



THE CITY OF HOMESTEAD, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

FISCAL YEAR ENDED SEPTEMBER 30, 2024





CITY OF HOMESTEAD, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2024

PREPARED BY

THE FINANCE DEPARTMENT



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INTRODUCTORY SECTION



CITY OF HOMESTEAD

June 30, 2025

CITY COUNCIL

Steven D. Losner
Mayor

Sean L. Fletcher
Vice Mayor
Seat 2

Tom Davis
Councilman
Seat 1

Larry Roth
Councilman
Seat 3

Jenifer N. Bailey
Councilwoman
Seat 4

Erica G. Ávila
Councilwoman
Seat 5

Clemente Canabal
Councilman
Seat 6

CITY OFFICERS

Zerry Ihekweba, PhD, PE
City Manager

Elizabeth Sewell, MMC
City Clerk

**Weiss Serota Helfman
Cole + Bierman**
City Attorney

To the Honorable Mayor, Members of the City Council, and Residents of the City of Homestead.

State law requires that all general-purpose local governments publish, within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the Annual Comprehensive Financial Report (ACFR) of the City of Homestead for the fiscal year ended September 30, 2024, is hereby transmitted.

This report consists of management's representations concerning the finances of the City of Homestead. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the City of Homestead has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City of Homestead's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City of Homestead's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As such, management asserts that this financial report is complete and reliable in all material respects to the best of management's knowledge and belief.

CBIZ CPAs P.C., a licensed, certified public accounting firm has audited the City of Homestead's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Homestead for the fiscal year ended September 30, 2024, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Homestead's financial statements for the fiscal year ended September 30, 2024 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Homestead was part of a broader, federally mandated “Single Audit” designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. This reporting is available in the City of Homestead’s Reporting Section issued as part of the Annual Comprehensive Financial Report. The entire report is available on the City’s website at www.homesteadfl.gov.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Homestead’s MD&A can be found immediately following the independent auditors’ report.

Profile of the Government

The City of Homestead was incorporated in 1913, making it the second oldest city in Miami-Dade County. The City is located in the southern part of Florida and currently occupies a land area of 16 square miles and serves a population of approximately 84,014. The City of Homestead is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, with concurrent approval from Miami-Dade County, which occurs periodically when recommended by the City Manager and approved by the City Council.

The City of Homestead operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and six other members. The Council is elected on a non-partisan basis. Council members serve staggered four-year terms, and although the council seats include a geographical residency requirement for a specific area of the City, the Council members are elected at-large. The Mayor is elected to serve a two-year term and is elected at-large. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and boards, and hiring the City Manager, City Clerk, City Attorney and Council Auditor (a.k.a. “Internal Auditor”). The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and appointing the heads of the various departments.

The City of Homestead provides its residents with a full range of services, including general government, police protection, public works and street maintenance, parks and recreational activities, planning and zoning regulation, community development, library services, and utilities, including electric, sanitation, stormwater, and water and sewer. The City also provides local trolley services. Fire protection is provided by Miami-Dade County.

The financial statements were prepared in accordance with GAAP, which establishes standards for defining and reporting on the financial reporting entity. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered financially accountable if it appoints a voting majority of an organization’s governing body and is either able to impose its will on that

organization or has a financial benefit/burden relationship with the organization. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Other than the operations of the primary government, the accompanying statements include the Homestead Community Redevelopment Agency (CRA), and the Homestead Station QALICB as blended components.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City of Homestead are required to submit requests for appropriation to the City Manager each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to Council for review. The Council is required to hold two public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund (e.g., general fund), department (e.g., police), and division (e.g., community service). No department may legally expend in excess of amounts appropriated for that department within the General Fund. Department heads may make transfers of appropriations within a department. However, transfers of appropriations between departments (of the General Fund) require the approval of the City Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund which is at the department level. The City adopts an annual budget for all its funds except the Sundries Grant Fund, the Community Development Block Grant ("CDBG") Fund, American Rescue Plan Act ("ARPA") Fund and its fiduciary funds. The City created the ARPA Fund to account for the City's awarded allocation and adopted a budget by resolution. Because ARPA funds are not ongoing operating funds, this is not an annual budget, and it is not part of the City's annual adopted budget process. The City also maintains an encumbrance accounting system for budgetary control. Unencumbered appropriations in the annual operating budget will lapse at the end of the fiscal year. Unencumbered appropriations for capital items are evaluated on a case-by-case basis. Budget-to-actual comparisons are provided for the general, special revenue and capital project funds. These comparisons are presented on pages 142-144 as part of the required supplementary information and on pages 161-166 as part of the combining fund statements for the governmental funds.

Local Economy

Until the last quarter of 2008, the City of Homestead had experienced unprecedented economic growth in commercial and residential development. The City's population nearly doubled between 2004 and 2008. With the downturn in the housing market and the malaise in the general economy, the growth rate had declined considerably in 2009 and 2010. By 2011, the growth rate had rebounded, and the City's population reached 61,503, and in 2024 it was estimated at 84,014.

Under Florida's Constitution, residential properties are owner-occupied and have a homestead exemption limited to the Consumer Price Index increase or 3% whichever is less. The effect of this limitation burdens the City's tax base by exempting from taxation large portions of residential property value. The City has the ability to tax property up to 10 mills, or \$1 for each \$1,000 of taxable value. It is not anticipated the City will reach the tax rate cap anytime soon. In January 2008, Amendment One to the State Constitution, also known as "Portability of Save Our Homes", was passed through a statewide referendum. This amendment provided an additional \$25,000 homestead exemption, a \$25,000 tax exemption for tangible personal property, and portability whenever the property is sold.

That exemption negatively impacted the City by reducing its property tax base. Moreover, effective with the City's FY 2008 budget, the Florida Legislature had modified its roll-back requirement. This change would require the City to "roll-back" its tax rate each year to a rate that will produce the same property tax revenue as for the prior year plus the change in per capita personal income. The City Council can vote with a super majority to increase that amount, but the legislation has somewhat limited the ability of the City to increase its revenues from property taxes

Increased property values over the last few years indicate signs of a steady and continued growth. For FY 2025 the City's assessed valuation is estimated at \$5.637 billion, representing a 11.3% increase from the prior year. The City has maintained its commitment to provide a high level of municipal services while maintaining or reducing its property tax operating millage rate. Between 2010 and 2012 the rate was maintained at 6.2917 mills, reducing it in 2013 to 6.2435 mills, and then again to 5.9215 mills for 2014 through 2020. For FY 2021, the millage rate was increased from 5.9215 to 6.2055. The .2840 increase resulted in no impact to the taxpayers, as that millage was previously paid to the County as a library tax. The increase in property revenues generated from the increased rate funds the Cybrarium operations and expansion. For FY 2022 the millage rate remained at 6.2055. For FY 2023 the millage rate was reduced by 1% to 6.1434. In FY 2024, the millage rate was reduced by 2% to 6.0206. In FY 2025, the millage rate has once again been reduced by 1% to 5.9604. The debt millage rate was reduced from .3075 to .2580 mills in FY 2025. The City has been able to manage the economic downturn of the past and continues its efforts to avoid returning to a dependency on (a) budget stabilization support from its utilities, and (b) the use of reserves. To that end, at the end of FY 2021, the General Fund was able to return \$1.8 million to the Water & Sewer Fund, for prior years' budget stabilization support; in FY2022 \$1.2M was returned to the Solid Waste Fund; and \$1.35M was returned in FY2023. The City anticipates being able to do the same for its Electric Utility in the near future. The road ahead continues to look promising.

Homestead Hospital, built in 2007, is the largest employer in the City. The 307,000 square-foot hospital is located on a 60-acre site just east of the Florida Turnpike on the north side of Campbell Drive. The \$135 million facility was the first new hospital to be built in Miami-Dade County in more than 30 years and is three times the size of the old hospital. Homestead Hospital has grown into a modern, 147-bed full-service hospital offering emergency care, specialized rehabilitation, and comprehensive medical services for the south Miami-Dade community.

The City owns the Homestead-Miami Speedway, a world-class motorsports facility featuring a state-of-the-art 1.5-mile variable banked oval and a 2.3-mile road course. The Homestead-Miami Speedway has hosted many of the premier North American motorsport's championships. These major spectator events attract tourists from all over the world and stimulate not only the City economy, but the Miami-Dade County economy as well. November 2025 will mark the 30-year anniversary of the track's opening, and November 2026 see the return of the NASCAR Cup Series Championship.

Another integral part of the Homestead community is the Homestead Air Reserve Base (ARB), the home to the 482nd Fighter Wing (482 FW), a combat-ready Air Force Reserve unit flying F-16C fighter jets, including the 93rd Fighter Squadron "Makos." The wing includes approximately 1,550 personnel and supports various operational squadrons in engineering, logistics, maintenance, and security. Homestead ARB regularly hosts visiting combat units for training in nearby airspace and plays a key role in hurricane relief efforts as a forward staging area. With an annual economic impact exceeding \$316 million—much of it through contracts with small businesses—the base also houses multiple tenant units including SOCSOUTH, NORAD, U.S. Customs and Border Protection, the Coast Guard, and the Florida Army National Guard.

In addition to all the public schools operated by the Miami-Dade County School Board, the City has several private parochial schools, charter schools and a Medical Academy for Science and Technology (MAST). Founded in 2010, MAST has established its place by achieving notable national recognition as a Merit School of Excellence from Magnet Schools of America for several years. Miami-Dade College's Homestead Campus provides higher education opportunities to residents in the area. Offering associate in arts degrees, associate in science degrees and vocational and college credit certificates programs, Homestead Campus is home to hundreds of educational options that include in-demand fields, such as nursing, aviation, education and more. In FY2023, the Homestead Campus inaugurated the new student center facility located across the street from City Hall. The four-story, 60,000-square-foot Student Success Center serves as a multipurpose

hub to better serve the community. For Homestead citizens seeking higher education beyond the limits of Miami-Dade College, Florida International University, a member of the State University System and the largest public university in South Florida is located 20 miles from the City. There are also several private colleges and universities located in the area including the University of Miami, Nova Southeastern University, and Barry University.

In the past couple of years, the City has continued its progress on the revitalization of its downtown with the completion of several significant projects that represent a \$111.2 million investment in its downtown area in an effort to attract private investors, and stimulate the local economy. The projects include the following:

- *New City Hall* (\$26.5 million; completed in April 2016)
- *New Police Building* (\$18 million; completed in February 2017)
- *Seminole Theatre* refurbished into a Community Cultural Arts Center (\$5 million; re-opened in December 2015).
- *Homestead Station: A Multimodal Transit Station* consisting of two facilities:
 - Public Facility - \$33.3 million for the seven-story parking garage with over 1,000 parking spaces, and 30,500 square feet of street-level retail liner completed May 2020.
 - Private Facility – A 65,000 square foot multilevel structure that houses a 10-screen movie theater, 14 bowling lanes, video arcade, food service and restrooms is privately funded by the developer and opened in October 2019.
- *Homestead Cybrarium*: (\$18.2 million completed in March 2021)
- *Losner Park Expansion* (\$10.2 million completed in November 2022) The current phase of the project was funded with parks impact fees; grants and other financing sources will also be sought for a future phase of the project. The redevelopment of the park located in the heart of Downtown Homestead is part of an ongoing downtown revitalization effort to offer opportunity for live, work, and play within the community. The park has more opportunity for expansion as design has been completed for a potential restaurant facility and water feature.

For FY 2025, the City will continue focusing on the following projects,
Within the downtown area:

- *Krome Marketplace: In FY2023, the CRA, a component unit of the City, issued a \$4.5 million taxable tax increment revenue note for the purchase and rehabilitation of a former furniture store and associated parking lot on Krome Avenue in the City's downtown area. The project "Krome Marketplace" is envisioned to be an upscale food hall. The note is to be repaid with tax increment financing ("TIF") funds generated from property taxes assessed on properties within the CRA area.*

And while not located in the downtown area, these projects provide an investment in offering its residents a place to live, work and play:

- *Homestead Sports Complex* – Phase 1 is for the design of the project and it is estimated at \$7.5 million. Design services were awarded in FY2022. The project is for the redevelopment of the site of the former baseball sports complex into a new regional recreational area. Funding is anticipated from ARPA funds, grant funds, parks impact fees, and proceeds from the sale of land.
- *Old City Hall Site* – The City continues exploring options for the redevelopment of the old city hall site, into a mixed-used residential, commercial and entertainment destination facility located at the intersection of U.S. 1 and Campbell Drive.

Two other projects in the CRA district that have gained momentum are the City is hopeful of finalizing are:

- *Triangle Redevelopment Project* –The project includes 22 parcels that have been assembled for development of a mixed-use projects that introduces a broader range of housing in the Southwest Neighborhood, including higher-level affordable / workforce, and for-sale market rate. Some of the parcels were purchased with ARPA funding. A development proposal is currently being considered.
- *Shotgun Property Redevelopment* – An RFP was issued for a the development of the property into a transformative and impactful project that contributes to neighborhood revitalization while respecting the current neighborhood uses in the City.

The City has been given the distinguished designation of *Gateway to the Everglades & Biscayne National Parks*. As a result of this designation, the City expanded its Trolley service to provide transportation and entry to the Everglades and Biscayne National Parks. The reaction has surpassed expectations, with hundreds of people participating in the weekend services. Participants include locals as well as out-of-towners, which get an opportunity to visit Homestead.

Long-Term Financial Planning

At fiscal year end, the City’s general fund balance remains adequate to buffer additional severe economic blows without being excessive. The City is committed to a sound fiscal policy; it is maintaining financial stability with fiscal management controls by constantly reviewing and monitoring staff levels, and by comparing budget appropriations to actual expenditures, and estimated revenues to actual revenues.

Financial planning continues to be of significant importance to the City as we meet the challenges of the immediate and foreseeable future. Major projects undertaken by the City have long-term financial implications for existing as well as future resources. The planning and decisions undertaken by the City are also weighed in the context of the financial burden that will be placed on both current and prospective residents, as well as the potential economic and environmental impacts. As the City grows and develops, the long-term strategy has to be targeted on the health, welfare, safety and quality of life of our residents, balanced against the fiscal health of the City.

The City’s primary focus related to economic growth is the sale or lease of existing assets, the expansion of transportation systems, and the enhancement of residential and commercial values through revitalization of the downtown and southwest sections of the City.

During FY2024, the City was still in negotiations with a developer for the redevelopment of the old city hall site, however those negotiations failed to produce any results, and in FY 2025, the City is in the process of determining what will be the next approach to this site. The plan is to redevelop the sixteen-acre property located on the southwest corner of US-1 and Campbell Drive in the center of the City, into a Class-A, mixed-use, transit-oriented development. The increased property taxes from the project would provide significant resources to the City’s CRA.

In May 2014 the City voters approved a \$26 million bond referendum. On September 11, 2014, the City issued \$26 million in general obligation bonds: \$21 million in bond proceeds were used to fund the construction of a new police building (\$18 million), and to refurbish and renovate an existing facility into a temporary site for police operations (\$3 million). The repayment of the bonds is funded through increased property tax revenues through the implementation of a debt millage rate of .3075 mills for FY 2024.

In 2016, the City completed the construction of a New City Hall located in the downtown area. The project’s construction cost was \$26.5 million, and the building was completed on time and on budget in April 2016. The project was funded from \$16.6 million available in funds set aside for this project; the funds were realized

from the sale of the Park of Commerce parcels several years ago. The gap between the project cost and the available funds was made possible through a \$10 million bank loan that was refinanced in FY2021. The City had always considered that the sale of the old city hall site would generate the ultimate gap financing for the project, and once negotiated, may use the funds generated from the old city hall site redevelopment agreement to liquidate this debt.

Homestead Station is a multimodal transit center including a public facility consisting of parking garage with retail liner, and a private facility consisting of a family entertainment center. The entertainment complex opened in October 2019, and the parking garage was completed in May 2020. The cost of this endeavor the public facility was \$33.3 million and was funded with transportation surtax monies (including a bond issue being repaid primarily with transportation surtax monies).

The Cybrarium opened in March 2021. The City's funding of \$18.2 million includes a \$3.85 million HUD Section 108 Loan (to be repaid from CDBG annual entitlement funds), additional CDBG funds, funds on hand from the sale of an old bowling alley parcel, CRA funding, grants, and other financing sources. During 2024, the City prepaid four years of loan principal to help meet the timeliness test, and to reduce interest costs.

In FY2023, the CRA, a component unit of the City, issued \$4.5 million taxable tax increment revenue note for the purchase and rehabilitation of a former furniture store and associated parking lot on Krome Avenue in the City's downtown area. The project "Krome Marketplace" is envisioned to be an upscale food hall. The note is to be repaid with tax increment financing ("TIF") funds generated from property taxes assessed on properties within the CRA area.

The New City Hall, the New Police Building, the Seminole Theatre, Homestead Station, the Cybrarium and Krome Marketplace are all located in the City's downtown.

In addition to these projects, the City's 5-year Capital Improvement Plan (CIP) identifies over \$76.9 million in projects to be undertaken in FY2025 – FY2029 and funded by various sources.

The General Fund's spendable fund balance (including committed, assigned, and unassigned balances) at September 30, 2024 of \$38,783,251 represents 50.6% of General Fund expenditures. This ensures that the City will have sufficient funds for future unexpected events. The City continues to exercise cost stabilization measures and seeks additional sources of recurring revenues whenever the opportunities arise.

Relevant Financial Policies

Over the past several years, the State of Florida has passed statutory legislation regarding the manner in which local governments may assess ad valorem taxes along with special voting requirements. Among the provisions of the legislation are special tax exemptions and maximum millage rate calculations based on the state's rate of growth. Further impairment of tax proceeds occurred with the housing crisis when the assessed value of property located within the City had declined from a peak of nearly \$4 billion at January 1, 2008 to just \$5.637 billion by the valuation date of January 1, 2024.

In response to the City's commitment to long-term sustainability, an ordinance was adopted beginning with fiscal year 2005 which requires a fund balance commitment equal to 10% of general fund budgeted revenues. These financial statements reflect this \$6,911,798 required reserve in the Governmental Fund's Balance Sheet.

The City maintains an investment policy with the primary focus of capital protection while seeking investment earnings and providing for daily cash requirements. The City's investment portfolio at September 30, 2024,

were \$110.5 million excluding investments of the fiduciary funds, unexpended equipment financing proceeds and invested proceeds from a bond issue.

The City of Homestead has a combination of insurance policies and self-insured programs to address the City's risks as a municipality. The City is self-insured for public liability and workers' compensation. Insurance policies have been purchased to cover employee health insurance, damage to City property, including windstorm and acts of terrorism.

Major Initiatives

With the population growth, there is a growing demand for access to entertainment and recreational activities, quality health care and educational opportunities. There are several projects and endeavors underway or recently completed to provide citizens with the means to fulfill these needs within the City's limits or just a short ride away. The expansion of the South Miami-Dade County Busway was completed during 2008 and provides the citizens of Homestead improved access to other areas in the county north of the City via a connection to Metrorail. Conversely, it makes the City of Homestead more accessible to other residents of Miami-Dade County.

Recently, the 20-mile Bus Rapid Transit (BRT) corridor and part of Miami-Dade's SMART Program, connecting key municipalities from Dadeland South Metrorail Station to SW 344th Street was selected as the preferred transit option in 2018. The BRT project received \$100 million in federal funding and broke ground in 2021. Once complete, it will offer rail-like service with faster travel times, enhanced stations, and improved safety features along dedicated lanes.

The City-Wide Transportation and Transit Master Plan serves to create a vision for the development of the roadway, pedestrian, bicycle and transit infrastructure in the City of Homestead to provide safe and efficient mobility within the City. The plan establishes parameters that provide guidance for all privately funded development within the City limits. The plan also sets priorities and timeframes for completion of several projects to build and improve roadways and right-of-ways. During 2024, projects completed by the streets division included:

- 7,207 square feet of asphalt repair/replaced
- 4.65 miles of street repaved
- 471 pot holes and 2 trash holes filled/repair
- 51,443 square feet of sidewalk repair/installed
- 1,067 linear feet of curb and gutter were installed
- 46 handicap pedestrian ramps were repaired/installed
- 883 drains inspected, and 487 drains cleaned
- 1,512 miles swept

Additionally, the construction of Homestead Station in the downtown area was completed in May 2020. The facility serves as a transportation hub where one can park and either take a trolley to nearby locations or ride the busway to other parts of South Florida. During 2019, City also constructed two temporary bus shelters allowing bus service closer to the City's facility, and in anticipation of the County's Bus Rapid Transit.

Homestead has been designated the *Gateway to Everglades & Biscayne National Parks*, and to many it is also known as the gateway to the Florida Keys. The City provides a free guided trolley ride from Historic Downtown Homestead to the Everglades and Biscayne National Parks, allowing residents, neighbors, and

visitors to explore the parks. This ground-breaking project is the first of its kind to offer public transportation to two national parks. Ridership during FY2024 for the City's local trolley service was as follows:

- 10,621 Downtown Route
- 12,728 Campbell Route
- 22,375 Lucy Route
- 3,750 National Park program

Additionally, during FY2024, the Freebee service was launched, proving residents a free and seamless connection to their destinations. During FY2024 citywide ridership reached 22,854.

The City has continued its commitment to providing safe, attractive and enjoyable park facilities for its citizens to engage in active and passive recreational pursuits by implementing the City's Parks Master Plan. During 2024, the Parks Department accomplished the following:

- Launched the Parks "S.W.A.T." Truck (Super Wacky Activities Truck). A park on wheels with games and activities.
- Resurfaced the basketball courts at Wittkop Park, and the covered courts at Roby George Park
- Resurfaced the basketball courts and track at Blakey Park
- Enhanced the makerspace and VR technology at the Cybrarium
- Purchased a ball field lip renovator attachment for improved ballfield maintenance.
- Opened a new gym at the Phichol Williams Community Center
- Held the City's first Juneteenth event at City Hall

The CRA's initiatives and activities during FY2024 were concentrated into the following main areas:

1. Triangle Property Negotiation Initiated
 - o Coordinated negotiations.
2. Krome Marketplace Roof completed
3. Krome Marketplace Parking Lot Design Phase
 - o Design phase completed; project currently out for rebid.
4. Brownfield Cleanup Grant Award
 - o Awarded Brownfield Cleanup Grant totaling \$783,400.
5. Residential Improvement Grant Program
 - o Five grants awarded to residential properties.
6. Commercial Enhancements Grant Program
 - o Two commercial enhancement grants awarded.
7. Business Relocation & Expansion Grant
 - o One grant awarded to a relocating business.
8. SW 4th Street Improvements
 - o Phase II commercial paint.
9. Historic Lily Lawrence Bow Library / CRA Office Building 30-Year Inspection
 - o Structural and safety inspection completed and improvements made.

In FY 2024, the Development Services Department welcomed and supported new development activities, existing businesses and expansions. The Department developed and implemented a Processes and Procedures protocol which includes acceptance of electronic application submittals using City email, conducting electronic plan review, and developing alternative methods of providing inspection services.

The Planning and Zoning Division guided new businesses and developments through the review and approval process in an effective and efficient manner. During 2024, it administered approximately 62

applications involving site plans, rezoning, text amendments, administrative approvals, historic reviews, public art, plats, unity of title, variances, and comprehensive plan amendments. The Division also provided 58 zoning letters to customers and completed hundreds of zoning inquiries. The Building Safety Division provided support to residential and commercial customers. In FY 2024 the Division issued 4,898 permits, reviewed 17,710 construction plans, conducted 15,312 inspections, and issued 166 Certificates of Occupancy.

The Police Department accomplished a number of projects and initiatives during 2024. Highlights of these accomplishments included:

Administrative Division:

- Body Camera Unit processed the following:
 - o 251,536 records maintained, with 115,732 active records currently stored/managed
 - o 3,640 work hours across various record request categories responses to requests for production of footage for prosecution of arrest cases

Support Services Division:

- Processed 13.171 incident/offense reports and crash reports
- Completed 828 public records requests
- Impounded 631 gun items
- Impounded 3,545 property items

Community Services Division:

- Police Athletic League (PAL) provided youth services, athletics, and activities for more than 300 local students between the ages of 5-17.
- Police Explorers volunteered at several community events
- Police Explorers academy was hosted for the instruction of 27 cadets
- Community Policing Program
 - o Participated in 40 community events
 - o Attended 16 community meetings
 - o Attended 35 presentations
 - o Participated in 60 saturation details

Investigative Services Division:

- SIU: local detectives were assigned 948 cases, resulting in 165 arrests and \$126,285 in forfeitures.
- GIU: reviewed 2,119 incident reports, with 1,859 cases assigned to detectives and 341 cases cleared by arrest.

Operations Division:

- Responded to approximately 37.987 calls for service
- Traffic/Motor Unit Division:
 - o 890 total crash investigations
 - o 1,490 citations and 27 arrests made

Code Compliance Division:

- One new director was hired for transitioning the division to a stand-alone department
- 3,023 violations were investigated

Numerous officers successfully completed various forms of training

Additionally, the Police Department continued to provide needed social services to the community through the Start Off Smart (SOS) Program. Throughout the years, SOS has been successful in obtaining various forms of funding for various programs that serve children and families. During FY2024, the police SOS continued to research, write and submit grant applications, securing \$9.3 million, while administering millions of the department's grants. Some other services provided through SOS on an annual basis include the following:

- SOS annually provides support to over 1,800 families
- Continued support services in order to address family violence, domestic violence, children's exposure to violence in their community, and lack of basic needs and homelessness.
- Continued to assist families with information for resources of where to obtain food, assistance with expenses, and rental assistance. There has been a shift in the need for housing as many have reported their rental amount increasing, and the need for affordable housing is now higher than ever.
- Continued outreach events such as a health & safety fair, backpack distributions, thanksgiving meals, and Christmas toy giveaways, benefiting over 500 children. These events are held in collaboration with the Homestead police department and other local agencies.

Reaching a population of 50,000 in 2007 made the City of Homestead eligible for the Community Development Block Grant (CDBG) Entitlement Program, administered by the Finance Department. Since 2008, the City has received more than \$14 million in CDBG funding. These funds have supported a wide range of programs and capital projects benefiting low- to moderate-income residents.

In FY 2024, the Finance Department continued its strong performance in grant management, project execution, and community impact, including the addition of new federal funding sources and ongoing efforts to enhance neighborhood stability and equity.

1. Launch of HOME Investment Partnerships Program

- For the first time, the City became eligible to receive HOME Program funds, effective FY 2025.
- This formula-based grant will be used to support affordable housing initiatives

2. Public Facility Investments

- Roby George Park:
 - Installed bird netting at the basketball court to improve public safety
- Sunrise Community Facility:
 - Impact windows and doors to a facility that offers services to individuals with disabilities
- Miami Bridge Youth Facility:
 - Critical improvements to the safe haven shelter for runaway and homeless youth
- Blakey Park Track Field:
 - The track field was resurfaced, restriped, and repainted to provide a safe, accessible space for community members to walk, jog, or run.

3. STEM Education Expansion

- Partnered with Dibia DREAM to expand the City's STEM initiative, offering K–8 students hands-on learning in Science, Technology, Engineering, and Math.
- This ongoing program promotes educational equity for youth within city limits.

4. Neighborhood Stabilization Program (NSP)

- Progress continued on the five remaining homes acquired through NSP, which will be made available to very low-income families via targeted subsidies.
- To date, 10 homes have been sold to low-income residents, with a total investment of \$2.6 million in the redevelopment of foreclosed and abandoned properties.

5. Cybrarium Project Support

- Continued repayment of the \$3.865 million HUD Section 108 Loan used to construct the Cybrarium, a digital learning hub located in Homestead's lowest-income census tract.

- In FY 2024, the City pre-paid four years of loan installments
6. Opioid Settlement Planning
- The City received Opioid Settlement funds and began developing strategic plans to implement programs supporting individuals and families affected by opioid addiction.

In addition to the aforementioned programs administered by the Finance Department, the department received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its FY 2024 Budget, and the Certificate of Excellence in Financial Reporting for its FY 2023 Annual Comprehensive Financial Report (ACFR). Throughout the year, the department participates in several seminars and webinars to ensure staff are educated on the latest reporting requirements, and that anyone who is certified is able to maintain their required continuing professional education credits. Cross-training of staff is an ongoing process throughout the year, and serves to make the department more efficient, as well as being an important factor in the department's succession plan. In October 2023, the Finance Director and Assistant Finance Director both became state-certified as Certified Government Finance Officers (CGFO), the highest state certification for a government finance officer. During 2024, the Finance Department, as part of its normal operations, reviewed and approved over 4,400 purchase requisitions, issued over 12,400 checks for approved invoices, issued over 22,000 paychecks to employees, set up numerous grant budgets and accounts, reviewed and approved hundreds of travel authorizations, travel expenditure reports, budget transfers, contract summary forms, and council agenda reports. Most notably in FY2024, the Finance Department along with the Electric Utility successfully obtained a \$5.1 million revenue note through SouthState Bank, N.A. to partially finance the construction of the Donnie Avocado substation.. During FY2024, the department also implemented a new budget software to better streamline the budget process.

During the year, the Electric Utility installed service to 510 new residential units, and 10 new commercial businesses. It installed or relocated approximately 4.2 miles of either new or relocated underground cable, repaired 202 street lights, and upgraded 50 High Pressure Sodium streetlights to LED streetlights. With the installation of a new large power transformer on the growing east side of the City in 2021, the Electric Utility began installing two new circuits fed off of that transformer in FY 2022 to provide further reliability gains through redundancy of the electrical grid and by providing sufficient capacity for future electrical growth. Those efforts continued in FY2024. The Electric Utility also finalized the purchase of a parcel of land in 2020 with plans for a new electrical substation to be built which will serve new customers on the west side of town. Electrical design work for the new substation was started in 2020 and the procurement process initiated in 2021 and continuing on in 2022. An award of the work was recommended by the RFP review committee and was awarded by City Council in August 2024. The substation is planned to come online in the next 2 to 3 years. Full deployment of the smart electric meters throughout the City began in FY2021, and is currently underway. At the end of FY2024, the system was remotely reading 89% of the electric meters in the City.

Other notable Utility projects of note during FY2024 included:

- The replacement of 1,000 wood poles with concrete poles throughout the City to strengthen the system against severe weather and hurricanes. The primary funding source for the project was a \$2.2 million grant from FEMA for storm hardening.
- Continued the installation work on a new motor control center to upgrade one the City's largest engine-generator sets (Unit #20).
- Completed the Campbell Drive canal crossing and balanced the Renaissance Substation loads
- Upgraded the transmission relays for the Lucy-Renaissance Substation's 138kV line
- Installed animal guards at the Renaissance Substation to prevent wildlife equipment tripping
- Successfully managed an annual increase in the electrical demand to 3% from the 15-year average of 2%.

The Utility continued its commitment to energy efficiency by conducting 330 free residential energy surveys and 7 commercial surveys. It processed 8 rebates to customers who installed energy efficient systems. It signed up 5 customers to its surge blocker program, and it entered into net metering contracts with 45 residential customers who have installed solar power systems that feed back into the electrical grid, bringing the total number of customers with solar systems up to 335.

During FY2024, the Utility's residential rates ranked in the top 20th percentile out of 38 municipal and investor- owned electrical utilities in the State of Florida, in spite of rising energy prices. In a continued effort to help keep prices low, staff manages day-to-day purchases of power under several purchase power agreements (PPAs), including recently negotiated agreements with very low energy prices. The Utility also brought extremely cost-effective participation in two large scale utility solar projects to the City. The solar projects are currently in progress and planned to go online in 2025. During the year, the Utility responded to 516 incidents where customers reported electrical concerns or power outages.

For another consecutive year, the Utility maintained their Reliable Public Power (RP3) Diamond designation, the highest level achievable. During the year, the Utility also received the Florida Municipal Electric Association (FMEA) Restoring Communities Award for Mutual Aid assistance following Hurricanes Helene and Milton.

The Water and Wastewater Utility completed many projects during 2024; the most notable included the following:

- Televised 5,981 linear feet of pipe
- Cleaned 100,345 linear feet of sewer main lines
- Changed out 1,307 meters for ten year old meter programs
- Installed 270 new meters for new water service accounts
- 14 sewer lines repaired throughout the City
- Treated 1.5 billion gallons of wastewater
- Produced over 4.0 billion gallons of water
- Completed 4,652 Customer Service work orders
- Installed 53 1' new water service
- Replaced 74 fire hydrants throughout the city
- Completed several repairs and refurbishment projects throughout the plant
- Passed all EPA Primary and Secondary Drinking Water Standard tests conducted on the facility's treated sewer
- Passed Miami Dade DERM inspections at WWTP
- Three (3) operators completed and attained the state's licenses
- Completed interior and exterior inspections at all three water towers-Wittkop, Harris Field and Racetrack

During 2024, the Solid Waste Department's most significant accomplishments included:

- Commercial Garbage – 26,768 tons collected
- Residential Garbage – 23,719 tons collected
- Bulk Trash – 11,909 tons collected
- Industrial Trash/Garbage roll-off and compactor – 9,764 tons collected
- Recycling – 1,736 tons collected
- Purchased a side loader, a front loader and a trash truck
- 92% reduction in missed pickups and customer complaints

The Procurement & Contract Service Department's goal is to provide professional, efficient and cost-effective procurement services to other City departments. Procurement staff continues to pursue purchasing certifications and training through the Universal Public Procurement Certification Council (UPPCC). In May 2024, the Director of Procurement, earned the Certified Procurement Professional (NIGP-CPP) designation. Staff also participated in the NIGP Annual Forum and the Florida Association of Public Procurement Officials (FAPPO) Annual Conference as part of their ongoing education and commitment to best practices. During FY2024, Procurement worked on 37 formal solicitations, processed 320 contracts, processed 3,410 requisitions, and issued 2,608 Purchase Orders. Procurement continues to successfully complete end of year inventory under 1% discrepancy with FY 24 at .15% based on a \$6.3 million inventory. On October 1, 2023, Procurement successfully launched the electronic bidding/e-procurement software. Regarding policy updates, an amendment to the City Code in October 2023 exempted utility inventory purchases from the competitive bidding process, expediting procurement of critical materials. A subsequent amendment in July 2024 raised the City Manager's approval threshold for professional service agreements to \$50,000, streamlining the process for acquiring professional services.

During 2024, the Fleet Management Services division accomplished the following milestones:

- Launched a comprehensive training program for staff resulting in increased productivity
- Implemented new inventory management processes reducing excess inventory
- Negotiated prices with parts/service vendors resulting in cost savings
- Prepared over 200 surplus vehicles for auction

Information Technology Services Department (ITS) accomplished the following during FY2024:

- Transitioned to a .gov domain name.
- Implemented Microsoft 365 Apps with Teams.
- Implemented a Voicemail to Email feature.
- Upgraded the ERP (Enterprise Resource Planning) System.
- Migrated to Microsoft Exchange Online Migration & Entra ID.
- Conducted Cybersecurity Training.
- Migrated Development Services and Code Compliance software to Community Plus version 9
- Replaced various firewalls, Wi-Fi and network servers

The City Clerk's office continues to pursue their goal for staff certifications as Certified Municipal Clerks (CMC), and Master Municipal Clerk (MMC) and during 2024 it also accomplished the following:

- Successfully worked in collaboration with Miami-Dade Elections by providing city facilities as precincts for Early Voting and the Primary and General County, State and Federal elections.
- Processed 2,433 lien searches
- Processed 189 Lobbyists Registrations
- Transcribed 88 sets of Council Meeting minutes.
- Provided responses to 557 public record requests; many in electronic format.
- Prepared 203 resolutions, and 35 ordinances for execution and recording
- The department has implemented JustFOIA a Public Record Request software platform to process public records request electronically.
- All staff have their notary commission.
- All staff members have achieved their certification in Record Management.

The Human Resources Department's FY2024 initiatives were as follows:

- Began implementation of a system to automate the recruitment and applicant tracking
- Successfully coordinated and executed the annual open enrollment period for healthcare options
- Introduced a new employee wellness incentive through UnitedHealthcare
- Collaborated with Miami-Dade Fire Rescue to host HELP (Health & Emergency Life Protection) training classes
- Designed and executed a comprehensive summer internship program for college students
- Continued to organize and host the quarterly birthday lunches, employee appreciation luncheon and the annual holiday employee luncheon.

The Grants and Special Projects Administrator is responsible for managing the American Rescue Plan Act (ARPA) projects. The City of Homestead was able to secure \$19,192,087 of ARPA funding to offset the effects and to help stop the spread of COVID-19. As of September 30, 2024, the City has allocated \$14,332,039.08 of the ARPA funds to 41 projects. Remaining funds can be spent on the following four categories: Public Health/Negative Economic Impacts; Premium Pay; Revenue Loss; and Investments in Water, Sewer, and Broadband. Future projects will ultimately be decided upon by City Council. Any ARPA costs must be obligated by December 31, 2024, and expended by December 31, 2026. In addition, to managing the ARPA projects, the Grants and Special Projects Administrator has overseen, tracked, and ensured coordination for approximately 35 grant funded projects totaling \$29.6 million.

