovereignty submerged lands lease agreement #500224016 between the City of Pahokee and the Board of Trustees of the Internal Improvements Trust Fund of the State of Florida and the State of Florida; as set forth in Exhibit "A" hereto.

Section 3. Necessary and Reasonable Steps. The City Manager is further authorized to take all necessary and reasonable steps to comply with the terms of the Sovereign Submerged lands lease, attached hereto as Exhibit A".

Section 4. Effective Date. This Resolution shall be effective immediately upon its passage and adoption.

PASSED and ADOPTED this 23rd day of January 2024.

Keith W. Babb, Jr., Mayor

ATTEST:

Tijauna Warner, City Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Burnadette Norris-Weeks, P.A.
City Attorney

Moved by: _____
Second by: _____

VOTE:
Commissioner Boldin:
Commissioner Gonzalez:
Commissioner Perez:
Vice Mayor Murvin:
Mayor Babb:

_____ (Yes)	_____ (No)
_____ (Yes)	_____ (No)
_____ (Yes)	_____ (No)
_____ (Yes)	_____ (No)
_____ (Yes)	_____ (No)

This Instrument Prepared By:

Sue Jones

Action No. 46836

Bureau of Public Land Administration

3900 Commonwealth Boulevard

Mail Station No. 125

Tallahassee, Florida 32399

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
OF THE STATE OF FLORIDA

SOVEREIGNTY SUBMERGED LANDS FEE WAIVED LEASE RENEWAL
AND MODIFICATION TO ADD SPECIAL LEASE CONDITION

BOT FILE NO. 500224016

THIS LEASE is hereby issued by the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, hereinafter referred to as the Lessor.

WITNESSETH: That for and in consideration of payment of the annual lease fees hereinafter provided and the faithful and timely performance of and compliance with all terms and conditions stated herein, the Lessor does hereby lease to City of Pahokee, Florida, hereinafter referred to as the Lessee, the sovereignty lands as defined in 18-21.003, Florida Administrative Code, contained within the following legal description:

A parcel of sovereignty submerged land in Section 18, Township 42 South, Range 37 East, in Lake Okeechobee, Palm Beach County, Florida, containing 584,954 square feet, more or less, as is more particularly described and shown on Attachment A, dated November 17, 2015.

TO HAVE THE USE OF the hereinabove described premises from May 13, 2023, the effective date of this modified lease renewal, through May 13, 2033, the expiration date of this modified lease renewal. The terms and conditions on and for which this modified lease renewal is granted are as follows:

1. USE OF PROPERTY: The Lessee is hereby authorized to operate a 112-slip marginal docking facility with boat ramps, boat lifts, a fishing pier and a breakwater to be used exclusively for mooring of governmental, vessels, commercial fishing charters, tour vessels and recreational vessels in conjunction with an upland 112-unit dry storage facility, public recreational development, including a campground, restaurant and boat repair facilities, with fueling facilities, with a sewage pumpout facility if it meets the regulatory requirements of the State of Florida Department of Environmental Protection or State of Florida Department of Health, whichever agency has jurisdiction, and with liveaboards as defined in paragraph 25, as shown and conditioned in Attachment A, and the State of Florida Department of Environmental Protection Consolidated Environmental Resource Permit No. 50-0129049-001-EI, dated April 10, 1998, Modified Permit No. 50-012-049-003, dated February 22, 2001, Modified Permit No. 50-012-049-013, dated January 12, 2007, and Environmental Permit No. 50-0302773, dated November 25, 2015 incorporated herein and made a part of this lease by reference. All of the foregoing subject to the remaining conditions of this lease.

[02/29]

2. AGREEMENT TO EXTENT OF USE: This lease is given to the Lessee to use or occupy the leased premises only for those activities specified herein and as conditioned by the permits referenced in paragraph 1 of this lease. The Lessee shall not (i) change or add to the approved use of the leased premises as defined herein (e.g., from commercial to multi-family residential, from temporary mooring to rental of wet slips, from rental of wet slips to contractual agreement with third party for docking of cruise ships, from rental of recreational pleasure craft to rental or temporary mooring of charter/tour boats, from loading/offloading commercial to rental of wet slips, etc.); (ii) change activities in any manner that may have an environmental impact that was not considered in the original authorization or regulatory permit; or (iii) change the type of use of the riparian uplands or as permitted by the Lessee's interest in the riparian upland property that is more particularly described in Attachment B without first obtaining a regulatory permit/modified permit, if applicable, the Lessor's written authorization in the form of a modified lease, the payment of additional fees, if applicable, and, if applicable, the removal of any structures which may no longer qualify for authorization under the modified lease. If at any time during the lease term this lease no longer satisfies the requirements of subparagraph 18-21.011(1)(b)7., Florida Administrative Code, for a fee waived lease, the Lessee shall be required to pay an annual lease fee in accordance with Rule 18-21.011, Florida Administrative Code, and if applicable, remove any structures which may no longer qualify for authorization under this lease.

3. SUBMITTING ANNUAL CERTIFIED FINANCIAL RECORDS: Within 30 days after each anniversary of the effective date of this lease, the Lessee shall submit annual certified financial records of income and expenses to the State of Florida Department of Environmental Protection, Division of State Lands, Bureau of Public Land Administration, 3900 Commonwealth Blvd, MS 130, Tallahassee, FL 32399. "Income" is defined in subsection 18-21.003(32), Florida Administrative Code. The submitted financial records shall be certified by a certified public accountant.

4. EXAMINATION OF LESSEE'S RECORDS: For purposes of this lease, the Lessor is hereby specifically authorized and empowered to examine, for the term of this lease including any extensions thereto plus three (3) additional years, at all reasonable hours, the books, records, contracts, and other documents confirming and pertaining to the computation of annual lease payments as specified in paragraph two (2) above.

5. MAINTENANCE OF LESSEE'S RECORDS: The Lessee shall maintain separate accounting records for: (i) the gross revenue derived directly from the use of the leased premises, (ii) the gross revenue derived indirectly from the use of the leased premises, and (iii) all other gross revenue derived from the Lessee's operations on the riparian upland property. The Lessee shall secure, maintain and keep all records for the entire term of this lease plus three (3) additional years. This period shall be extended for an additional two (2) years upon request for examination of all records and accounts for lease verification purposes by the Lessor.

6. PROPERTY RIGHTS: The Lessee shall make no claim of title or interest to said lands hereinbefore described by reason of the occupancy or use thereof, and all title and interest to said land hereinbefore described is vested in the Lessor. The Lessee is prohibited from including, or making any claim that purports to include, said lands described or the Lessee's leasehold interest in said lands into any form of private ownership, including but not limited to any form of condominium or cooperative ownership. The Lessee is further prohibited from making any claim, including any advertisement, that said land, or the use thereof, may be purchased, sold, or re-sold.