The Emergency Operations Manager was successful in accomplishing the following initiatives in FY2024:

- Maintained a 42% out of a possible 60% disaster reimbursement advance in F-ROC (Florida Recovery Obligation Calculation),
- Coordinated the roll-out for the City's Elderly and Disabled Assistance Program; developed to deliver disaster-related needed supplies to qualified residents with restricted transportation.
- Completed the training and implementation of Crisis Track, a damage assessment survey tool used by the Department of Emergency Management (DEM)

The Customer Services Department accomplished several initiatives during FY2024 in an effort to improve customer service delivery:

- Processes and systems were enhanced so that customers are required to enter documents themselves when applying for service, e.g., driver's license, proof of ownership, proof of rental (lease), etc. These improvements led to expedited service delivery.
- Re-opened a window to the public so that customers may visit the City to take care of their customer service needs; in-person services had been previously suspended.
- Enhanced the collections processes for commercial accounts that includes HOA's and metered customers.
- Implemented paperless work orders (via the use of Google maps) to increase efficiency and provide real time status of work orders completion.

During FY2024, the Code Compliance Division of the Police Department was established as a stand-alone department with dedicated leadership and a renewed strategic mission focused on operational efficiency, proactive enforcement and community transparency. Key initiatives and accomplishments during the inaugural months are as follows:

- The department addressed 3,023 violations
- Created a taskforce to lead citywide inspections of licensed businesses for compliance
- Began implementing an eRecording system to digitize the lien and assessment filing process

- Reactivated the lot clearing program targeting overgrown and abandoned properties
- Launched the first phase of its field technology upgrade by procuring tablets and mobile printers for Code Compliance Officers. This initiative is designed to allow officers to initiate cases and issue notices in the field
- Implemented real-time printing and signature execution of Code Enforcement Orders during Special Magistrate hearings, eliminating a 30-day delay in enforcement due to post-hearing processing

The Public Information Office (PIO) managed the following media-related projects during FY2024:

- Launched a new show *Community Matters* featuring interviews with city staff and stakeholders to highlight key initiatives
- Developed and launched the *Top Common Code Violations* video series to educate residents on frequent code compliance issues and how to avoid fines and improve community standards
- Created and produced a video campaign on illegal dumping
- Helped launch the City's new website domain, www.homesteadfl.gov along with an informational campaign to raise awareness of the new domain.
- Took over management of the *Discover Downtown Homestead* Instagram account
- Expanded media outreach and platform presence utilizing digital and print platforms such as South Dade Newsleader, Nextdoor, Flickr, and Threads, fostering a more dynamic and interactive resident engagement
- Achieved strong performance in social media analytics creating 1,674 postes across platforms Facebook, Instagram, Threads, Nextdoor and Youtube
- Received the Award of Excellence In Video Education and Training for the superhero-themed video, "How to Use Fix It! Homestead,"
- Launched the first edition of the City Manager's Report, offering updates on city projects and initiatives; shared with City Council and the public online.

The Office of the City Manager (CMO) is committed to providing strategic leadership, operational oversight, and responsive service to support the Mayor and City Council in achieving the City's goals. Through collaboration, accountability, and innovation, the City Manager's Office ensures that all departments operate effectively, that resources are managed responsibly, and that the needs of Homestead's residents are met with professionalism and purpose. Top accomplishments for the CMO during FY2024 were as follows:

- Initiated the development of the City's first comprehensive Strategic Plan, to align City goals with community priorities.
- Implemented a realignment of internal structures to improve efficiency and support best practices across departments.
- Welcomed new talent to the CMO and reinforcing the City's executive team with experience strategic insight, and leadership continuity in addition to onboarding several new department directors
- Launched the City Manager Monthly (Bi-Monthly) Reports where every department shares key accomplishments, aligning their work to strategic goals and keeping leadership and our elected officials informed in a unified accessible format
- Created a focused taskforce to address illegal dumping and improve community appearance through targeted enforcement and response strategies

On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA”) was signed into law which provides for additional funding for state and local governments to help in the nation’s recovery from the public health and economic impacts of the COVID-19 pandemic, as well as to equip cities and towns with the tools necessary to start building a stronger and more equitable future over the next decade.

On May 19, 2021, the City received the first tranche of ARPA funding of \$9,596,043. The City received the final tranche of \$9,596,043 in ARPA funding on June 4, 2022. As of September 30, 2024, the City expended a total of \$8,856,543 of ARPA funds, with all remaining funds encumbered as required by the December 31, 2024 deadline.

Other Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Homestead for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. This was the twenty-first consecutive year that the government has received this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. A special note of thanks and appreciation is also extended to our auditors, CBIZ CPAs P.C., for their professional approach and high standards in the conduct of their independent audit of the City’s financial records and transactions. Acknowledgements are also given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Homestead’s finances. Their guidance and cooperation in planning and conducting the financial affairs of the City in a responsible and progressive manner is greatly appreciated.

Respectfully submitted,



Carlos M. Perez, CPA, CPPT, CGFO
Finance & Budget Director



CITY OF HOMESTEAD, FLORIDA

CITY OFFICIALS

SEPTEMBER 30, 2024

COUNCIL – MANAGER FORM OF GOVERNMENT

CITY COUNCIL 2024

Steven D. Losner, Mayor

Sean L. Fletcher, Vice Mayor

Tom Davis

Larry Roth

Jenifer N. Bailey

Erica G. Ávila

Clemente Canabal

CITY MANAGER

Nzeribe (Zerry) Ihekwaba, PhD, PE

CITY CLERK

Elizabeth Sewell, MPA, MMC

CITY ATTORNEY

Weiss Serota Helfman Cole & Bierman P.L.

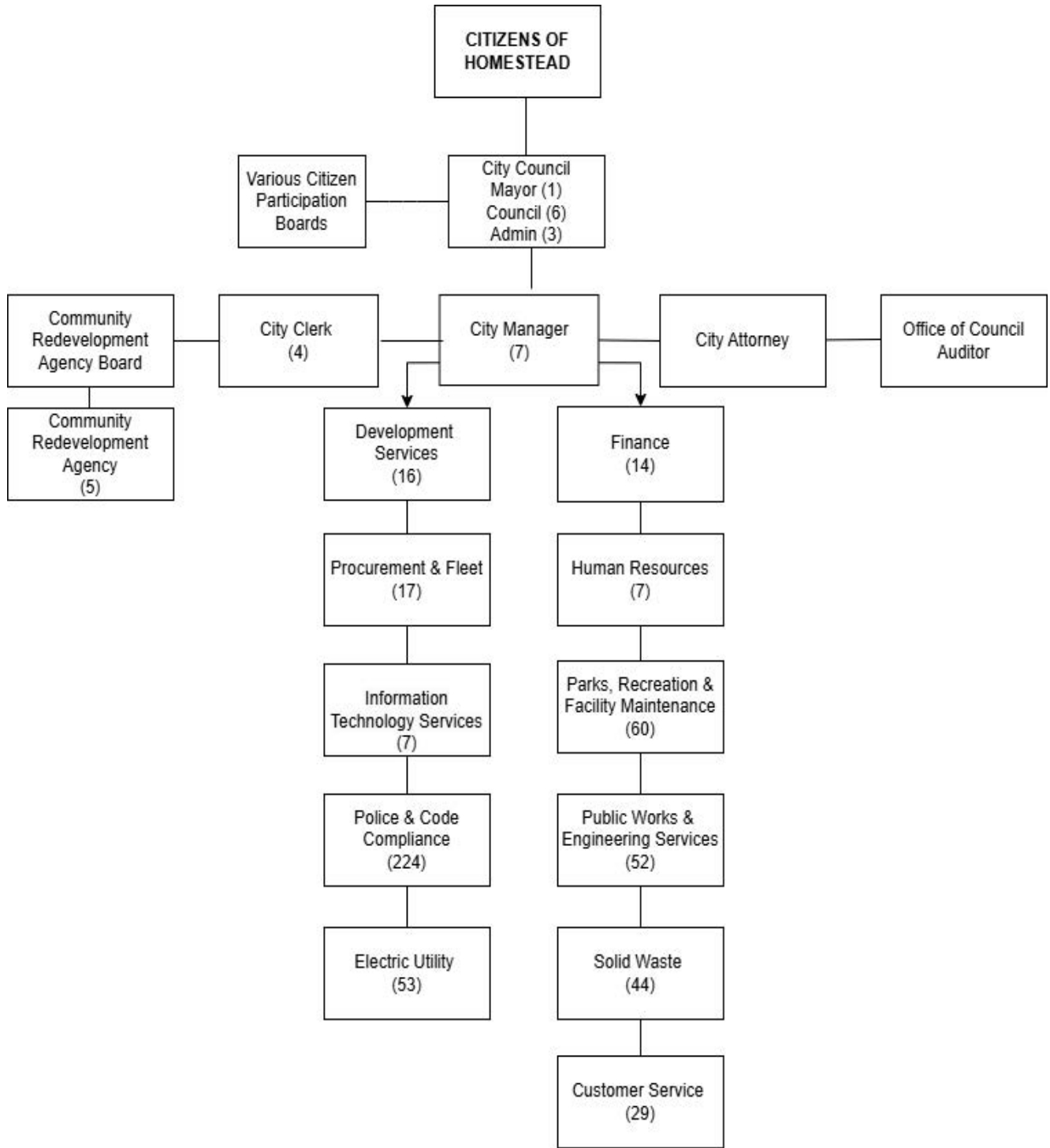
FINANCE & BUDGET DIRECTOR

Carlos M. Perez, CPA, CGFO, CPPT

INDEPENDENT AUDITORS

CBIZ CPAs P.C.

City of Homestead Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Homestead
Florida

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

September 30, 2023

Christopher P. Morrell

Executive Director/CEO



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FINANCIAL SECTION

**INDEPENDENT
AUDITORS' REPORT**

Independent Auditors' Report

The Honorable Mayor, the City Council and City Manager
City of Homestead, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of the Pension Trust Funds, component units of the City, which represent 87%, 91% and 57%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of September 30, 2024. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plans are based solely on the reports of the other auditors.

We did not audit the financial statements of the Homestead Station QALICB ("QALICB"), a component unit of the City, which represent 24%, -8% and 1%, respectively, of the assets, net position and revenues of the business-type activities as of September 30, 2024. Those statements were audited by an other auditor, whose reports has been furnished to us, and our opinion, insofar as it relates to the amounts included for the QALICB are based solely on the reports of the other auditor.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.

Auditors’ 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 auditors’ 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City’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’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in net pension liability and related ratios, the schedules of changes in total OPEB liability and related ratios, schedules of employer contributions and the budgetary comparison schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, 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 that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Miami, FL
June 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Homestead (the City), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, we encourage readers to read it in conjunction with the Letter of Transmittal, beginning on page i and the City's financial statements, beginning on page 25 of this report. In this MD&A, all amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights (In Thousands)

- At September 30, 2024, the government-wide assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$274,490 (*net position*), an increase of \$19,314 or 7.6% from prior year.
- The City's *total assets and deferred outflows of resources* of \$552,397 reflect a net increase of \$85 from the previous year. Current assets increased by \$25,792, mostly from the increase in cash and investment due to cash received from the issuance of an Electric Utility debt, and government-wide increases in net position. Non-current assets decreased by \$83, mostly from the decrease in lease receivables of \$187. Total deferred outflows of resources decreased \$28,782 due to deferred outflows for pensions.
- The City's *total liabilities and deferred inflows of resources* reflect a net decrease of \$19,229 from \$297,136 in FY 2023 to \$277,907 in FY 2024. Current liabilities increased by \$10,957 mostly from the increase the power cost adjustment liability and other accounts payable. Noncurrent liabilities decreased by \$4,897 or -2%. Net pension liability decreased by \$6,113, and bond, notes and loans liability increased by \$1,377; the latter due to the issuance of an Electric Utility debt, and offset with FY2024 principal payments.
- At September 30, 2024, the City's governmental funds reported a combined ending fund balance of \$102,554, an increase of \$17,783 from the prior year. The increase is due to the increases in the franchise fees, permit fees, and investment earnings. Of the total fund balance, \$29,682 or 29% represents the *unassigned* fund balance, which is available for spending at the City's discretion.
- The City's enterprise funds reported combined ending net position of \$43,442, a decrease of \$841 from the prior year; \$39,741 was *net investments in capital assets*, \$1,536 was *restricted* and \$2,095 was *unrestricted*.
- At fiscal year end, the General Fund total fund balance increased by \$11,060 from \$61,202 in FY 2023 to \$72,262 in FY 2024, which represents approximately 110% of total General Fund expenditures. Of this total fund balance, \$31,617 was *nonspendable* and represents prepaid costs and long-term notes receivable, \$1,556 has been *restricted* for fiber optic and rock pit security, \$306 *restricted* for HUD section 108 loan security, \$6,912 has been *committed* for a required reserve, \$2,189 was *assigned* for subsequent year's budget, and \$29,682 was *unassigned*.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements,
- 3) Notes to the financial statements.

This report also contains required and supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The focus of the *government-wide financial statements* is on the overall financial position and activities of the City. Two government-wide statements are presented: *the statement of net position* and *the statement of activities*. These statements are designed to provide readers with a broad overview of the City's finances using the accrual basis of accounting in a manner similar to a private-sector business. The accrual basis of accounting recognizes increases or decreases in economic resources as soon as the underlying transaction takes place. Therefore, all of the current year's revenues and expenses are reported regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities.

The *Statement of Net Position* presents information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The *Statement of Activities* presents information showing how the City'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 items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works and services, and parks and recreation. The business-type activities of the City include electric, water and sewer, solid waste, stormwater services and Homestead Station QALICB.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements include not only the City of Homestead (known as the *primary government*), but also legally separate entities (known as *component units*) for which the City is financially accountable. These blended *component units* are the Homestead Community Redevelopment Agency and the Homestead Station QALICB. In addition to the inclusion in the government-wide financial statements, more detailed information for the Homestead Station QALICB and the Homestead Community Redevelopment Agency may be obtained from its separately issued financial statements.

The government-wide financial statements can be found on pages 25-27 of this report.

Fund Financial Statements

Unlike government-wide financial statements, the focus of the fund financial statements is directed to specific activities of the City rather than the City as a whole. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Government fund financial statements consist of a balance sheet and statement of revenues, expenditures, and changes in fund balances. However, unlike the government-wide financial statements, governmental fund financial statements are prepared using the modified accrual basis of accounting, which focuses on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. The statements provide a short-term view of the City's ability to finance its programs and near-term financing requirements, in contrast to the long-term view provided by the government-wide statements.

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

The governmental fund financial statements are presented on pages 28-31 of this report.

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Homestead Community Redevelopment Agency Fund, and the American Rescue Plan Fund, all of which are considered to be major funds. Data for the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is presented in the form of

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

combining statements elsewhere in this report.

The City adopts an annual budget for its General Fund, the Homestead Community Redevelopment Agency Fund and ten of the non-major governmental funds: Impact Fees, Confiscated Property, Disaster Relief, Taxable Transportation System Revenue Bonds, CRA Tax Increment Financing, General Obligation Bonds, People's Transportation Plan, Multimodal Transit Center, Capital Improvement, and Cybrarium Fund. The American Rescue Plan Fund, the Sundries Grant Fund and the Community Development Block Grant Fund do not have an annual adopted budget. Instead, the City adopts the budget by Resolution that coincide with the length of the grant or assistance which does not result in an annual budget.

Schedules of revenues, expenditures and changes in fund balance - budget and actual have been provided for these funds to demonstrate budgetary compliance. These schedules for the major governmental funds can be found on pages 142-144 and the schedules of revenues, expenditures and changes in fund balance - budget and actual for the ten non-major governmental funds can be found on pages 161-166 of this report.

Proprietary funds. *Proprietary funds* are those funds where the City charges fees to customers for the use of specific goods or services. Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds:

Enterprise funds are used to account for *business-type activities* that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City has six individual enterprise funds. The proprietary fund financial statements provide separate information for each of the four major funds, the Water and Sewer Utilities, the Electric Utility, the Solid Waste Fund and Homestead Station QALICB ("QALICB"). Data for the other two enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is presented in the form of *combining statements* elsewhere in this report.

Internal service funds are used to accumulate and allocate costs for goods and services provided internally among the City's various funds and functions. Any net increase or deficiency in net position in the internal service funds are allocated back to the different participating funds and functions. The City has five internal service funds, four of which are used to account for its fleet maintenance and self-insurance services. Because these services predominantly benefit governmental rather than business-type functions, they have been included as part of the governmental activities in the government-wide financial statements. The remaining internal service fund, the Customer Service Fund, predominantly serves enterprise funds; therefore, it has been included as part of the business-type activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary fund financial statements can be found on pages 32-34 of this report.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. The City uses Fiduciary funds to account for its five pension plans. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own activities. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 35-36 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 37-141 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* such as budgetary comparison schedules between the City adopted and final budget and actual financial results for the General Fund and the Homestead Community Redevelopment Agency fund. Schedule of changes in net pension liability and related ratios, schedule of changes in total OPEB liability as well as schedule of City contributions for the City's five pension plans are also presented in this section.

Required supplementary information can be found on pages 142-154 of this report.

The combining and individual funds statements and schedules referred to earlier in connection with major and non-major governmental, enterprise, internal service and fiduciary funds are presented immediately following the required supplementary information.

Combining and individual funds statements and schedules can be found on pages 155-174 of this report.

Government-wide Financial Analysis

Summary of Net Position

The difference between a government's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is its *net position*. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$274,490 at the close of fiscal year 2024 of which 84% was for governmental activities and 16% was for business-type activities.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

A summary of government-wide net position and comparative balances between the current and last fiscal year is provided below:

City of Homestead Summary of Net Position September 30, 2024 and 2023						
	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Assets and Deferred Outflows of Resources:</u>						
Current assets	\$ 130,503	\$ 114,184	\$ 59,872	\$ 50,399	\$ 190,375	\$ 164,583
Other assets, non current	1,526	1,421	17,393	17,581	18,919	19,002
Capital assets, net	<u>237,556</u>	<u>237,246</u>	<u>82,798</u>	<u>79,950</u>	<u>320,354</u>	<u>317,196</u>
Total assets	<u>369,585</u>	<u>352,851</u>	<u>160,063</u>	<u>147,930</u>	<u>529,648</u>	<u>500,781</u>
Total deferred outflows of resources	<u>17,069</u>	<u>39,162</u>	<u>5,680</u>	<u>12,369</u>	<u>22,749</u>	<u>51,531</u>
<u>Liabilities and Deferred Inflows of Resources:</u>						
Current and other liabilities	23,937	25,535	32,013	19,458	55,950	44,993
Noncurrent liabilities	<u>126,425</u>	<u>136,194</u>	<u>71,381</u>	<u>66,509</u>	<u>197,806</u>	<u>202,703</u>
Total liabilities	<u>150,362</u>	<u>161,729</u>	<u>103,394</u>	<u>85,967</u>	<u>253,756</u>	<u>247,696</u>
Total deferred inflows of resources	<u>5,244</u>	<u>19,320</u>	<u>18,907</u>	<u>30,120</u>	<u>24,151</u>	<u>49,440</u>
<u>Net position:</u>						
Net investment in capital assets	185,057	182,290	39,756	36,553	224,813	218,843
Restricted	28,086	18,721	1,536	1,403	29,622	20,124
Unrestricted	<u>17,905</u>	<u>9,953</u>	<u>2,150</u>	<u>6,256</u>	<u>20,055</u>	<u>16,209</u>
Total net position	<u>\$ 231,048</u>	<u>\$ 210,964</u>	<u>\$ 43,442</u>	<u>\$ 44,212</u>	<u>\$ 274,490</u>	<u>\$ 255,176</u>

By far, the largest portion of the City's net position reflects its *net investment in capital assets* (e.g., land, buildings, infrastructure, and utility plant and systems), net of accumulated depreciation, less any outstanding related debt and deferred inflows/outflows used to acquire the assets. The City uses those capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's net investment in capital assets for fiscal year 2024 had a balance of \$224,813 (82% of total net position.)

CITY OF HOMESTEAD, FLORIDA

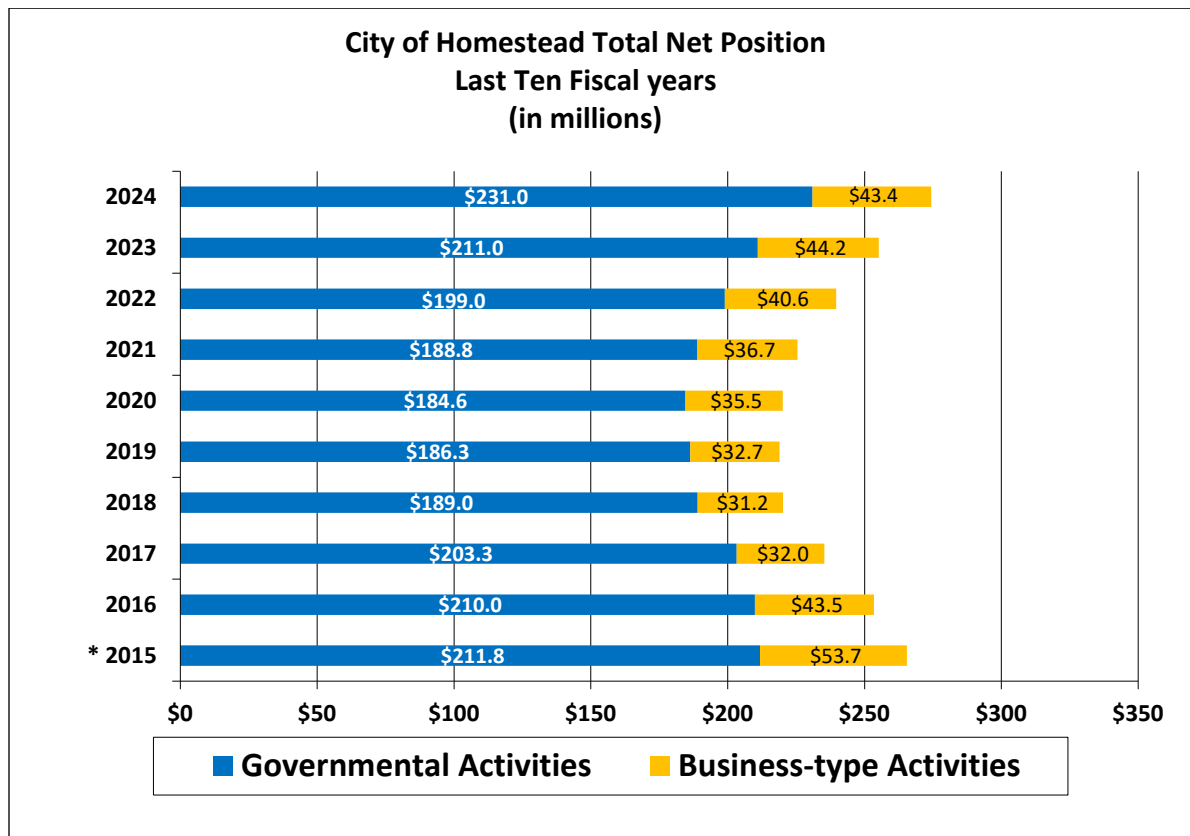
MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City's net position is the restricted net position which represents resources that are subject to external restrictions on how they may be used. These resources have been set aside for capital projects, debt service payments and other contractual obligations. The City's restricted net position as of the end of fiscal year 2024 had a balance of \$29,622 (11% of total net position).

Unrestricted net position represents assets that may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for its governmental and business-type activities. For FY 2024 the City reported a total unrestricted net position of \$20,055, an increase of \$3,846 from the prior year. Governmental activities reported a \$17,905 unrestricted net position and business-type activities reported a \$2,150 unrestricted net position.

The following chart displays the City's total net position over the last ten fiscal years.



* Decreases from 2014 to 2015 resulted from a prior period adjustment for the implementation of GASB 68.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Summary of Activities

The following table provides a comparative summary of the government-wide statement of activities for the current and prior fiscal year.

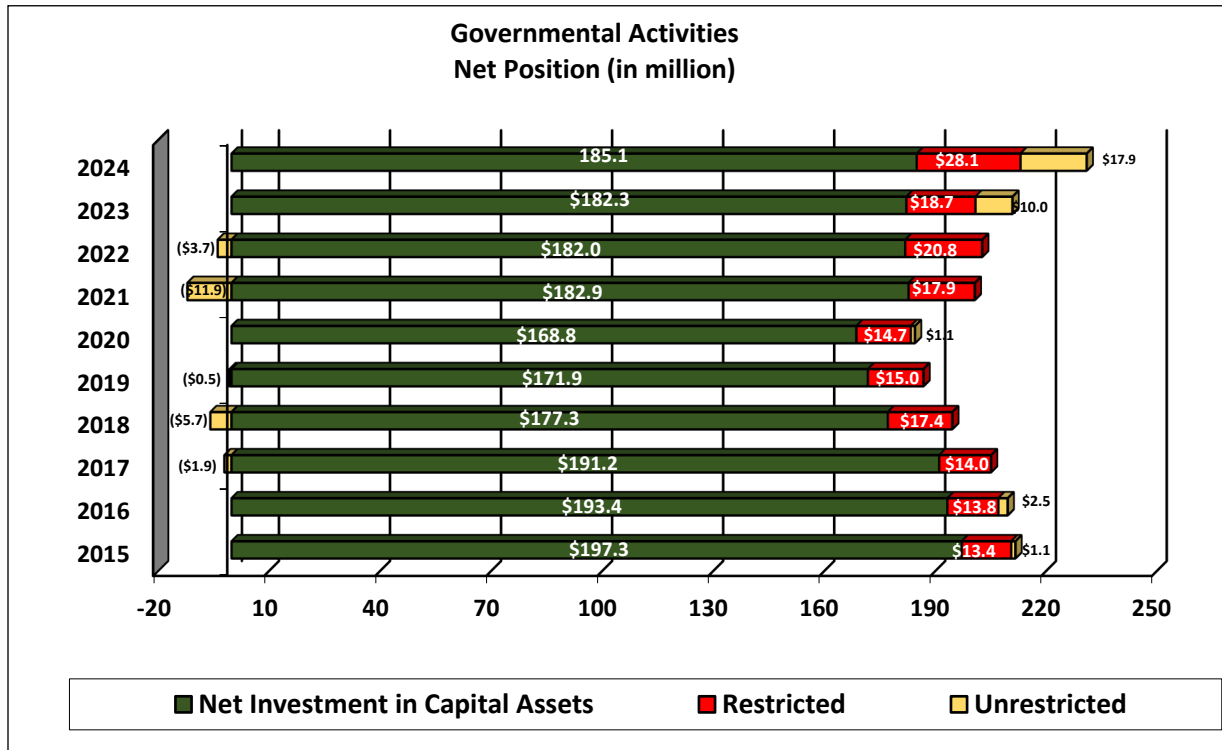
City of Homestead Summary of Changes in Net Position Fiscal years ended September 30, 2024 and 2023						
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program revenues:						
Charges for services	\$ 20,805	\$ 13,989	\$ 110,102	\$ 106,497	\$ 130,907	\$ 120,486
Operating grants and contributions	9,532	7,381	-	-	9,532	7,381
Capital grants and contributions	8,040	14,241	789	360	8,829	14,601
General revenues:						
Property taxes	33,141	29,041	-	-	33,141	29,041
Fuel taxes	1,195	1,450	-	-	1,195	1,450
Franchise fees	1,400	195	-	-	1,400	195
Utility taxes	1,720	1,654	-	-	1,720	1,654
Communication service taxes	1,837	1,764	-	-	1,837	1,764
Half cent sales taxes	8,534	8,687	-	-	8,534	8,687
Unrestricted intergovernmental	5,217	5,318	-	-	5,217	5,318
Payment in lieu of taxes	8,881	7,891	-	-	8,881	7,891
Other revenues	2,598	1,701	3,976	4,187	6,574	5,888
Unrestricted investment earnings (losses)	4,362	2,648	842	736	5,204	3,384
Total revenues	<u>107,262</u>	<u>95,960</u>	<u>115,709</u>	<u>111,780</u>	<u>222,971</u>	<u>207,740</u>
Expenses:						
General government	19,135	19,950	-	-	19,135	19,950
Public safety	43,724	41,161	-	-	43,724	41,161
Public works and services	7,134	5,313	-	-	7,134	5,313
Parks and recreation	12,539	11,616	-	-	12,539	11,616
Disaster relief	4	2	-	-	4	2
Interest on long-term debt	2,552	2,561	-	-	2,552	2,561
Unallocated depreciation	2,196	2,184	-	-	2,196	2,184
Water / Sewer utilities	-	-	26,347	23,202	26,347	23,202
Electric utility	-	-	69,867	67,810	69,867	67,810
Solid waste	-	-	16,860	15,307	16,860	15,307
Other enterprise	-	-	1,881	1,670	1,881	1,670
Homestead Station QALICB	-	-	1,418	1,416	1,418	1,416
Total expenses	<u>87,284</u>	<u>82,787</u>	<u>116,373</u>	<u>109,405</u>	<u>203,657</u>	<u>192,192</u>
Increase/(Decrease) in net position before transfers	19,978	13,173	(664)	2,375	19,314	15,548
Transfers	106	(1,264)	(106)	1,264	-	-
Increase (Decrease) in net position	20,084	11,909	(770)	3,639	19,314	15,548
Net position – beginning	210,964	199,055	44,212	40,573	255,176	239,628
Net position – ending	<u>\$ 231,048</u>	<u>\$ 210,964</u>	<u>\$ 43,442</u>	<u>\$ 44,212</u>	<u>\$ 274,490</u>	<u>\$ 255,176</u>

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities

Total net position of the City's governmental activities increased by \$20,084 from \$210,964 in FY 2023 to \$231,048 in FY 2024, or 10%. Restricted net position increased \$9,365 mostly from the increases in impact fees collected during FY2024. Unrestricted net position increased \$7,952 mostly from increases in the General Fund's unassigned fund balance.



Key elements of the City's governmental activities are as follows:

- Total charges for services and operating grants and contributions increased by \$6,816, and \$2,151 respectively, while both capital grants and contributions decreased by \$5,743.
- Gross property taxable values for the City increased for an eleventh straight year, from \$4.361 billion in 2023 to \$5.063 billion in FY 2024. Total property tax revenues increased by \$4,100 from the increase in the assessed property taxable value even though the City lowered its property tax millage rate from 6.1434 mills in FY 2023 to 6.0206 mills in FY 2024.
- A recent franchise agreement with a non-municipal electrical utility resulted in an unanticipated increase of \$1,205 in franchise fees, contributing to the increases to unrestricted net position.
- Unrestricted investment earnings increased \$1,714 due to the increase in cash and investments.

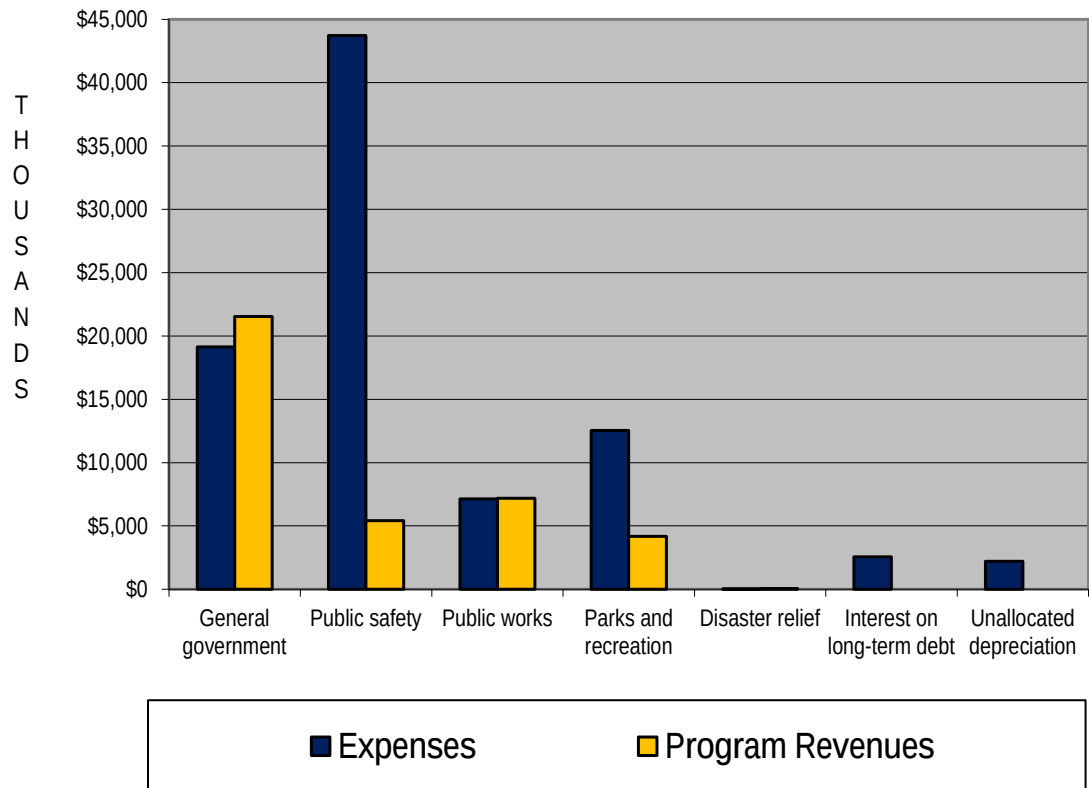
CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Total governmental activities expenses increased by \$4,494 from prior year mostly from the increases in personnel costs as well as increased expenditure activity of ARPA funds.