7. INTEREST IN RIPARIAN UPLAND PROPERTY: During the term of this lease, the Lessee shall maintain satisfactory evidence of sufficient upland interest as required by paragraph 18-21.004(3)(b), Florida Administrative Code, in the riparian upland property that is more particularly described in Attachment B and by reference made a part hereof together with the riparian rights appurtenant thereto. If such interest is terminated or the Lessor determines that such interest did not exist on the effective date of this lease, this lease may be terminated at the option of the Lessor. If the Lessor terminates this lease, the Lessee agrees not to assert a claim or defense against the Lessor arising out of this lease. Prior to sale and/or termination of the Lessee's interest in the riparian upland property, the Lessee shall inform any potential buyer or transferee of the Lessee's interest in the riparian upland property and the existence of this lease and all its terms and conditions and shall complete and execute any documents required by the Lessor to effect an assignment of this lease, if consented to by the Lessor. Failure to do so will not relieve the Lessee from responsibility for full compliance with the terms and conditions of this lease which include, but are not limited to, payment of all fees and/or penalty assessments incurred prior to such act.

8. ASSIGNMENT OF LEASE: This lease shall not be assigned or otherwise transferred without prior written consent of the Lessor or its duly authorized agent. Such assignment or other transfer shall be subject to the terms, conditions and provisions of this lease, current management standards and applicable laws, rules and regulations in effect at that time. Any assignment or other transfer without prior written consent of the Lessor shall be null and void and without legal effect.

9. LIABILITY/INVESTIGATION OF ALL CLAIMS: The Lessee shall investigate all claims of every nature at its expense. Each party is responsible for all personal injury and property damage attributable to the negligent acts or omissions of that party and the officers, employees and agents thereof. Nothing herein shall be construed as an indemnity or a waiver of sovereign immunity enjoyed by any party hereto, as provided in Section 768.28, Florida Statutes, as amended from time to time, or any other law providing limitations on claims.

10. NOTICES/COMPLIANCE/TERMINATION: The Lessee binds itself, its successors and assigns, to abide by the provisions and conditions herein set forth, and said provisions and conditions shall be deemed covenants of the Lessee, its successors and assigns. In the event the Lessee fails or refuses to comply with the provisions and conditions herein set forth, or in the event the Lessee violates any of the provisions and conditions herein set forth, and the Lessee fails or refuses to comply with any of said provisions or conditions within twenty (20) days of receipt of the Lessor's notice to correct, this lease may be terminated by the Lessor upon thirty (30) days written notice to the Lessee. If canceled, all of the above-described parcel of land shall revert to the Lessor. All notices required to be given to the Lessee by this lease or applicable law or administrative rules shall be sufficient if sent by U.S. Mail to the following address:

City of Pahokee
207 Begonia Dr
Pahokee , FL 33476

The Lessee shall notify the Lessor by certified mail of any change to this address at least ten (10) days before the change is effective.

11. TAXES AND ASSESSMENTS: The Lessee shall assume all responsibility for liabilities that accrue to the subject property or to the improvements thereon, including any and all drainage or special assessments or taxes of every kind and description which are now or may be hereafter lawfully assessed and levied against the subject property during the effective period of this lease.

12. NUISANCES OR ILLEGAL OPERATIONS: The Lessee shall not permit the leased premises or any part thereof to be used or occupied for any purpose or business other than herein specified unless such proposed use and occupancy are consented to by the Lessor and the lease is modified accordingly, nor shall Lessee knowingly permit or suffer any nuisances or illegal operations of any kind on the leased premises.

13. MAINTENANCE OF FACILITY/RIGHT TO INSPECT: The Lessee shall maintain the leased premises in good condition, keeping the structures and equipment located thereon in a good state of repair in the interests of public health, safety and welfare. No dock or pier shall be constructed in any manner that would cause harm to wildlife. The leased premises shall be subject to inspection by the Lessor or its designated agent at any reasonable time.

14. NON-DISCRIMINATION: The Lessee shall not discriminate against any individual because of that individual's race, color, religion, sex, national origin, age, handicap, or marital status with respect to any activity occurring within the area subject to this lease or upon lands adjacent to and used as an adjunct of the leased area.

15. ENFORCEMENT OF PROVISIONS: No failure, or successive failures, on the part of the Lessor to enforce any provision, nor any waiver or successive waivers on its part of any provision herein, shall operate as a discharge thereof or render the same inoperative or impair the right of the Lessor to enforce the same upon any renewal thereof or in the event of subsequent breach or breaches.

16. PERMISSION GRANTED: Upon expiration or cancellation of this lease all permission granted hereunder shall cease and terminate.

17. RENEWAL PROVISIONS: Renewal of this lease shall be at the sole option of the Lessor. Such renewal shall be subject to the terms, conditions and provisions of management standards and applicable laws, rules and regulations in effect at that time. In the event that the Lessee is in full compliance with the terms of this lease, the Lessor will begin the renewal process. The term of any renewal granted by the Lessor shall commence on the last day of the previous lease term. In the event the Lessor does not grant a renewal, the Lessee shall vacate the leased premises and remove all structures and equipment occupying and erected thereon at its expense. The obligation to remove all structures authorized herein upon termination of this lease shall constitute an affirmative covenant upon the Lessee's interest in the riparian upland property more particularly described in Attachment B which shall run with the title to the Lessee's interest in said riparian upland property and shall be binding upon the Lessee and the Lessee's successors in title or successors in interest.

18. REMOVAL OF STRUCTURES/ADMINISTRATIVE FINES: If the Lessee does not remove said structures and equipment occupying and erected upon the leased premises after expiration or cancellation of this lease, such structures and equipment will be deemed forfeited to the Lessor, and the Lessor may authorize removal and may sell such forfeited structures and equipment after ten (10) days written notice by certified mail addressed to the Lessee at the address specified in Paragraph 10 or at such address on record as provided to the Lessor by the Lessee. However, such remedy shall be in addition to all other remedies available to the Lessor under applicable laws, rules and regulations including the right to compel removal of all structures and the right to impose administrative fines.

19. REMOVAL COSTS/LIEN ON RIPARIAN UPLAND PROPERTY: Subject to the noticing provisions of Paragraph 18 of this lease, any costs incurred by the Lessor in removal of any structures and equipment constructed or maintained on state lands shall be paid by Lessee and any unpaid costs and expenses shall constitute a lien upon the Lessee's interest in the riparian upland property that is more particularly described in Attachment B. This lien on the Lessee's interest in the riparian upland property shall be enforceable in summary proceedings as provided by law.