The following charts compare expenses and program revenues and revenue by sources for governmental activities for fiscal year 2024:

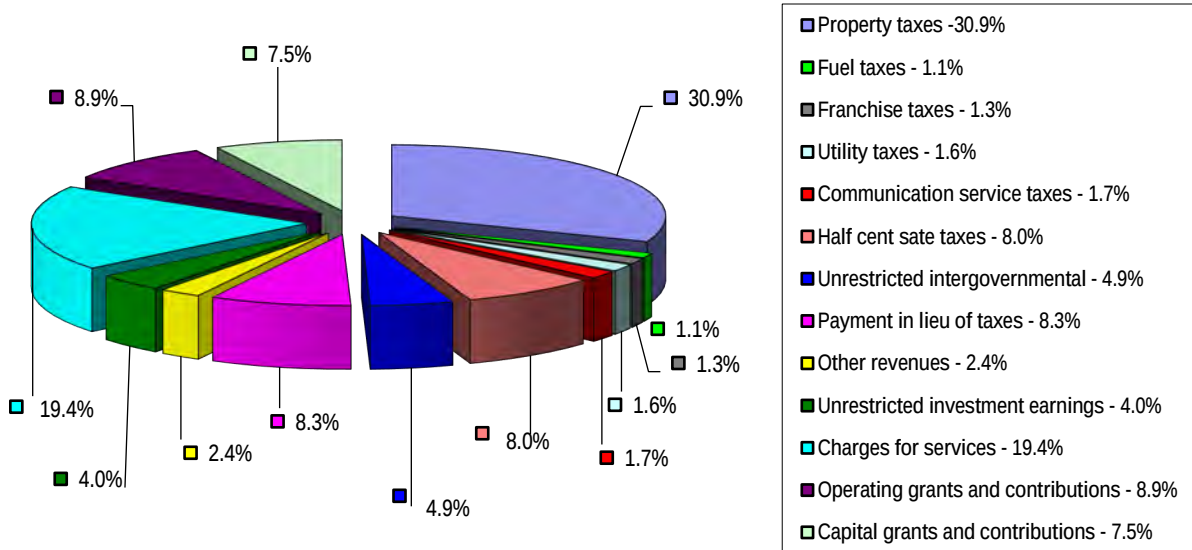
Governmental Activities - Expenses and Program Revenues



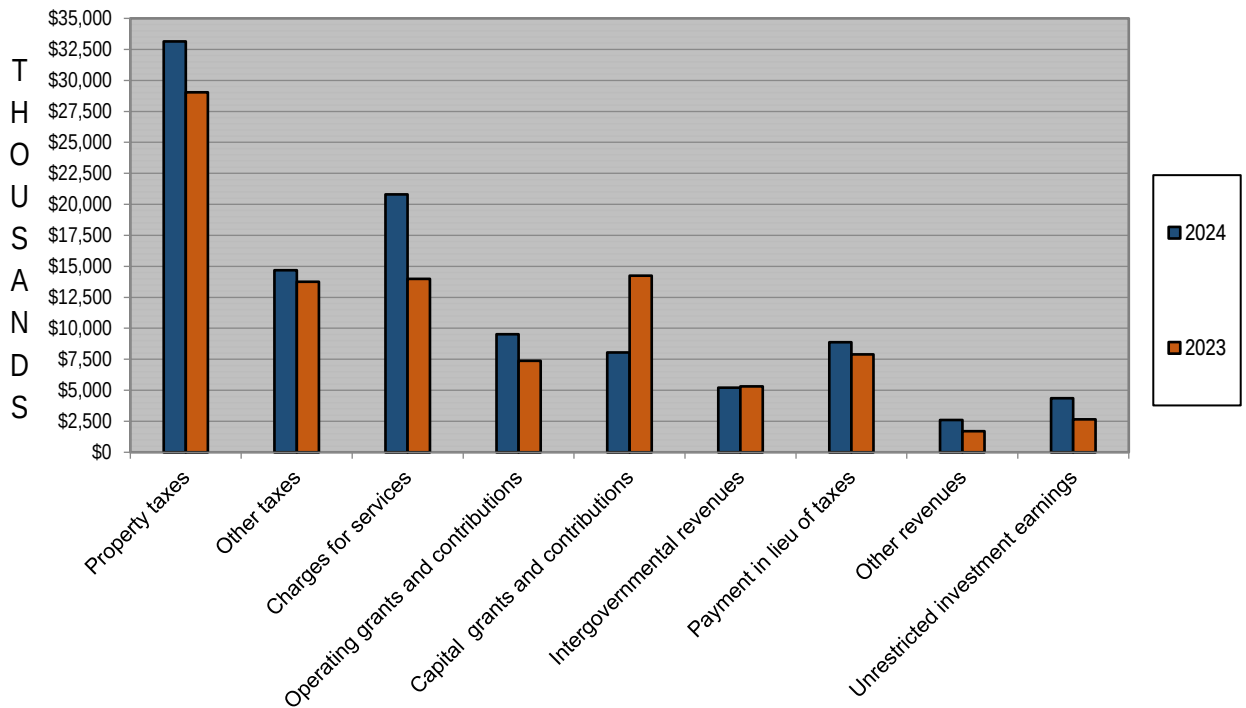
Governmental Activities – Revenues by Source

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS



Governmental Activities – Current Year Revenues vs. Prior Year Revenues

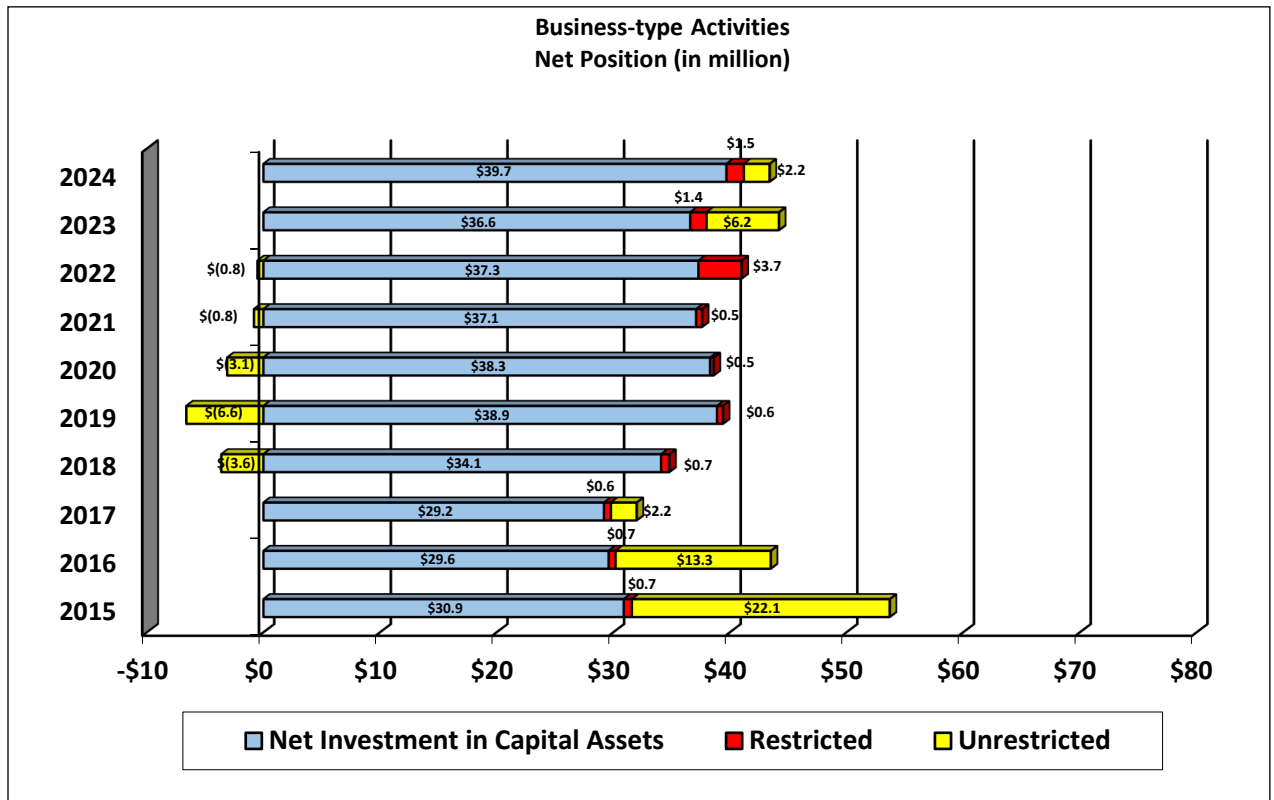


Business-type activities

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's net position of the business-type activities, which includes the customer service internal service fund and Homestead Station QALICB, decreased by \$770 from \$44,412 to \$43,442, or 2% from the prior year.



Key elements of the City's business-type activities for fiscal year 2024 are as follows:

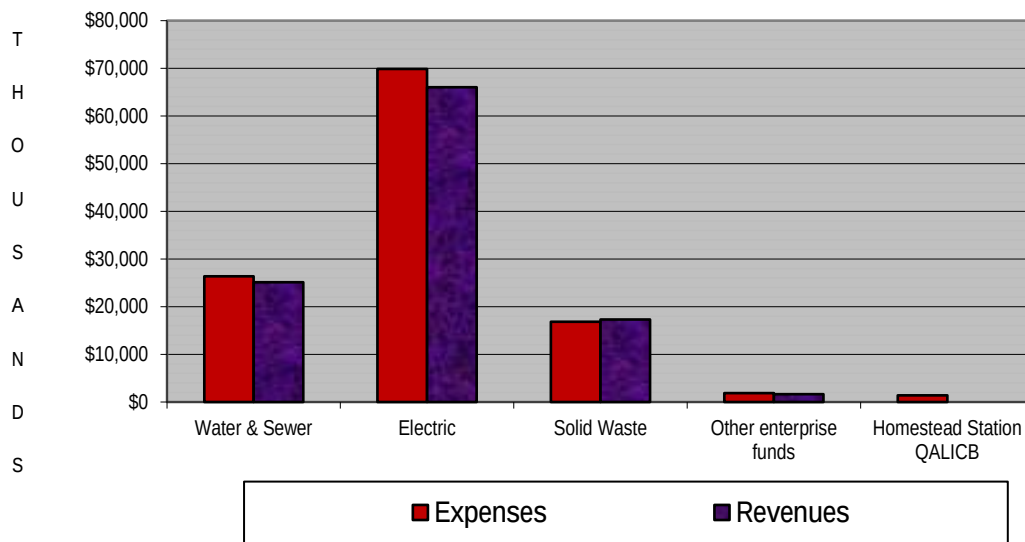
- Overall charges for services increased by \$3,605 or 3% from the prior year. Electric Utility charges for services decreased by \$1,828 primarily due to a decrease in the power cost adjustment (PCA) rate. Water and Sewer had an increase in charges for services of \$2,508 mostly from a CPI rate increase while Solid Waste charges for services increased by \$3,017 from increases in commercial and residential rates, and Stormwater charges for services decreased by \$92.
- Electric Utility expenses decreased by \$1,203. Purchased power costs decreased by \$2,993 while personnel and other expenses increased by \$4,973. Water and Sewer expenses increased \$3,145 and Solid Waste expenses increased by \$1,553, both because of the increase in personnel costs. The expenses for other utilities remained relatively stable.
- Investment earnings increased by \$106 due to money from Electric FMPA loans not yet spent.
- As of September 30, 2024, aside from the customary CPI and Miami-Dade County pass-through

CITY OF HOMESTEAD, FLORIDA

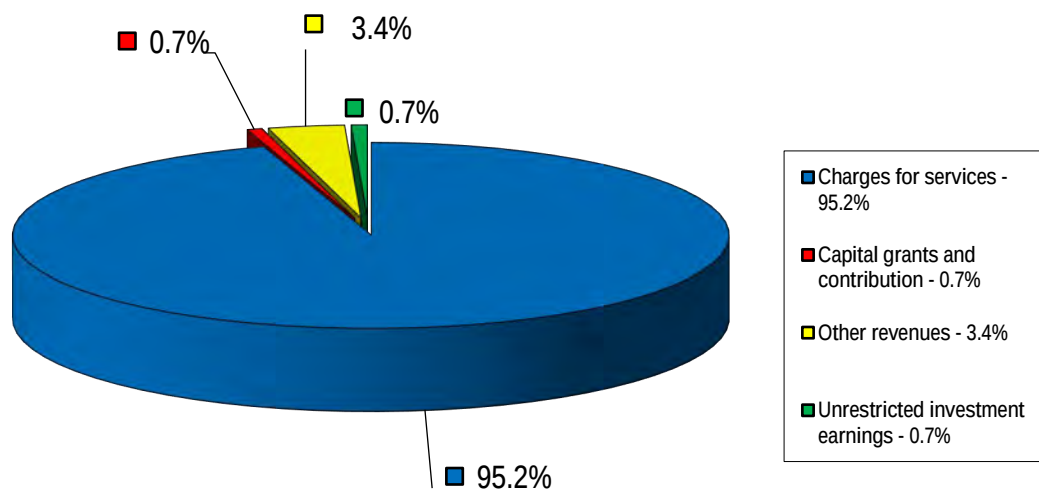
MANAGEMENT'S DISCUSSION AND ANALYSIS

cost adjustments for water and sewer rates, and the increases (over 30%) for the solid waste rates, there was a reduction in the PCA rate for customers in electric utility. There were no rate adjustments for stormwater utilities.

Business-type Activities – Expenses and Revenues



Business-type Activities – Revenues by Source



CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the City of Homestead's Funds

As noted earlier, the City uses fund accounting to help ensure as well as demonstrate compliance with finance related legal requirements. The focus of the fund financial statements is on major funds, rather fund types.

Governmental funds.

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

As of the end of fiscal year 2024, the City's governmental funds reported a total fund balance of \$102,554, an increase of \$17,783 from prior year. Out of this amount, \$31,621 or 31% was in *nonspendable* which represents prepaid costs and the long-term notes receivable. \$27,478 or 27% is *restricted* by third parties such as grantors, creditors, state statute or other governmental entities for specific type of expenditures. The City, through ordinances, has \$9,075, or 9%, in *committed* fund balance which includes: 1) *committed* fund balance represented a required reserve in the amount of 10% of the amount of originally budgeted revenues of the general fund of \$6,912, and 2) *committed* fund balance to be used for specific purposes such as public art and transportation of \$2,163.

The City also has *assigned* \$4,698 or 4% of the fund balance to be used for capital projects and expenditures for the next fiscal year. *Unassigned* fund balance is the portion of fund balance that is available for spending at the City's discretion. \$29,682 or 29% of the governmental fund balance constitutes *unassigned* fund balance.

The General Fund is the chief operating fund of the City. All revenues, other receipts, expenditures, fixed charges and capital improvement costs that are not required by law or contractual agreement to be accounted for in another fund are accounted for in the General Fund.

At the end of the current fiscal year, the General Fund reported a total fund balance of \$72,262, an increase of \$11,060 from prior year primarily from the unanticipated increase in franchise taxes, state insurance premium taxes pass thru for police and fire pensions, and also investment interest income. Unrealized personnel costs due to vacancies, and professional services for projects that were put on hold, also contributed to the increase in fund balance. The General Fund unassigned fund balance of \$29,682 constitutes 41% of the total fund balance which represents an increase of \$10,527 from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance represents 45% of total General Fund expenditures, while total fund balance represents 110% of that same amount.

Besides the General Fund, major governmental funds include the Homestead Community Redevelopment Agency, and the American Rescue Plan Fund. The Homestead Community Redevelopment Agency's fund balance increased \$1,601, from \$5,139 in 2023 to \$6,740 in 2024, primarily due to the unspent monies earmarked for land purchases, redevelopment projects, and grants.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The American Rescue Plan Fund accounts for \$19,192 in total funds received from the U.S. Department of Treasury to address impacts of COVID-19, improve Broadband, improve Water and Sewer infrastructure, and to replace lost revenues for other activities. \$9,596 was received in FY 2021 and \$9,596 was received in FY 2022. At September 30, 2024 a total of \$8,856 had been expended: \$9 in FY 2021, \$800 in FY 2022, \$2,801 in FY 2023, and \$5,246 in FY 2024. The balance of unspent funds of \$10,336 is recorded as unearned revenue.

As for other non-major governmental funds, Impact Fees' fund balance increased by \$5,611 primarily increased development in the City. People's Transportation Plan's fund balance increased by \$2,003 due to unspent money for capital projects. The Multimodal Transit Center ("MTC") Fund decreased by \$4,828 to close out the fund and return monies to other funds that had provided temporary gap funding for the MTC pending the \$5,700 received from Miami-Dade County in late FY 2023. The Capital Improvement Fund's fund balance increased by \$1,373 due to unspent money for capital projects.

Blended component unit - Homestead Community Redevelopment Agency (CRA): As of September 30, 2024, the CRA reported a fund balance of \$5,138, reflecting an increase of \$1,407 compared to the previous period. This growth is primarily attributed to higher Tax Increment Financing (TIF) revenues and the deferral of certain CRA projects and programs.

More detailed information for the Homestead Community Redevelopment Agency (CRA) may be obtained from its separately issued financial statements.

Proprietary funds.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. Proprietary funds account for services that are generally supported by user fees charged to customers. Proprietary fund statements, like government-wide statements, provide both short and long-term financial information.

- For fiscal year 2024, Water & Sewer Utility is reporting an operating loss of \$358. *Total net position* decreased by \$326 while *unrestricted net position* showed a negative balance of \$196 which is a decline from last year's positive balance of \$142. In January 2019, the City increased the Water & Sewer rate for the first time since FY 2008 and has since committed to an annual inflation adjustment based on the CPI, with the ultimate goal of the rate increases is to eliminate the negative unrestricted net position.
- In FY 2024, the Electric Utility reported an operating loss of \$1,123. The revenues decreased by \$2,473, while expenses increased by \$1,980. Purchase power costs were down, and accordingly so were the purchase cost adjustment ("PCA") revenue; however, personnel and operating costs increased over the prior year. Total net position decreased by \$1,160 and *unrestricted net position* also decreased by \$4,582 from a negative balance of \$1,171 in FY 2023 to a negative balance of \$5,753 in FY 2024. The liability for over-recovery of the PCA was \$8,350 in FY2024.
- Solid waste had an operating income of \$672. In FY 2023 the General Fund contributed an additional \$1,350 back to Solid Waste for its assistance to the General Fund in prior years. In FY

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

2023, the City increased commercial rates by 34% and it increased residential rates by 32% in FY 2024. *Unrestricted net position* showed a positive balance of \$1,202.

- In summary, total net position for all proprietary funds in FY2024 was \$43,442, a decrease of \$841 from the prior year. The City continues to monitor all proprietary funds' operations to ensure that the annual revenues are sufficient to meet all annual operating expenses and allow for a build-up of reserves for future capital assets.

Blended component unit - Homestead Station QALICB: In FY 2018, the City formed Homestead Station QALICB ("QALICB"), Inc. a Florida nonprofit corporation, in connection with the purchase and development of the parking garage project. The formation of the QALICB resulted from the City engaging in a new market tax credit (NMTC) transaction. QALICB is considered to be a special-purpose governmental entity engaged only in business-type activities with a fiscal year ended of June 30.

In FY 2024, the City's proprietary financial statements include the QALICB's financial statements for the period from July 1, 2023 to June 30, 2024. QALICB reported a negative net position as of June 30, 2024 of \$3,239. More detailed information for the Homestead Station QALICB may be obtained from its separately issued financial statements.

General Fund Budgetary Highlights

The General Fund did not have any amendment to the original budget during FY 2024.

The General Fund budgetary comparison schedules can be found on pages 142-143 of this report.

Budgeted revenues compared to actual revenues. Actual General Fund revenues before other financing sources were \$8,088 higher than the final budgeted amount.

- Franchise taxes were \$1,352 over budgeted expectations. Late in FY2023, the City entered into a new franchise agreement with a non-municipal electric utility to collect franchise fees from an annexed area of the City, where the fees were previously remitted to the County. These taxes were not budgeted for in FY2024.
- Licenses and permits were \$2,355 over budget expectations due to increased development.
- Investment income showed \$2,738 higher than budgeted amount. This was due to the increase in unspent cash and investments while interest rates remained constant during the year. It also reflects a conservative budget approach to investment earnings, in a sometimes volatile economy.

Budgeted expenditures compared to actual expenditures. The General Fund's expenditures before transfers were \$5,033 lower than budgeted. All of the departments in the General Fund reported positive variances.

- General government showed a positive variance of \$2,886; General Administration (\$928 mostly from savings in public relations and special events), Planning & Zoning (\$535 mostly from savings in professional services for projects/programs that have been delayed), Finance (\$563 mostly from

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

personnel vacancies, professional services and contracts for programs that have been delayed), all others (\$860 mostly vacancies, professional services and contracts)

- Public Safety (Police) reported a positive variance of \$2,691, mostly from savings of \$1,674 in personnel costs due to vacancies. Other components of public safety had a negative variance of \$337 mainly from higher than budgeted state premium taxes pass thru for police and fire pension as mentioned earlier. This is offset by the positive \$337 variance in revenues.
- Capital Outlay has a negative variance of \$606 due to a \$308 GASB 96 (SBITA) transaction, and \$766 related to the timing of an equipment financing (\$901) that closed in late FY2023, but receipt of equipment was delayed until FY2024. Savings from unused capital purchases of \$468, results in a \$606 negative variance. The SBITA transaction had an offsetting revenue of \$243, reported as a positive variance in proceeds from other long-term debt (SBITA),
- Debt service showed a total negative variance of \$496 for principal and interest, due to three GASB 96 (SBITA) transactions, and one GASB 87 (LEASES) transaction. The operating lease payments, equivalent to the amount of the SBITA/LEASE debt service, were budgeted in the Department's operating budget. No net impact to the General Fund's Budget.

Capital Asset and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2024 amounted to \$320,354 (net of accumulated depreciation and amortization). Capital assets include land, buildings, improvements other than buildings, furniture & fixtures & equipment, artworks, intangible assets, machinery and equipment, infrastructure, lease (right-to-use) asset, and subscription-based IT arrangement assets. The City's net investment in capital assets for FY 2024 increased by \$5,970 from the previous year. Major capital asset events that occurred during the fiscal year include the following:

- Purchase of land for \$2,847, funded by an ARPA contribution to the CRA Fund, for the CRA Triangle Property Revitalization project.
- Purchase of a 180-ton chiller for \$264 and new chiller coils for Chiller #2 for \$72 at City Hall, funded by the General Fund and CIP Fund.
- Renovation of the Police Department's Mobile Command Post for \$568, funded by the ARPA Fund, a new roof for the Police Department PAL Gym for \$751, funded by the General Fund and CIP Fund; renovation of the Police Explorer Building for \$43, funded by Confiscated Funds.
- Police purchased four vehicles for \$250 and related equipment for \$21 using police impact fees; five additional vehicles, a Dell server, and Computer Voice Stress equipment were purchased with CIP funds.
- Parks projects included the completion of the Phicol Williams Community Center stage (\$17, Parks Impact Fees); JD Redd Park doors \$37, Blakey Park track restriping \$32, and Roby George Park resurfacing \$60, all grant-funded; and the Witkop CRT resurfacing \$592, gym equipment \$38, Cybrarium IT upgrades \$25, five vehicles \$152, and equipment \$17, funded by the CIP Fund.
- Street and sidewalk replacements and improvements totaled \$1,209, funded by the General Fund and the People's Transportation Plan Fund.
- Through new equipment financing for FY 2024, the City acquired 14 vehicles (13 for Police, 1 for Procurement) and upgraded a video surveillance system, totaling \$833.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Construction-in-progress for governmental activities at year-end totaled \$6,350. This includes Parks projects totaling \$1,415, such as Phase II of the Parks Master Plan (\$15), park facility improvements (\$1,318), and the Sports Complex expansion (\$82), mostly funded by grants, impact fees, and confiscated funds.
- Implementation of GASB 96 resulted in \$1,421 of subscription-based IT arrangement assets.
- Electric Utility completed underground, overhead, and streetlight projects totaling \$2,783; engine upgrades for \$358; and new meters and substation equipment for \$493. Major construction-in-progress at year-end included a new substation (\$2,437), advanced metering infrastructure (\$992), downtown infrastructure project (\$373), NW area underground project (\$1,423), protection relays (\$247), and Engine #17 rebuild (\$402).
- Water and Sewer purchased a Case hydraulic excavator for \$59, funded by ARPA.
- Capital assets at fiscal year ended June 30, 2024 for Homestead Station QALICB amounted to \$30,441, net of depreciation.
- Depreciation expense totaled \$10,712 and \$6,669 for governmental activities and business-type activities, respectively.

The following chart provides a condensed schedule of government-wide capital assets with comparative balances between the current and last fiscal year.

City of Homestead Capital Assets (Net of Accumulated Depreciation and amortization) September 30, 2024 and 2023							
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	
Land	\$ 57,311	\$ 54,464	\$ 1,876	\$ 1,876	\$ 59,187	\$ 56,340	
Land improvements	9,564	9,985	-	-	9,564	9,985	
Buildings and improvements	100,627	103,755	30,342	31,199	130,969	134,954	
Other improvements	10,224	10,083	-	-	10,224	10,083	
Furniture, fixtures and equipment	7,478	6,228	-	-	7,478	6,228	
Books	227	378	-	-	227	378	
Artworks	1,760	1,746	-	-	1,760	1,746	
Infrastructure	27,265	29,461	-	-	27,265	29,461	
Utility plant and systems	-	-	39,748	38,860	39,748	38,860	
Construction in progress	6,350	3,750	10,832	8,015	17,182	11,765	
Lease (Right-to-use asset)	15,779	16,435	-	-	15,779	16,435	
Subscription-based arrangements assets	971	961	-	-	971	961	
Total capital assets	<u>\$ 237,556</u>	<u>\$ 237,246</u>	<u>\$ 82,798</u>	<u>\$ 79,950</u>	<u>\$ 320,354</u>	<u>\$ 317,196</u>	

Additional information on capital assets, lease asset, and subscription-based arrangements assets can be found in Note 8 ,Note 9, and Note 10 on pages 65-70 of this report.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt and loans outstanding of \$114,241 an increase of \$1,513 from prior year. The City's bonded debt represents bonds secured by specific revenue sources. Total governmental bonded debt and loans payable amounted to \$59,377. Business-type activities bonded debt and loans payable amounted to \$54,864.

- Governmental activities' bonded debt and loan payable decreased by \$3,025 due to principal payments made during FY2024.
- Business-type activities' debt increased by \$4,538. QALICB notes payable increased \$332 from \$35,948 in FY 2023 to \$36,280 in FY 2024; this debt is related to the NMTC transaction involving the parking garage project. The City also secured a new loan during FY 2024, Electric Revenue Note, Series 2024 in the amount of \$5,165 to provide additional funding for the new substation. The difference was the decrease for principal payments made during FY2024.

Under Florida Statutes, there is no debt limit margin for local governments. In December 2018, S&P affirmed the City's A+ general obligation bond rating and raised its taxable transportation system revenue bonds from A to A+. On September 14, 2021, Moody's removed the City's negative outlook, affirming an Aa3 rating on general obligation bonds and A1 on transportation bonds. In January 2023, Moody's upgraded the transportation bonds to Aa3. On December 4, 2024 S&P Global raised the City's long-term rating to AA- from A+, with a stable outlook. The rating is supported by the City's steady and stable financial results, robust reserve position and affordable debt burden.

The following chart provides information on the City's outstanding long-term debt with comparative balances between the current and last fiscal year.

City of Homestead Bonded Debt and Loan payable September 30, 2024 and 2023						
	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
General Obligation Bonds, Series 2014	\$ 19,270	\$ 19,890	\$ -	\$ -	\$ 19,270	\$ 19,890
Plus: Unamortized Bonds Premium	1,159	1,217	-	-	1,159	1,217
Total General Obligation Bonds	20,429	21,107	-	-	20,429	21,107
Taxable Transportation System Revenue Bonds, Series 2017	26,500	27,220	-	-	26,500	27,220
HUD Section 108 Loan	1,544	2,509	-	-	1,544	2,509
New City Hall Refunding Notes, Series 2021	6,538	7,066	-	-	6,538	7,066
CRA Tax Increment Revenue Note, Taxable	4,366	4,500	-	-	4,366	4,500
Electric FMPA Pooled Loan 2021	-	-	7,520	7,878	7,520	7,878
Electric FMPA Pooled Loan 2022	-	-	5,899	6,500	5,899	6,500
Electric Revenue Note, Series 2024	-	-	5,165	-	5,165	-
Homestead Station QALICB Notes payable	-	-	36,280	35,948	36,280	35,948
Total bonds and loans payable	<u>\$ 59,377</u>	<u>\$ 62,402</u>	<u>\$ 54,864</u>	<u>\$ 50,326</u>	<u>\$ 114,241</u>	<u>\$ 112,728</u>

Additional information on bonded debt and loan payable can be found in Note 12 on pages 71-87 of this report.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

- The City's FY 2025 adopted budget totals \$274,017 in anticipated revenues and expenditures.
- The budget includes funding for all capital improvement projects estimated at \$14,357.
- The General Fund reserve requirement for FY 2025 is \$7,794, representing 10% of the adopted General Fund revenues of \$77,937.
- Taxable property values rose for the twelfth consecutive year, reaching an all-time high of \$6.061 billion for FY 2025—an increase of 19.7% from \$5.063 billion in FY 2024.
- For fiscal year 2025, the City lowered its operating millage rate for a third consecutive year while maintaining or increasing the service levels to its citizens. Operating millage rate for fiscal 2025 was lowered by 0.0602, from 6.0206 mills in fiscal 2024 to 5.9604 mills for fiscal 2025, while the rolled back rate was 5.0140 mills.
- The City also lowered its debt millage rate for the general obligation bonds for Fiscal Year 2025 to 0.2580 mills from 0.3075 mills in Fiscal Year 2024.
- Electric and stormwater utility rates remain unchanged for FY 2025. Water and sewer rates were adjusted for inflation based on CPI and Miami-Dade County pass-through costs. Solid Waste rates, which may be adjusted for inflation at the City Manager's discretion, remained unchanged.
- According to the U.S. Census Bureau, the City's population increased from 84,331 in 2023 to 84,014 in 2024. The unemployment rate remained stable at 2.0%, per the U.S. Department of Labor Bureau of Labor Statistics, signaling stability in the local economy.
- National and state economic trends continue to require careful monitoring of City revenues and expenditures. Property values, tax collections, and user fees are all sensitive to broader economic conditions.
- The FY 2025 budget reflects a balanced and cost-conscious approach to delivering essential services and capital investments. As FY 2026 budget planning begins, the City will focus on enhancing revenues, controlling costs, and assessing potential legislative impacts on municipal operations.

Requests for Information

This financial report is 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. Additional information is also available on the City's website at www.homesteadfl.gov. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Carlos M. Perez, CPA, CPPT, CGFO
Finance & Budget Director
City of Homestead
100 Civic Court
Homestead, Florida 33030

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 18,186,995	\$ 4,890,149	\$ 23,077,144
Investments	49,496,620	7,811,561	57,308,181
Receivables, net	8,845,683	22,388,109	31,233,792
Lease receivable	-	187,454	187,454
Internal balances	4,200,000	(4,200,000)	-
Prepaid costs	114,174	168,849	283,023
Note receivable	31,506,233	-	31,506,233
Inventories	299,485	7,011,214	7,310,699
Restricted assets:			
Cash and cash equivalents	2,791,566	16,441,811	19,233,377
Investments	15,062,146	5,172,959	20,235,105
Total current assets	<u>130,502,902</u>	<u>59,872,106</u>	<u>190,375,008</u>
Non-current Assets:			
Capital assets not being depreciated	65,422,280	12,708,046	78,130,326
Capital assets being depreciated, net	155,384,092	70,089,720	225,473,812
Lease (right-to-use) asset, net	15,778,862	-	15,778,862
Subscription-based arrangement assets, net	971,160	-	971,160
Sub-total capital assets	237,556,394	82,797,766	320,354,160
Lease receivables	-	17,393,400	17,393,400
Asset available for sale	917,614	-	917,614
Net pension asset	607,959	-	607,959
Total non-current assets	<u>239,081,967</u>	<u>100,191,166</u>	<u>339,273,133</u>
TOTAL ASSETS	<u>369,584,869</u>	<u>160,063,272</u>	<u>529,648,141</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	16,941,593	5,605,295	22,546,888
Deferred outflows for OPEB	127,365	74,967	202,332
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>17,068,958</u>	<u>5,680,262</u>	<u>22,749,220</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	8,661,445	15,435,345	24,096,790
Arbitrage liabilities	-	131,834	131,834
Unearned revenue	13,857,889	2,103,187	15,961,076
Power cost adjustment liability	-	8,350,836	8,350,836
Other liabilities	862,279	-	862,279
Liabilities payable from restricted assets:			
Customer deposits	-	5,489,050	5,489,050
Current accrued interest payable	555,170	503,443	1,058,613
Total current liabilities	<u>\$ 23,936,783</u>	<u>\$ 32,013,695</u>	<u>\$ 55,950,478</u>

(Continued)

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

(Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES (continued):			
Non-current liabilities:			
Due within one year :			
Compensated absences	\$ 1,390,782	\$ 629,956	\$ 2,020,738
Equipment financing	589,421	598,073	1,187,494
Bonds, notes and loans	2,335,973	1,345,097	3,681,070
Total OPEB liability	148,253	87,264	235,517
Claims and judgements	1,193,008	-	1,193,008
Lease obligation (right-to-use asset)	259,084	-	259,084
Subscription-based arrangements liability	252,889	-	252,889
Due in more than one year:			
Compensated absences	3,245,161	1,469,897	4,715,058
Equipment financing	787,731	2,169,357	2,957,088
Bonds, notes and loans	57,041,550	53,519,241	110,560,791
Net pension liability	32,125,062	8,387,688	40,512,750
Total OPEB liability	5,392,283	3,173,998	8,566,281
Claims and judgements	3,668,915	-	3,668,915
Lease obligation (right-to-use asset)	17,310,574	-	17,310,574
Subscription-based arrangements liability	684,671	-	684,671
Total non-current liabilities	126,425,357	71,380,571	197,805,928
TOTAL LIABILITIES	<u>150,362,140</u>	<u>103,394,266</u>	<u>253,756,406</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for leases	-	15,820,167	15,820,167
Deferred inflows for OPEB	5,244,104	3,086,779	8,330,883
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,244,104</u>	<u>18,906,946</u>	<u>24,151,050</u>
NET POSITION			
Net investment in capital assets	185,056,980	39,755,942	224,812,922
Restricted :			
Community redevelopment	6,736,975	-	6,736,975
Fiber optic and rock pit security	1,555,665	-	1,555,665
HUD section 108 loan security	306,000	-	306,000
Grants	2,276,272	-	2,276,272
Community development	911,319	-	911,319
Diasater relief	690,913	-	690,913
Parks and recreation	3,901,853	-	3,901,853
Law enforcement	2,579,335	-	2,579,335
Road improvements	864,376	-	864,376
Debt service	599,557	1,535,776	2,135,333
Transit & Transportation	7,048,472	-	7,048,472
Capital projects	7,286	-	7,286
Net pension asset	607,959	-	607,959
Unrestricted	17,904,621	2,150,604	20,055,225
TOTAL NET POSITION	<u>\$ 231,047,583</u>	<u>\$ 43,442,322</u>	<u>\$ 274,489,905</u>

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 19,134,722	\$ 14,567,783	\$ 5,263,945	\$ 1,702,044	\$ 2,399,050	\$ -	\$ 2,399,050
Public safety	43,724,088	1,958,157	3,366,617	100,000	(38,299,314)	-	(38,299,314)
Public works and services	7,133,756	229,266	748,771	6,200,580	44,861	-	44,861
Parks and recreation	12,538,540	4,049,645	96,272	37,095	(8,355,528)	-	(8,355,528)
Disaster relief	4,128	-	56,210	-	52,082	-	52,082
Interest on long-term debt	2,552,469	-	-	-	(2,552,469)	-	(2,552,469)
Unallocated depreciation	2,196,415	-	-	-	(2,196,415)	-	(2,196,415)
Total governmental activities	<u>87,284,118</u>	<u>20,804,851</u>	<u>9,531,815</u>	<u>8,039,719</u>	<u>(48,907,733)</u>	<u>-</u>	<u>(48,907,733)</u>
Business-type activities:							
Water & sewer	26,346,642	25,122,016	-	58,586	-	(1,166,040)	(1,166,040)
Electric utility	69,867,533	66,033,054	-	-	-	(3,834,479)	(3,834,479)
Solid waste	16,860,212	17,308,364	-	729,900	-	1,178,052	1,178,052
Stormwater utility	1,880,948	1,639,004	-	-	-	(241,944)	(241,944)
Homestead station QALICB	1,417,995	-	-	-	-	(1,417,995)	(1,417,995)
Total business-type activities	<u>116,373,330</u>	<u>110,102,438</u>	<u>-</u>	<u>788,486</u>	<u>-</u>	<u>(5,482,406)</u>	<u>(5,482,406)</u>
Total	<u>\$ 203,657,448</u>	<u>\$ 130,907,289</u>	<u>\$ 9,531,815</u>	<u>\$ 8,828,205</u>	<u>(48,907,733)</u>	<u>(5,482,406)</u>	<u>(54,390,139)</u>
General revenues:							
Property taxes					33,141,126	-	33,141,126
Fuel taxes					1,195,268	-	1,195,268
Franchise taxes (on gross receipts)					1,399,988	-	1,399,988
Utility taxes					1,719,744	-	1,719,744
Communication service taxes					1,836,634	-	1,836,634
Half cent sales taxes					8,534,276	-	8,534,276
Unrestricted intergovernmental revenue					5,217,246	-	5,217,246
Payment in lieu of taxes					8,880,793	-	8,880,793
Other revenues					2,598,300	3,976,458	6,574,758
Unrestricted investment earnings (loss)					4,361,572	842,146	5,203,718
Transfers					106,189	(106,189)	-
Total general revenues and transfers					<u>68,991,136</u>	<u>4,712,415</u>	<u>73,703,551</u>
Change in net position					20,083,403	(769,991)	19,313,412
Net position, beginning					<u>210,964,180</u>	<u>44,212,313</u>	<u>255,176,493</u>
Net position, ending					<u>\$ 231,047,583</u>	<u>\$ 43,442,322</u>	<u>\$ 274,489,905</u>

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

		Special Revenue			
		Homestead Community Redevelopment Agency	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
	<u>General</u>				
ASSETS					
Cash and cash equivalents	\$ 555,727	\$ 2,331,785	\$ -	\$ 13,387,066	\$ 16,274,578
Investments	39,620,144	4,182,235	-	5,694,241	49,496,620
Interest receivable on investments	722,865	20,729	-	18,450	762,044
Account receivables, net	2,832,512	1,962	-	5,236,700	8,071,174
Due from other funds	1,100,000	-	-	-	1,100,000
Prepaid costs	110,789	3,385	-	-	114,174
Notes receivable	31,506,233	-	-	-	31,506,233
Restricted assets:					
Cash and cash equivalents	11,536	-	27,917	2,752,113	2,791,566
Investments	1,555,665	280,380	12,948,522	277,579	15,062,146
Asset available for sale	-	110,268	-	807,346	917,614
Total Assets	<u>\$ 78,015,471</u>	<u>\$ 6,930,744</u>	<u>\$ 12,976,439</u>	<u>\$ 28,173,495</u>	<u>\$ 126,096,149</u>
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 4,244,232	\$ 190,384	\$ 411,330	\$ 2,876,340	\$ 7,722,286
Due to other funds	-	-	600,000	500,000	1,100,000
Unearned revenue	647,022	-	10,335,543	2,875,324	13,857,889
Other liabilities	<u>862,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>862,279</u>
Total liabilities	<u>5,753,533</u>	<u>190,384</u>	<u>11,346,873</u>	<u>6,251,664</u>	<u>23,542,454</u>
FUND BALANCES					
<i>Nonspendable :</i>					
Prepaid costs	110,789	3,385	-	-	114,174
Long-term notes receivable	31,506,233	-	-	-	31,506,233
<i>Restricted :</i>					
Community redevelopment	-	6,736,975	-	-	6,736,975
Fiber optic & rock pit security	1,555,665	-	-	-	1,555,665
HUD section 108 loan security	306,000	-	-	-	306,000
Grants	-	-	1,629,566	646,706	2,276,272
Community development	-	-	-	911,319	911,319
Disaster relief	-	-	-	690,913	690,913
Parks and recreation	-	-	-	3,901,853	3,901,853
Law enforcement	-	-	-	2,579,335	2,579,335
Road improvements	-	-	-	864,376	864,376
General obligation bonds debt service	-	-	-	101,826	101,826
CRA tax increment revenue note debt service	-	-	-	32,722	32,722
Taxable transportation system revenue bonds debt service	-	-	-	465,009	465,009
Cybrarium construction from HUD section 108 loan	-	-	-	7,286	7,286
Transit and transportation	-	-	-	7,048,472	7,048,472
<i>Committed :</i>					
Required reserve	6,911,798	-	-	-	6,911,798
Public Art	-	-	-	2,074,660	2,074,660
Transportation	-	-	-	88,402	88,402
<i>Assigned :</i>					
Capital projects	-	-	-	2,508,952	2,508,952
Appropriation of subsequent year's budget	2,189,490	-	-	-	2,189,490
<i>Unassigned :</i>					
General fund	<u>29,681,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,681,963</u>
Total fund balances	<u>72,261,938</u>	<u>6,740,360</u>	<u>1,629,566</u>	<u>21,921,831</u>	<u>102,553,695</u>
Total liabilities and fund balances	<u>\$ 78,015,471</u>	<u>\$ 6,930,744</u>	<u>\$ 12,976,439</u>	<u>\$ 28,173,495</u>	<u>\$ 126,096,149</u>

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Fund balance - total governmental funds (Page 28)		\$ 102,553,695
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (excluding internal service funds) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		237,247,877
Net pension assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		607,959
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds (excluding internal service funds).		
Accrued interest payable on long-term debt	(555,170)	
Bonds and loan payable	(59,377,523)	
Compensated absences	(4,575,166)	
Equipment financing	(1,376,424)	
Net pension liability	(31,540,538)	
Total OPEB liability	(5,285,067)	
Lease obligation (right-to-use asset)	(17,569,658)	
Subscription-based arrangements liability	(937,560)	
Total long-term liabilities		(121,217,106)
Deferred outflows / inflows of resources related to pensions and OPEB (excluding internal service funds)		
Deferred outflows for pensions	16,550,970	
Deferred outflows for OPEB	121,492	
Deferred inflows for OPEB	(5,002,304)	
Total deferred outflows/inflows of resources		11,670,158
Net position of governmental activities (Page 26)		<u>\$ 231,047,583</u>

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2024

		Special Revenue			
		Homestead	American		
		Community	Rescue	Other	Total
		Redevelopment	Plan	Governmental	Governmental
	<u>General</u>	<u>Agency</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Revenues:					
Property taxes	\$ 26,248,888	\$ -	\$ -	\$ 1,499,353	\$ 27,748,241
Fuel taxes	1,195,268	-	-	-	1,195,268
Franchise taxes	1,399,988	-	-	-	1,399,988
Utility taxes	1,719,744	-	-	-	1,719,744
Communication service taxes	1,836,634	-	-	-	1,836,634
Half cent sales taxes	8,534,276	-	-	-	8,534,276
Licenses and permits	4,612,987	-	-	-	4,612,987
Intergovernmental	7,003,365	5,392,885	5,246,244	16,607,638	34,250,132
Charges for services	1,360,699	-	-	-	1,360,699
Fines and forfeitures	377,648	-	-	496,526	874,174
Interest earnings (loss)	3,175,858	233,471	727,275	224,968	4,361,572
Payments in lieu of taxes	8,880,793	-	-	-	8,880,793
Other revenues	10,249,255	-	-	52,569	10,301,824
Total revenues	<u>76,595,403</u>	<u>5,626,356</u>	<u>5,973,519</u>	<u>18,881,054</u>	<u>107,076,332</u>
Expenditures:					
Current:					
General government	14,563,335	2,711,310	6,665	600,289	17,881,599
Public safety	37,616,499	423,497	-	2,142,231	40,182,227
Public works and services	1,484,555	296,027	307,323	1,622,095	3,710,000
Parks and recreation	8,251,865	36,155	-	116,467	8,404,487
Disaster relief	-	-	-	4,128	4,128
Capital outlay	2,572,583	2,923,522	2,084,864	6,002,054	13,583,023
Debt service:					
Principal	816,647	-	-	2,439,000	3,255,647
Interest and fiscal charges	346,219	-	-	2,275,189	2,621,408
Total expenditures	<u>65,651,703</u>	<u>6,390,511</u>	<u>2,398,852</u>	<u>15,201,453</u>	<u>89,642,519</u>
Excess of revenues over expenditures	<u>10,943,700</u>	<u>(764,155)</u>	<u>3,574,667</u>	<u>3,679,601</u>	<u>17,433,813</u>
Other financing sources (uses):					
Issuance of subscription-based IT arrangements liability	242,580	-	-	-	242,580
Transfers in	273,203	2,847,392	-	6,942,938	10,063,533
Transfers out	(400,000)	(481,656)	(2,847,392)	(6,228,296)	(9,957,344)
Total other financing sources (uses)	<u>115,783</u>	<u>2,365,736</u>	<u>(2,847,392)</u>	<u>714,642</u>	<u>348,769</u>
Net change in fund balances	11,059,483	1,601,581	727,275	4,394,243	17,782,582
Fund balances, beginning	<u>61,202,455</u>	<u>5,138,779</u>	<u>902,291</u>	<u>17,527,588</u>	<u>84,771,113</u>
Fund balances, ending	<u>\$ 72,261,938</u>	<u>\$ 6,740,360</u>	<u>\$ 1,629,566</u>	<u>\$ 21,921,831</u>	<u>\$ 102,553,695</u>

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

Net change in fund balances - total governmental funds (Page 30)	\$ 17,782,582
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Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, this is the amount by which depreciation exceeded capital outlays

The details of the difference are as follows:

Capital outlay	12,851,457	
Depreciation expense (excluding internal service funds)	(10,644,924)	
Amortization expense (lease (right-to-use) asset and subscription-based assets)	<u>(953,821)</u>	
Net adjustment		1,252,712

The effect of various miscellaneous transactions increased (decreased) net position:

Removal of capital assets	(150,000)
Transfer of capital assets to business-type activities from governmental activities decreased net position of governmental activities in the statement of activities, but are not reported in the governmental funds because they are not financial resources.	(788,486)

The net effect of pension deferred outflows/ inflows and retirement contribution expenses	(8,943,163)
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The net effect of OPEB deferred outflows/ inflows	1,136,614
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

The details of the differences are as follows:

Principal payments:		
General obligation bonds	620,000	
Taxable transportation system revenue bonds, series 2017	720,000	
HUD section 108 loan	965,000	
New City Hall refunding note	527,410	
CRA tax increment revenue note, taxable series 2023	134,000	
Equipment financing	1,030,406	
Lease (right-to-use asset) payment	44,616	
Subscription-based IT arrangements payment	244,621	
Amortization of bond premium	<u>58,120</u>	
Total Adjustment		4,101,593

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:

The details of the difference are as follows:

Compensated absences	(737,176)	
Change in net pension assets	105,017	
Changes in net pension liability	6,056,243	
Change in total OPEB liability	71,647	
Effect of accrued interest on long-term debt (difference between amount that would have been accrued in prior year and current year accrual)	<u>10,820</u>	
Total Adjustment		<u>5,506,551</u>

The internal service funds are used by management to charge the costs of fleet management and other self-insurance funds to other funds. The net revenue of certain internal service funds is reported with governmental activities.

185,000

Change in net position of governmental activities (Page 27)	<u>\$ 20,083,403</u>
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See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	Business-type Activities Enterprise Funds						
	Water and Sewer	Electric Utility	Solid Waste	Other Enterprise Funds	Homestead Station QALICB (1)	Total Enterprise Funds	Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 816,017	\$ 289,533	\$ 107,212	\$ 919,760	\$ 1,041,389	\$ 3,173,911	\$ 3,628,655
Investments	36,002	96,472	5,385,828	2,293,259	-	7,811,561	-
Interest receivable	167	24,477	25,018	10,652	-	60,314	-
Account receivables, net	5,290,206	14,260,544	1,828,190	728,263	220,592	22,327,795	12,465
Lease receivable	-	-	-	-	187,454	187,454	-
Due from other funds	-	-	-	1,200,000	-	1,200,000	4,200,000
Prepaid costs	-	168,849	-	-	-	168,849	-
Inventories	-	7,011,214	-	-	-	7,011,214	299,485
Restricted Assets:							
Cash and cash equivalents	1,158,605	15,136,319	5,882	-	141,005	16,441,811	-
Investments	-	5,172,959	-	-	-	5,172,959	-
Total current assets	7,300,997	42,160,367	7,352,130	5,151,934	1,590,440	63,555,868	8,140,605
Noncurrent assets:							
Capital assets not being depreciated	1,095,103	11,578,105	34,838	-	-	12,708,046	-
Capital assets being depreciated, net	10,009,701	25,383,303	3,394,732	844,058	30,440,627	70,072,421	325,816
Sub-total capital assets	11,104,804	36,961,408	3,429,570	844,058	30,440,627	82,780,467	325,816
Lease receivable	-	-	-	-	17,393,400	17,393,400	-
Total non-current assets	11,104,804	36,961,408	3,429,570	844,058	47,834,027	100,173,867	325,816
Total assets	18,405,801	79,121,775	10,781,700	5,995,992	49,424,467	163,729,735	8,466,421
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows for pension	853,210	2,728,032	1,385,369	231,208	-	5,197,819	798,099
Deferred outflows for OPEB	14,129	23,989	18,796	5,217	-	62,131	18,709
Total deferred outflows of resources	867,339	2,752,021	1,404,165	236,425	-	5,259,950	816,808
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	4,325,487	9,743,241	929,012	154,223	67,246	15,219,209	1,155,295
Arbitrage liabilities	-	131,834	-	-	-	131,834	-
Due to other funds	-	5,200,000	200,000	-	-	5,400,000	-
Compensated absences	122,271	242,575	195,195	19,481	-	579,522	68,666
Unearned revenue	-	-	2,103,187	-	-	2,103,187	-
Power cost adjustment liability	-	8,350,836	-	-	-	8,350,836	-
Current portion of equipment financing	100,031	53,671	441,540	-	-	595,242	3,559
Current portion of OPEB liability	16,446	27,924	21,879	6,073	-	72,322	21,778
Claims and judgements	-	-	-	-	-	-	1,193,008
Liabilities payable from restricted assets:							
Customer deposits	1,158,605	4,324,563	5,882	-	-	5,489,050	-
Accrued interest payable	-	7,634	-	-	495,809	503,443	-
Current portion of loans and notes payable	-	993,915	-	-	351,182	1,345,097	-
Current portion of bonds payable	-	-	-	-	-	-	-
Total current liabilities	5,722,840	29,076,193	3,896,695	179,777	914,237	39,789,742	2,442,306
Non-current liabilities:							
Compensated absences	285,300	566,006	455,455	45,456	-	1,352,217	160,225
Equipment financing	298,341	228,054	1,642,962	-	-	2,169,357	-
Loans and notes payable	-	17,590,190	-	-	35,929,051	53,519,241	-
Net pension liability	1,276,732	4,082,190	2,073,049	345,976	-	7,777,947	1,194,265
OPEB liability	598,194	1,015,688	795,780	220,877	-	2,630,539	792,092
Claims and judgements	-	-	-	-	-	-	3,668,915
Total non-current liabilities	2,458,567	23,482,128	4,967,246	612,309	35,929,051	67,449,301	5,815,497
Total liabilities	8,181,407	52,558,321	8,863,941	792,086	36,843,288	107,239,043	8,257,803
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows for leases	-	-	-	-	15,820,167	15,820,167	-
Deferred inflows for OPEB	581,757	987,777	773,912	214,808	-	2,558,254	770,325
Total deferred inflows of resources	581,757	987,777	773,912	214,808	15,820,167	18,378,421	770,325
NET POSITION							
Net investment in capital assets	10,706,432	32,544,517	1,345,068	844,058	(5,698,601)	39,741,474	322,257
Restricted :							
Debt service	-	1,535,776	-	-	-	1,535,776	-
Unrestricted	(196,456)	(5,752,595)	1,202,944	4,381,465	2,459,613	2,094,971	(67,156)
Total net position	\$ 10,509,976	\$ 28,327,698	\$ 2,548,012	\$ 5,225,523	\$ (3,238,988)		\$ 255,101
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						70,101	
Net position of business-type activities						\$ 43,442,322	

(1) Homestead Station QALICB fiscal year end is June 30, 2024.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities Enterprise Funds						
	Water and Sewer	Electric Utility	Solid Waste	Other Enterprise Funds	Homestead Station QALICB (1)	Total Enterprise Funds	Internal Service Funds
Operating revenues:							
Charges for services	\$ 25,122,016	\$ 65,936,790	\$ 17,308,364	\$ 1,639,004	\$ -	\$ 110,006,174	\$ 24,755,807
Other revenues	<u>851,272</u>	<u>2,411,386</u>	<u>68,079</u>	<u>-</u>	<u>645,721</u>	<u>3,976,458</u>	<u>68,414</u>
Total operating revenues	<u>25,973,288</u>	<u>68,348,176</u>	<u>17,376,443</u>	<u>1,639,004</u>	<u>645,721</u>	<u>113,982,632</u>	<u>24,824,221</u>
Operating expenses:							
Personnel services	4,264,199	9,450,219	5,490,505	1,203,936	-	20,408,859	3,987,509
Administration	-	-	-	-	-	-	1,173,312
Purchased power	-	37,598,023	-	-	-	37,598,023	-
Insurance and claims	-	-	-	-	3,770	3,770	13,184,149
Other operating expenses	21,233,278	18,210,346	10,621,664	594,164	116,785	50,776,237	6,108,532
Depreciation	<u>833,810</u>	<u>4,067,787</u>	<u>669,839</u>	<u>82,848</u>	<u>991,858</u>	<u>6,646,142</u>	<u>89,193</u>
Total expenses	<u>26,331,287</u>	<u>69,326,375</u>	<u>16,782,008</u>	<u>1,880,948</u>	<u>1,112,413</u>	<u>115,433,031</u>	<u>24,542,695</u>
Operating income (loss)	<u>(357,999)</u>	<u>(978,199)</u>	<u>594,435</u>	<u>(241,944)</u>	<u>(466,692)</u>	<u>(1,450,399)</u>	<u>281,526</u>
Non-operating revenues (expenses):							
Interest income	2,202	395,888	155,917	112,052	176,087	842,146	-
Interest expense	<u>(15,355)</u>	<u>(541,158)</u>	<u>(78,204)</u>	<u>-</u>	<u>(305,582)</u>	<u>(940,299)</u>	<u>(262)</u>
Total non-operating revenues (expenses)	<u>(13,153)</u>	<u>(145,270)</u>	<u>77,713</u>	<u>112,052</u>	<u>(129,495)</u>	<u>(98,153)</u>	<u>(262)</u>
Income (loss) before contributions and transfers	<u>(371,152)</u>	<u>(1,123,469)</u>	<u>672,148</u>	<u>(129,892)</u>	<u>(596,187)</u>	<u>(1,548,552)</u>	<u>281,264</u>
Contribution of capital assets	58,586	-	729,900	-	-	788,486	-
Transfers out	<u>(13,082)</u>	<u>(36,197)</u>	<u>(24,206)</u>	<u>(6,541)</u>	<u>-</u>	<u>(80,026)</u>	<u>(26,163)</u>
Total contribution and transfers	<u>45,504</u>	<u>(36,197)</u>	<u>705,694</u>	<u>(6,541)</u>	<u>-</u>	<u>708,460</u>	<u>(26,163)</u>
Change in net position	<u>(325,648)</u>	<u>(1,159,666)</u>	<u>1,377,842</u>	<u>(136,433)</u>	<u>(596,187)</u>	<u>(840,092)</u>	<u>255,101</u>
Net position, beginning	<u>10,835,624</u>	<u>29,487,364</u>	<u>1,170,170</u>	<u>5,361,956</u>	<u>(2,642,801)</u>	<u>44,212,313</u>	<u>-</u>
Net position, ending	<u>\$ 10,509,976</u>	<u>\$ 28,327,698</u>	<u>\$ 2,548,012</u>	<u>\$ 5,225,523</u>	<u>\$ (3,238,988)</u>	<u>\$ 43,372,221</u>	<u>\$ 255,101</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						<u>70,101</u>	
Change in net position of business-type activities						<u>\$ 43,442,322</u>	

(1) Homestead Station QALICB fiscal year end is June 30, 2024.

CITY OF HOMESTEAD, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities Enterprise Funds						Internal Service Funds
	Water and Sewer	Electric Utility	Solid Waste	Other Enterprise Funds	Homestead Station QALICB (1)	Total Enterprise Funds	
Cash flows from (used in) operating activities:							
Cash received from customers	\$ 25,887,565	\$ 74,440,979	\$ 17,869,809	\$ 1,732,840	\$ 193,208	\$ 120,124,401	\$ -
Cash payments to suppliers	(18,902,482)	(54,041,279)	(10,269,974)	(477,794)	(695,261)	(84,386,790)	(20,259,630)
Cash received from/(to) other funds	(1,597,806)	(3,961,694)	2,783,148	600,000	-	(2,176,352)	23,724,221
Cash payments to employees	(3,972,791)	(8,646,174)	(4,877,450)	(1,077,842)	-	(18,574,257)	(3,849,685)
Net cash provided by (used in) operating activities	1,414,486	7,791,832	5,505,533	777,204	(502,053)	14,987,002	(385,094)
Cash flows used in noncapital financing activities:							
Transfers to other funds	(13,082)	(36,197)	(24,206)	(6,541)	-	(80,026)	(26,163)
Net cash used in noncapital financing activities	(13,082)	(36,197)	(24,206)	(6,541)	-	(80,026)	(26,163)
Cash flows from (used in) capital and related financing activities:							
Proceeds from equipment financing debt	-	-	580,952	-	-	580,952	-
Acquisition and construction of capital assets	(688,793)	(6,500,759)	(896,119)	(541,882)	(100,001)	(8,727,554)	(62,552)
Proceeds from bonds debt	-	5,165,000	-	-	331,922	5,496,922	-
Principal paid on equipment financing debt	(99,476)	(113,907)	(415,058)	-	-	(628,441)	(14,055)
Principal paid on bonds debt	-	(958,944)	-	-	-	(958,944)	-
Interest paid on long term debt	(15,355)	(541,158)	(78,204)	-	(200,466)	(835,183)	(262)
Net cash used in capital and related financing activities	(803,624)	(2,949,768)	(808,429)	(541,882)	31,455	(5,072,248)	(76,869)
Cash flows from (used in) investing activities:							
Purchases of investments	(1,744)	(5,207,179)	(5,125,986)	(111,159)	-	(10,446,068)	-
Proceeds from sales and maturities of investments	43	3,806,146	331	2,790	-	3,809,310	-
Interest received from investments	2,202	395,888	155,917	112,052	-	666,059	-
Proceeds from collection of lease receivable	-	-	-	-	44,505	44,505	-
Interest earned on lease receivable	-	-	-	-	176,087	176,087	-
Net cash provided by (used in) investing activities	501	(1,005,145)	(4,969,738)	3,683	220,592	(5,750,107)	-
Net increase (decrease) in cash and cash equivalents	598,281	3,800,722	(296,840)	232,464	(250,006)	4,084,621	(488,126)
Cash and cash equivalents, beginning	1,376,341	11,625,130	409,934	687,296	1,432,400	15,531,101	4,116,781
Cash and cash equivalents, ending	\$ 1,974,622	\$ 15,425,852	\$ 113,094	\$ 919,760	\$ 1,182,394	\$ 19,615,722	\$ 3,628,655
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (357,999)	\$ (978,199)	\$ 594,435	\$ (241,944)	\$ (466,692)	\$ (1,450,399)	\$ 281,526
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	833,810	4,067,787	669,839	82,848	991,858	6,646,142	89,193
Change in power cost adjustment	-	2,930,444	-	-	-	2,930,444	-
Net changes in assets, liabilities and deferred inflows/outflows:							
(Increase) decrease in:							
Interest receivable	(48)	(24,261)	(24,118)	(3,092)	3,770	(47,749)	-
Accounts receivables	(155,945)	3,134,670	116,533	96,928	(220,592)	2,971,594	1,689
Due from other funds	-	-	2,600,000	600,000	-	3,200,000	(1,100,000)
Prepaid costs	-	(5,543)	-	-	-	(5,543)	-
Inventories	-	(2,369,213)	-	-	-	(2,369,213)	(126,047)
Deferred outflows for pensions	927,449	3,292,824	1,656,613	191,551	-	6,068,437	1,289,850
Deferred outflows for OPEB	(1,626)	(1,804)	(3,032)	(1,124)	-	(7,586)	(1,591)
Increase (decrease) in:							
Accounts payable and accrued liabilities	1,332,990	1,748,318	334,838	116,370	(164,675)	3,367,841	431,745
Arbitrage liabilities	-	131,834	-	-	-	131,834	-
Due to other funds	(600,000)	(1,700,000)	200,000	-	-	(2,100,000)	-
Compensated absences	21,668	(15,306)	84,833	2,531	-	93,726	(15,656)
Unearned revenue	-	-	401,321	-	-	401,321	-
Customer deposits	70,270	51,950	(370)	-	-	121,850	-
Net pension liability	72,815	11,447	16,343	60,146	-	160,751	(217,412)
Total OPEB liability	35,671	16,255	87,700	37,431	-	177,057	21,224
Claims and judgements	-	-	-	-	-	-	(101,024)
Deferred inflows for leases	-	-	-	-	(645,722)	(645,722)	-
Deferred inflows for pensions	(683,442)	(2,310,886)	(1,167,555)	(162,261)	-	(4,324,144)	(801,385)
Deferred inflows for OPEB	(81,127)	(188,485)	(61,847)	(2,180)	-	(333,639)	(137,206)
Total adjustments	1,772,485	8,770,031	4,911,098	1,019,148	(35,361)	16,437,401	(666,620)
Net cash provided by (used in) operating activities	\$ 1,414,486	\$ 7,791,832	\$ 5,505,533	\$ 777,204	\$ (502,053)	\$ 14,987,002	\$ (385,094)
Non-cash investing, capital and financing activities:							
Borrowing under equipment financing	\$ -	\$ -	\$ 580,952	\$ -	\$ -	\$ 580,952	\$ -
Contribution of capital assets from governmental fund	\$ 58,586	\$ -	\$ 729,900	\$ -	\$ -	\$ 788,486	\$ -
Change in fair value of investments	\$ 746	\$ (16,632)	\$ 59,536	\$ 47,545	\$ -	\$ 91,195	\$ -

(1) Homestead Station QALICB fiscal year end is June 30, 2024.

CITY OF HOMESTEAD, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

	Pension Trust <u>Funds</u>
ASSETS	
Cash and cash equivalents	\$ 15,438,450
Receivables:	
Other receivables	11,289
Contributions	53,755
Due from broker	45,614
Accrued investment income	427,468
Total receivables	<u>538,126</u>
Other Asset	<u>11,953</u>
Investments:	
U.S. Government Securities	12,647,047
Municipal obligations	9,092,425
Corporate bonds	18,084,752
Hedge funds	298,280
Preferred stock	43,840
Mutual funds - fixed income	41,062,555
Mutual funds - equities	24,285,355
Common stocks	143,123,901
Real estate	3,567,686
Certificate of deposit	100,010
Other	5,669,505
Total investments	<u>257,975,356</u>
Total Assets	<u>273,963,885</u>
LIABILITIES	
DROP Payable	219,298
Accounts payable	425,058
Due to broker	86,822
Total Liabilities	<u>731,178</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid City contribution	<u>52,416</u>
Total deferred inflows of resources	<u>52,416</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 273,180,291</u>

Note:: Data from Elected Officials' Retirement Plan, the New Elected Officials' and Senior Management Retirement Plan, and the Firefighters' Retirement System are reported as of December 31, 2023.

CITY OF HOMESTEAD, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Pension Trust <u>Funds</u>
ADDITIONS	
Contributions:	
City	\$ 7,352,625
Employees	1,102,711
State	1,942,649
Total contributions	<u>10,397,985</u>
Investment income:	
Investment earnings	5,190,797
Net appreciation (depreciation) in fair value of investments	44,674,098
Less investment expenses	(937,547)
Net investment income	<u>48,927,348</u>
Other revenues	<u>1,666</u>
Total additions (reductions)	<u>59,326,999</u>
DEDUCTIONS	
Pension benefits	14,027,053
DROP benefits	1,059,141
Refunds	232,549
Administrative expenses	462,105
Total deductions	<u>15,780,848</u>
Change in net position	43,546,151
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of year	<u>229,634,140</u>
End of year	<u>\$ 273,180,291</u>

Note: Data from Elected Officials' Retirement Plan, the New Elected Officials' and Senior Management Retirement Plan, and the Firefighters' Retirement System are reported as of December 31, 2023.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2024

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CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Homestead, Florida (the City) located in Miami-Dade County is a municipal entity established under the Home Rule Charter in 1913 and provides a full range of services to its citizens. The City operates under a council-manager form of government in which the Council acts as the policy making arm of the City and the City Manager acts as the chief executive. The powers of the City Council include the ability to enact legislation, adopt budgets, determine policies and appoint the City Manager, City Attorney, Council Auditor (Internal Auditor) and City Clerk.

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

A. FINANCIAL REPORTING ENTITY

The financial statements were prepared in accordance with Governmental Accounting Standards Board, which establishes standards for defining and reporting on the financial reporting entity. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The accompanying financial statements present the City and its component units which are entities for which the City is considered to be financially accountable. The City (the primary government) is considered financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City.

Blended component units, although legally separate entities, are, in substance, part of the government's operations. Other than the operations of the primary government, the accompanying statements include:

- 1) Homestead Community Redevelopment Agency (CRA) as a blended component unit. The CRA was created under Chapter 163 Florida Statutes, The Community Redevelopment Act. This entity is included as a blended component unit in the financial statements of the City because (1) the CRA's governing body is the same as the governing body of the City and (2) management of the City has operational responsibility for the CRA.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Continued)

- 2) Homestead Station QALICB, Inc., as a blended component unit. Homestead Station QALICB, a Florida nonprofit corporation, was incorporated on March 1, 2018, and was classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The purpose of the Homestead Station QALICB is to carry out the charitable public purposes of the City of Homestead (the “City”), including more specifically, to support the establishment of a mixed-use facility as a vital piece of economic development in the City. Homestead Station QALICB’s fiscal year end is June 30.

Homestead Station QALICB is considered to be a special-purpose governmental entity engaged only in business-type activities for the purpose of applying accounting and financial reporting standards; that is, the Governmental Accounting Standards Board (“GASB”) has jurisdiction over the organization’s accounting standards.

This Organization is included as a blended component unit in the financial statements of the City because 1) the majority of its officials are appointed by the City, 2) the Organization is fiscally dependent on the City and there is a potential for the Organization either to provide specific financial benefits, or impose specific financial burdens on the City and 3) the Organization’s total debt outstanding is expected to be repaid (liquidated) almost entirely with the resources of the City.

For FY 2024, the City’s financial statements include Homestead Station QALICB’s financial statements for the period from July 1, 2023 to June 30, 2024.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the City.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The statement of net position reports all financial and capital resources of the City’s governmental and business-type activities. Governmental activities are those supported by taxes and intergovernmental revenues. Business-type activities rely, to a significant extent, on fees and charges for services provided.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining nonmajor funds are aggregated and reported as other governmental or enterprise funds, as appropriate.

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 business-type activities 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.

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

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

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes, franchise fees, business taxes, and interest income 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 since they are measurable and available. Revenues and receivables for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items (licenses and permits, charges for services and miscellaneous revenues) are recorded as revenue when cash is received by the City because they are generally not measurable until actually received.

Proprietary fund financial statements distinguish *operating* revenues and expenses from *non-operating* 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. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts, which comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund equities, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined), for the determination of major funds. The non-major funds are presented in one column in the basic financial statements.

The City reports the following major governmental funds:

General Fund

The General Fund is the City's primary operating fund. It accounts for all of the financial resources of the general government, except for those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, state and federal distributions and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Homestead Community Redevelopment Agency (CRA)

This fund is used to account for monies received from Tax Increment Financing (TIF) from the City of Homestead and Miami-Dade County for use in the area designated as the CRA.

American Rescue Plan Fund (ARPA)

This fund was established to account for the receipt and expenditure related to federal funding provided to assist with Covid-19/post pandemic related costs and lost revenue recovery.

The City reports the following major proprietary funds:

Water & Sewer Fund

This fund accounts for the operating activities related to the water and sewer utility.

Electric Utility Fund

This fund accounts for the operating activities related to the electric utility.

Solid Waste Fund

This fund accounts for the operating activities related to solid waste operations.

Homestead Station QALICB

This fund accounts for the operating activities related to Homestead Station QALICB operations.

Additionally, the City reports the following fund types:

Internal Service Funds

The internal service funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The City maintains three internal service funds classified as governmental activities; Fleet Management, Health Self-Insurance and Other Self-Insurance which includes Property, Liability and Workers' Compensation. The City maintains one internal service fund, Customer Service, which is classified as a business-type activity since it only provides services to the enterprise funds.

Fiduciary Funds

The fiduciary funds are accounted for in the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The fiduciary funds account for the assets and operations of the City's five pension plans. Plan member contributions are recognized in the period in which the contributions are paid. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

The basic financial statements of the City of Homestead, Florida (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City implemented the following GASB Pronouncement during fiscal year ended September 30, 2024:

- GASB Statement No. 99, *Omnibus 2022*; includes various updates intended to enhance the comparability and consistency of governmental financial statements, including guidance on derivative instruments, leases, and subscription-based information technology arrangements.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*; establishes improved requirements for accounting changes and error corrections, providing clearer guidance on the presentation and disclosure of such changes.

The adoption of these standards did not require restatement of prior period financial statements and has been applied prospectively in accordance with the guidance.

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR FUND BALANCE

1. *Cash and Cash Equivalents*

The City’s cash and cash equivalents are considered to be cash on hand, and all highly liquid investments with maturities of three months or less when purchased. Resources of all funds, except for the Homestead Station QALICB, proceeds from HUD Section 108 loan for the Cybrarium project, proceeds from U.S Treasury for the America Rescue Plan Act, proceeds from CRA Tax Increment Revenue Note Series 2023, proceeds held with a fiscal agent for the Electric Utility FMPA Pooled Loan Project Notes, Series 2021-1 and Series 2022, proceed from Electric Utility Revenue Note Series 2024, as well as escrow accounts for unspent proceeds from equipment financing, have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Pooled cash and cash equivalents are classified as “Cash and Cash Equivalents” in the Statement of Net Position. Interest earned on pooled cash and investments is allocated monthly based upon the month end equity of the respective funds.

2. *Investments*

The City has adopted an investment policy that adheres to state statutes. State statutes authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, corporate bonds, repurchase agreements, State Treasurer’s Investment Pool and the Florida Municipal Investment Trust. City investments are recorded in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a hierarchy based on the valuation inputs used to measure the fair value of the asset.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR FUND BALANCE (Continued)

2. *Investments* (continued)

The City's government securities and municipal bonds have fair value measurements using level 1 and 2 valuation inputs using pricing models maximizing the use of observable inputs for similar securities. There are no assets valued using non-recurring fair value measurements. Money market mutual funds are reported at amortized cost.

3. *Receivables and Payables*

All trade and other receivables are shown net of an allowance for estimated uncollectible amounts. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to other funds" or "due from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". As of September 30, 2024, the internal balances between governmental activities and business-type activities are \$4,200,000.

Payables at year end include amounts owed to (1) suppliers for goods and services rendered but not yet paid; (2) retainage payable on construction contracts and (3) accrued liabilities such as accrued payroll expenses.

Transactions to transfer revenue or contributions between funds are recorded as transfers in or transfers out.

4. *Prepaid Costs*

Prepaid costs are payments for expenditures/expenses that are applicable to future accounting periods and are reported as prepaid costs in both government-wide and fund financial statements. The cost of prepaid costs is recorded using the consumption method whereby expenditures/expenses are recorded when consumed rather than when purchased.

5. *Inventories*

The supplies and merchandise inventories as well as diesel fuel and gasoline are recorded at cost using the weighted average method. Perpetual inventory records are maintained and adjusted annually to physical inventory amounts as of September 30th of each year. Inventory is reported using the consumption method whereby inventories are recorded as expenditures/expenses when used.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR FUND BALANCE (Continued)

6. *Restricted Assets / Payables from Restricted Assets*

Certain of the City's assets are required to be segregated as to use and are therefore identified as restricted assets. Restricted assets include resources subject to externally imposed restrictions such as creditors, grantors, laws and regulations. Restricted assets are also set aside to make debt service payments and for customer deposits (payable from restricted assets). All applicable assets in the governmental funds and in the enterprise funds have been restricted in amounts sufficient to meet restrictive purposes.

7. *Capital Assets*

Assets, whether tangible or intangible, with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year are classified as capital assets. Property, plant and equipment, and certain infrastructure assets (e.g., roads, bridges, sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at actual cost or estimated cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction.

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

Intangible Right-to-Use (RTU) assets, such as leases and SBITAs, are initially measured at an amount that equals the initial measurement of the corresponding RTU liability, plus any RTU payments made before the start of the RTU term, minus any incentives received, plus any incidental costs required to put the RTU into service. RTU assets are then amortized on a straight-line basis over the term of the related RTU agreement.

The City has a collection of artwork displayed both in buildings and public outdoor spaces. The true value of the art is expected to either be maintained or enhanced over time and thus, the art is not depreciated. If individual pieces are lost or destroyed, the loss is recorded.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR FUND BALANCE (Continued)

7. *Capital Assets* (continued)

Capital assets of the City except artworks and land, which do not depreciate, are depreciated using the straight-line method over the following estimated useful lives:

	Estimated Useful Lives (Years)
Buildings and building improvements	10-50
Utility plant and systems	20-50
Furniture, fixtures and equipment and other improvements	3-10
Books	5
Infrastructure	40-50
Right-to-use (RTU) assets	3-30

8. *Power Cost Adjustment Liability*

The City's Electric Utility Fund capitalized its power cost adjustment in accordance with accounting standards which in part state that a rate-regulated utility should capitalize a cost if it is probable that, through the ratemaking process, there will be a corresponding increase or decrease in future revenues. Power cost adjustment (PCA) is a mechanism that allows for the recovery of the difference between the cost of purchased energy and the revenue generated from the sale of that energy, without resorting to a permanent rate change. If, from time to time, the PCA rate is not revised, the result could be an under-recovery (where revenues generated by the PCA do not cover the purchased energy) or over-recovery (where the revenues generated by the PCA exceed the purchased energy). The Electric Utility decreased the PCA rate in May 2024 in order to reflect the decreased cost of energy purchased during fiscal year 2024. At September 30, 2024, the Electric Utility has an over-recovery of \$8,350,836.

9. *Unearned Revenues*

Inflows that do not meet the criteria for revenue recognition, such as business tax receipts, miscellaneous receivables, grants, hurricane fees, and payments related to transportation proportionate fair share agreements received in advance are classified as liabilities and recorded as unearned revenue in the government-wide and the fund financial statements.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR FUND BALANCE (Continued)

10. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. Currently, the government has two items that qualify for reporting in this category: pensions outflows related to pension investment gains and losses and employer pension contributions made subsequent to the measurement date, which will be recognized in the future fiscal years, and OPEB outflows which is a GASB-75 term for actuarial losses.

11. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the City has three other items that qualify for reporting in this category: pension inflows which is the difference between the expected and actual pension expenses which is amortized over the investment terms of the pension assets, OPEB inflows which is a GASB-75 term for actuarial gains, and QALICB's deferred inflows for leases related to GASB 87 which is the initial value of the lease receivable plus any payments received at or before the start of the lease related to future periods.. These amounts are deferred and will be recognized as revenue in the period that the amounts meet the recognition criteria.

12. Compensated Absences

Employees earn vacation and sick leave based on length of service. Upon separation, they are paid the value of their accrued vacation and a portion of unused sick leave, subject to limits. The City also provides compensatory and special leave, but only those payable upon separation—such as Compensatory Differential, FTO Comp Time, Regular Comp Time, and Holiday Accrual—are included in the compensated absences liability. Eligibility and payout terms are governed by City policy and applicable collective bargaining agreements, with specific provisions for groups such as Police and former IBEW members. Non-payable leave types (e.g., Birthday Accrual, Holiday Float) are excluded. Accruals are recorded in full in government-wide and proprietary fund statements, and only when matured in governmental funds. These liabilities are typically liquidated by funds paid from the fund that covers the employee's salary, primarily the General Fund for governmental activities.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR FUND BALANCE (Continued)

13. Long-Term Obligations

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond proceeds, premiums, and discounts are recognized during the period in which the bonds are issued. Issue costs are reported as debt service expenditures/expenses in the year incurred.

For the purposes of measuring the net pension liability, information about the fiduciary net position of the City's pension plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

The City is financing the post-employment benefits on a pay-as-you-go basis as no assets are held in trust for payment of the OPEB liability. The City records the OPEB liability, as determined by an actuarial valuation, in its proprietary and government-wide financial statements. See Note 14 for further information on OPEB.

14. Net Position/Fund Balances

Net Position. Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized as *net investment in capital assets* (capital assets reduced by the accumulated depreciation and any outstanding debt or deferred outflows/inflows incurred to acquire, construct or improve those assets excluding unexpended debt proceeds), *restricted* or *unrestricted*. The first category represents net investments related to property, plant, equipment and infrastructure. The *restricted* category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by enabling legislation in excess of the related liabilities payable from restricted assets. In addition, any asset arising from pension or OPEB will have a corresponding restricted net position. *Unrestricted* net position consists of all net position that does not meet the definition of either of the other two components.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR FUND BALANCE (Continued)

14. *Net Position/Fund Balances (Continued)*

Fund Balance. 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. The City reports the following fund balance classifications:

Nonspendable fund balance. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form such as inventories or prepaid costs or long-term notes receivable or (b) legally or contractually required to be maintained intact such as a trust that must be retained in perpetuity.