20. RIPARIAN RIGHTS/FINAL ADJUDICATION: In the event that any part of any structure authorized hereunder is determined by a final adjudication issued by a court of competent jurisdiction to encroach on or interfere with adjacent riparian rights, Lessee agrees to either obtain written consent for the offending structure from the affected riparian owner or to remove the interference or encroachment within 60 days from the date of the adjudication. Failure to comply with this paragraph shall constitute a material breach of this lease agreement and shall be grounds for immediate termination of this lease agreement at the option of the Lessor.

21. AMENDMENTS/MODIFICATIONS: This lease is the entire and only agreement between the parties. Its provisions are not severable. Any amendment or modification to this lease must be in writing, must be accepted, acknowledged and executed by the Lessee and Lessor, and must comply with the rules and statutes in existence at the time of the execution of the modification or amendment. Notwithstanding the provisions of this paragraph, if mooring is authorized by this lease, the Lessee may install boatlifts within the leased premises without formal modification of the lease provided that (a) the Lessee obtains any state or local regulatory permit that may be required; and (b) the location or size of the lift does not increase the mooring capacity of the docking facility.

22. ADVERTISEMENT/SIGNS/NON-WATER DEPENDENT ACTIVITIES/ADDITIONAL ACTIVITIES/MINOR STRUCTURAL REPAIRS: No permanent or temporary signs directed to the boating public advertising the sale of alcoholic beverages shall be erected or placed within the leased premises. No restaurant or dining activities are to occur within the leased premises. The Lessee shall ensure that no permanent, temporary or floating structures, fences, docks, pilings or any structures whose use is not water-dependent shall be erected or conducted over sovereignty submerged lands without prior written consent from the Lessor. No additional structures and/or activities including dredging, relocation/realignment or major repairs or renovations to authorized structures, shall be erected or conducted on or over sovereignty, submerged lands without prior written consent from the Lessor. Unless specifically authorized in writing by the Lessor, such activities or structures shall be considered unauthorized and a violation of Chapter 253, Florida Statutes, and shall subject the Lessee to administrative fines under Chapter 18-14, Florida Administrative Code. This condition does not apply to minor structural repairs required to maintain the authorized structures in a good state of repair in the interests of public health, safety or welfare; provided, however, that such activities shall not exceed the activities authorized by this lease.

23. USACE AUTHORIZATION: Prior to commencement of construction and/or activities authorized herein, the Lessee shall obtain the U.S. Army Corps of Engineers (USACE) permit if it is required by the USACE. Any modifications to the construction and/or activities authorized herein that may be required by the USACE shall require consideration by and the prior written approval of the Lessor prior to the commencement of construction and/or any activities on sovereign, submerged lands.

24. COMPLIANCE WITH FLORIDA LAWS: On or in conjunction with the use of the leased premises, the Lessee shall at all times comply with all Florida Statutes and all administrative rules promulgated thereunder. Any unlawful activity which occurs on the leased premises or in conjunction with the use of the leased premises shall be grounds for the termination of this lease by the Lessor.

25. LIVEABOARDS: The term "liveaboard" is defined as a vessel docked at the facility and inhabited by a person or persons for any five (5) consecutive days or a total of ten (10) days within a thirty (30) day period. If liveaboards are authorized by paragraph one (1) of this lease, in no event shall such "liveaboard" status exceed six (6) months within any twelve (12) month period, nor shall any such vessel constitute a legal or primary residence.

26. GAMBLING VESSELS: During the term of this lease and any renewals, extensions, modifications or assignments thereof, Lessee shall prohibit the operation of or entry onto the leased premises of gambling cruise ships, or vessels that are used principally for the purpose of gambling, when these vessels are engaged in "cruises to nowhere," where the ships leave and return to the state of Florida without an intervening stop within another state or foreign country or waters within the jurisdiction of another state or foreign country, and any watercraft used to carry passengers to and from such gambling cruise ships.

27. SPECIAL LEASE CONDITIONS:

A. Within 60 days after the Lessor's execution of this lease, the Lessee shall install and display permanent manatee educational signs that provide information on the mannerisms of manatees and the potential threat to this endangered species from boat operation. The Lessee shall maintain these signs during the term of this lease and all subsequent renewal terms and shall be required to replace the signs in the event they become faded, damaged or outdated. The Lessee shall ensure that the view of the signs is not obstructed by vegetation or structures. The number, type, and procedure for installation of these signs shall be in accordance with the handout, "Manatee Educational Signs," which can be obtained from the Florida Fish and Wildlife Conservation Commission, Imperiled Species Management Section, 620 S. Meridian Street – 6A, Tallahassee, Florida 32399-1600 (Phone 850/922-4330).

B. The Lessee shall develop and implement a Florida Fish and Wildlife Conservation Commission (FWC) approved marina educational program (which includes, at a minimum, permanent manatee educational signs, speed zone booklets, and manatee education brochures) at a centralized display no later than 30 days prior to completion of construction of the docking facility. The Lessee must maintain this education program during the term of this lease and all subsequent renewal terms. The Lessee will be responsible for the cost of the educational materials. The Lessee shall develop this educational program with the assistance of FWC. FWC shall approve this educational plan prior to its implementation. Marina educational program guidelines can be found at <http://myfwc.com/manatee/signs/Educationplan.pdf>, or can be obtained from FWC. Contact the Florida Fish and Wildlife Conservation Commission, Imperiled Species Management Section at 620 South Meridian Street, 6A, Tallahassee, Florida 32399-1600 (850-922-4330).

C. The Lessee shall prohibit mooring, on either a temporary or permanent basis, to the northeastern rock breakwater, access walkway or terminal platform of the fishing pier. To ensure compliance, the Lessee shall place and maintain signs advising boaters that mooring at the above described locations, on either a temporary or permanent basis, is prohibited.

D. A minimum of ninety percent (90%) of the wet slips at the docking facility shall be made available for rent to the general public on a “first come, first served” basis, as defined in Rule 18-21.003, Florida Administrative Code, with no longer than one-year rental terms and with no automatic renewal rights or conditions. To help ensure compliance with and to assist in providing public awareness of this requirement, the Lessee shall erect permanent signs at the waterward entrance to the docking facility that are clearly visible to passing boaters and at the upland entrance to the docking facility that are clearly visible to the general public. The signs shall contain language clearly indicating that a minimum of ninety percent (90%) of the wet slips at the docking facility are available for rent to the general public. Any dockage rate sheet publications and dockage advertising for the docking facility shall clearly state that a minimum of ninety percent (90%) of the wet slips at the docking facility are open to the general public on a “first come, first served” basis.