Restricted fund balance. This classification reflects the constraints on resources either (a) imposed externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority that can, by adoption of a resolution or an ordinance (equally binding), commit fund balance. Once adopted, the limitation remains in place until the City Council removes or revises the limitation by taking the same type of action (the adoption of another resolution or ordinance). This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City's policy is that the City Council and City Manager have the authority to assign amounts to be used for specific purposes. The Council may also assign fund balance as it does when appropriating fund balance to cover the gap between estimated revenue and appropriations in the subsequent year's appropriated budget. The City Council authorizes assignments to the City Manager by the adoption of an ordinance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR FUND BALANCE (Continued)

15. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

16. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last, unless the City Council has provided otherwise in its commitment or assignment actions by either ordinance or resolution.

17. Fund Balance Policy

Commencing with the fiscal year beginning on October 1, 2004 and thereafter, the City Council adopted an ordinance which required the General Fund to maintain a minimum fund balance in an amount which is at least equal to ten percent (10%) of the general fund budgeted revenues for the fiscal year and report this amount as "required reserve" under committed fund balance. Monies from the committed fund balance may be utilized under circumstances in which unforeseen events prohibit other budgeted funds from being timely available to meet the expenditures of the City and it is determined by the affirmative vote of five (5) members of the City Council to be necessary to temporarily allocate and expend such monies. However, any committed fund balance monies which are so utilized shall be replenished pursuant to the budget for the next ensuing fiscal year so that the committed fund balance is maintained at the percentage level described above. Any action to establish, modify or rescind classifications would be taken through the adoption of either an ordinance or resolution by the City Council.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. OTHER SIGNIFICANT POLICIES

1. *Utility Billings*

Utility customers are billed monthly on a cycle basis. Unbilled revenue is recognized in the accompanying financial statements based upon estimates of revenue for services rendered between billing cycle dates and fiscal year end.

2. *Rebatable Arbitrage*

The City has chosen to treat rebatable arbitrage as a reduction of investment income. For the fiscal year ended September 30, 2024, it recognized a cumulative liability of \$131,834 for estimated rebatable arbitrage, related to the Electric Utility FMPA Pooled Loan Project Notes Series 2021 and 2022. The City is monitoring its investments to ensure compliance with federal arbitrage rebate requirements.

3. *Property Taxes*

Property taxes (ad valorem taxes) are assessed on January 1 (the lien date) and are billed and payable November 1. They are due March 31 and become delinquent April 1. On June 1, delinquent taxes are offered for sale in the form of tax certificates. Assessed values are established by the Miami-Dade County Property Appraiser for all properties in the County at approximate fair market value. The County bills and collects all property taxes for the City. The assessed value of property at January 1, 2023, upon which the 2023-2024 levy was based was approximately \$5.06 billion.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school district and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to 10 mills (\$10 per \$1,000 of assessed valuation) for general governmental services other than general obligation debt service. To the extent required by voter approved general obligation debt, unlimited amounts may be levied to pay debt service. The millage rate levied to finance general governmental services for the 2023-2024 fiscal year is 6.0206 mills (\$6.0206 per \$1,000 of assessed valuation) and 0.3075 mills for the debt service.

4. *Use of Estimates*

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. OTHER SIGNIFICANT POLICIES (Continued)

5. Procurement Authorization Limits

As of October 1, 2022, prior to the execution of any purchase order where the total amount to be expended is greater than \$50,000 but not greater than \$65,000, a minimum of three vendors' quotations must be obtained and City Council approval is required. Where the sums to be paid for the purchase of such supplies, materials, equipment, improvements, or services is in excess of \$65,000, no contract shall be entered into until public invitation to bid shall have been published one time in a newspaper published in Miami-Dade County and of general circulation in the City. The notice shall be published as required by law. In all cases, such bids shall be awarded to the lowest and most responsible bidder, subject to the right of the City to reject any and all bids which shall be specifically reserved in such advertisements, and subject also to the right of the City to award bids and contracts to such bidders as the City Council may desire, notwithstanding that the award is to a bidder other than the low bidder. Notice may also be posted electronically. There are certain exceptions to the procurement authorization limits and processes enumerated in City Code Section 2-411.1

6. Encumbrances

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of the fiscal year, the succeeding year's budget amendment ordinance specifically provides for the reappropriation of year-end encumbrances.

NOTE 2. DEPOSITS AND INVESTMENTS

A. DEPOSITS

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 another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized with securities held by the City or its agent in the City's name.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

B. INVESTMENTS - CITY

The City has adopted an investment policy to establish guidelines for the efficient management of its cash reserves. The City is authorized to invest in those instruments authorized by the Florida Statutes, and the City's investment policy, including obligations of the U.S. Treasury, U.S. Government Agencies and instrumentalities, municipal bonds, certificates of deposit, and certain money market mutual funds. At fiscal year end, the City had the following deposits and investments:

<u>Pooled Investments</u>	<u>Maturity</u>	<u>Fair Value or Amortized Cost</u>	<u>Rating (Moody's)</u>
Money Market Mutual Funds	Daily	\$ 107,479	
U.S. Treasury Securities:			
United States Treas Bills	2024	16,613,688	Aaa
United States Treas Bills	2025	10,817,820	Aaa
U.S. Government Agencies:			
Federal Farm Cr Banks Cons Systemwide Bonds	9/22/2025	2,011,320	Aaa
Federal Home Loan Bks Cons Bond Step-up	1/29/2026	963,010	Aaa
Federal Home Loan Banks	6/22/2026	4,777,900	Aaa
Federal Home Loan Bks Cons Bond	2027	6,020,700	Aaa
Federal National Mortgage Association	8/5/2027	1,992,640	Aaa
Federal Home Mortgage Corp Medium Term Notes	6/6/2028	1,005,740	Aaa
Federal Home Loan Bks Cons Bond	6/15/2028	2,020,160	Aaa
Federal Farm Cr Banks Cons Systemwide Bonds	7/3/2028	2,011,660	Aaa
Federal Home Mortgage Corp Medium Term Notes	3/7/2029	2,006,540	Aaa
Federal Home Loan Bks Cons Bond	2029	3,028,230	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	8/25/2026	2,591	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	2027	9,296	Aaa
Small Business Administration Guaranteed Development Participation Debt	11/1/2027	24,337	Aaa
Small Business Administration Guaranteed Development Participation Certificate	9/1/2028	41,286	Aaa
Small Business Administration Guaranteed Development Participation Debt	6/1/2031	93,205	Aaa
Small Business Administration Guaranteed Development Participation Certificate	7/1/2031	75,340	Aaa
Small Business Administration Guaranteed Development Participation Debt	4/1/2033	157,564	Aaa
Municipal Bonds:			
Lake Cnty Illinois Go Sales tax Alt Rev Source Ref Bonds 2018		250,643	Aaa
Corporate Bonds:			
Federation Ded Caisses Desiardins Du Quebec	10/14/2025	1,508,625	Aaa
Royal Bank of Canada 144A	12/14/2026	2,038,700	Aaa
Certificates of Deposits		1,555,665	
Total Pooled Investments		59,134,139	
Deposits		30,635,648	
Total Pooled Cash & Investments		\$ 89,769,787	

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

B. INVESTMENTS - CITY (Continued)

Interest earned on HUD Section 108 loan proceeds for the Cybrarium project, proceeds received from the U.S. Treasury on May 26, 2021 and on June 4, 2022 for the American Rescue Plan Act, proceeds from CRA Tax Increment Revenue Note, Series 2023 dated April 20, 2023, proceeds held with fiscal agent for Electric Utility FMPA Pooled Loan Project Notes, Series 2021 dated June 30, 2021 and Series 2022 dated November 18, 2022, proceed from Electric Utility Revenue Note, Series 2024, escrow accounts for unspent proceeds from equipment financing, as well as Homestead Station QALICB's cash & cash equivalent and restricted cash, are not part of the City's pooled cash & investments and their balances as of September 30, 2024 are as follow:

	<u>Maturity</u>	<u>Fair Value or Amortized Cost</u>	<u>Rating (Moody's)</u>
Total Pooled Cash & Investments		\$ 89,769,787	
Money Market Mutual Funds	Daily	\$ 564,919	-
U.S. Treasury Securities		17,844,228	Aaa
Total Non-Pooled Investments		18,409,147	
Deposits		2,377,423	
Total Non-Pooled Cash & Investments :		\$ 20,786,570	
TD Bank as Fiscal Agent for Electric FMPA Pooled Loans		\$ 9,275,931	
Equipment financing escrow		21,519	
Total Cash and Investments for the City		\$ 119,853,807	

C. RISKS AND UNCERTAINTIES - CITY

The City invests in various investment securities. Investments are exposed to various risks, such as interest rate, custodial and credit risk. Due to the level of risk associated with investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the financial statements. The City, through its investment advisor, monitors the investments and the risks associated therewith on a regular basis, which the City believes minimizes these risks.

1. Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The City limits its exposure to fair value losses from rising interest rates by limiting the duration of the securities in which the City invests. The City's investment policy limits the duration of investments to be 10 years or less. There were no investments in the City's portfolio that exceed the maximum durations at September 30, 2024.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

C. RISKS AND UNCERTAINTIES – CITY (Continued)

2. Custodial Credit Risk

Custodian credit risk is the risk that in the event of a failure of counterparty, the City will not be able to recover the value of its investments or collateral securities that are held by the counterparty. The City does not have any investments in the possession of counterparties; all are held by the master custodian under the City's name.

3. Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The City's investment policy requires all fixed income investment vehicles to be rated in one of the two highest rating categories by Moody's Investors Service, Inc., Standard and Poor's Corporation or Fitch Investor Services at the time of purchase. All City investments are rated within the policy guidelines.

4. Concentration of Credit Risk

In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The City's investment policy allows investment concentrations in various percentages for different types of investments.

The following summarizes the City's policy on the allowable and the actual concentration in each investment type on September 30, 2024:

<u>Investment Type</u>	<u>Policy Maximum</u>	<u>Actual Investment</u>
Money Market Mutual Funds	100%	0.5%
U.S. Treasury Securities	100%	37.8%
U.S. Government Agency Securities (Bonds & ABS)	75%	21.9%
Obligations Issued by any State of the U.S. (Municipal Bonds)	50%	0.2%
Certificates of Deposit	100%	1.3%
Deposits (includes equipment financing escrow & TD Fiscal Agent)	100%	35.2%
		<u>100.0%</u>

The investments held at year-end are all within the allowable percentages.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

C. RISKS AND UNCERTAINTIES - CITY (Continued)

4. *Concentration of Credit Risk* (Continued)

GASB Statement No. 40 requires disclosure when 5% or more of the portfolio is invested in any one issuer. At September 30, 2024, the City held the following concentrations:

<u>Issuer</u>	<u>Percentage of Portfolio</u>
U.S. Treasury Securities	37.8%
Federal Home Loan Bks Cons Bond	9.2%

The concentrations listed are within the City's investment policy limits and the City does not view the concentrations in excess of 5% to be an additional risk.

D. FAIR VALUE MEASUREMENT- CITY

GASB Statement No. 72 defines fair value 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. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices in active markets;
- Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices for similar assets in markets that are not active;
- Level 3 inputs are unobservable inputs.

The following is a description of fair value techniques for the City's investments:

Short-term investments, which consist of money market mutual funds, are reported at amortized cost.

Debt securities consist primarily of negotiable obligations of the U.S. Government and U.S. Government-sponsored agencies, preferred securities, and bond funds. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

D. FAIR VALUE MEASUREMENT- CITY (Continued)

The City has a central deposit custodian, Bank of New York Pershing. The custodian contracts SIX Financial Company to obtain pricing on most securities.

The following summarizes the fair value hierarchy of the fair value investments for the City as of September 30, 2024:

- U.S Treasury securities of \$45.28million are valued using quoted market prices in active markets (Level 1);
- U.S Government bonds of \$25.84 million are valued using observable market prices in active markets (Level 2);
- Asset backed securities of \$0.40 million are valued using multi-dimensional, collateral specific spread/price/prepayment spread tables (Level 2);
- Municipal bonds of \$0.25 million are valued using matrix pricing models (Level 2);
- Corporate bonds of \$3.55 million are valued using matrix pricing models (Level 2).

As of September 30,2024, the City did not have any Level 3 investments.

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
<u>Investments by Fair value level</u>	<u>9/30/2024</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<u>Debt Securities:</u>				
U.S. Treasury Securities	\$ 45,275,736	\$ 45,275,736	\$ -	\$ -
U.S. Government bonds	25,837,900	-	25,837,900	-
Asset Backed Securities	403,619	-	403,619	-
Municipal bonds	250,643	-	250,643	-
Corporate bonds	3,547,325	-	3,547,325	-
Total investments measured by fair value level	75,315,223	<u>\$ 45,275,736</u>	<u>\$ 30,039,487</u>	<u>\$ -</u>
Money markets funds	672,398			
Certificates of deposit	1,555,665			
Total investments	<u>\$ 77,543,286</u>			

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

D. FAIR VALUE MEASUREMENT- CITY (Continued)

Reconciliation of Cash and Investments for the City:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Total demand deposits	\$ 23,077,144	\$ 9,935,927	\$ 33,013,071
Total equipment financing escrow	-	21,519	21,519
Total deposit with fiscal agent	-	9,275,931	9,275,931
Total cash and cash equivalents	<u>23,077,144</u>	<u>19,233,377</u>	<u>42,310,521</u>
Total investments measured at fair value level	57,200,702	18,114,521	75,315,223
Total money market mutual funds	107,479	564,919	672,398
Total certificates of deposits	-	1,555,665	1,555,665
Total investments	<u>57,308,181</u>	<u>20,235,105</u>	<u>77,543,286</u>
Total cash and investments for the City @ 09/30/24	<u>\$ 80,385,325</u>	<u>\$ 39,468,482</u>	<u>\$ 119,853,807</u>

NOTE 3. RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

Restricted and limited use assets of the City represent monies required or designated for debt service, customer deposits and restricted under the terms of bond covenants, City ordinances or grants.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 3. RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The City had the following restricted assets at September 30, 2024:

Governmental activities:

Forfeiture	\$ 2,314,017
Fiber optic ring security	100,000
Rock pit security	1,455,665
American Rescue Plan proceed	12,976,439
Equipment financing escrow	21,470
General obligation bonds debt service	97,843
Taxable transportation system revenue bonds debt service	465,009
CRA tax increment revenue note, taxable series 2023 debt service	135,603
CRA tax increment revenue note, taxable series 2023 proceeds	280,380
Interest earned on HUD Section 108 loan proceeds	7,286
Subtotal governmental activities	<u>17,853,712</u>

Business-type activities:

Customer deposits	5,489,050
Electric utility 2021 FMPA pooled loan debt service	510,121
Electric utility 2022 FMPA pooled loan debt service	892,879
Electric utility 2024 revenue note debt service	132,776
QALICB debt service reserve	141,005
Equipment financing escrow	49
Electric utility 2021 FMPA loan proceed	4,297,223
Electric utility 2022 FMPA loan proceed	4,978,708
Electric utility 2024 revenue note proceed	<u>5,172,959</u>
Subtotal business-type activities	<u>21,614,770</u>
Total restricted cash, cash equivalents and investments	<u>\$ 39,468,482</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. RECEIVABLES

Receivables as of September 30, 2024, for the City's major and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental activities receivables:

	<u>General</u>	Homestead <u>CRA</u>	Other <u>Governmental</u>	Internal <u>Service</u>	<u>Total</u>
Utility Billed	\$ 417,999	\$ -	\$ -	\$ -	\$ 417,999
Utility Unbilled	135,891	-	-	-	135,891
Property taxes receivables	86,738	-	3,983	-	90,721
Grant receivables	-	-	3,771,363	-	3,771,363
Intergovernmental receivables	1,871,721	-	1,459,308	-	3,331,029
Miscellaneous receivables	871,806	1,962	2,046	12,465	888,279
Gross receivables	3,384,155	1,962	5,236,700	12,465	8,635,282
Less allowance for uncollectibles	551,643	-	-	-	551,643
Sub-Total:	2,832,512	1,962	5,236,700	12,465	8,083,639
Interest on investments	722,865	20,729	18,450	-	762,044
Governmental activities receivables, net	<u>\$ 3,555,377</u>	<u>\$ 22,691</u>	<u>\$ 5,255,150</u>	<u>\$ 12,465</u>	<u>\$ 8,845,683</u>

Business-type activities receivables:

	Water & Sewer <u>Utilities</u>	Electric <u>Utility</u>	Solid <u>Waste</u>	Other Enterprise <u>Funds</u>	Homestead Station <u>QALICB</u> <u>(1)</u>	<u>Total</u>
Utility Billed	\$ 7,487,654	\$ 17,933,782	\$ 3,461,269	\$ 2,318,287	\$ -	\$ 31,200,992
Utility Unbilled	1,461,616	5,351,397	399,196	54,642	-	7,266,851
Miscellaneous receivables	58,120	78,172	18,825	1,290	220,592	376,999
Gross receivables	9,007,390	23,363,351	3,879,290	2,374,219	220,592	38,844,842
Less allowance for uncollectibles	3,717,184	9,102,807	2,051,100	1,645,956	-	16,517,047
Sub-Total:	5,290,206	14,260,544	1,828,190	728,263	220,592	22,327,795
Interest on investments	167	24,477	25,018	10,652	-	60,314
Business-type activities receivables, net	<u>\$ 5,290,373</u>	<u>\$ 14,285,021</u>	<u>\$ 1,853,208</u>	<u>\$ 738,915</u>	<u>\$ 220,592</u>	<u>\$ 22,388,109</u>
Total government-wide net receivables						<u>\$ 31,233,792</u>

(1) Homestead Station QALICB fiscal year end is June 30, 2024.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 5. NOTES RECEIVABLES

New Market Tax Credit (NMTC) Bridge Loan-Direct Borrowing

In June 2018, the City arranged New Market Tax Credit ("NMTC") financing toward the construction of the parking garage project (the "Project") in downtown Homestead. NMTC is a program of the Community Development Financial Institutions Fund ("CDFI Fund"), a division of the U.S. Department of the Treasury. Under the NMTC program, an investor can receive a federal income tax credit for making a qualified equity investment ("QEI") in a Community Development Entity ("CDEs") that has been certified and granted allocations by the CDFI Fund. The funds provided by these investors are used to provide favorable debt or equity financing to qualified borrowers in connection with qualifying projects located in low-income communities. The NMTC compliance period is for seven years ("Compliance Period") during which time substantially all of the QEI must be invested in qualified low-income community investments ("QLICs"), the majority of which take the form of investments in borrowers that must maintain their status as a qualified active low-income community business as specified in the Treasury Regulations.

The City formed Homestead Station QALICB, Inc. (the "QALICB"), a Florida nonprofit corporation, in connection with the purchase and development of the Project. On June 27, 2018, the City obtained a loan from Capital One, National Association, a national banking association, in the principal amount of \$12,829,100 (the "Bridge Loan"). The Bridge Loan was secured by the Collateral as defined in the Pledge and Security Agreement dated June 27, 2018.

The purpose of the Bridge Loan was to make a "Leverage Loan" of \$10,766,000 to COCRF Investor 129, LLC with the remaining funds used for other purposes for the Project. The planned source of funds to pay off the Bridge Loan came from the QALICB as it reimbursed the City for the construction costs. The Bridge Loan was paid off during FY 2019.

As of June 30, 2024, the QALICB reported \$30,440,627 in net capital assets consisting of the Project that was placed in service in May 2020. Accordingly, as of June 30, 2024 the QALICB also reports \$36,280,233 in total loans payable, of which \$20,740,233 is owed to the City, and the balance is owed to the various Community Development Entities. At September 30, 2024 the City reported the note receivable related to the NMTC Project of \$31,506,233; \$10,766,000 from the COCFR Investor 129, LLC and \$20,740,233 from the QALICB. This long-term note receivable is reported as a non-spendable component of the General Fund's fund balance.

Interest on the note accrues at 0.50%, with payments of principal and interest due quarterly in the amount of \$105,185. Accrued interest on the loan at September 30, 2024 is \$522,310.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 6. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts and purchase orders issued for good and services. Significant encumbrances as of September 30, 2024 are as follows:

Significant encumbrances:

Major funds:

General Fund	\$ 2,190,000
American Rescue Plan Fund	5,767,000
Homestead Community Redevelopment Agency	<u>1,529,000</u>
Total major funds	9,486,000

Other governmental funds:

People's Transportation Plan Fund	1,984,000
Others governmental funds	<u>1,970,000</u>
Total other governmental funds	<u>3,954,000</u>

Total encumbrances	<u>\$ 13,440,000</u>
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CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 7. INTERFUND TRANSACTIONS

Interfund Transfers

<u>Transfers In</u>	<u>Transfers Out</u>									
	<u>General Fund</u>	<u>ARPA</u>	<u>CRA</u>	<u>Other Governmental Funds</u>	<u>Water & Sewer</u>	<u>Electric Utility</u>	<u>Solid Waste</u>	<u>Other Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total</u>
General Fund	\$ -	\$ -	\$ -	\$ 273,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,203 (1)
CRA	-	2,847,382	-	-	-	-	-	-	-	2,847,382 (2)
Other Governmental Funds	-	-	146,656	-	-	-	-	-	-	146,656 (3)
Other Governmental Funds	400,000	-	335,000	1,400,000	-	-	-	-	-	2,135,000 (4)
Other Governmental Funds	-	-	-	4,555,093	-	-	-	-	-	4,555,093 (5)
Other Governmental Funds	-	-	-	-	13,082	36,197	24,206	6,541	26,163	106,189 (6)
Total	<u>\$ 400,000</u>	<u>\$ 2,847,382</u>	<u>\$ 481,656</u>	<u>\$ 6,228,296</u>	<u>\$ 13,082</u>	<u>\$ 36,197</u>	<u>\$ 24,206</u>	<u>\$ 6,541</u>	<u>\$ 26,163</u>	<u>\$ 10,063,523</u>

- (1) Transfer of \$273,203 from Multimodal to General Fund was to cover costs of capital assets transferred to Homestead Station QALICB.
- (2) Transfer of \$2,847,392 from ARPA Fund into the CRA Fund to fund the purchase of land for a CRA redevelopment project.
- (3) Transfer totaling \$146,656 from CRA to General Fund was to help fund Cybrarium operations.
- (4) Transfer of \$2,135,000 from General Fund, CRA, and People's Transportation Plan into other governmental funds was for debt service payments.
- (5) Transfer of \$4,555,093 from Multimodal to other governmental funds was to return monies to contributing funds which providing interim gap funding for the construction of Multimodal Transit Center until the permanent funding from the County became available.
- (6) Transfer of \$106,189 from Water & Sewer, Electric Utility, Solid Waste, other enterprise fund and internal service fund into other governmental funds was to fund the cost of different capital projects.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 7. INTERFUND TRANSACTIONS (Continued)

Interfund Payables and Receivables

Interfund payables and receivables are used exclusively to eliminate negative pooled cash balances of individual funds for purposes of financial statement reporting. For government-wide financial statement presentation, the interfund payables and receivables are eliminated as part of interfund activity.

Individual interfund receivable and payable balances at September 30, 2024 are as follows:

	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
General Fund	\$ 1,100,000	\$ -
Major Governmental Fund:		
American Rescue Plan	-	600,000
Total Major Governmental Funds	-	600,000
Other Governmental Funds:		
Sundries Grant	-	500,000
Total Other Governmental Funds	-	500,000
Total Governmental Funds	1,100,000	1,100,000
Major Proprietary Funds:		
Electric Utility	-	5,200,000
Solid Waste	-	200,000
Total Major Proprietary Funds	-	5,400,000
Other Proprietary Fund:		
Utilities Repair, Replacement and Improvement	1,200,000	-
Total Other Proprietary Fund	1,200,000	-
Total Proprietary Funds	1,200,000	5,400,000
Internal Service Funds:		
Other Self Insurance	4,200,000	-
Total Internal Service Funds	4,200,000	-
Total Interfund Balances	\$ 6,500,000	\$ 6,500,000

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 8. CAPITAL ASSETS

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

<u>Governmental activities:</u>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Capital assets not being depreciated:				
Land	\$ 54,463,850	\$ 2,847,392	\$ -	\$ 57,311,242
Artworks	1,745,550	15,340	-	1,760,890
Construction in Progress	<u>3,750,078</u>	<u>4,367,430</u>	(a) <u>1,767,360</u>	<u>6,350,148</u>
Total capital assets not being depreciated	<u>59,959,478</u>	<u>7,230,162</u>	<u>1,767,360</u>	<u>65,422,280</u>
Capital assets being depreciated:				
Land improvements	10,336,690	-	-	10,336,690
Buildings and improvements	174,930,717	(a) 831,712	-	175,762,429
Other improvements	62,692,346	(a) 2,025,615	-	64,717,961
Furniture, fixtures and equipment	51,703,932	(a) 3,347,314	-	55,051,246
Books	756,846	-	-	756,846
Infrastructure	<u>118,580,871</u>	<u>-</u>	<u>-</u>	<u>118,580,871</u>
Total capital assets being depreciated	<u>419,001,402</u>	<u>6,204,641</u>	<u>-</u>	<u>425,206,043</u>
Less accumulated depreciation for:				
Land improvements	351,582	421,498	-	773,080
Buildings and improvements	71,175,694	3,960,072	-	75,135,766
Other improvements	52,609,184	1,884,600	-	54,493,784
Furniture, fixtures and equipment	45,475,485	2,097,752	-	47,573,237
Books	378,423	151,369	-	529,792
Infrastructure	<u>89,119,875</u>	<u>2,196,417</u>	<u>-</u>	<u>91,316,292</u>
Total accumulated depreciation	<u>259,110,243</u>	<u>10,711,708</u>	<u>-</u>	<u>269,821,951</u>
Total capital assets being depreciated, net	<u>159,891,159</u>	<u>(4,507,067)</u>	<u>-</u>	<u>155,384,092</u>
Governmental activities capital assets, net	<u>\$ 219,850,637</u>	<u>\$ 2,723,095</u>	<u>\$ 1,767,360</u>	<u>\$ 220,806,372</u>

(a) Construction in Progress of \$81,043 was transferred to Buildings and Improvements; \$686,877 to Other Improvements, \$45,614 to Furnitures, Fixtures & Equipment, \$15,340 to Artworks, \$150,000 was removed, \$729,900 was contributed to Solid Waste Fund, and \$58,586 was contributed to Water and Sewer Fund.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8. CAPITAL ASSETS (Continued)

<u>Business-type activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,876,063	\$ -	\$ -	\$ 1,876,063
Construction in Progress	8,014,804	2,817,179	-	10,831,983
Total capital assets not being depreciated	<u>9,890,867</u>	<u>2,817,179</u>	<u>-</u>	<u>12,708,046</u>
Capital assets being depreciated:				
Buildings and improvements	34,151,412	100,001	-	34,251,413
Utility plant and systems	153,869,805	6,598,860	-	160,468,665
Total capital assets being depreciated	<u>188,021,217</u>	<u>6,698,861</u>	<u>-</u>	<u>194,720,078</u>
Less accumulated depreciation for:				
Buildings and improvements	2,952,222	957,085	-	3,909,307
Utility plant and systems	115,009,587	5,711,464	-	120,721,051
Total accumulated depreciation	<u>117,961,809</u>	<u>6,668,549</u>	<u>-</u>	<u>124,630,358</u>
Total capital assets being depreciated, net	<u>70,059,408</u>	<u>30,312</u>	<u>-</u>	<u>70,089,720</u>
Business-type activities capital assets, net	<u>\$ 79,950,275</u>	<u>\$ 2,847,491</u>	<u>\$ -</u>	<u>\$ 82,797,766</u>

Depreciation expense for the fiscal year ended September 30, 2024 has been recorded as follows:

	<u>Depreciation Expense</u>
<u>Governmental activities:</u>	
General government	\$ 1,399,973
Public safety	1,646,518
Public works	1,376,314
Parks and recreation	4,025,704
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	66,784
Unallocated	<u>2,196,415</u>
Total depreciation expense - governmental activities	<u>\$ 10,711,708</u>
<u>Business-type activities:</u>	
Water/Sewer	\$ 833,810
Electric	4,067,787
Solid waste	669,839
Other enterprise funds	82,848
QALICB	991,858
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	<u>22,407</u>
Total depreciation expense - business-type activities	<u>\$ 6,668,549</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LEASE (RIGHT-TO-USE) CAPITAL ASSETS / LEASE PAYABLES

During FY 2022, the City implemented *GASB Statement No. 87, Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

As stated in Note 5, the QALICB was created as part of a NMTC, whereby it would support the establishment of a mixed-use facility consisting of a parking garage with a retail liner (the "Project"). Pursuant to the Lease, Operating, and Management Agreement for the QALICB dated June 27, 2018 (the "Lease Agreement"), the QALICB and the City entered into a seventy-five-year lease agreement for the Project. The QALICB agreed to pay the City an annual base rent in the amount of \$1. The total rent over the term is \$75.

The QALICB also leases the Property to a Master Tenant (DR Homestead, LLC) pursuant to the amended master lease agreement dated June 27, 2018 (the "Master Lease"). The Master Lease commenced on June 27, 2018 and expires in 2048. Beginning in 2019, minimum base rents under the Master Lease were scheduled to be made in the amount of \$55,158. On July 1, 2021, the QALICB recorded an initial lease receivable in the amount of \$17,757,329. As of June 30, 2024, the value of the lease receivable was \$17,580,854. The implicit interest rate on the master lease was 1%. The value of the deferred inflows of resources as of June 30, 2024 was \$15,820,167. For the year ended June 30, 2024, the QALICB recognized lease revenue in the amount of \$645,721.

On June 27, 2018, the City also entered in to an agreement with DR Homestead, LLC in which the City agreed to pay DR Homestead an "Asset Management Fee" for the Project, starting in fiscal year 2019 and ending in fiscal year 2049. The City's agreement with DR Homestead, LLC references the *Third Amendment to the Ground Lease* dated June 21, 2018, that added a requirement for the Master Tenant to pay minimum base rents in addition to the existing base rent under the Ground Lease. The minimum base rent would equal the amount of the Asset Management Fee. The Master Tenant's obligation to pay each installment of the minimum base rent to the QALICB (Landlord) would be contingent upon the City's payment of the corresponding installment of the Asset Management Fee to the Master Tenant. Because these minimum base rent payments are contingent upon the City's payment of the Asset Management Fees and because the QALICB was required to report a lease receivable and a deferred inflow of resources under GASB 87, the City must also report the corresponding lease liability and lease (right-to-use) asset. For the QALICB to report part of the transaction and the City not to report the corresponding part to achieve completeness, the City's financial statements would have been deemed misleading to users.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LEASE (RIGHT-TO-USE) CAPITAL ASSETS / LEASE PAYABLE (Continued)

In fiscal year 2022, the City recorded an initial lease liability in the amount of \$17,746,436. As of September 30, 2024, the value of the lease liability is \$17,569,658. The City is required to make quarterly fixed payments ranging from \$108,520 to \$209,848. The lease was calculated using the interest rate of 1.0% (the same one used by the QALICB to calculate its lease receivable). The asset estimated useful life was assumed to be the same length of the lease, or 28 years, as of the contract commencement. The value of the right to use the asset as of September 30, 2024 is \$15,778,862 with accumulated amortization of \$1,967,574.

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2025	\$ 259,084	\$ 174,994	\$ 434,078
2026	584,623	171,231	755,854
2027	674,657	164,735	839,392
2028	681,429	157,963	839,392
2029	688,269	151,123	839,392
2030-2034	3,546,371	650,590	4,196,961
2035-2039	3,727,964	468,996	4,196,960
2040-2044	3,918,857	278,104	4,196,961
2045-2049	3,488,404	79,012	3,567,416
Total	<u>\$ 17,569,658</u>	<u>\$ 2,296,748</u>	<u>\$ 19,866,406</u>

Right-to-use Asset (Governmental activities):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Lease asset	\$ 17,746,436	\$ -	\$ -	\$ 17,746,436
Total lease (Right-to-use) asset	<u>17,746,436</u>	<u>-</u>	<u>-</u>	<u>17,746,436</u>
Less accumulated amortization for:				
Lease asset	<u>1,311,716</u>	<u>655,858</u>	<u>-</u>	<u>1,967,574</u>
Total accumulated amortization	<u>1,311,716</u>	<u>655,858</u>	<u>-</u>	<u>1,967,574</u>
Governmental activities lease asset, net	<u>\$ 16,434,720</u>	<u>\$ (655,858)</u>	<u>\$ -</u>	<u>\$ 15,778,862</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) CAPITAL ASSETS / PAYABLE

Starting with fiscal year ended 9/30/2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 10/01/2022, City of Homestead, FL entered into an 86-month subscription for the use of CAD and Records Management Software. An initial subscription liability was recorded in the amount of \$977,311. As of 09/30/2024, the value of the subscription liability is \$726,026, and the value of the short-term subscription liability is \$126,253. City of Homestead, FL is required to make annual fixed payments of \$147,445. The subscription has an interest rate of 3.5287%. The value of the right to use asset as of 09/30/2024 of \$980,992 with accumulated amortization of \$273,660 is included with Software on the Subscription Class activities table found below.

On 07/01/2023, City of Homestead, FL entered into a 26-month subscription for the use of OpenGov Procurement Software Subscription. An initial subscription liability was recorded in the amount of \$107,301. As of 09/30/2024, the value of the subscription liability is \$48,755, and the value of the short-term subscription liability is \$48,755. City of Homestead, FL is required to make annual fixed payments of \$47,900. The subscription has an interest rate of 3.1583%. The value of the right to use asset as of 09/30/2024 of \$131,491 with accumulated amortization of \$73,050 is included with Software on the Subscription Class activities table found below.

On 10/01/2023, City of Homestead, FL entered into a 36-month subscription for the use of the OpenGov Budget Software Suite Subscription. An initial subscription liability was recorded in the amount of \$242,580. As of 09/30/2024, the value of the subscription liability is \$162,779, and the value of the short-term subscription liability is \$77,881. City of Homestead, FL is required to make annual fixed payments of \$79,801. The subscription has an interest rate of 3.6310%. The value of the right to use asset as of 09/30/2024 of \$308,080 with accumulated amortization of \$102,693 is included with Software on the Subscription Class activities table found below.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) CAPITAL ASSETS / PAYABLE (Continued)

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2025	\$ 252,889	\$ 33,069	\$ 285,958
2026	220,162	24,247	244,409
2027	144,730	16,391	161,121
2028	154,671	11,284	165,955
2029	<u>165,108</u>	<u>5,826</u>	<u>170,934</u>
Total	<u>\$ 937,560</u>	<u>\$ 90,817</u>	<u>\$ 1,028,377</u>

Subscription-based arrangement assets - Governmental activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Subscription-base arrangements assets:				
CAD and records management software	\$ 980,992	\$ -	\$ -	\$ 980,992
OpenGov procurement software	131,491	-	-	131,491
OpenGov finance budget software	<u>-</u>	<u>308,080</u>	<u>-</u>	<u>308,080</u>
Total subscription-base arrangements assets	<u>1,112,483</u>	<u>308,080</u>	<u>-</u>	<u>1,420,563</u>
Less accumulated amortization for:				
CAD and records management software	136,830	136,830	-	273,660
OpenGov procurement software	14,610	58,440	-	73,050
OpenGov finance budget software	<u>-</u>	<u>102,693</u>	<u>-</u>	<u>102,693</u>
Total accumulated amortization	<u>151,440</u>	<u>297,963</u>	<u>-</u>	<u>449,403</u>
Governmental activities subscription-based assets, net	<u>\$ 961,043</u>	<u>\$ 10,117</u>	<u>\$ -</u>	<u>\$ 971,160</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. DEFERRED OUTFLOWS AND INFLOWS

Deferred outflows and inflows as of the fiscal year-end, as presented on the City's fund level and government-wide statements in the aggregate, are as follows:

<u>Deferred Outflows:</u>				
	Enterprise <u>Funds</u>	Internal Service <u>Funds</u>	Total Proprietary Funds <u>Statements</u>	Government-Wide <u>Statements</u>
Deferred outflows for pensions	\$ 5,197,819	\$ 798,099	\$ 5,995,918	\$ 22,546,888
Deferred outflows for OPEB	62,131	18,709	80,840	202,332
Total deferred outflows	<u>\$ 5,259,950</u>	<u>\$ 816,808</u>	<u>\$ 6,076,758</u>	<u>\$ 22,749,220</u>

<u>Deferred Inflows:</u>				
	Enterprise <u>Funds</u>	Internal Service <u>Funds</u>	Total Proprietary Funds <u>Statements</u>	Government-Wide <u>Statements</u>
Deferred inflows for leases	\$ 15,820,167	\$ -	\$ 15,820,167	\$ 15,820,167
Deferred inflows for OPEB	2,558,254	770,325	3,328,579	8,330,883
Total deferred inflows	<u>\$ 18,378,421</u>	<u>\$ 770,325</u>	<u>\$ 19,148,746</u>	<u>\$ 24,151,050</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. LONG-TERM LIABILITIES

Governmental Activities

The following is a summary of changes in governmental long-term liabilities at September 30, 2024:

	<u>9/30/2023</u>			<u>9/30/2024</u>	
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
General Obligation Bonds, Series 2014	\$ 19,890,000	\$ -	\$ 620,000	\$ 19,270,000	\$ 655,000
Plus: Unamortized Bond Premium	1,217,335	-	58,120	1,159,215	58,120
Total General Obligation Bonds, Series 2014	21,107,335	-	678,120	20,429,215	713,120
Taxable Transportation System Revenue Bonds, Series 2017	27,220,000	-	720,000	26,500,000	745,000
Total bonds payable	48,327,335	-	1,398,120	46,929,215	1,458,120
Loans and notes payable:					
HUD Section 108 loan **	2,509,000	-	965,000	1,544,000	193,000
New City Hall Refunding Note, Series 2021 **	7,065,718	-	527,410	6,538,308	537,853
CRA Tax Increment Revenue Note, Taxable Series 2023 **	4,500,000	-	134,000	4,366,000	147,000
Total loans and notes payable	14,074,718	-	1,626,410	12,448,308	877,853
Total bonds, loans and notes payable	62,402,053	-	3,024,530	59,377,523	2,335,973
Compensated absences	3,949,375	1,687,536	1,000,968	4,635,943	1,390,782
Equipment financing obligation**	2,410,433	-	1,033,281	1,377,152	589,421
Net pension liability	38,307,533	26,250	6,208,721	32,125,062	-
Total OPEB liability	5,607,878	38,358	105,700	5,540,536	148,253
Claims and judgements	4,962,947	2,174,906	2,275,930	4,861,923	1,193,008
Lease obligation (Right-to-use asset)	17,614,274	-	44,616	17,569,658	259,084
Subscription-based IT arrangements obligation	939,601	242,580	244,621	937,560	252,889
Governmental activities long-term liabilities	<u>\$ 136,194,094</u>	<u>\$ 4,169,630</u>	<u>\$ 13,938,367</u>	<u>\$ 126,425,357</u>	<u>\$ 6,169,410</u>

**Direct Borrowings

Note: Pension liabilities, compensated absences and OPEB liabilities are generally liquidated by the General Fund.