E. The Lessee shall provide and make available to all vessels utilizing the docking facility operational and well maintained sewage pumpout facilities acceptable to the State of Florida Department of Environmental Protection or State of Florida Department of Health, whichever agency has jurisdiction.

F. The Lessee and marina operations staff shall inform all wet slip occupants in writing of the availability and requirement to use the sewage pumpout facilities provided on the uplands.

G. For vessels with functional heads without holding tanks, the Lessee shall affix an approved seal (e.g., the type used on water meters) on the closed sea cock of each liveaboard vessel that will remain in the wet slip for more than seven consecutive days. The Lessee shall inspect these seals each 30 days (to assure that the sea cock remains closed) and record this in a log which will remain available for inspection by regulatory agencies, during normal working hours.

The Log entries shall include the following:

- a. date of inspection;
- b. an entry that the seal has remained intact;
- c. identification of the vessel (e.g., name, number); and
- d. signature of the inspector

[Remainder of page intentionally left blank; Signature page follows]

IN WITNESS WHEREOF, the Lessor and the Lessee have executed this instrument on the day and year first above written.

WITNESSES:

Original Signature

Print/Type Name of Witness

Original Signature

Print/Type Name of Witness

BOARD OF TRUSTEES OF THE INTERNAL
IMPROVEMENT TRUST FUND OF THE STATE
OF FLORIDA

(SEAL)

BY: _____
Callie DeHaven, Director, Division of State Lands
State of Florida Department of Environmental Protection, as
agent for and on behalf of the Board of Trustees of the Internal
Improvement Trust Fund of the State of Florida

"LESSOR"

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me by means of ____ physical presence or ____ online notarization, this day of _____, 20____, by Callie DeHaven, Director, Division of State Lands, State of Florida Department of Environmental Protection, as agent for and on behalf of the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida. She is personally known to me.

APPROVED SUBJECT TO PROPER EXECUTION:
 3/8/2023

DEP Attorney Date

Notary Public, State of Florida

Printed, Typed or Stamped Name

My Commission Expires:

Commission/Serial No. _____

WITNESSES: City of Pahokee, Florida (SEAL)

_____	BY: _____
Original Signature	Original Signature of Executing Authority
_____	<u>Keith W. Babb</u>
Typed/Printed Name of Witness	Typed/Printed Name of Executing Authority
_____	<u>Mayor</u>
Original Signature	Title of Executing Authority

Typed/Printed Name of Witness	“LESSEE”

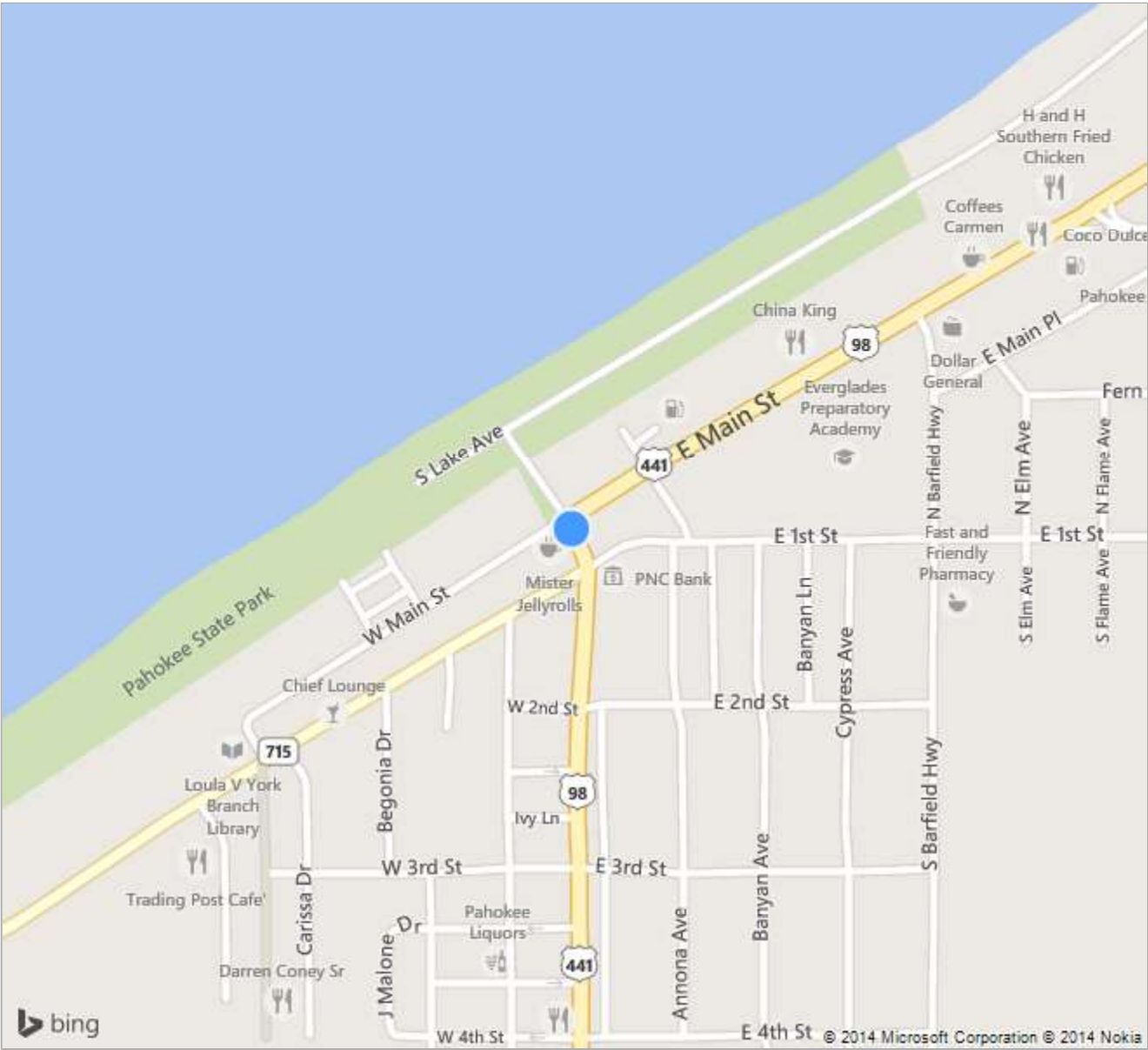
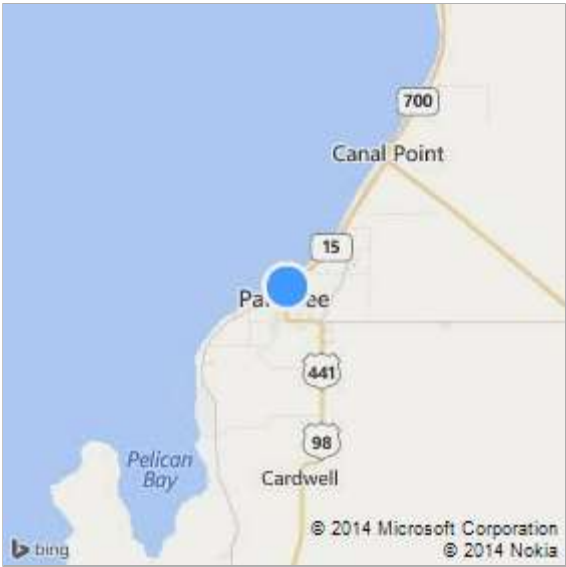
STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of __ physical presence or __online notarization this _____ day of _____, 20_____, by Keith W. Babb as Mayor, for and on behalf of City of Pahokee, Florida. He is personally known to me or who has produced _____, as identification.