Pension contributions are paid by the General Fund as actuarially determined by the actuaries of the pension plans.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

A. General Obligation Bonds, Series 2014

On May 13, 2014, the City's voters approved a bond referendum for the issuance of \$26 million in General Obligation Bonds, Series 2014, ("GO Bonds"). The GO Bonds were approved to be issued in an amount not to exceed \$21 million for the construction of the new police building and related improvements for a temporary police facility, and not to exceed \$5 million for the renovations to the Seminole Theatre to provide a cultural arts center for the City.

The GO Bonds were issued on September 11, 2014. General obligation bonds are direct obligations and pledge the full faith and credit of the City as a whole and not its individual funds. In each year the debt is outstanding, an ad valorem tax will be levied equal to principal and interest due. These bonds are issued as 30-year serial bonds, due in annual installments of \$655,000 to \$1,420,000 through July 1, 2044. Interest rates on the bonds range from 3% to 5% and is paid semi-annually on January 1 and July 1.

In the event of any default in payment, the defaulted interest shall be payable by the paying agent to the registered owners of the bonds not less than fifteen (15) days preceding such special record date. During an event of default, the bondholders may enforce and compel the performance of all duties required by the City's resolution and the bonds or by any applicable statute to be performed by the City or any officer thereof. The City complies with Federal arbitrage regulations and has no rebate liability due as of September 30, 2024.

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2025	\$ 655,000	\$ 832,238	\$ 1,487,238
2026	685,000	799,488	1,484,488
2027	705,000	778,938	1,483,938
2028	725,000	757,788	1,482,788
2029	750,000	734,225	1,484,225
2030-2034	4,155,000	3,267,475	7,422,475
2035-2039	5,110,000	2,308,500	7,418,500
2040-2044	6,485,000	938,500	7,423,500
Sub-Total	19,270,000	10,417,152	29,687,152
Plus: Unamortized Bonds Premium	1,159,215	-	1,159,215
Total	<u>\$ 20,429,215</u>	<u>\$ 10,417,152</u>	<u>\$ 30,846,367</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

B. Taxable Transportation System Revenue Bonds, Series 2017

On September 24, 2017, the City issued \$31,440,000 Taxable Transportation System Revenue Bonds to partially finance the cost of land acquisitions and construction for a parking garage/retail facility (Multimodal Transit Center) in the City's downtown.

The bonds are payable annually through July 1, 2047 in principal amounts ranging from \$745,000 to \$1,725,000. Interest rates on the bonds range from 1.671% to 4.194% and is paid semi-annually on January 1 and July 1. The revenue bond indentures contain significant limitations and restrictions on annual debt service requirements. The City continually monitors compliance with all significant limitations and restrictions. The bonds will be repaid primarily from transportation surtax revenues and other non-ad valorem revenues.

In the event of default of the payment of principal or interest with respect to the insured bonds when all or a portion becomes due, any registered owner of the insured bonds shall have a claim under the bond insurance policy for such payments. Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the bond insurer without appropriate consent. The bond insurer may direct and must consent to any remedies. In the event the bond insurer is unable to make payment of principal and interest as such payments become due under the bond insurance policy, the insured bonds are payable solely from the sources of security described in the bond resolution.

Debt Service Requirements to Maturity

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2025	\$ 745,000	\$ 1,054,685	\$ 1,799,685
2026	765,000	1,031,642	1,796,642
2027	790,000	1,006,833	1,796,833
2028	815,000	980,424	1,795,424
2029	850,000	949,511	1,799,511
2030-2034	4,755,000	4,237,253	8,992,253
2035-2039	5,765,000	3,219,634	8,984,634
2040-2044	7,045,000	1,944,092	8,989,092
2045-2047	4,970,000	422,546	5,392,546
Total	<u>\$ 26,500,000</u>	<u>\$ 14,846,620</u>	<u>\$ 41,346,620</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

C. HUD Section 108 Loan-Direct Borrowing

In 2017, the City entered into an agreement with U.S. Department of Housing and Urban Development (HUD) for a Section 108 loan to provide funding for the new Cybrarium Project. The total amount of the loan is \$3,865,000, which was the maximum allowable amount based on the City's Community Development Block Grant (CDBG) allocation at that time. The loan is being repaid over 20 years and the payments consist of principal (approximately \$193,000 annually) and interest (approximately \$97,000 annually).

The City began drawing on the loan prior to the commencement of construction, \$194,000 in FY2017, \$194,000 in FY2018, and \$194,000 in FY2019. On March 31, 2020 the final loan drawdown was submitted. The City declined the option to convert the Section 108 loan to a fixed rate. The initial variable interest rate on this borrowing is set on the first day of each month at twenty (20) basis points above the 90-day LIBOR. The use of LIBOR as a benchmark for short-term interest rates was expected to be discontinued for most loans on December 31, 2021. In recognition of the disruption that would likely ensue if LIBOR were not replaced as the Section 108 reference rate, the Holder and HUD determined that it was necessary to transition to a new reference rate and interest rate spread. HUD, after consistently monitoring and comparing the current reference rate with other potential alternatives, such as the Secured Overnight Financing Rate (SOFR) and the 3-Month Treasury Bill High Auction Rate, determined that among the potential alternative reference rates, the 3-Month Treasury Bill High Auction Rate would be most likely to produce essentially the same rate as the Standard Note Rate. Accordingly, HUD and the Holder entered negotiations as provided in Appendix A of the Note and agreed upon a new reference rate that, when added to a spread of 35 basis points (0.35%), HUD believes will essentially hold current borrowers harmless with respect to the variable rate cost of borrowing under Section 108. The new reference rate offers enhanced transparency by being based on actual transactions, making rate information more accessible to borrowers.

Interest on the outstanding principal balance is payable quarterly and due each February 1, May 1, August 1, and November 1. Principal payments are payable annually and are due each August 1 through maturity on August 1, 2032. In FY2024, with HUD approval, the City prepaid four years of principal loan installments totaling \$772,000, resulting in a new loan maturity date of August 1, 2032. The HUD Section 108 Loan contains a provision that states that in the event of default, an acceleration payment to the Fiscal Agent or the Trustee, as applicable, equal to the unpaid aggregate principal amount of the note, together with accrued and unpaid interest thereon to such acceleration payment date or interest due date, as applicable will become due. In the event that any such acceleration payment is made from sources other than funds pledged by the Borrower as security under the Contract (or other Borrower funds), the amounts paid on behalf of the Borrower shall be deemed to be immediately due and payable to the Secretary. The outstanding balance of the Section 108 loan as of September 30, 2024, is \$1,544,000.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

C. HUD Section 108 Loan-Direct Borrowing (Continued)

Debt Service Requirements to Maturity

		(1)	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2025	\$ 193,000	\$ 79,907	\$ 272,907
2026	193,000	69,706	262,706
2027	193,000	59,505	252,505
2028	193,000	49,305	242,305
2029	193,000	39,104	232,104
2030-2032	579,000	56,106	635,106
	<u>\$ 1,544,000</u>	<u>\$ 353,633</u>	<u>\$ 1,897,633</u>

(1) Computed at 5.28546%, which is 20 basis points above 90 day LIBOR rate @ 9/30/2024 of 5.08546% times amount outstanding.

D. New City Hall Loan-Capital Improvement Refunding Note, Series 2021-Direct Borrowing

On June 16, 2021, the City Council adopted a Resolution authorizing the issuance of a capital improvement refunding note in the amount not to exceed \$8,090,000 for the purpose of refinancing the previous loan for the New City Hall, and awarded the note to Regions Capital Advantage, Inc to provide the refinancing.

The interest rate is fixed at 1.98% for a 14-year term and a maturity date of September 1, 2035. Principal is payable annually through September 1, 2035 in the amounts ranging from \$537,853 to \$654,355. Interest is payable semi-annually on March 1 and September 1.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

D. New City Hall Loan-Capital Improvement Refunding Note, Series 2021-Direct Borrowing (Continued)

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2025	\$ 537,853	\$ 129,459	\$ 667,312
2026	548,502	118,809	667,311
2027	559,362	107,949	667,311
2028	570,438	96,873	667,311
2029	581,732	85,579	667,311
2030-2034	3,086,066	250,489	3,336,555
2035	<u>654,355</u>	<u>12,956</u>	<u>667,311</u>
	<u>\$ 6,538,308</u>	<u>\$ 802,114</u>	<u>\$ 7,340,422</u>

E. CRA Tax Increment Revenue Note, Taxable Series 2023

On April 11, 2023, the City Council adopted Resolution No. R2023-04-48 authorizing the issuance by the Homestead Community Redevelopment Agency of a taxable tax increment revenue note not to exceed \$4,500,000 for the purpose of financing the cost of acquisition, relocation, clearing, construction and/or rehabilitation of properties and other redevelopment activities permitted under the act, and paying costs of issuance of the note.

Principal is payable through April 1, 2043 in the amounts ranging from \$147,000 to \$337,000. The interest rate is fixed at 4.70% for a 20-year term and a maturity date of April 01, 2043. Principal and interest are payable semi-annually on April 1 and October 1, commencing on October 1, 2023 until maturity.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

E. CRA Tax Increment Revenue Note, Taxable Series 2023 (Continued)

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2025	\$ 147,000	\$ 201,747	\$ 348,747
2026	154,000	194,674	348,674
2027	161,000	187,271	348,271
2028	169,000	179,516	348,516
2029	177,000	171,385	348,385
2030-2034	1,018,000	720,980	1,738,980
2035-2039	1,281,000	451,931	1,732,931
2040-2043	1,259,000	121,800	1,380,800
	<u>\$ 4,366,000</u>	<u>\$ 2,229,304</u>	<u>\$ 6,595,304</u>

F. Equipment Financing-Direct Borrowing

The City enters into financing agreements periodically to finance the purchase of City vehicles and other equipment such as computers. The value of capital assets acquired under new equipment financing during fiscal year 2024 for governmental activities totaled \$3,833,344. The capital assets acquired under the equipment financing remain as collateral for repayment of the outstanding principal obligations. Upon the occurrence of an event of default, the lender shall have the right, at its option and without any further demand or notice, to declare all payments payable under the agreement through the end of the City's fiscal year, to be immediately due and payable by the City, whereupon such payments shall be immediately due and payable. The lender may also terminate the agreement and repossess any or all of the equipment subject to the agreement by giving the City written notice to deliver such equipment in the manner provided in the agreement.

At September 30, 2024, the City had outstanding borrowings with two financial institutions.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

F. Equipment Financing-Direct Borrowing (Continued)

Future minimum payments at September 30, 2024 are as follows:

Fiscal year ending September 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 589,420	\$ 36,785	\$ 626,205
2026	415,163	22,615	437,778
2027	263,803	11,010	274,813
2028	<u>108,766</u>	<u>1,796</u>	<u>110,562</u>
Total minimum payments	<u>\$ 1,377,152</u>	<u>\$ 72,206</u>	<u>\$ 1,449,358</u>

Capital assets acquired through governmental equipment financings above are as follows:

Furniture, fixtures and equipment	\$ 3,255,388
Accumulated depreciation	<u>(1,672,405)</u>
Total	<u>\$ 1,582,983</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Business-type Activities

The following is a summary of changes in business-type long-term liabilities at September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Loans and notes payable:					
Electric FMPA pooled loan 2021**	\$ 7,878,049	-	358,236	7,519,813	365,256
Electric FMPA pooled loan 2022**	6,500,000	-	600,708	5,899,292	628,659
Electric revenue note, series 2024**	-	5,165,000	-	5,165,000	-
Notes payable (1)	35,948,311	331,922	-	36,280,233	351,182
Total loans and notes payable	50,326,360	5,496,922	958,944	54,864,338	1,345,097
Compensated absences	1,971,176	1,176,527	1,047,850	2,099,853	629,956
Equipment financing obligation**	2,826,099	580,952	639,621	2,767,430	598,073
Net pension liability	8,318,118	160,751	91,181	8,387,688	-
Total OPEB obligation	3,067,286	193,976	-	3,261,262	87,264
Business-type activities long-term liabilities	\$ 66,509,039	\$ 7,609,128	\$ 2,737,596	\$ 71,380,571	\$ 2,660,390

**Direct Borrowings

- (1) The \$36,280,233 notes payable is NMTC-related and represents the balance at June 30, 2024 per the QALICB's separately issued financial statements. Please refer to those statements for additional information.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Business-type Activities (Continued)

A. Florida Municipal Power Agency (FMPA) Initial Pooled Loan Project, Series 2021-Direct Borrowing

On June 16, 2021, the City Council adopted a Resolution authorizing the issuance of a note in an amount not to exceed \$8,700,000 to secure a loan from the FMPA to provide funding to build a new electric utility substation, for the costs of undergrounding electric utility lines, and to refinance the Series 2019 Electric Bonds.

The interest rate is fixed at 1.95% for a 10-year term and a maturity date of June 30, 2031. Principal and interest are payable semi-annually on April 1 and October 1, with a balloon payment of approximately \$5 million to be refinanced or paid on June 30, 2031.

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2025	\$ 365,256	\$ 144,864	\$ 510,120
2026	372,413	137,707	510,120
2027	379,711	130,409	510,120
2028	387,151	122,969	510,120
2029	394,737	115,383	510,120
2030-2031	<u>5,620,548</u>	<u>183,680</u>	<u>5,804,228</u>
Total	<u>\$ 7,519,816</u>	<u>\$ 835,012</u>	<u>\$ 8,354,828</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Business-type Activities (Continued)

B. Florida Municipal Power Agency (FMPA) Initial Pooled Loan Project, Series 2022-Direct Borrowing

On November 08, 2022, the City Council adopted Resolution No. R2022-11-116 authorizing the issuance of a note in an amount not to exceed \$6,500,000 to secure a loan from the FMPA for the purpose of financing a portion of the cost of the Ring Bus Expansion at Renaissance Electrical Substation and to provide funding for contract labor to supplement the internal labor workforce for the FEMA Storm Hardening “406” Project, together with any other necessary electric utility facilities.

The interest rate is fixed at 4.60% for a 10-year term and a maturity date of October 01, 2032. Principal and interest are payable semi-annually on April 1 and October 1, commencing April 1, 2023 until maturity.

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2025	\$ 628,659	\$ 264,220	\$ 892,879
2026	657,910	234,969	892,879
2027	688,521	204,358	892,879
2028	720,558	172,321	892,879
2029	754,084	138,795	892,879
2030-2032	<u>2,449,560</u>	<u>199,257</u>	<u>2,648,817</u>
Total	<u>\$ 5,899,292</u>	<u>\$ 1,213,920</u>	<u>\$ 7,113,212</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Business-type Activities (Continued)

C. *Electric Utility Revenue Note, Series 2024*

On August 21, 2024, the City Council adopted Resolution No. R2024-08-103 authorizing the issuance of a note in an amount not to exceed \$5,200,000 to secure a loan from SouthState Bank, N.A. for the purpose of financing the cost relating to engineering, procuring, and constructing of the new distribution substation rated for 138 kV/13.2 kV, capable of 89 M.V.A/ net output for the expansion of the electric utility system (the “Project”) and paying cost of issuance of the Note.

The interest rate is fixed at 4.15% for a 10-year term and a maturity date of November 01, 2044. Principal and interest are payable semi-annually on May 1st and November 1st, commencing May 1st, 2025 until maturity.

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2025	\$ -	\$ 132,776	\$ 132,776
2026	145,000	211,339	356,339
2027	180,000	204,595	384,595
2028	185,000	197,021	382,021
2029	195,000	189,136	384,136
2030-2034	1,100,000	815,476	1,915,476
2035-2039	1,345,000	562,221	1,907,221
2040-2044	1,645,000	252,631	1,897,631
2045	370,000	7,678	377,678
Total	<u>\$ 5,165,000</u>	<u>\$ 2,572,873</u>	<u>\$ 7,737,873</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Business-type Activities (Continued)

D. Equipment Financing-Direct Borrowing

The value of capital assets acquired under new equipment financing during fiscal year 2023 for business-type activities totaled \$909,000. The capital assets acquired under the previous equipment financing remain as collateral for repayment of the outstanding principal obligations. Upon the occurrence of an event of default, the lender shall have the right, at its option and without any further demand or notice, to declare all payments payable under the agreement through the end of the City's fiscal year, to be immediately due and payable by the City, whereupon such payments shall be immediately due and payable. The lender may also terminate the agreement and repossess any or all of the equipment subject to the agreement by giving the City written notice to deliver such equipment in the manner provided in the agreement.

At September 30, 2024, the City had outstanding borrowings with two financial institutions.

Future minimum payments at September 30, 2024 are as follows:

Fiscal year ending September 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 598,074	\$ 94,853	\$ 692,927
2026	522,387	76,797	599,184
2027	488,877	60,436	549,313
2028	444,106	44,446	488,552
2029	324,321	28,931	353,252
2030-2032	<u>389,665</u>	<u>19,896</u>	<u>409,561</u>
Total minimum payments	<u>\$ 2,767,430</u>	<u>\$ 325,359</u>	<u>\$ 3,092,789</u>

Capital assets acquired through business-type equipment financing above are as follows:

Furniture, fixtures and equipment	\$ 4,044,213
Accumulated depreciation	<u>(1,291,535)</u>
Total	<u>\$ 2,752,678</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Pledged Revenues

The City issues debt that is secured by a pledge of specific revenues. Total pledged revenue that collateralizes the repayment of principal and interest on the debt as of September 30, 2023 are as follows:

Governmental Activities:

General Obligation Bonds, Series 2014

Source of Revenue Pledged	Voted debt millage
Description of debt	General Obligation Bonds, Series 2014
Purpose of debt	Construction of New Police Building and the renovation of Seminole Theatre
Current revenue pledged	\$1,499,353
Total debt service to maturity (1)	\$30,846,367
Term of commitment	2014-2044
Current year debt service	\$1,483,688
Percentage of debt service to pledged revenues (current year)	99%

Taxable Transportation System Revenue Bonds, Series 2017

Source of Revenue Pledged	Transportation System Sales Surtax ("Surtax") and Covenant to Budget and Appropriate Non Ad-Valorem Revenues
Description of debt	Taxable Transportation System Revenue Bonds, Series 2017
Purpose of debt	Construction of Multimodal Transit Center
Current revenue pledged	\$5,151,663
Total debt service to maturity (1)	\$41,346,620
Term of commitment	2017-2047
Current year debt service	\$1,796,011
Percentage of debt service to pledged revenues (current year)	35%

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12. **LONG-TERM LIABILITIES** (Continued)

Pledged Revenues (Continued)

Governmental Activities (continued):

HUD Section 108 Loan

Source of Revenue Pledged	Yearly revenue from the City's Community Development Block Grant (CDBG)
Description of debt	Department of Housing and Urban Development (HUD) Section 108 Loan
Purpose of debt	Cybrarium Project partial funding source
Current revenue pledged	\$1,691,629
Total debt service to maturity (1)	\$1,897,633
Term of commitment	2017-2036
Current year debt service	\$1,091,859
Percentage of debt service to pledged revenues (current year)	65%

NCH Capital Improvement Refunding Notes, Series 2021

Source of Revenue Pledged	Legally available Non-Advalorem Revenues
Description of debt	NCH Capital Improvement Refunding Notes, Series 2021
Purpose of debt	Refinancing the balloon payment of the old \$10M New City Hall Loan
Current revenue pledged	\$50,346,515
Total debt service to maturity (1)	\$7,340,422
Term of commitment	2021-2035
Current year debt service	\$667,311
Percentage of debt service to pledged revenues (current year)	1%

CRA Tax Increment Revenue Note, Taxable Series 2023

Source of Revenue Pledged	TIF Revenues
Description of debt	CRA Tax Increment Revenue Note, Taxable Series 2023
Purpose of debt	Financing the cost of acquisition, relocation, clearing, construction and/or rehabilitation of properties and other redevelopment activities.
Current revenue pledged	\$5,392,885
Total debt service to maturity (1)	\$6,595,304
Term of commitment	2023-2043
Current year debt service	\$342,351
Percentage of debt service to pledged revenues (current year)	6%

(1) Total future principal and interest payments.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12. **LONG-TERM LIABILITIES** (Continued)

Pledged Revenues (Continued)

Business-Type Activities:

Electric Utility FMPA Pooled Loan, Series 2021

Source of Revenue Pledged	Net Electric Utility Revenues
Description of debt	Electric Utility FMPA Pooled Loan 2021
Purpose of debt	New substation, undergrounding electric utility lines, and refinancing of Series 2019 Electric Utility Bonds
Current revenue pledged	\$3,485,476
Total debt service to maturity (1)	\$8,354,828
Term of commitment	2021-2031
Current year debt service	\$510,120
Percentage of debt service to pledged revenues (current year)	14.64%

Electric Utility FMPA Pooled Loan, Series 2022

Source of Revenue Pledged	Net Electric Utility Revenues
Description of debt	Electric Utility FMPA Pooled Loan 2022
Purpose of debt	Financing the ring bus expansion at Renaissance Substation and storm hardening mitigation project.
Current revenue pledged	\$3,485,476
Total debt service to maturity (1)	\$7,113,212
Term of commitment	2023-2032
Current year debt service	\$892,879
Percentage of debt service to pledged revenues (current year)	25.62%

Electric Utility Revenue Note, Series 2024

Source of Revenue Pledged	Net Electric Utility Revenues
Description of debt	Electric Utility Revenue Note, Series 2024
Purpose of debt	Financing the construction of Donnie Avocado Substation
Current revenue pledged	\$3,485,476
Total debt service to maturity (1)	\$7,737,873
Term of commitment	2023-2032
Current year debt service	\$0
Percentage of debt service to pledged revenues (current year)	0.00%

(1) Total future principal and interest payments.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. LONG-TERM LIABILITIES (Continued)

Compensated Absences

Compensated absences represent the portion of the applicable funds' total estimated liability for employees' compensation for future absences. The estimated liability includes an accrual for salary related costs (employer's share of the social security and medicare taxes).

The estimated liability is measured using rates in effect at the balance sheet date; benefits are computed at the current salary rates at the time of payment. Upon separation from the City service, vacation leave is paid at 100% up to 360 hours for regular employees and 380 hours for police. Sick leave is paid at 50% to 100% depending on years of service (for years of services equal to or greater than 15 years), up to 800 hours for regular employees and 880 hours for police. The General Fund has primarily been used in prior years to liquidate the liability for compensated absences for governmental activities.

At September 30, 2024, the liability for compensated absences was as follows:

Governmental Activities	\$ 4,635,943
Business-type Activities	2,099,853
	<u>\$ 6,735,796</u>

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS

The City is the sponsor of five single-employer Public Employee Retirement Systems (PERS) that are administered by the City to provide pension benefits to its employees. The City contributes to the General Employees' Retirement Plan (GERP), the Police Officers' Retirement Plan (PORP), the Firefighters' Retirement System (HFRS), the Elected Officials' Retirement Plan (EORP), and the New Elected Officials' and Senior Management Retirement System (NEOSMRS), which are all defined benefit pension plans.

The information reported below is a brief summary of information reported in more detail in the independently published financial statements for each pension plan. Separate financial statements for each of these Plans may be obtained by contacting the Board of Trustees c/o City of Homestead, 100 Civic Court, Homestead, FL 33030.

Basis of Accounting

The financial statements of each Plan are prepared using the accrual basis of accounting. Employee and employer contributions to the Plans are recognized when due rather than when incurred and the employer has made a formal commitment to provide the contributions. Expenses incurred, benefits and refunds owed are recognized when due and payable in accordance with the terms of the Plans rather than when paid.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

Plan Membership Information

As of the various dates of the latest actuarial valuation for each of the Plans, the membership consisted of:

	General Employees' Retirement <u>Plan*</u>	Police Officers' Retirement <u>Plan</u>	Elected Officials' Retirement <u>Plan*</u>	New Elected Officials' and Senior Management Retirement <u>System</u>	Firefighters' Retirement <u>System*</u>
Inactive plan members or beneficiaries currently receiving benefits	220	106	7	5	8
Inactive plan members entitled to but not yet receiving benefits	40	3	-	5	-
Active plan members	<u>76</u>	<u>102</u>	<u>1</u>	<u>6</u>	<u>-</u>
Total	<u><u>336</u></u>	<u><u>211</u></u>	<u><u>8</u></u>	<u><u>16</u></u>	<u><u>8</u></u>

Note: * Plans are closed to new members.

A. **GENERAL EMPLOYEES' RETIREMENT PLAN (GERP)**

Plan Description

The City maintains a single employer defined benefit pension system established by City Ordinance No. 85-11-107 dated December 3, 1985, as amended, which covers substantially all of the City employees except for elected officials, senior management, and police officers. Membership begins on the date of hire. GERP provides retirement, disability and death benefits to members and beneficiaries. A more detailed description of the Plan and its provisions appear in ordinances constituting the Plan and in the summary plan description. The Plan year end is September 30, 2024. The Plan issues a publicly available financial statement that includes fiduciary financial statements and required supplementary information. The financial statements may be obtained by writing to: Board of Trustees – General Employees' Retirement Plan, c/o City of Homestead, Finance Department, 100 Civic Court, Homestead, FL 33030.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

A. GENERAL EMPLOYEES' RETIREMENT PLAN (GERP) (Continued)

Eligibility

All regular full-time employees of the City who agree to make employee contributions plus hospital employees who elected to stay in the Plan in 1990 are eligible. Part-time employees are not covered. Participation was mandatory for all employees hired on and after July 1, 2000. The City Council adopted Ordinance No. 2009-04-13 to close membership to new employees hired on or after April 1, 2009.

Service Retirement Benefits

Upon normal retirement, a participant will receive a monthly pension of 3% of the final average earnings (FAE), which is the base salary and longevity during the last sixty (60) months of continuous employment times the number of years and completed months of continuous service as a participant. There is no cap on maximum benefits.

Early Retirement

A member may retire early after attaining age 55 and completing 10 years of service. Benefits are reduced by 1/6% for each month prior to normal retirement date.

Disability Benefits

A participant is eligible for disability benefits after ten (10) or more years of credited service and if totally and permanently disabled. Disability benefits include the accrued benefit or 35% of FAE, whichever is greater, subject to a cap of 100% of FAE on benefits from this Plan including social security, worker's compensation, or other similar benefits.

Funding Policy

The City is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide for all benefits as they become payable. The funding policy can only be amended by authorization of the City Council. Participants are required to contribute 4% of annual earnings. The City's required contribution is based on the actuarial report using the percentage of covered payroll.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

A. GENERAL EMPLOYEES' RETIREMENT PLAN (GERP) (Continued)

Investments

The Board of Trustees has developed certain investment guidelines and has retained investment managers to implement the investment objectives. The investment managers are expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation pursuant to the Board's guidelines.

The investment balances held by the Plan as of September 30, 2024 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
Cash and short-term investments	\$ 2,464,065	\$ 2,464,065			
Fixed income: U.S. government and agency securities	4,588,789			3,342,299	1,246,490
Fixed income: Municipal obligations	8,847,602	456,355	2,528,957	4,446,861	1,415,429
Fixed income: Mortgage backed securities	5,180,207	-	-	-	5,180,207
Fixed income: Foreign Bonds Notes & Debentures	286,052		286,052		
Fixed income: Corporate bonds	15,097,136	1,516,491	7,680,717	5,661,671	238,257
Sub-total	36,463,851	\$ 4,436,911	\$ 10,495,726	\$ 13,450,831	\$ 8,080,383
Hedge funds	298,280				
Mutual funds-equity	20,199,042				
Common Stocks	42,821,585				
Limited partnerships	5,388,431				
Total cash and investments	\$ 105,171,189				

Interest Rate Risk – Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a 2a7-like pool. The Plan's investment policy established benchmarks based on credit quality and duration. The benchmarks are monitored and changed when warranted by the investment market environment. Fixed income portfolios are structured and managed to produce returns based on risk inherent in the selected benchmarks.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

A. GENERAL EMPLOYEES' RETIREMENT PLAN (GERP) (Continued)

Investments (Continued)

The Plan's investment policy currently does not allow for investments in fixed income securities with a maturity in excess of 30 years.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Plan limits its credit risk by limiting its purchases of investments in fixed income securities to U.S. Government and agency securities or corporate bonds which meet or exceed a credit rating of BBB for Standard & Poor's or Fitch or a Baa2 for Moody's. However, the investment policy does not force an investment sale in the event that there is a credit rating cut by either of the rating agencies. The investments in the portfolio that are currently rated below BBB had a rating in compliance with the policy at the time of purchase.

The following table provides a summary of the fixed income investment balances by credit rating.

<u>S&P Rating</u>	<u>Fair value</u>	<u>Percentage of Fixed Income</u>
AAA	\$ 390,158	1.33%
AA+	402,222	1.37%
AA	4,670,935	15.88%
AA-	1,093,945	3.72%
A+	666,444	2.27%
A	1,085,601	3.69%
A-	1,942,511	6.60%
BBB+	1,203,610	4.09%
BBB	6,644,811	22.59%
BBB-	4,488,296	15.26%
BB+	319,154	1.09%
NR	<u>6,503,310</u>	<u>22.11%</u>
Total	<u>\$ 29,410,997</u>	<u>100.00%</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

A. GENERAL EMPLOYEES' RETIREMENT PLAN (GERP) (Continued)

Investments (Continued)

Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of investments or collateral securities that are held by the counterparty. The Plan has third party custodian arrangements with financial institutions to accept securities on a delivery vs payment basis for direct purchase agreements. All securities purchased by the Plan are designated as an asset of the Plan in the Plan's name and are held in safekeeping by the Plan's custodian bank or a third-party custodian institution.

Concentration of Credit Risk – GASB standards require disclosure of investments in any one issuer that represents five percent (5%) or more of the total of the Plan's investment. The Plan's investment policy places investment limitations and provides target allocations to its investment managers to limit credit risk due to concentration. The Plan's investment policy limits investments in any one government agency should not exceed 30% of the total assets to no more than 60% of the total Plan's total assets are permitted in corporate bonds. No more than 20% of the portfolio is permitted in mortgage and asset backed securities and collateralized mortgage obligations. As of September 30, 2024, none of the Plan's investments were held with any single issuer that represents 5% or more of the Plan's investment.

Fair Value Measurements – 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. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following is a description of the valuation methodologies used for the Plan's investments measured at fair value:

- Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates. This includes common stock and equity mutual funds.
- Fixed income securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes government securities, corporate bonds, and mortgage-backed securities.
- Hedge funds are valued based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investment.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

A. GENERAL EMPLOYEES' RETIREMENT PLAN (GERP) (Continued)

Investments (Continued)

- Money market funds are valued at amortized cost which approximated fair value.

The Plan has the following recurring fair value measurements as of September 30, 2024:

<u>Investments Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Equity securities:			
Common stocks	\$ 39,663,734	\$ 39,663,734	\$ -
Foreign stocks	3,157,851	3,016,427	141,424
Mutual funds/equity	<u>20,199,042</u>	<u>20,199,042</u>	<u>-</u>
Total equity securities	<u>63,020,627</u>	<u>62,879,203</u>	<u>141,424</u>
Fixed-income securities:			
U.S. government obligations	4,588,789	668,030	3,920,759
Mortgage backed securities	5,180,207		5,180,207
Municipal obligations	8,847,602	-	8,847,602
Corporate bonds	15,097,136	-	15,097,136
Foreign bonds notes & debentures	<u>286,052</u>	<u>-</u>	<u>286,052</u>
Total fixed-income securities	<u>33,999,786</u>	<u>668,030</u>	<u>33,331,756</u>
Total fair value	<u>97,020,413</u>	<u>\$ 63,547,233</u>	<u>\$33,473,180</u>
<u>Investment measured at net asset value (NAV) (a)</u>			
Hedge funds	298,280		
Limited partnerships	<u>5,388,431</u>		
Total investments @NAV	<u>5,686,711</u>		
Total investments	<u>\$ 102,707,124</u>		

- (a) As required by GAAP, certain investments that are measured at net asset value have not classified in the fair value hierarchy. The fair value amounts presented in this table are in permit reconciliation of the fair value heirarchy to the total investment line item in the Sta Fiduciary Net Position.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

A. GENERAL EMPLOYEES' RETIREMENT PLAN (GERP) (Continued)

Investments (Continued)

The following table summarizes investments that use NAV per share to value investments, including unfunded commitments and restrictions:

		Net Asset Value Measurement at Reporting Date			
			Unfunded	Redemption	Redemption Notice
<u>Investments Type</u>		<u>Fair Value</u>	<u>Commitments</u>	<u>Frequency</u>	<u>Period</u>
Hedge Funds	(1)	\$ 298,280	\$ -	N/A	N/A
Limited Partnerships	(2)	\$ 5,388,431	\$ 1,086,486	N/A	N/A

(1) Investments in private investment companies (the “investee funds”), are valued, as a practical expedient, utilizing the net asset valuations provided by the underlying investee fund without adjustment, when the net asset valuations of the investments are calculated (or adjusted by the fund if necessary) in a manner consistent with GAAP for investment companies. The fund applies the practical expedient to its investments in investee funds on an investment-by-investment basis, and consistently with the fund’s entire position in a particular investment, unless it is probable that the fund will sell a portion of an investment at an amount different from the net asset valuation. If it is probable that the fund will sell an investment at an amount different from the net asset valuation or in other situations where the practical expedient is not available, the fund considers other factors in addition to the net asset valuation, such as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in secondary markets, bids received from potential buyers, and overall market conditions in its determination of fair value.

The underlying investee funds value securities and other financial instruments on a mark-to-market or other estimated fair value basis. The estimated fair values of substantially all of the investments of the underlying investee funds, which may include securities for which prices are not readily available, are determined by the general partner or management of the respective underlying investee funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair value may differ from the values that would have been used had a ready market existed for these investments.

(2) Portfolio Advisors Private Equity Fund IX, L.P. (the “Domestic Fund”) and Portfolio Advisors Private Equity Fund IX (Offshore), L.P. (the “Offshore Fund”) seek to offer their investors participation in high quality private equity funds and co-investments managed by leading private equity fund managers. The terms of the Domestic Fund and the Offshore Fund are generally the same, except where noted, and references to the “Fund” in this Confidential Private Placement Memorandum (the “Memorandum”) should be understood as referring to the terms of, or other disclosures that relate to, each of the Domestic Fund, the Offshore Fund and Portfolio Advisors

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

A. GENERAL EMPLOYEES' RETIREMENT PLAN (GERP) (Continued)

Investments (Continued)

Private Equity Fund IX Intermediate, L.P. (the "Intermediate Partnership"), as the context requires. The Fund is sponsored by Portfolio Advisors, LLC ("Portfolio Advisors" or, together with its affiliates, the "Investment Manager"), which may also sponsor and manage certain alternative parallel and/or special purpose feeder vehicles that invest in or alongside the Fund, including, but not limited to a special purpose vehicle organized in Ireland. Portfolio Advisors Private Equity Fund IX (Offshore) invests in global private equity partnerships focused on buyouts, venture capital, and special situations. Portfolio Advisors Private Equity Fund X invests in private equity partnerships focused on buyouts, venture capital, and special situations, as well as in affiliated secondary aggregator funds (more than 45% of the portfolio at 12/31/2021).