My Commission Expires:	_____
	Signature of Notary Public
_____	Notary Public, State of _____
Commission/Serial No. _____	_____
	Printed, Typed or Stamped Name



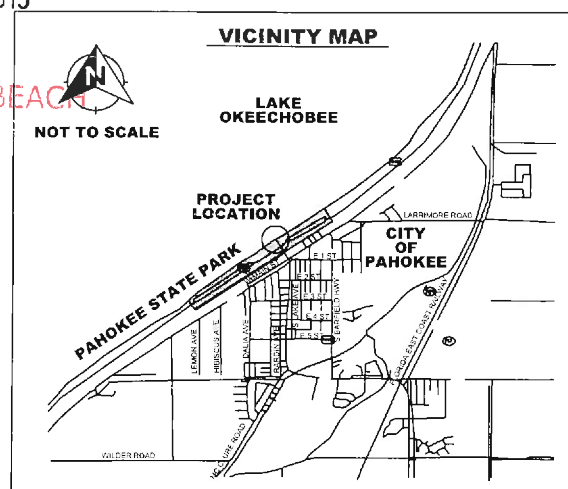
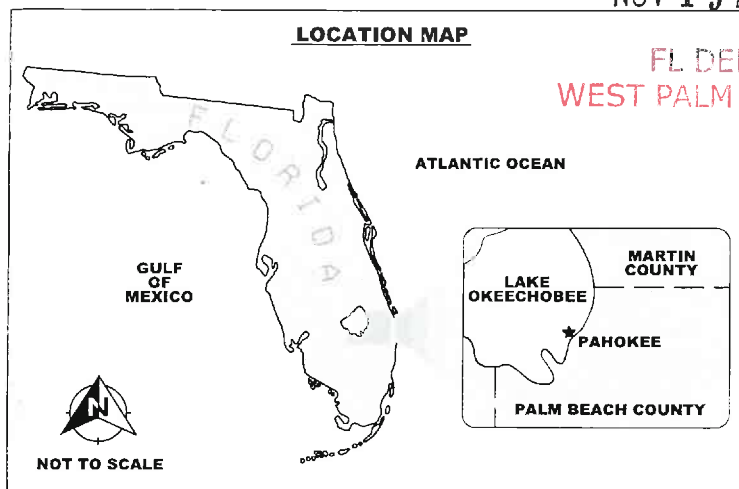
190 N Lake Ave, Pahokee, FL 33476



RECEIVED

Section I, Item A.

NOV 19 2015

**LEGAL DESCRIPTION**

A PORTION OF SUBMERGED LAND LYING IN LAKE OKEECHOBEE AND NORTHERLY OF FRACTIONAL SECTION 18, TOWNSHIP 42 SOUTH, RANGE 37 EAST, CITY OF PAHOKEE, PALM BEACH COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN INTERSECTION OF THE WATERS EDGE OF LAKE OKEECHOBEE AND A LINE PARALLEL WITH AND OFFSET SOUTHWESTERLY 80.00 FEET, AS MEASURED AT RIGHT ANGLES, TO THE SOUTHWESTERLY BULKHEAD (BREAKWATER) LINE OF THE CITY OF PAHOKEE MARINA; THENCE ALONG SAID PARALLEL LINE ON AN ASSUMED BEARING OF N 33°03'31" W, FOR A DISTANCE OF 417.8 FEET MORE OR LESS, TO A POINT ON A LINE, SAID LINE BEING THE SOUTHWESTERLY EXTENSION OF A LINE OFFSET NORTHWESTERLY 25.00 FEET, AS MEASURED AT RIGHT ANGLES, TO THE NORTHWESTERLY BULKHEAD (BREAKWATER) LINE OF SAID CITY OF PAHOKEE MARINA; THENCE N 56°53'48" E, ALONG SAID PARALLEL LINE, FOR A DISTANCE OF 1306.0 FEET; THENCE S 33°03'31" E FOR A DISTANCE OF 479.4' MORE OR LESS TO THE EDGE OF WATER OF SAID LAKE OKEECHOBEE; THENCE IN A SOUTHWESTERLY DIRECTION ALONG SAID WATERS EDGE A DISTANCE OF 1375.0 FEET MORE OR LESS TO THE POINT OF BEGINNING.

SAID LANDS CONTAINING 13.429 ACRES (584,954 SQ.FT.), MORE OR LESS.

NOTES:

1. REFER TO SEA DIVERSIFIED, INC., PROJECT NUMBER 15-2999 (ORIGINAL P.N. 04-544).
2. THIS SPECIAL PURPOSE SURVEY IS FOR A MODIFICATION TO LEASE NO. 500224016 FOR THE RECONFIGURATION OF THE NORTH BREAKWATER AND ADDITION OF ROCK WAVE ATTENUATION SYSTEMS.
3. PLANE COORDINATES PROVIDED HEREON ARE IN FEET AND RELATIVE TO THE NORTH AMERICAN DATUM OF 1983 (NAD 83), TRANSVERSE MERCATOR PROJECTION FOR FLORIDA, EAST ZONE (0901).
4. RIGHTS-OF-WAY INFORMATION WAS OBTAINED FROM THE UNITED STATES CORPS OF ENGINEERS CONTROL MAPS ENTITLED, "HERBERT HOOVER DIKE LEVEE D9 CONTROL", DATED JANUARY 1968, D. O. FILE NO. 400-30,220, SHEETS 16 & 17.
5. THE FOLLOWING SKETCH HAS BEEN PREPARED TO DEPICT THE LOCATION OF THE EXISTING AND PROPOSED MARINA IMPROVEMENTS (FDEP FILE NUMBER 50-0129049-009) RELATIVE TO THE EXISTING PERMIT AREA ISSUED BY THE TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA TO THE CITY OF PAHOKEE AS RECORDED IN DEED 1164, PAGE 464, PALM BEACH COUNTY RECORDS.
6. THIS IS NOT A BOUNDARY SURVEY. THIS IS A FIELD SURVEY WITH FIELD MEASUREMENTS OBTAINED AS REQUIRED TO SATISFY THE REQUIREMENTS OF SLR 0950.
7. THIS SURVEY IS NOT VALID WITHOUT THE ORIGINAL SIGNATURE AND RAISED EMBOSSED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

WILLIAM T. SADLER JR., P.E., P.S.M.
FLORIDA PROFESSIONAL SURVEYOR AND MAPPER
FLORIDA REGISTRATION NUMBER 5859
SEA DIVERSIFIED, INC.
FLORIDA AUTHORIZATION NUMBER LB7342

CERTIFIED TO THE BOARD OF TRUSTEES OF THE INTERNAL
IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA

**SPECIFIC PURPOSE
SURVEY**

**SUBMERGED LAND
LEASE MODIFICATION**

CITY OF PAHOKEE MARINA
PALM BEACH COUNTY, FLORIDA

Prepared for:
CITY OF PAHOKEE
171 NORTH LAKE AVENUE
PAHOKEE, FLORIDA 33476

Revisions:

NOV. 24, 2006-MODIFIED MARINA DESIGN
MAY 18, 2015-UPDATE LEASE, BREAKWATER MOD.
AND WAVE ATTENUATORS
AUG. 21, 2015, UPDATE LEASE PER FDEP COMMENTS
NOV. 17, 2015 - MODIFY LEASE DESCRIPTION



SEA DIVERSIFIED, INC.
21 NW 2nd STREET
Delray Beach, Florida 33444

561-243-4920

Orig. Date: FEB. 2005
Updated: MAY 2015
Checked by: W.T.S.
Scale: N.T.S.

Sheet:
1 OF 2
CADD ID:

**EXISTING AND PROPOSED MARINA
IMPROVEMENTS REFERENCE FILES**
FDEP #50-0129049-008
FDEP #50-0129049-009
FDEP #50-0129049-010
FDEP #50-0302773-003 (PENDING)



POB-POINT OF BEGINNING
ORB-OFFICIAL RECORDS BOOK
PSM-PROFESSIONAL SURVEYOR AND MAPPER
NGVD-NATIONAL GEODETIC VERTICAL DATUM, 1929
DEP-DEPARTMENT OF ENVIRONMENTAL PROTECTION

SUBMERGED LAND LEASE MODIFICATION

PALM BEACH COUNTY, FLORIDA

Revisions:

NOV. 24, 2006-MODIFIED MARINA DESIGN
MAY 18, 2015-UPDATE LEASE, BREAKWATER MOD.
AND WAVE ATTENUATORS
SEPT. 2015-ADD STRUCTURE DIMENSIONS
-ADD APPROXIMATE SHORELINE
NOV. 17, 2015-MODIFY LEASE BOUNDARY



Orig. Date:	FEB. 2005
Updated:	MAY 2015
Checked by:	W.T.S.
Scale:	1" = 200'

2 OF 2

sl.Pahokee.sheet 2.Mod.11.17.15.dgn 11/18/2015 3:32:19 PM SEA DIVERSIFIED INC.

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

SA 17
T 42 S
R 37 E

LEASE AGREEMENT

(1) 3471

No. 3471

The Board of Trustees of the Internal Improvement Trust Fund of the State of Florida is authorized in Section 253.03, Florida Statutes, to enter into leases for the use, benefit and possession of public lands by local governments which may properly use and possess them for the benefit of the people of the State of Florida as specified in the following lease.

This agreement is made between the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA, as LESSOR, and the City of Pahokee, as LESSEE.

The parties, for and in consideration of mutual covenants and agreements hereinafter contained, hereby covenant and agree as follows:

1. The Lessor does hereby lease to the Lessee the following described property in the County of Palm Beach, State of Florida, together with the improvements thereon, as applicable, and subject to all existing encumbrances, viz:

(Exhibit A - attached)

TO HAVE AND TO HOLD the above described land for a period of Thirty (30) years for development and management for public outdoor recreation and related purposes.

2. The Lessee shall, through its agents and employees prevent the unauthorized use of said land or any use thereof not in conformity with this lease.

3. The Lessor does not warrant or guarantee title, right or interest in the hereinabove described property.

4. A Management Plan for this tract shall be prepared by the Lessee, in accordance with Section 253.034, Florida Statutes, within 12 months of the execution date of this Lease and shall be submitted

No. 3471

to the Board for approval through State Lands, acting as agent for the Board. The approved Management Plan shall provide the basic guidance for all management activities and shall be reviewed jointly by the Lessee and the Board at least every five (5) years. The Lessee shall not use or alter the property except as provided for in the approved Management Plan without the advance written approval of State Lands, as agent for the Board.

5. The Lessor or its duly authorized agents shall have the right at any time to inspect the said land and the works and operations thereon of the Lessee, or its subagent when applicable, in any matter pertaining to this agreement.

6. The Lessee hereby agrees, immediately upon execution of this Lease Agreement, to bind adequate fire, extended risk and liability insurance coverage from a financially-responsible insurer duly authorized to do business in the State of Florida, and will at that time notify the Lessor in writing of the amount of coverage, the insurance agent and company writing the coverage, which will be submitted to the following: Bureau of State Lands Management, Department of Natural Resources, 3700 Commonwealth Boulevard, Tallahassee, Florida 32303. Lessee will make arrangements with the insurance agent to have the Lessor annually receive a copy of the issued insurance policy. Lessee further agrees to immediately notify the Lessor and the insurance agent of any erection or removal of any building or other improvement on subject land and any changes affecting the value of any improvements and to request said agent to make adequate changes in the coverage to reflect the changes in value. Said Lessee agrees to be financially responsible for any loss due to failure to obtain adequate insurance coverage.

7. The Lessee hereby covenants and agrees to investigate all claims of every nature at its own expense and to indemnify, protect, defend, hold and save harmless the Lessor from any and all claims, actions, lawsuits and demands of any kind or nature arising out of

No. 3471

this agreement to the extent allowable by law.