Net Pension Liability (Asset)

The City's net pension liability was measured by the actuarial valuation as of October 1, 2022 and rolled forward to the September 30, 2023 (measurement date). The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Methods and assumption used to determine net pension liability:

Actuarial Cost Method	Entry Age Normal
Salary increases	5.0%
Investment rate of return	6.75%
Retirement Age	Experience-base table of rates that are specific to the type of eligibility condition.
Mortality	The PUB-2010 Headcount Weighted General Below Median Employee Mortality Table (for pre-retirement mortality) and The PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set back one year for males, with mortality improvements projected to all future years after 2010 using scale MP-2018. For disables retirees, PUB-2010 Headcount Weighted General Disabled Retiree Male and Female Tables, with a 3-year set forward for both males and females, with no provision being made for mortality improvements. These are the same rates used for Regular Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System (FRS) Pension Plan in accordance with Florida Statutes Chapter 112.63.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

A. GENERAL EMPLOYEES' RETIREMENT PLAN (GERP) (Continued)

Net Pension Liability (Asset) (Continued)

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using estimates of forward-looking average annual returns across all asset classes. These projections were developed using a 10-year forward-looking time horizon, interest rates, inflation, the equity risk premium, and the relative out performance of certain asset classes. Based on the Monte Carlo simulations, the best estimates of real return for each asset class included in the pension plan's target allocation as of September 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate	4.50%
Alternative Assets	5.45%

Discount rate: A single discount rate of 6.75% was used to measure the total pension liability. This single discount rate was based on the expected rate on pension plan investments of 6.75%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.75%) was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

A. GENERAL EMPLOYEES' RETIREMENT PLAN (GERP) (Continued)

Net Pension Liability (Asset) (Continued)

Changes in Net Pension Liability (Asset):

	General Employees' Retirement Plan		
	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability (asset)
	(a)	(b)	(a) - (b)
Total pension liability (asset) - beginning	\$ 101,491,403	\$ 88,855,230	\$ 12,636,173
Changes for the year:			
Service Cost	1,080,482	-	1,080,482
Interest on the total pension liability	6,702,219	-	6,702,219
Difference between expected and actual experience of the total pension liability	1,171,185	-	1,171,185
Changes of assumptions	-	-	-
Contributions - employer	-	1,147,568	(1,147,568)
Contributions - employee	-	259,826	(259,826)
Net investment income	-	7,694,926	(7,694,926)
Benefit payments	(6,519,962)	(6,519,962)	-
Refunds	(39,528)	(39,528)	-
Pension plan administrative expense	-	(117,153)	117,153
Net change in total pension liability (asset)	2,394,396	2,425,677	(31,281)
Total pension liability (asset) - ending	<u>\$ 103,885,799</u>	<u>\$ 91,280,907</u>	<u>\$ 12,604,892</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the City calculated using the current discount rates (6.75%) and the liability (asset) using discount rates that are one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rates:

	General Employees' Retirement Plan		
	Current		
	1% Decrease	discount rate	1% Increase
	5.75%	6.75%	7.75%
Net pension liability	\$ 24,094,657	\$ 12,604,892	\$ 2,987,417

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

A. GENERAL EMPLOYEES' RETIREMENT PLAN (GERP) (Continued)

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

For the fiscal year ended September 30, 2024 but based on a measurement date of September 30, 2023, the City recognized GERP pension expense of \$3,061,438. This amount is included as a increase to personal services expenses within the functional program activities.

At September 30, 2024, the City reports deferred outflows and inflows of resources related to the GERP as follows:

	General Employees' Retirement Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 6,934,948	\$ -
Total	\$ 6,934,948	\$ -

The City also has contributions subsequent to the measurement date of \$1,488,608 which will be recognized as a reduction of the net pension liability in the subsequent year.

Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to GERP will be recognized as pension expense as follows:

<u>Year Ending</u> <u>September 30,</u>	Net Deferred Outflows of Resources
2025	\$ 1,988,736
2026	1,536,723
2027	3,784,496
2028	(375,007)
	<u>\$ 6,934,948</u>

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, are presented as Required Supplementary Information (RSI) following the notes the financial statements, provides additional information about the net pension liability, plan assets and contribution.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. **MUNICIPAL EMPLOYEES RETIREMENT PLANS** (Continued)

B. POLICE OFFICERS' RETIREMENT PLAN (PORP)

Plan Description

The City maintains a single-employer defined benefit pension Plan established by City Ordinance No. 87-06-38 as amended for the police officers of the City. Membership begins on the date of hire. PORP provides retirement, disability and death benefits to police officers of the City. A more detailed description of the Plan and its provisions appear in ordinances constituting the Plan and in the summary plan description. The Plan year end is September 30, 2024. The Plan issues a publicly available financial statement that includes fiduciary financial statements and required supplementary information. The financial statements may be obtained by writing to: Board of Trustees – Police Officers' Retirement Plan, c/o City of Homestead, Finance Department, 100 Civic Court, Homestead, FL 33030.

Eligibility

All regular permanent City of Homestead employees classified as police personnel.

Service Retirement Benefits

Upon normal retirement, a participant will receive 3.5% of the average of compensation during the highest 5 years out of the last 10 years of credited service prior to termination or retirement, multiplied by years of credited service to a maximum of 80% of average final compensation. Compensation used for the calculation of benefits under the Plan includes (1) base pay, (2) workers' compensation benefits and supplements, (3) longevity pay, (4) accumulated leave pay not to exceed 5% of an employee's base pay during the highest 5 years of employment prior to retirement, and (5) up to 254 hours for overtime compensation received during the highest 5 years of employment prior to retirement.

Early Retirement

A member may retire early after attaining age 50 and completing 10 years of service.

Disability Benefits

A participant with more than 5 years of credited service who becomes totally and permanently disabled in the line of duty and unable to render useful and efficient service as a police officer is eligible for a disability benefit equal to the participant's normal retirement benefits calculated in accordance with section 22.5-68.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

B. POLICE OFFICERS' RETIREMENT PLAN (PORP) (Continued)

Funding Policy

The City is required to contribute an actuarially determined amount that, when combined with participants' contributions and contributions from the State of Florida, will fully provide for all benefits as they become payable. The State of Florida contributions are recorded as revenues and expenditures in the City of Homestead's General Fund. Members of the Plan are required to contribute 7.65% of their base salary and overtime of up to two hundred fifty-four (254) hours.

Investments

The Board of Trustees has developed certain investment guidelines and has retained investment managers to implement the investment objectives. The investment managers are expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation pursuant to the Board's guidelines. The investment balances held by the Plan as of September 30, 2024 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
Cash and short-term investments	\$ 11,611,164	\$ 11,611,164	\$ -	\$ -	\$ -
Mutual funds-fixed income	40,242,624	-	31,980,189	7,658,872	603,563
Sub-total	51,853,788	<u>\$ 11,611,164</u>	<u>\$ 31,980,189</u>	<u>\$ 7,658,872</u>	<u>\$ 603,563</u>
Stocks	97,466,510				
Real Estate	3,028,724				
Total cash and investments	<u>\$ 152,349,022</u>				

Interest Rate Risk – Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a 2a7-like pool. The Plan's investment policy established benchmarks based on credit quality and duration. The benchmarks are monitored and changed when warranted by the investment market environment. Fixed income portfolios are structured and managed to produce returns based on risk inherent in the selected benchmarks.

The Plan's investment policy currently does not allow for investments in fixed income securities with a maturity in excess of 30 years. As of September 30, 2024 the weighted average maturity of the fixed income portfolio was 7.11 years.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Plan limits its credit risk by limiting its purchases of

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

B. POLICE OFFICERS' RETIREMENT PLAN (PORP) (Continued)

Investments (Continued)

investments in fixed income securities to U.S. Government and agency securities or a maximum of 20% of the portfolio in securities rated below BBB by Standard and Poor's. The following table provides a summary of the fixed income investment balances by credit rating.

	Fair Value	Percentage of Portfolio
<u>Quality rating of credit risk debt securities:</u>		
<u>S&P Rating</u>		
AAA	\$ 406,153	1.01%
AA+	20,222,248	50.25%
AA-	402,591	1.00%
A+	635,994	1.58%
A	399,404	0.99%
A-	3,042,523	7.56%
BBB+	3,269,910	8.13%
BBB	4,371,030	10.87%
BBB-	3,706,821	9.21%
BB+	210,610	0.52%
BB	680,982	1.69%
BB-	659,267	1.64%
B+	613,752	1.53%
B	221,809	0.55%
B-	468,102	1.16%
Total credit risk debt securities	39,311,196	97.69%
N/A	931,428	2.31%
Total fixed income securities	\$ 40,242,624	100.00%

Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event failure of counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are held by the counterparty. The Plan has third party custodian arrangements with financial institutions to accept securities on a delivery vs payment basis for direct purchase agreements. All securities purchased by the Plan are deposited as an asset of the Plan in the Plan's name and held in safekeeping by the Plan's custodian bank or a third-party custodian institution.

Concentration of Credit Risk – GASB Standards require disclosure of investments in any one issuer that represents 5% or more of the total of the Plan's investments. The Plan's investment policy places investment limitations and provides target allocations to its investment managers to limit credit risks due to concentration. The Plan's investment policy limits investments in any one issuer of common stock or corporate bond to no more than 5% of the Plan's total assets. However, there are no limitations in government securities. As of September 30, 2024, none of Plan's investments were held with any single issuer that represents 5% or more of the Plan's investments.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

B. POLICE OFFICERS' RETIREMENT PLAN (PORP) (Continued)

Investments (Continued)

Fair Value Measurements – 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. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following is a description of the valuation methodologies used for the Plan's investments measured at fair value:

- Cash equivalents which consist of investments with original maturities of three (3) months or less are reported at cost which approximates fair value.
- Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates. This includes common stock and equity mutual funds.
- Fixed income securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes government securities, corporate bonds, and mortgage-backed securities.

The Plan has the following recurring fair value measurements as of September 30, 2024:

<u>Investments Type</u>	<u>Fair Value Measurements Using</u>	
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Foreign stock	\$ 3,210,625	\$ 3,210,625
Common stocks	94,255,885	94,255,885
Total investmentst at fair value	<u>\$ 97,466,510</u>	<u>\$ 97,466,510</u>
<u>Investment measured at net asset value (NAV)</u>		
Mutual fund-fixed income	40,242,624	
Real estate fund	3,028,724	
Total investments measured @ NAV	<u>43,271,348</u>	

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

B. POLICE OFFICERS' RETIREMENT PLAN (PORP) (Continued)

Investments (Continued)

Plans valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2024 are as follows:

<u>Investment measured at net asset value (NAV)</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Mutual fund-fixed income	40,242,624	-	Upon request	N/A
Real estate fund	3,028,724	-	Quarterly	45 days
Total investments measured @ NAV	<u>\$ 43,271,348</u>	<u>\$ -</u>		

The mutual fund – fixed income fund invests assets primarily in fixed income securities. Fund investments also include corporate, asset-backed, and mortgage-backed securities, bank instruments, repurchase agreements, ,and United States government securities. The fair value of the investment in the fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

The real estate fund invests in a variety of value-added real estate opportunities throughout the U.S., including, but not limited to, improved properties that have significant appreciation potential through lease-up, new development, redevelopment, repositioning and re-merchandising situations. The fair value of the investment in the fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Net Pension Liability

The City's net pension liability was measured by the actuarial valuation as of October 1, 2022 and rolled forward to the September 30, 2023 (measurement date). The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Methods and assumption used to determine net pension liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary increases	5.75% to 10.50% depending on service
Investment rate of return	7.00%
Retirement Age	Upon eligibility

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

B. POLICE OFFICERS' RETIREMENT PLAN (PORP) (Continued)

Net Pension Liability (Continued)

Methods and assumption used to determine net pension liability (Continued)

Mortality

Pre-retirement: PUB-2010 Headcount Weighted Safety Below Median Employee Male Table, set forward one year, and the PUB-2010 Headcount Weighted Safety Employee Female Table, set forward one year.

Post-retirement: PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward one year, and the PUB-2010 Headcount Weighted Safety Healthy Retiree Female Table, set forward one year.

Mortality improvements are being made for each year after 2010 using gender-specific MP-2018 projection scales. The mortality assumption is the same as used for Special Risk Members of the Florida Retirement System (FRS) in the July 1, 2020 actuarial valuation, in compliance with Florida Statutes.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using the long-term nominal building block data less the long-term inflation assumption of 2.50%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data.

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

<u>Asset Group</u>	<u>Long-Term Expected Real rate of return</u>
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
Real Estate	4.50%

Discount rate: A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.00%) was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

B. POLICE OFFICERS' RETIREMENT PLAN (PORP) (Continued)

Net Pension Liability (Continued)

Changes in Net Pension Liability:

	Police Officers' Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Total pension liability - beginning	\$ 142,065,835	\$ 108,805,092	\$ 33,260,743
Changes for the year:			
Service Cost	4,303,387	-	4,303,387
Interest on the total pension liability	10,045,557	-	10,045,557
Difference between expected and actual experience of the total pension liability	593,721	-	593,721
Contributions - employer	-	5,308,308	(5,308,308)
Contributions - employer (from state)	-	861,783	(861,783)
Contributions - employee	-	879,636	(879,636)
Net investment income	-	13,616,278	(13,616,278)
Benefit payments	(5,651,804)	(5,651,804)	-
Refunds	(70,719)	(70,719)	-
Pension plan administrative expense	-	(160,263)	160,263
Net change in total pension liability	9,220,142	14,783,219	(5,563,077)
Total pension liability - ending	<u>\$ 151,285,977</u>	<u>\$ 123,588,311</u>	<u>\$ 27,697,666</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City calculated as of September 30, 2023 measurement date, using the current discount rate (7.00%) and the liability using discount rates that are one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rates:

	Police Officers' Retirement Plan		
	Current		
	1% Decrease	discount rate	1% Increase
	6.00%	7.00%	8.00%
Net pension liability	\$ 46,583,144	\$ 27,697,666	\$ 12,250,391

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

B. POLICE OFFICERS' RETIREMENT PLAN (PORP) (Continued)

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

For the fiscal year ended September 30, 2024 but based on a measurement date of September 30, 2023, the City recognized the Plan's pension expense of \$2,079,060. This amount is included as an increase to personal services expenses within the functional program activities.

At September 30, 2024, the City reports deferred outflows and inflows of resources related to the PORP as follows:

	Police Officers' Retirement Plan	
	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 533,494	\$ -
Change in assumptions	1,597,926	-
Net difference between projected and actual earnings on pension plan investments	4,361,582	-
Total	<u>\$ 6,493,002</u>	<u>\$ -</u>

Contributions from City and State subsequent to the measurement date of \$6,721,100 will be recognized as a reduction of the net pension liability in the subsequent year.

Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to PORP will be recognized as pension expenses as follows:

<u>Year Ending</u> <u>September 30,</u>	Net Deferred Outflows of <u>Resources</u>
2025	\$ 1,883,184
2026	2,015,184
2027	3,786,449
2028	(1,191,815)
	<u>\$ 6,493,002</u>

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, are presented as Required Supplementary Information (RSI) following the notes to the financial statements, provides additional information about the net pension liability, plan assets and contributions

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. **MUNICIPAL EMPLOYEES RETIREMENT PLANS** (Continued)

C. ELECTED OFFICIALS' RETIREMENT PLAN (EORP)

Plan Description

The City maintains a single-employer defined benefit pension Plan established by City Ordinance 98-05-18 dated June 1, 1998 as amended, which was established to provide retirement benefits to elected officials. A more detailed description of the Plan and its provisions appears in the Ordinances constituting the Plan and in the summary plan description. The Plan year end is December 31, 2023. The Plan issues a publicly available financial statement that includes fiduciary financial statements and required supplementary information. The financial statements may be obtained by writing to: Board of Trustees - Elected Officials' Retirement Plan, c/o City of Homestead, Finance Department, 100 Civic Court, Homestead, FL 33030.

On February 18, 2002, the City established the City of Homestead Elected Officials and Senior Management Retirement Plan (NEW Plan), which included senior management employees effective March 21, 2005 and closed the EORP to new members. On December 1, 2005, the assets of the two plans were segregated to reflect the independence of the two plans.

Eligibility

Elected officials of the City of Homestead elected prior to February 18, 2002. No new participants entered the Plan after February 18, 2002.

Service Retirement Benefits

Upon normal retirement, a participant will receive an annual pension benefit equal to 20% of the annual average compensation paid during the highest three years of service. For any service beyond the four years required to vest in the retirement system, the pension shall be increased by 5% of annual average compensation for each and every year of service to a maximum of twenty years and an annual pension equal to 100% of annual average compensation. Said benefit shall increase by 3% as of January 1 of each year after the elected official has been retired for one year. Retirement age is 55 and 4 years of service.

Disability Benefits

Under the Plan, a participant with more than 10 years of credited service who is determined to be totally and permanently disabled and who no longer serves in office shall receive a disability retirement benefit equal to regular retirement benefits or 35% of final average compensation, whichever is greater. In addition, there is a death benefit under the Plan that entitles participants' beneficiaries to a lump sum pay-out if the participant was not vested and a monthly benefit if the participant was vested.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

C. ELECTED OFFICIALS' RETIREMENT PLAN (EORP) (Continued)

Funding Policy

The City is required to contribute an actuarially determined amount that will fully provide for all benefits as they become payable. The funding policy can only be amended by authorization of the City Council. Participants are not required to contribute to the Plan.

Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain a method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the year ended December 31, 2023. The actual contribution from the City for active members was actuarially determined using the latest actuarial valuation dated January 1, 2022 for the years ended December 31, 2023 and December 31, 2022.

Investments

The Board of Trustees has developed certain investment guidelines and has retained an investment manager. The investment manager is expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation within the Board's guidelines.

The investment balances held by the Plan as of December 31, 2023 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>0-12 Months</u>	<u>1-5 Years</u>
Fixed income-corporate bonds	\$ 980,543	\$ 347,245	\$ 633,298
Fixed income-foreign bonds	245,097	99,175	145,922
Sub-total Fixed Income	<u>1,225,640</u>	<u>\$ 446,420</u>	<u>\$ 779,220</u>
Common stock	1,186,114		
Preferred stock	43,840		
Foreign stock	136,696		
Mutual fund equities	407,242		
Partnerships	<u>281,074</u>		
Sub-total Equities	<u>2,054,966</u>		
Total Investments	<u>\$ 3,280,606</u>		

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

C. ELECTED OFFICIALS' RETIREMENT PLAN (EORP) (Continued)

Investments (Continued)

Interest Rate Risk – Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a 2a7-like pool. The Plan's investment policy currently does not set a parameter on the duration of its fixed income securities. However, as of December 31, 2023 the weighted average maturity of the fixed income portfolio was 1.48 years.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Plan limits its credit risk by limiting its purchases of investments in fixed income securities to U.S. Government and agency securities or corporate bonds which meet or exceed a credit rating of BBB for Standard & Poor's or a Baa for Moody's.

The following table provides a summary of the fixed income investment balances by credit rating.

<u>S&P</u> <u>Rating</u>	<u>Fair Value</u>	<u>Percentage of</u> <u>Fixed Income</u>
AA+	\$ 50,008	4.08%
A	194,636	15.88%
A-	148,490	12.12%
BBB+	495,140	40.40%
BBB	145,260	11.85%
BBB-	142,562	11.63%
NR	49,544	4.04%
	<u>\$ 1,225,640</u>	<u>100.00%</u>

The credit ratings for investment purchases must be at least BBB by Standard & Poor's or Baa by Moody's. However, the investment policy does not force an investment sale in the event that there is a credit rating cut by either of the rating agencies. The investments in the portfolio that are currently rated below BBB or Baa, had a credit rating in compliance with the policy at the time of purchase.

Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are held by the counterparty. The Plan has a third-party custodian agreement with a financial institution to accept securities on a delivery vs payment basis for direct purchase agreements. All securities purchased by the Plan are designated as an asset of the Plan in the Plan's name and are held in safekeeping by the Plan's custodian bank or a third-party custodian institution.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

C. ELECTED OFFICIALS' RETIREMENT PLAN (EORP) (Continued)

Investments (Continued)

Concentration of Credit Risk – GASB Standards require disclosure of investments in any one issuer that represents 5% or more of the total of the Plan's investments. The Plan's investment policy places investment limitations and provides target allocations to its investment manager to limit credit risk due to concentration. The Plan's investment policy limits investments in any issuer of common stock or corporate bonds to no more than 5% and 5% of the Plan's total assets, respectively. However, there are no limitations in government securities. As of December 31, 2022 no investment by any one issuer was above the 5% threshold required for disclosure.

Fair Value Measurements – 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. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan does not have any investments that are categorized as Level 3.

The following is a description of the valuation methodologies used for the Plan's investments measured at fair value. Level 1 and Level 2, prices are obtained from various pricing sources by the Plan's custodian.

- Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock, foreign stock, preferred stock, mutual fund equities, and partnerships.
- Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes corporate bonds, foreign bonds and certificates of deposits.

The Plan has the following recurring fair value measurements as of December 31, 2023.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

C. ELECTED OFFICIALS' RETIREMENT PLAN (EORP) (Continued)

Investments (Continued)

<u>Investments Type</u>	Fair Value Measurements Using		
	Value as of <u>12/31/2023</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt securities:			
Corporate and foreign bonds	\$ 1,225,640	\$ -	\$ 1,225,640
Total debt securities	1,225,640	-	1,225,640
Equity securities:			
Common stock	1,186,114	1,186,114	-
Foreign stock	136,696	121,147	15,549
Preferred stock	43,840	43,840	-
Mutual fund equities	407,242	407,242	-
Partnerships	281,074	281,074	-
Total equity securities	2,054,966	2,039,417	15,549
Total investments at fair value	\$ 3,280,606	\$ 2,039,417	\$ 1,241,189

Net Pension Liability (Asset)

The City's net pension liability was measured by the actuarial valuation as of January 1, 2022 and rolled forward to the December 31, 2023 (measurement date). The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Methods and assumption used to determine net pension liability:

Actuarial Cost Method	Entry Age Normal
Salary increases	7.0%
Investment rate of return	6.75% per year, net investment expenses
Retirement Age	100% when first eligible for retirement
Mortality	PUB-2010 Headcount Weighted Below-Median Employee Mortality Table, set back one year for males (pre-retirement) and the PUB-2010 Headcount Weighted Below-Median Healthy Retiree tables, set back one year for males (post-retirement), with mortality improvements projected to each future year after 2010 using Scale MP-2018. These are the same mortality tables used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2021 actuarial valuation.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

C. ELECTED OFFICIALS' RETIREMENT PLAN (EORP) (Continued)

Net Pension Liability (Asset) (Continued)

Long-term expected rate of return: The long-term expected rate of return on pension plan investment was determined for equities using estimates of a *current risk-free* component that is the same for all asset classes and an *asset-class premium* component that varies by each asset class due to the differences in expected risk for each class. The *current risk-free* rate is estimated using a 20-year forward looking time horizon of the yield of 20-year U.S. Treasury bonds. The *asset-class premium component* was estimated considering historical return on large-cap stocks, interest rates and inflation data, adjusted for the historical income return provided by the risk-free asset. The long-term return for the fixed income securities was determined using the yield-to-maturity on the Bloomberg adjusted for the 15-year horizon premium. The best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	8.00%
Fixed Income	4.93%

Discount rate: A single discount rate of 6.75% was used to measure the total pension liability. This single discount rate was based on the expected rate on pension plan investments of 6.75%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.75%) was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset):

	Elected Officials Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Total pension liability (asset) - beginning 12/31/2022	\$ 2,915,984	\$ 3,418,926	\$ (502,942)
Changes for the year:			
Service Cost	37,046	-	37,046
Interest on the total pension liability	192,504	-	192,504
Contributions - employer	-	69,210	(69,210)
Net investment income	-	192,515	(192,515)
Benefit payments	(202,243)	(202,243)	-
Pension plan administrative expense	-	(21,559)	21,559
Net change in total pension liability (asset)	27,307	37,923	(10,616)
Total pension liability (asset) - ending 12/31/2023	<u>\$ 2,943,291</u>	<u>\$ 3,456,849</u>	<u>\$ (513,558)</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

C. ELECTED OFFICIALS' RETIREMENT PLAN (EORP) (Continued)

Net Pension Liability (Asset) (Continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the City calculated using the current discount rates (6.75%) and the liability (asset) using discount rates that are one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rates:

Elected Officials Retirement Plan			
	1% Decrease	Current	1% Increase
	5.75%	6.75%	7.75%
Net pension liability (asset)	\$ (191,414)	\$ (513,558)	\$ (784,335)

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

For the fiscal year ended September 30, 2024 but based on a measurement date of December 31, 2023, the City recognized a decrease in the Plan's pension expense of \$18,649. This amount is included as a decrease to personal services expenses within the functional program activities.

At September 30, 2024, the City reports deferred outflows and inflows of resources related to the EORP as follows:

	Elected Officials Retirement Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 243,707	\$ -
Total	\$ 243,707	\$ -

The City also has contributions subsequent to the measurement date of \$64,982, will be recognized as a reduction of the net pension liability in the subsequent year.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

C. ELECTED OFFICIALS' RETIREMENT PLAN (EORP) (Continued)

Other amounts reported as deferred outflows of resources related to EORP will be recognized as a reduction of pension expense as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Net Deferred</u> <u>Outflows of</u> <u>Resources</u>
2025	\$ 77,483
2026	40,224
2027	119,391
2028	6,609
	<u>\$ 243,707</u>

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, are presented as Required Supplementary Information (RSI) following the notes to the financial statements, provides additional information about the net pension liability, plan assets and contributions.

D. NEW ELECTED OFFICIALS' AND SENIOR MANAGEMENT RETIREMENT SYSTEM (NEOSMRS)

Plan Description

The City maintains a single-employer defined benefit pension plan established by City Ordinance 2002-02-06 dated February 18, 2002 as amended. The Plan was created to provide retirement benefits to all elected officials of the City of Homestead elected on or after February 18, 2002 and senior management. The Plan is administered by a pension board. The Board has the ability to make recommendations on establishing and amending pension plan provisions which can only be authorized by the City Council. During 2009, a unanimous decision was made to change the Plan year to a calendar year. Therefore, the presentation in these financial statements is as of year ending December 31. A more detailed description of the Plan and its provisions appears in the Ordinances constituting the Plan and in the summary plan description. The Plan year end is December 31, 2023. The Plan issues a publicly available financial statement that includes fiduciary financial statements and required supplementary information. The financial statements may be obtained by writing to: Board of Trustees – New Elected Officials' and Senior Management Retirement Plan, c/o City of Homestead, Finance Department, 100 Civic Court, Homestead, FL 33030.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

D. NEW ELECTED OFFICIALS' AND SENIOR MANAGEMENT RETIREMENT SYSTEM (NEOSMRS) (Continued)

Eligibility

Elected Officials elected on or after February 18, 2002, and the following senior managers if hired on or after January 1, 2005 and prior to April 20, 2009: City Manager, Assistant City Manager or Deputy City Manager.

Pension Benefits

Upon normal retirement, a participant will receive a minimum of 20% of the average compensation paid during the highest three years of service subject to a maximum of 80%. Retirement age is 55 and 5 years of service. The benefits are increased by 2% each year on January 1st beginning after the elected official has been retired for at least five years. Under the Plan, a participant with more than 10 years of credited service who is determined to be totally and permanently disabled and who no longer serves in office shall receive a disability retirement benefit equal to regular retirement benefits or 35% of the participant's final average compensation, whichever is greater. In addition, there is a death benefit under the Plan that entitles participants' beneficiaries to a lump sum pay-out if the participant was not vested and a monthly benefit if the participant was vested.

Funding Policy

The City is required to contribute an actuarially determined amount that will fully provide for all benefits as they become payable. The funding policy can only be amended by authorization of the City Council. Participants are not required to contribute to the Plan, while the City is required to contribute an actuarially determined amount necessary to pay the annual normal cost of the Plan plus the additional amount needed to amortize any unfunded accrued liability.

Effective May 30, 2012, the Division of Retirement mandated that local governments confer with the Plan's actuary to select and maintain a method (percentage of payroll or fixed dollar contributions) that best fits the funding requirements of the Plan. The Plan determined to use the "percentage of payroll contribution" method for the year ended December 31, 2023. The actual contribution from the City for active members was actuarially determined using the latest actuarial valuation dated January 1, 2022.

Investments

The Board of Trustees has developed certain investment guidelines and has retained investment managers to implement the investment objectives. The investment managers are expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation pursuant to the Board's guidelines.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

D. NEW ELECTED OFFICIALS' AND SENIOR MANAGEMENT RETIREMENT SYSTEM (NEOSMRS) (Continued)

Investments (Continued)

The Plan had investment balances as of December 31, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>0-12 Months</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 years</u>
Bond Mutual funds	\$ 815,909	\$ -	\$ -	\$ 815,909	\$ -
Sub-total	<u>815,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 815,909</u>	<u>\$ -</u>
Mutual funds - equity	3,679,071				
Real Estate Fund	<u>538,962</u>				
Total Investments at fair value	<u>\$ 5,033,942</u>				

Interest Rate Risk – Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a 2a7-like pool. The Plan's investment policy currently does not set a parameter on the duration of its fixed income securities. As of December 31, 2023 the weighted average maturity of the fixed income portfolio was 8.26 years.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

The following table provides a summary of the fixed income investment balances by credit rating:

<u>S&P Rating</u>	<u>Fair Value</u>	<u>Percentage of Fixed Income</u>
N/R	\$ 815,909	<u>100.00%</u>
	<u>\$ 815,909</u>	<u>100.00%</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

D. NEW ELECTED OFFICIALS' AND SENIOR MANAGEMENT RETIREMENT SYSTEM (NEOSMRS) (Continued)

Investments (Continued)

Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of investments or collateral securities that are held by the counterparty. The Plan has third party custodian arrangements with financial institutions to accept securities on a delivery vs payment basis for direct purchase agreements. All securities purchased by the Plan are designated as an asset of the Plan in the Plan's name and are held in safekeeping by the Plan's custodian bank or a third-party custodian institution.

Concentration of Credit Risk – GASB Standards require disclosure of investments in any one issuer that represents 5% or more of the total of the Plan's investments. The Plan's investment policy places investment limitations and provides target allocations to its investment managers to limit credit risk due to concentration. The Plan's investment policy limits investments in any one issuer of common stock or corporate bonds to no more than 5% and 10% of the Plan's total assets, respectively. However, there are no limitations in government securities. As of December 31, 2023, no investment by any one issuer was above the 5% threshold required for disclosure.

Fair Value Measurements – 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. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan does not have any investments that are categorized as Level 2 or Level 3.

The following is a description of the valuation methodologies used for the Plan's investments measured at fair value. Level 1 and Level 2 prices are obtained from various pricing sources by the Plan's custodian.

- Debt and Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This included common stock, foreign stock, mutual funds, exchange traded funds (ETF's) and REITs.
- The Plan has investments in alternative asset classes, including a real estate fund that holds a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value, based on their proportionate share of the value of the investments as determined by the fund managers, and are valued using methodologies that include pricing models, discounted cash flow models, and similar techniques.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

D. NEW ELECTED OFFICIALS' AND SENIOR MANAGEMENT RETIREMENT SYSTEM (NEOSMRS) (Continued)

Investments (Continued)

The Plan has the following fair value measurements as of December 31, 2023:

	Fair Value Measurements Using	
	Value as of 12/31/2023	Quoted Prices in Active Markets for Identical Assets (Level 1)
<u>Investments by fair value level:</u>		
Bond Mutual funds	\$ 815,909	\$ 815,909
Total debt securities	815,909	815,909
Equity securities:		
Mutual Funds - equity	3,679,071	3,679,071
Total equity securities	3,679,071	3,679,071
Total investments at fair value	4,494,980	\$ 4,494,980
<u>Investments measured at the net asset value ("NAV")</u>		
Real estate fund	538,962	
Total investments	\$ 5,033,942	

The Plan valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of December 31, 2023 are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 538,962	\$ -	Quarterly	10 business days
Total investments measured at NAV	\$ 538,962			

(1) Real Estate Fund: This fund is an open-end diversified core real estate commingled fund whose primary objective is to provide returns that are attractive relative to other asset classes with stable income and the potential for market appreciation. The core fund invests primarily in core institutional, quality industrial, multifamily office, and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

D. NEW ELECTED OFFICIALS' AND SENIOR MANAGEMENT RETIREMENT SYSTEM (NEOSMRS) (Continued)

Net Pension Liability (Asset)

The City's net pension liability was measured by the actuarial valuation as of January 1, 2022 and rolled forward to the December 31, 2022 (measurement date). The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Methods and assumption used to determine net pension liability:

Actuarial Cost Method	Entry Age Normal
Salary increases	1.0%
Investment rate of return	6.75% per year, net investment expenses
Retirement Age	100% upon eligibility for retirement
Mortality	PUB-2010 Headcount Weighted Below-Median Employee Mortality Table, set back one year for males (pre-retirement) and the PUB-2010 Headcount Weighted Below-Median Healthy Retiree tables, set back one year for males (post-retirement), with mortality improvements projected to each future year after 2010 using Scale MP-2018. These are the same mortality tables used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2020 actuarial valuation.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using the long-term nominal building block data less the long-term assumption of 2.5%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real rate of return</u>
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate	4.50%
Alternatives	6.24%

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

D. NEW ELECTED OFFICIALS' AND SENIOR MANAGEMENT RETIREMENT SYSTEM (NEOSMRS) (Continued)

Net Pension Liability (Asset) (Continued)

Discount rate: A single discount rate of 6.75% was used to measure the total pension liability. This single discount rate was based on the expected rate on pension plan investments of 6.75%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.75%) was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset):

	New Elected Officials' and Senior Management Retirement System		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (asset)
	(a)	(b)	(a) - (b)
Total pension liability (asset) - beginning 12/31/2022	\$ 5,014,219	\$ 4,779,376	\$ 234,843
Changes for the year:			
Service Cost	68,720	-	68,720
Interest on the total pension liability	331,199	-	331,199
Contributions - employer	-	111,098	(111,098)
Net investment income	-	650,585	(650,585)
Benefit payments	(352,589)	(352,589)	-
Pension plan administrative expense	-	(32,520)	32,520
Net change in total pension liability (asset)	47,330	376,574	(329,244)
Total pension liability (asset) - ending 12/31/2023	<u>\$ 5,061,549</u>	<u>\$ 5,155,950</u>	<u>\$ (94,401)</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

D. NEW ELECTED OFFICIALS' AND SENIOR MANAGEMENT RETIREMENT SYSTEM (NEOSMRS) (Continued)

Net Pension Liability (Asset) (Continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the City calculated using the current discount rates (6.75%) and the liability (asset) using discount rates that are one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rates:

	New Elected Officials' and Senior Management Retirement System		
	1% Decrease 5.75%	Current discount rate 6.75%	1% Increase 7.75%
Net pension liability (asset)	\$ 478,582	\$ (94,401)	\$ (572,589)

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

For the fiscal year ended September 30, 2024 but based on a measurement date of December 31, 2023, the City recognized a decrease in the Plan's pension expense of \$95,946. This amount is included as a decrease to personal services expenses within the functional program activities.

At September 30, 2024, the City reports deferred outflows and inflows of resources related to the Plan as follows:

	New Elected Officials' and Senior Management Retirement System	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 48,813	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	169,469	-
Total	\$ 218,282	\$ -

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

D. NEW ELECTED OFFICIALS' AND SENIOR MANAGEMENT RETIREMENT SYSTEM (NEOSMRS) (Continued)

The City also has contributions subsequent to the measurement date of \$110,236, will be recognized as a reduction of the net pension liability in the subsequent year.

Other amounts reported as deferred outflows of resources related to NEOSMRS will be recognized as a reduction of pension expense as follows:

<u>Year Ending</u> <u>September 30,</u>	Net Deferred Outflows of <u>Resources</u>
2025	\$ 15,182
2026	93,484
2027	177,061
2028	(67,445)
	<u>\$ 218,282</u>

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, are presented as Required Supplementary Information (RSI) following the notes to the financial statements, provides additional information about the net pension liability, plan assets and contributions.

E. FIREFIGHTERS' RETIREMENT SYSTEM (HFRS)

Plan Description

The following description of the City of Homestead Firefighters' Retirement System is provided for general information only. Participants should refer to the Plan agreement for more complete information. The Plan year end is December 31, 2023. The Plan issues a publicly available financial statement that includes fiduciary financial statements and required supplementary information. The financial statements may be obtained by writing to: Board of Trustees – Firefighters' Retirement System, C/O City of Homestead, Finance Department., 100 Civic Court, FL 33030.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. **MUNICIPAL EMPLOYEES RETIREMENT PLANS** (Continued)

E. FIREFIGHTERS' RETIREMENT SYSTEM (HFRS) (Continued)

Eligibility

The Plan is a single-employer defined benefit pension plan, covering members of the City of Homestead Firefighters. No new participants entered the Plan after 1978.

Pension Benefits

Participants are entitled to monthly pension benefits beginning at normal retirement age (55). Normal retirement benefit is in the form of an annuity equal to the lesser of 3% of average compensation multiplied by the number of years of service or to a maximum 80% of average compensation.