8. The Lessee agrees to assume all responsibility for liabilities that accrue to the subject property or to the improvements thereon, including any and all drainage or special assessments or taxes of every kind and description which are now or may be hereafter lawfully assessed and levied against the subject property during the effective period of this lease.

9. The lessee shall not discriminate against any person or persons because of race, creed, color, sex, national origin or location of residency in the conduct of its operations hereunder.

10. This agreement is for the purposes specified herein, and subleases of any nature, are prohibited, unless previously authorized by the Lessor.

11. This lease agreement may be terminated by mutual agreement of the parties hereto. However, the lease agreement shall be terminated at the option of the Lessor when and if the said premises, including land and improvements, shall cease to be used for outdoor recreation purposes. The Lessee shall upon termination surrender the premises.

12. Upon cessation of occupation of said property, the Lessee agrees to leave all fixed improvements for the use of the Lessor and to put no claim upon said fixed improvements. Any costs arising out of the enforcement of the terms of this lease agreement shall be the exclusive obligation of the Lessee, payable upon demand of the Lessor.

13. The Lessee hereby agrees to require that, in the event no further use of this parcel or any part thereof is needed, the lessee shall give notification to the Division of State Lands, 3900 Commonwealth Boulevard, Tallahassee, Florida 32303 at least six (6) months prior to the release of any or all of the premises. Notification will include a legal description, the lease number, and an explanation of the release.

No. 3471

IN TESTIMONY WHEREOF, the lawfully designated agent of the Board of Trustees of the Internal Improvement Trust Fund has hereunto subscribed his name and has caused the official seal of said Board to be hereunto affixed, in the City of Tallahassee, Florida, on the 15th day of December, A.D. 1986.

Approved as to Form and
Legality

By: Darryl L. Heiser

By: 

EXECUTIVE DIRECTOR, DEPARTMENT
OF NATURAL RESOURCES AS AGENT
FOR THE BOARD OF TRUSTEES OF
THE INTERNAL IMPROVEMENT TRUST
FUND OF THE STATE OF FLORIDA

Approved for Compliance
with Chapter 253.03, F.S.

By: Steve Calaway

Betty J. Meloy
WITNESS

By: Alvin Davis

Title: Acting Mayor
FOR THE CITY OF PAHOKEE

Conroy S. Murphy
WITNESS

EXHIBIT "A"

A tract of land describing all that portion of the Herbert Hoover Dike Levee D-9 lying between the southeasterly right of way line and the waters of Lake Okeechobee from station 108+69.5 to station 163+06.5, all according to the right of way map prepared by the Central and Southern Florida Flood Control District, DWG. No. L-D9-2, more particularly described as follows:

Commencing at the Southwest Corner of fractional Section 18, Township 42 South, Range 37 East, Palm Beach County, Florida; thence North $0^{\circ} 26' 16''$ West, along the West line of said Section 18, a distance of 1910.19 feet to a point on the southeasterly right of way line of the Herbert Hoover Dike Levee D-9, a works of the Central and Southern Florida Flood Control District, as now laid out and in use, said point being station 99+65.03; thence North $57^{\circ} 00' 48''$ East, along the said right of way line, a distance of 904.47 feet to the Point of Beginning, said point being station 108+69.50; thence continue North $57^{\circ} 00' 48''$ East, along the said right of way line, a distance of 3486.18 feet to a point, said point being station 143+55.68; thence North $59^{\circ} 06' 15''$ East, along the said right of way line, a distance of 1950.82 feet to a point, said point being station 163+06.50; thence North $30^{\circ} 53' 45''$ West, to the waters edge of Lake Okeechobee; thence in a southwesterly direction, along the waters edge of Lake Okeechobee, to a point on a line (said line bearing North $32^{\circ} 59' 12''$ West from the Point of Beginning above described); thence South $32^{\circ} 59' 12''$ East to the Point of Beginning, said point being station 108+69.50. Containing 30 acres, more or less.

NO. 3471
EXHIBIT A
PAGE 1 OF 1

(2) 3471

ATL8101

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

AMENDMENT NO. 1 TO LEASE NUMBER 3471

THIS LEASE AMENDMENT is entered into this 2nd day of June, 1994, by and between the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA, hereinafter referred to as "LESSOR", and the CITY OF PAHOKEE, hereinafter referred to as "LESSEE";

W I T N E S S E T H

WHEREAS, LESSOR, by virtue of Section 253.03, Florida Statutes, holds title to certain lands and property for the use and benefit of the State of Florida; and

WHEREAS, on December 15, 1986, LESSOR and LESSEE entered into Lease No. 3471;

WHEREAS, LESSOR and LESSEE desire to amend the lease to add land to the leased property;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. The legal description of the leased premises set forth in Exhibit A of Lease No. 3471 is hereby amended to include the real property described in Exhibit "A", a copy of which is attached hereto and by reference made a part hereof.

2. The following special conditions are understood and agreed by the LESSOR and LESSEE:

- A. LESSEE shall develop, at its expense, ten (10) camp sites on the herein described lease premises. These sites will be grouped at the northern end of the camping area and shall be restricted to non-motorized users. This camping area should only be

cleared to the degree necessary to support a tent pad and picnic table, and should be placed radiant to a centralized picnic shelter. Potable water and a convenient rest room facility is to be constructed on site. An specific area shall be designated in the event of an overflow of non-motorized campers.

B. LESSEE shall provide parking for trail users at some designated trailhead site, to be located adjacent to main the access road leading to the Hoover Dikey. The LESSEE shall construct a sign designating the area as a trailhead site and informing visitors of available parking.

C. LESSEE shall plan the remaining camping area for vehicular campers so that travel on the top of the Hoover Dikey within the camping area is kept to a minimum, so as to minimizes conflict with the non-motorized users.

3. It is understood and agreed by LESSOR and LESSEE that in each and every respect the terms of the Lease No. 3471 except as amended hereby, shall remain unchanged and in full force and effect and the same are hereby ratified, approved and confirmed by LESSOR and LESSEE.

IN WITNESS WHEREOF, the parties have caused this Lease Amendment to be executed on the day and year first above written.

BOARD OF TRUSTEES OF THE INTERNAL
IMPROVEMENT TRUST FUND OF THE
STATE OF FLORIDA

Odessa Hunter
Witness
Odessa Hunter
Printed/typed
Gloria Maddox
Witness
Gloria Maddox
Printed/typed

By: Daniel T. Crabb (SEAL)
CHIEF, BUREAU OF LAND
MANAGEMENT SERVICES, DIVISION
OF STATE LANDS, DEPARTMENT OF
ENVIRONMENTAL PROTECTION

"LESSOR"

STATE OF FLORIDA
COUNTY OF LEON

2nd The foregoing instrument was acknowledged before me this
day of June, 1994 by Daniel T. Crabb, as Chief,
Bureau of Land Management Services, Division of State Lands,
Department of Environmental Protection, who is personally known
to me and who did not take an oath.

My Commission Expires:



SYLVIA Y. SCOTT
MY COMMISSION # CC295550 EXPIRES
JULY 25, 1997
BONDED THRU TROY FARM INSURANCE, INC.

Sylvia Y. Scott
Notary Public, State of Florida
Printed, typed or stamped name:

Sylvia Y. Scott

CC295550

(Serial Number, if any)

Approved as to Form and Legality

By: [Signature]
DEP Attorney

CITY OF PAHOKEE

[Signature]
Witness
KENNETH M. SCHENCK JR.
Printed/typed
GAYLE PRIGNANO
Witness
GAYLE PRIGNANO
Printed/typed

By: [Signature] (SEAL)
Its: MAYOR

"LESSEE"

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this
16th day of May, 1994 by Ramon Horta, Jr.
as Mayor of Pahokee, who is personally known to
me or has produced _____ as identification.

My Commission Expires:

Debra Palmer
Notary Public, State of Florida
Printed, typed or stamped name:

Debra Palmer

Notary Public, State of Florida
My Commission Expires Oct. 4, 1994

(Serial Number, if any)

CC052991

EXHIBIT "A"

Legal Description of the Leased Property

A parcel of land lying within the United States Levee Right-of-Way of Lake Okeechobee, said land situate in Section 13, Township 42 South, Range 36 East; and Section 18, Township 42 South, Range 37 East, City of Pahokee, Palm Beach County, Florida, and being more particularly described as follows:

Commencing at the Southeast corner of said Section 13: thence north 00 degrees 41' 02" west along the east line of said Section 13, a distance of 1954.38 feet to the point of beginning; thence south 56 degrees 56' 31" west, a distance of 1328.40 feet; thence north 33 degrees, 29' 54" west, a distance of 352.17 feet; thence north 58 degrees 49' 58" east along the shore line of said Lake Okeechobee, a distance of 1523.33 feet to a point on the said east line of Section 13 and the west line of said Section 18; thence continue along said line north 54 degrees 27' 10" east, a distance of 695.07 feet; thence south 32 degrees 53' 04" east, a distance of 334.56 feet; thence south 57 degrees 06' 09" west, a distance of 884.80 feet to a point on the said west line of Section 18 and the point of beginning of the herein described parcel.

Said parcel containing 16.49 acres, more or less.

(2) 3471

ATL1

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT
TRUST FUND OF THE STATE OF FLORIDA

AMENDMENT NUMBER 2 TO LEASE NUMBER 3471

CITY CAMPGROUND

THIS LEASE AMENDMENT is entered into this 23rd day of August, 2021, by and between the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA, hereinafter referred to as "LESSOR" and the CITY OF PAHOKEE, FLORIDA, hereinafter referred to as "LESSEE";

W I T N E S S E T H

WHEREAS, LESSOR, by virtue of Section 253.03, Florida Statutes, holds title to certain lands and property for the use and benefit of the State of Florida; and

WHEREAS, on December 15, 19986, LESSOR and LESSEE entered into Lease Number 3471; and

WHEREAS, LESSOR and LESSEE desire to amend the lease to extend the period of the lease.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. Paragraph 1 of the lease is hereby amended to extend the period of the lease for an additional fifteen (15) years from December 16, 2016 through December 15, 2031.

2. It is understood and agreed by LESSOR and LESSEE that in each and every respect the terms of Lease Number 3471, except as amended, shall remain unchanged and in full force and effect and the same are hereby ratified, approved and confirmed by LESSOR and LESSEE.

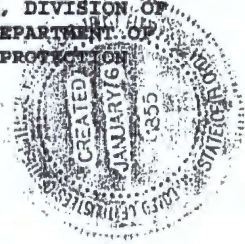
IN WITNESS WHEREOF, the parties have caused this Lease
Amendment to be executed on the day and year first above written.

BOARD OF TRUSTEES OF THE INTERNAL
IMPROVEMENT TRUST FUND OF THE
STATE OF FLORIDA

Judy Woodard
Witness
Judy Woodard
Print/Type Witness Name
Fredrica W. Jones
Witness
Fredrica W. Jones
Print/Type Witness Name

By: Gloria C. Nelson (SEAL)
GLORIA C. NELSON, OPERATIONS
AND MANAGEMENT CONSULTANT
MANAGER, BUREAU OF PUBLIC LAND
ADMINISTRATION, DIVISION OF
STATE LANDS, DEPARTMENT OF
ENVIRONMENTAL PROTECTION

"LESSOR"



STATE OF FLORIDA
COUNTY OF LEON

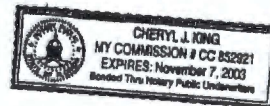
The foregoing instrument was acknowledged before me this
23rd day of August, 2001, by Gloria C. Nelson,
Operations and Management Consultant Manager, Bureau of Public
Land Administration, Division of State Lands, Florida Department
of Environmental Protection, as agent for and on behalf of the
Board of Trustees of the Internal Improvement Trust Fund of the
State of Florida. She is personally known to me.

Cheryll J. King
Notary Public, State of Florida

Print/Type Notary Name

Commission Number:

Commission Expires:



Approved as to Form and Legality

By: Larry A. Hesi
DEP Attorney

CITY OF PAHOKEE, FLORIDA, BY ITS
BOARD OF CITY COMMISSIONERS

[Signature]
Witness

KEN SCHENCK
Print/Type Witness Name

[Signature]
Witness

Shelia Sanchez
Print/Type Witness Name

By: [Signature]
ROY SINGLETARY
Print/Type Name
Title: MAYOR

"LESSEE"

STATE OF Florida
COUNTY OF Duval

The foregoing instrument was acknowledged before me this
21 day of August, 2001, by Roy Singletary
as Mayor, on behalf of the City of Pahoee
He/she is personally known to me.

[Signature]
Notary Public, State of Florida

Debra Palmer
Print/Type Notary Name

Commission Number:

Commission Expires:



Debra Palmer
MY COMMISSION # CC775437 EXPIRE
December 14, 2002
BONDED THRU TROY PAW INSURANCE, INC.