Disability Benefits

A member who becomes permanently and totally disabled and has at least five years of credited service is entitled to receive a monthly benefit based upon the accrued benefit at date of disability reduced to reflect an early commencement date. Under all circumstances it will not be less than 50% of average compensation.

Termination Benefits

If a vested participant is terminated, the participant is entitled to receive (a) a monthly benefit commencing on the normal retirement date or (b) a reduced early benefit on the date of eligibility for an early retirement benefit.

Death Benefit

The Plan provides a pre-retirement death benefit. The benefit payable for members with 10 or more years of credited service is equal to the amount the member would have received under early or normal retirement. Members with less than 10 years of credited service, the pre-retirement death benefit is payable in a lump sum amount equal to the participants contribution account.

Funding Policy

Contributions to the Plan are provided by the State of Florida and the City. The City is required to contribute an actuarially determined amount. State of Florida contributions are recorded as revenues and expenditures in the City of Homestead's General Fund.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

E. FIREFIGHTERS' RETIREMENT SYSTEM (HFRS) (Continued)

State of Florida Excess Contributions

Florida Statutes outline minimum Plan benefits. Costs associated with making benefit improvements are required only to the extent that additional State contributions (premium tax revenue) are available. Premium tax revenue is determined as the excess of tax revenues earned subsequent to December 31, 1997 over the tax revenue earned for 1997. Excess revenues must be used to fund benefits in addition to or greater than those provided to participants.

Investments

The Board of Trustees has engaged outside investment professionals to manage Plan assets. Firms registered with the Securities and Exchange Commission as investment advisors manage fixed income and equity assets of the Plan. The investment custodian is responsible for the activity and safeguarding of the investment assets. The Board also utilizes an investment consultant to provide advice on manager performance and investment policy amendments and benchmarks.

The Plan investments are managed by Highland Capital Management LLC. Plan assets are held in custodial accounts with Salem Trust.

The Plan had investment balances as of December 31, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>0-12 Months</u>	<u>2-5 Years</u>	<u>6-9 Years</u>	<u>10 + Years</u>
Fixed income securities	\$ 4,698,808	\$ 430,648	\$ 1,892,079	\$ 963,385	\$ 1,412,696
Sub-total : fixed income	4,698,808	<u>\$ 430,648</u>	<u>\$ 1,892,079</u>	<u>\$ 963,385</u>	<u>\$ 1,412,696</u>
Common stocks	1,512,996				
Mutual Funds equity	<u>4,022</u>				
Total Investments at fair value	<u>\$ 6,215,826</u>				

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

E. FIREFIGHTERS' RETIREMENT SYSTEM (HFRS) (Continued)

Investments (Continued)

Interest Rate Risk – Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a 2a7-like pool. The Plan does not have a written policy that limits investment maturities as a means of managing its exposure to losses arising from interest rate fluctuations. The Plan evaluates its portfolio to determine if based on the interest rate environment, other investment vehicles would provide higher yields that lower the cost of risk.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Plan limits its credit risk by limiting its investments in fixed income securities to U.S. Government and agency securities or corporate bonds which meet or exceed a credit rating of BBB for Standard & Poor's or Baa for Moody's. As of December 31, 2023, the Plan's corporate bonds were rated between A1 and Baa3 by Moody's Investor Services.

<u>S & P</u> <u>Rating</u>	<u>Fair Value</u>	<u>Percentage</u> <u>of Fixed</u> <u>Income</u>
AAA	\$ 414,343	8.82%
AA+	2,077,529	44.21%
AA	104,012	2.21%
AA-	9,252	0.20%
A+	181,219	3.86%
A	152,793	3.24%
A-	252,292	5.37%
BBB+	295,443	6.29%
BBB	346,075	7.37%
BBB-	250,495	5.33%
NR	615,355	13.10%
Total	<u>\$ 4,698,808</u>	<u>100.00%</u>

Custodial Credit Risk – The custodial credit risk for investments is the risk that investment securities are uninsured, are not registered in the name of the Plan and are held by a counterparty or the counterparty's trust department or agent but not in the Plan's name. The custodial risk, is that, in the event of failure of the counterparty to a transaction, the Plan will not be able to recover the value of the investment that is in the possession of an outside party.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

E. FIREFIGHTERS' RETIREMENT SYSTEM (HFRS) (Continued)

Investments (Continued)

Consistent with the Plan's investment policy, the investments are held by a third-party custodian. Investments held by the custodian are registered in the custodian's name as nominee. The Plan requires that the custodian insure all Plan investments in accordance with terms of the custodial agreement.

Concentration of Credit Risk – GASB Standards require disclosure of investments in any one issuer that represents 5% or more of its total investments. The Plan's investment policy places investment limitations and provides target allocations to its investment managers to limit credit risk due to concentration.

As of December 31, 2023, there were no investments that exceeded 5% of the Plan's total investments.

Fair Value Measurements – 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. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan does not have any investments that are categorized as Level 3.

The following is a description of the valuation methodologies used for the Plan's investments measured at fair value. Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian.

- Short-term investments, which consist of money market funds, are reported at cost.
- Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock, and American depository receipts and mutual fund equities.
- Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, inflation-indexed bonds, U.S federal agencies, mortgage-backed and collateralized securities, municipal bonds, mutual bond funds and corporate obligations, including asset-backed, foreign bonds and notes.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

E. FIREFIGHTERS' RETIREMENT SYSTEM (HFRS) (Continued)

Investments (Continued)

The Plan has the following fair value measurements as of December 31, 2023:

<u>Investments Type</u>	<u>Value as of 12/31/2023</u>	<u>Fair Value Measurements Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Government securities	\$ 2,878,051	\$ 38,356	\$ 2,839,695
Equity securities	1,512,996	1,310,114	202,882
Corporate bonds	1,475,924	14,243	1,461,681
Municipal obligations	244,823	-	244,823
Mutual Funds	4,022	4,022	-
Certificate of deposit	<u>100,010</u>	<u>-</u>	<u>100,010</u>
Total fair value	<u>\$ 6,215,826</u>	<u>\$ 1,366,735</u>	<u>\$ 4,849,091</u>

Net Pension Liability (Asset)

The City's net pension liability was measured by the actuarial valuation as of January 1, 2023 and rolled forward to the December 31, 2023 (measurement date). The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Methods and assumption used to determine net pension liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.0%
Salary increases	N/A
Investment rate of return	3.50% net of investment related expenses
Retirement Age	N/A
Mortality	The same mortality tables and improvement scales used by the Florida Retirement System (FRS) for Special Risk Class members in the July 1, 2021 actuarial valuation, in compliance with Florida Statutes Chapter 112.63(1)(f), which mandates use of same mortality assumptions from one of the two most recently published FRS actuarial valuation reports.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

E. FIREFIGHTERS' RETIREMENT SYSTEM (HFRS) (Continued)

Net Pension Liability (Asset) (Continued)

Discount rate: A single discount rate of 3.50% was used to measure the total pension liability. This single discount rate was based on the expected rate on pension plan investments of 3.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (3.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. The building block long-term real return projections were developed through a evaluation process overseen by the AndCo Investment Policy Committee. The Committee considered many factors, including but not limited to, the intellectual capital of tenured professionals, long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. The projection of long-term real returns for the plan's target allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

E. FIREFIGHTERS' RETIREMENT SYSTEM (HFRS) (Continued)

Net Pension Liability (Asset) (Continued)

Changes in Net Pension Liability (asset):

	Firefighters Retirement system Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Total pension liability - beginning 12/31/2022	\$ 7,060,511	\$ 6,566,619	\$ 493,892
Changes for the year:			
Interest on the total pension liability	248,029	-	248,029
Difference between expected and actual experience of the total pension liability	117,776	-	117,776
Contributions - employer (from state)	-	905,258	(905,258)
Net investment income	-	627,875	(627,875)
Benefit payments	(760,767)	(760,767)	-
Pension plan administrative expense	-	(70,795)	70,795
Other (change in share plan reserve)	812,833	-	812,833
Net change in total pension liability (asset)	417,871	701,571	(283,700)
Total pension liability - ending 12/31/2023	<u>\$ 7,478,382</u>	<u>\$ 7,268,190</u>	<u>\$ 210,192</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the City calculated using the current discount rates (3.50%) and the liability (asset) using discount rates that are one percentage point lower (2.50%) and one percentage point higher (4.50%) than the current rates:

	Firefighters Retirement System		
	1% Decrease 2.50%	Current discount rate 3.50%	1% Increase 4.50%
Net pension liability (asset)	\$ 88,428	\$ 210,192	\$ (353,055)

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

E. FIREFIGHTERS' RETIREMENT SYSTEM (HFRS) (Continued)

Net Pension Liability (Asset) (Continued)

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

For the fiscal year ended September 30, 2024 but based on a measurement date of December 31, 2022, the City recognized a decrease in the Plan's pension expense of \$67,900. This amount is included as a decrease to personal services expenses within the functional program activities. At September 30, 2024, the City reports deferred outflows and inflows of resources related to the Plan as follows:

	Firefighters Retirement System	
	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between projected and actual earnings on pension plan investments	\$ 179,598	\$ -
Total	\$ 179,598	\$ -

The City also has contributions from the State subsequent to the measurement date of \$92,425, which will be recognized as a reduction of the net pension liability in the subsequent year.

Amounts reported as deferred outflows of resources related to HFRS will be recognized as a reduction of pension expense as follows:

<u>Year Ending</u> <u>September 30,</u>	Net Deferred Outflows of <u>Resources</u>
2025	\$ 38,280
2026	74,848
2027	145,820
2028	(79,350)
	<u>\$ 179,598</u>

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, are presented as Required Supplementary Information (RSI) following the notes of the financial statements, provides additional information about the net pension liability, plan assets and contributions.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

The following table summarizes the aggregate amount for all five pension plans presented above for the period as of the indicated measurement date:

	Measurement Date	Net Pension Asset	Net Pension (liability)	Deferred Outflows of Resources	Pension Expense (income)
General Employees' Retirement Plan	9/30/2023	\$ -	\$ (12,604,892)	\$ 6,934,948	\$ 3,061,438
Police Officers' Retirement Plan	9/30/2023	-	(27,697,666)	6,493,002	2,079,060
Elected Officials' Retirement Plan	12/31/2023	513,558	-	243,707	(18,649)
New Elected Officials and Senior Management Retirement System	12/31/2023	94,401	-	218,282	(95,946)
Firefighters' Retirement System	12/31/2023	-	(210,192)	179,598	(67,900)
		<u>\$ 607,959</u>	<u>\$ (40,512,750)</u>	<u>\$ 14,069,537</u>	<u>\$ 4,958,003</u>
<u>By Activities type:</u>					
Governmental Activities		\$ 607,959	\$ (32,125,062)	\$ 9,454,808	\$ 2,912,814
Business-type Activities		-	(8,387,688)	4,614,729	2,045,189
Total:		<u>\$ 607,959</u>	<u>\$ (40,512,750)</u>	<u>\$ 14,069,537</u>	<u>\$ 4,958,003</u>

Reconciliation of Deferred Outflows of Resources above to Statement of Net Position on Page 25:

	Measurement Date	Deferred Outflows of Resources per GASB 68	Contributions made after measurement date	Deferred Outflows Statement of Net Position (Page 25)
General Employees' Retirement Plan	9/30/2023	\$ 6,934,948	\$ 1,488,608	\$ 8,423,556
Police Officers' Retirement Plan	9/30/2023	6,493,002	6,721,100	13,214,102
Elected Officials' Retirement Plan	12/31/2023	243,707	64,982	308,689
New Elected Officials and Senior Management Retirement System	12/31/2023	218,282	110,236	328,518
Firefighters' Retirement System	12/31/2023	179,598	92,425	272,023
		<u>\$ 14,069,537</u>	<u>\$ 8,477,351</u>	<u>\$ 22,546,888</u>
<u>By Activities type:</u>				
Governmental Activities		\$ 9,454,808	\$ 7,486,785	\$ 16,941,593
Business-type Activities		4,614,729	990,566	5,605,295
Total:		<u>\$ 14,069,537</u>	<u>\$ 8,477,351</u>	<u>\$ 22,546,888</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. **MUNICIPAL EMPLOYEES RETIREMENT PLANS** (Continued)

F. **DEFINED CONTRIBUTION PLAN**

City Managers' Defined Contribution Plan

The City offers a defined contribution plan for the City Manager created in accordance with Internal Revenue Service Code Section 401(a) and Ordinance Number 97-01-06 dated January 21, 1997. The Plan covers only the City Manager. The City contributes 18% of salary. Plan provisions may be amended by the City Council. The Plan is held in a trust for the exclusive benefit of the participant and the participants' beneficiaries by a third-party administrator. Consequently, the City has no fiduciary responsibility, and therefore, the assets of the Plan are not included in the City's financial statements. The City made no contribution to the Plan for the fiscal year ended September 30, 2024.

Executive Employees' Defined Contribution Plan

The City offers a defined contribution plan for department directors, assistant directors, and assistant city managers created in accordance with Internal Revenue Service Code Section 401(a) and Ordinance Number 97-03-15 dated April 1, 1997. At September 30, 2024 there were 17 Plan members. Plan members are required to contribute 5% to the Plan and are fully vested after one year of service. The City is required to contribute 13% of the participants' earnings. Plan provisions may be amended by the City Council. The Plan is held in a trust for the exclusive benefit of the participants and the participants' beneficiaries by a third-party administrator. Consequently, the City has no fiduciary responsibility, and therefore, the assets of the Plan are not included in the City's financial statements. The City contributed totaling \$342,607 to the Plan for the fiscal year ended September 30, 2024.

General Employees' Defined Contribution Plan

As of April 1, 2009, general employees have the option of participating in the General Employees' defined contribution plan. The Plan was created in accordance with Internal Revenue Service Code Section 401(a) and Resolution Number R2009-03-37. The City will match employee contributions up to 8% of pay. Plan provisions may be amended by the City Council. The Plan is held in a trust for the exclusive benefit of the participants and the participants' beneficiaries by a third-party administrator. Consequently, the City has no fiduciary responsibility, and therefore, the assets of the Plan are not included in the City's financial statements. The City contributed \$710,482 to the Plan for the fiscal year ended September 30, 2024.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 14. **OTHER POST EMPLOYMENT BENEFITS (OPEB)**

Plan Description

The City administered a single-employer defined benefit plan (the “OPEB Plan”) that provides medical and life insurance benefits to eligible retired employees and their beneficiaries. The City presently offers retired employees the opportunity to retain post-employment health and life insurance at the same premium charged to regular employees. The Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the plan. The Plan has no assets and does not issue a separate financial report.

At September 30, 2024, the OPEB Plan covered 195 active employees and 40 retirees for health insurance.

Except for elected officials in the EORP Pension Plan, the City does not provide funding for any portion of the premiums after retirement; however, the City recognizes that there is an implicit subsidy arising as a result of the blended rate premium since retiree health care costs, on the average, are higher than active employee health costs.

Funding Policy

The City currently funds this benefit on a pay-as-you-go basis and intends to continue this practice.

Total OPEB Liability

Valuation Date:	10/01/2022
Measurement Date:	10/01/2023
Reporting date:	09/30/2024

At September 30, 2024, the City reported the following:

Total OPEB liability:	\$ 8,801,798
Total covered payroll:	\$ 33,970,512
OPEB liability as a percentage of covered payroll:	25.91%

Methods and assumption used to determine Total OPEB liability:

Actuarial Cost Method	Entry Age Normal
Discount Rate	4.09%
HealthCare Cost Trend Rates	6.0% for 2024; 5.5% for 2025; 5.0% 2026 to later years
Mortality Rate	RF-2017 mortality table (combined healthy lives) with projected mortality

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability (Continued)

Changes in Total OPEB Liability:

	<u>OPEB</u> <u>Liability</u>
Total OPEB liability- beginning 9/30/2023	\$ 8,675,164
Changes for the year:	
Service cost	191,220
Interest cost	335,804
Changes of benefit terms	-
Difference between expected and actual experience	-
Change of assumptions	(213,045)
Benefit payments	(187,345)
Net change in OPEB liability	<u>126,634</u>
Total OPEB liability- ending 9/30/2024	<u>\$ 8,801,798</u>
By Activities type:	
Governmental Activities	\$ 5,540,536
Business-type Activities	<u>3,261,262</u>
Total:	<u>\$ 8,801,798</u>

Sensitivity of OPEB liability to changes in the discount rate: The following presents the OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	<u>Sensitivity Testing to change in interest discount assumption</u>		
		Selected	
Discount rate assumption	1% Decrease 3.09%	discount rate 4.09%	1% Increase 5.09%
Total OPEB liability	\$ 9,913,781	\$ 8,801,798	\$ 7,889,651

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 14. **OTHER POST EMPLOYMENT BENEFITS (OPEB)** (Continued)

Total OPEB Liability (Continued)

Sensitivity of OPEB liability to changes in medical costs trend rate: The following presents the OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using a medical costs trend rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current medical costs trend rate:

	Sensitivity Testing to change in medical costs trend assumption		
	1% Decrease	Selected Trend rate	1% Increase
Medical costs trend assumption	5.5%	6.5%	7.5%
Total OPEB liability	\$ 7,892,758	\$ 8,801,798	\$ 9,889,414

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2024 but based on a measurement date of October 1, 2023, the City recognized a reduction to the Plan's OPEB expense of \$1,490,002. This amount is included as a decrease to personal services expenses within the functional program activities.

At September 30, 2024, the City reports deferred outflows and inflows of resources related to the Plan as follows:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 4,701,376
Changes in assumptions	-	3,629,506
Expected benefit payments subsequent to the measurement date of 10/1/2023	202,332	-
Total	<u>\$ 202,332</u>	<u>\$ 8,330,882</u>
<u>By Activities type:</u>		
Governmental Activities	\$ 127,365	\$ 5,244,104
Business-Type Activities	74,967	3,086,779
Total	<u>\$ 202,332</u>	<u>\$ 8,330,883</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 14. **OTHER POST EMPLOYMENT BENEFITS (OPEB)** (Continued)

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB (Continued)

The deferred outflows of resources resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year.

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

<u>Year Ending</u> <u>September 30,</u>	Net Deferred Inflows of Resources
2025	\$ (1,814,694)
2026	(1,814,694)
2027	(1,344,254)
2028	(1,356,604)
2029	(819,217)
2030+	(1,181,419)
	<u>\$ (8,330,882)</u>

The schedule of changes in the City's total OPEB liability and related ratios presented as Required Supplementary Information (RSI) following the notes to the financial statements, provides additional information about the OPEB liability.

NOTE 15. **SELF-INSURANCE PROGRAMS**

The City is exposed to various risks of loss including public liability, workers' compensation and property and casualty. The City administers its self-insurance program through two internal service funds, the Workers' Compensation Fund and the Self-Insurance Fund, which are combined for financial statement presentation. All operating departments of the City participate in the program and make payments to the self-insurance funds. The self-insurance funds allocate the cost of providing claims servicing and claims payment by charging these departments a pro rata share of these costs, based on a percentage of each operating departments estimated current year payroll and also by the actual property insurance paid by the Self-Insurance Fund.

The self-insurance fund liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but have not been reported. Because actual claims liabilities depend on a number of factors, the process used in computing claims liability does not result in an exact amount. Claims liabilities are re-evaluated annually to incorporate claims settlements, court decisions and additional information as determined by a self-insurance actuarial review performed by outside consultants.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 15. SELF-INSURANCE PROGRAMS (Continued)

A claims liability of approximately \$4,862,000 was actuarially determined by an outside actuary at September 30, 2024. Changes in liabilities during the years ended September 30, 2024 and 2023 are presented in the following table:

	Liability at Beginning Year	Current Year Claims	Claim Payments	Liability at End of Year	Due within One Year
<u>2024</u>					
Worker's compensation	\$ 1,529,828	\$ 1,348,090	\$ 1,420,469	\$ 1,457,449	\$ 413,145
General and auto liabilities	3,433,119	826,816	855,461	3,404,474	779,863
2024 Total	<u>\$ 4,962,947</u>	<u>\$ 2,174,906</u>	<u>\$ 2,275,930</u>	<u>\$ 4,861,923</u>	<u>\$ 1,193,008</u>
<u>2023</u>					
Worker's compensation	\$ 1,489,093	\$ 1,171,751	\$ 1,131,016	\$ 1,529,828	\$ 411,940
General and auto liabilities	3,416,544	997,871	981,296	3,433,119	816,388
2023 Total	<u>\$ 4,905,637</u>	<u>\$ 2,169,622</u>	<u>\$ 2,112,312</u>	<u>\$ 4,962,947</u>	<u>\$ 1,228,328</u>

The Self-Insurance Fund accounts for the following lines of coverage:

Workers' Compensation – Since 1985, the City has provided workers' compensation coverage through self-insurance and purchased excess insurance commercially. The City's self-insured retention has been \$250,000 per claim since October 2014.

General and Automobile Liabilities – The City's primary policy for its liability risks has a \$6,000,000 general aggregate with a \$100,000 self-insured retention deductible per occurrence, with the exception of the self-insurance retention deductible for the law enforcement liability which is \$200,000. There have been no judgments or settlement of claims during the past three years that have exceeded the City's commercial insurance limits. This self-insurance program was created in 1977 and is subject to the limitations of sovereign immunity.

NOTE 16. COMMITMENTS AND CONTINGENCIES

a. **Litigation**

The City is currently a defendant in multiple lawsuits. While the results of these lawsuits cannot be determined at this time, City Management and Legal Counsel believe that the settlement of most of these cases, except for two, is unlikely to have a material adverse effect on the financial condition of the City.

The City is involved in two legal matters with potential financial impacts exceeding \$750,000, individually or in aggregate. While the outcomes are uncertain and the amounts indeterminable, disclosure is required under GAAP as the likelihood of loss is more than remote but not probable.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Continued)

The following two cases are noted as pending or threatened claims and assessments:

(1) Vehicular Fatality Lawsuit:

The City settled one of three wrongful death claims from a vehicular accident involving minors, paying the \$300,000 statutory cap through its insurer. The remaining plaintiffs allege (a) negligent pursuit, (b) failure to render aid, and (c) negligent hiring. Trial is scheduled for December 2025. Any additional recovery would require a special legislative claims bill, which is a long and arduous process. The City is protected by liability insurance, reduced by the prior settlement.

(2) Police Liability Case:

This case involves a police-involved shooting with two claims: (a) wrongful death against the City (subject to the \$300,000 cap), and (b) a federal civil rights violation under 42 USC §1983 against the officer (not capped). External investigations deemed the shooting justified. Trial is set for October 2025, with a summary judgment deadline of June 2025. The City holds \$6 million in coverage through Preferred Government Insurance Trust (PGIT) with a \$200,000 self-insured retention. The City's liability is capped unless the federal claim against the officer proceeds; in that event, the officer is covered by insurance, though the City is not obligated to indemnify any resulting judgment.

b. Compliance Audits

Amounts received or receivable from granting agencies are subject to audit and adjustment by Federal and State grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be insignificant.

c. Florida Petroleum Reprocessors Superfund Site

In the late 1990s, the United States Environmental Protection Agency (EPA) identified the City, together with several hundred other entities, as a potentially responsible party (PRP) with respect to the Florida Petroleum Reprocessors Superfund Site (FPR site). According to the EPA, the City is jointly and severally liable for all necessary costs of response incurred in connection with the cleanup of the FPR site. The PRP group, including the City, have finalized a consent decree with the EPA to share the costs of undertaking the assessment of the FPR site and a cleanup of a portion of the site. The consent decree was entered as a final order by the United States District Court for the Southern District of Florida on January 23, 2006. The City has contributed \$68,475 toward that effort to date. While a part of the cleanup has been completed (the onsite soil and groundwater), a large plume of contaminated groundwater extends offsite. The PRP group is responsible for the cleanup of the plume. The FPR site will remain on the U.S. EPA list of Superfund sites for at least several more years. Cleanup of the offsite groundwater contamination, which is being accomplished through "natural attenuation," is ongoing and no estimated completion date has been identified.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Continued)

d. Power Sales Contracts

In connection with the City's participation in certain Florida Municipal Power Agency projects, the City is committed to purchase its entitlement share of capacity and must take energy generation of these projects as defined in the power sales contracts. The City's cost of power purchased under these power sales contracts, which extend through 2042, total approximately \$219 million plus interest imputed at annual rate at 5%. The City intends to meet its obligations under these agreements. Purchased power during fiscal 2024 was sufficient to meet the City's commitment under the power sales contracts.

Required purchase commitments under these contracts for future fiscal years are approximately as follows:

Fiscal year ending September 30:

2024	\$ 16,915,000
2025	17,253,000
2026	17,132,000
2027	17,320,000
2028	12,858,000
2029 - 2033	42,125,000
2034 - 2038	45,536,000
2039 - 2043	50,275,000
Total	219,414,000
Less amount representing interest	69,151,000
Total present value	<u>\$ 150,263,000</u>

e. Homestead Miami Speedway

The City of Homestead is a party in a long-term Management and Operations agreement with Homestead Miami Speedway, LLC to manage and operate the Homestead Miami Speedway. The agreement provides for the City to receive annual base payments of \$1,000,000 through its expiration on December 31, 2032. Commencing with Calendar Year 2016, future base payments are subject to a CPI adjustment and projected to be as follows:

Fiscal year ending September 30:

2025	\$ 1,187,067
2026	1,187,067
2027	1,187,067
2028	1,187,067
2029	1,187,067
2030 - 2032	3,561,200
Total	<u>\$ 9,496,535</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 17. HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY (CRA)

For fiscal year 2024, total property tax revenues for the CRA amounted to \$4,800,446. Of the total amount, \$2,069,594 was from property taxes levied by Miami-Dade County and \$2,730,892 was from property taxes levied by the City.

The following projects were completed, ongoing, or planned during the fiscal year ending September 30, 2024:

Projects completed in fiscal year 2024:

1. Triangle Property Negotiation Initiated
 - o Coordinated negotiations.
2. Krome Marketplace Roof completed
3. Krome Marketplace Parking Lot Design Phase
 - o Design phase completed; project currently out for rebid.
4. Brownfield Cleanup Grant Award
 - o Awarded Brownfield Cleanup Grant totaling \$783,400.
5. Residential Improvement Grant Program
 - o Five grants awarded to residential properties.
6. Commercial Enhancements Grant Program
 - o Two commercial enhancement grants awarded.
7. Business Relocation & Expansion Grant
 - o One grant awarded to a relocating business.
8. SW 4th Street Improvements
 - o Phase II commercial paint.
9. Historic Lily Lawrence Bow Library / CRA Office Building 30-Year Inspection
 - o Structural and safety inspection completed and improvements made.

Projects planned for fiscal year 2025:

1. Krome Marketplace Parking Lot Electrical Undergrounding
 - o Currently in progress to improve utility infrastructure.
2. Krome Marketplace Interior Asbestos Remediation
 - o Scheduled to begin summer 2025.
3. Shotgun RFP
 - o Request for proposals under review by selection committee
4. Triangle Development
 - o Anticipate final negotiations and project kick-off
5. Florida Communities Trust Grant Application – 744 SW 8th Ave Pocket Park
 - o Applied for Florida Communities Trust grant to support future park development
6. Homestead Live Operator RFQ
 - o Drafting a Request for Qualifications for operator selection.
7. In-Fill Multi-Family Housing Initiative
 - o Notice of Disposition (NOD) currently being drafted.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 17. HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY (CRA) (Continued)

Projects planned for fiscal year 2025 (continued):

8. New Grant Programming (In Development)
 - o Includes:
 - Tax Increment Rebate Grant
 - Commercial Hardship Grant
 - Emergency Repair Grant
 - *(Additional programs TBD)*
9. Downtown Enhanced Maintenance Program (DEMP) Initiative
 - o In development as part of expanded revitalization efforts.
10. Commercial Revitalization (Rock the Block) – Mowry & 8th Street
 - o Expanding landscape and façade improvement initiatives.

Expenditures incurred during fiscal year 2024 related to these projects are as follows:

	<u>Expenditures</u>
General government	\$ 2,711,310
Public safety	423,497
Public works	296,027
Parks & recreation	36,155
Capital outlay	<u>2,923,522</u>
Total Expenditures	<u><u>\$ 6,390,511</u></u>

A separated independently published financial statements for the CRA may be obtained by contacting: CRA Director, 212 NW, 1st Avenue, Homestead, Florida 33030.

NOTE 18. AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)

On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA”) was signed into law which provides for additional funding for state and local governments to help in the nation’s recovery from the public health and economic impacts of the COVID-19 pandemic, as well as to equip cities and towns with the tools necessary to start building a stronger and more equitable future over the next decade.

On May 19, 2021, the City received the first tranche of ARPA funding of \$9,596,043 and on June 4, 2022, the City received the final tranche of \$9,596,043. The City expended \$ 9,000 of ARPA funds in FY 2021, \$800,109 in FY 2022, \$2,801,190 in FY 2023, and \$5,246,244 in FY 2024 (including a transfer out to the CRA for the purchase of land). All remaining funds were encumbered as required by the December 31, 2024 deadline.



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 25,884,355	\$ 25,884,355	\$ 26,248,888	\$ 364,533
Fuel taxes	1,448,446	1,448,446	1,195,268	(253,178)
Franchise taxes	48,000	48,000	1,399,988	1,351,988
Utility taxes	1,759,033	1,759,033	1,719,744	(39,289)
Communication service taxes	1,783,324	1,783,324	1,836,634	53,310
Half cent sales taxes	8,117,984	8,117,984	8,534,276	416,292
Total taxes	<u>39,041,142</u>	<u>39,041,142</u>	<u>40,934,798</u>	<u>1,893,656</u>
Licenses and permits	<u>2,257,500</u>	<u>2,257,500</u>	<u>4,612,987</u>	<u>2,355,487</u>
Intergovernmental:				
State revenue sharing	4,958,960	4,958,960	5,122,699	163,739
State insurance premium taxes	1,448,144	1,448,144	1,785,394	337,250
County revenue sharing	75,000	75,000	95,272	20,272
Total intergovernmental	<u>6,482,104</u>	<u>6,482,104</u>	<u>7,003,365</u>	<u>521,261</u>
Charges for services:				
Recreation fees	272,266	272,266	288,872	16,606
Other fees	838,395	838,395	1,071,827	233,432
Total charges for services	<u>1,110,661</u>	<u>1,110,661</u>	<u>1,360,699</u>	<u>250,038</u>
Fines and forfeitures	390,000	390,000	377,648	(12,352)
Investment income (loss)	438,000	438,000	3,175,858	2,737,858
Payments in lieu of taxes	8,880,793	8,880,793	8,880,793	-
Rentals and other revenues	9,906,797	9,906,797	10,249,255	342,458
Total other revenues	<u>19,615,590</u>	<u>19,615,590</u>	<u>22,683,554</u>	<u>3,067,964</u>
Total revenues	<u>\$ 68,506,997</u>	<u>\$ 68,506,997</u>	<u>\$ 76,595,403</u>	<u>\$ 8,088,406</u>

(Continued)

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Mayor and Council	\$ 1,115,797	\$ 1,115,797	\$ 961,951	\$ 153,846
City Attorney	1,000,000	1,320,000	996,299	323,701
City Manager	916,068	1,246,068	1,224,258	21,810
City Clerk	1,131,712	1,131,712	1,068,988	62,724
Planning & Zoning	2,649,306	2,649,306	2,113,797	535,509
Finance	2,657,786	2,657,786	2,094,530	563,256
Procurement	1,371,422	1,349,924	1,176,474	173,450
ITS	1,390,388	1,390,388	1,337,128	53,260
General Administration	4,679,846	3,854,404	2,926,162	928,242
Human resources	733,968	733,968	663,748	70,220
Total general government	17,646,293	17,449,353	14,563,335	2,886,018
Public safety:				
Police	36,411,593	36,411,593	33,720,463	2,691,130
Police - Insurance Premium Tax (Pass-thru)	861,784	861,784	1,037,391	(175,607)
Fire - Insurance Premium Tax (Pass-thru)	586,360	586,360	748,003	(161,643)
Building department	2,370,510	2,370,510	2,110,642	259,868
Total public safety	40,230,247	40,230,247	37,616,499	2,613,748
Public works and services:				
Streets	1,604,524	1,604,524	1,484,555	119,969
Total public works	1,604,524	1,604,524	1,484,555	119,969
Parks, recreation and facility maintenance	8,767,149	8,767,149	8,251,865	515,284
Total parks and recreation	8,767,149	8,767,149	8,251,865	515,284
Capital outlay	1,769,877	1,966,817	2,572,583	(605,766)
Debt service:				
Principal	527,410	527,410	816,647	(289,237)
Interest and fiscal charges	139,902	139,902	346,219	(206,317)
Total expenditures	70,685,402	70,685,402	65,651,703	5,033,699
Excess (deficiency) of revenues over expenditures	(2,178,405)	(2,178,405)	10,943,700	13,122,105
Other financing sources (uses):				
Proceed from other long-term debt (SBITA)	-	-	242,580	242,580
Transfers in	273,204	273,204	273,203	(1)
Transfers out	(400,000)	(400,000)	(400,000)	-
Appropriation of prior years' fund balance	2,305,201	2,305,201	-	(2,305,201)
Total other financing sources (uses)	2,178,405	2,178,405	115,783	(2,062,622)
Change in fund balance	\$ -	\$ -	11,059,483	\$ 11,059,483
Fund balance - beginning			61,202,455	
Fund balance - ending			\$ 72,261,938	

See note to budgetary comparison schedule.

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 5,392,884	\$ 5,392,884	\$ 5,392,885	\$ 1
Investment income (loss)	117,000	117,000	233,471	116,471
Total revenues	<u>5,509,884</u>	<u>5,509,884</u>	<u>5,626,356</u>	<u>116,472</u>
Expenditures:				
Current:				
General government	5,735,455	5,140,347	2,711,310	2,429,037
Public safety	478,607	478,607	423,497	55,110
Public works and services	1,560,536	1,386,406	296,027	1,090,379
Parks & recreation	53,821	36,156	36,155	1
Capital outlays	<u>2,199,261</u>	<u>2,986,164</u>	<u>2,923,522</u>	<u>62,642</u>
Total expenditures	<u>10,027,680</u>	<u>10,027,680</u>	<u>6,390,511</u>	<u>3,637,169</u>
Excess (deficiency) of revenues over expenditures	<u>(4,517,796)</u>	<u>(4,517,796)</u>	<u>(764,155)</u>	<u>3,753,641</u>
Other financing sources:				
Transfers in	-	-	2,847,392	2,847,392
Transfers out	(481,656)	(481,656)	(481,656)	-
Appropriation of prior years' fund balance	<u>4,999,452</u>	<u>4,999,452</u>	<u>-</u>	<u>(4,999,452)</u>
Total other financing sources (uses)	<u>4,517,796</u>	<u>4,517,796</u>	<u>2,365,736</u>	<u>(2,152,060)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,601,581	<u>\$ 1,601,581</u>
Fund balances, beginning			<u>5,138,779</u>	
Fund balance - ending			<u>\$ 6,740,360</u>	

See note to budgetary comparison schedule.

CITY OF HOMESTEAD, FLORIDA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1. BUDGETS AND BUDGETARY INFORMATION

The State of Florida requires that all units of local government prepare, adopt, and execute an annual budget for such funds as may be required by law or by sound financial practices and accounting principles generally accepted in the United States. Accordingly, the City has established the following procedures for the budgeting process:

1. During the beginning of September, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means to finance them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to September 30, the budget is legally enacted through the passage of an ordinance.
4. The City Manager is authorized to make budgetary transfers and amendments within any department. The City Council must approve any revisions that affect the total expenditures of a department or fund. The legal level of budgetary control is at the fund level, except for the General Fund, which is at the department level. Unencumbered appropriations in the annual operating budget lapse at the end of the fiscal year.
5. The City budgets revenues and expenditures for the General Fund and the Homestead Community Redevelopment Agency Fund on the basis consistent with accounting principles generally accepted in the United States.
6. The General Fund and the Homestead Community Redevelopment Agency annual budgets are adopted through an ordinance.
7. Encumbrances represent commitments related to unperformed contracts and purchase orders issued for goods and services. Encumbrances (primarily for capital items) outstanding at year end are reported as assigned fund balance as appropriations for subsequent years' budget and do not constitute expenditures or liabilities under accounting principles generally accepted in the United States.
8. The General Fund had no supplemental appropriations in fiscal year 2024.
9. General Fund-Premium Tax (Pass Thru)-Negative Variances \$175,607 and \$161,643:
Annually, the City receives state insurance premium tax revenues, which are recognized as intergovernmental revenues and passed through to the City's Police and Firefighters' Pension Plans. Although fire protection services are provided by the County and the City no longer maintains a fire department, the City continues to remit the allocated funds to the Firefighters' Pension Plan in accordance with applicable statutory requirements (see Note 13E for further details). For fiscal year 2024, the City budgeted \$1,448,144 in state insurance premium tax revenues and corresponding public safety expenditures. The actual amount received from the State was \$1,785,394, resulting in a total variance of \$337,250—comprised of \$175,607 for the Police Pension Plan and \$161,643 for the Firefighters' Pension Plan. This variance did not negatively impact the General Fund, as a corresponding positive variance in intergovernmental revenues offset it. This transaction is not considered a budget violation, as the City is statutorily required to remit 100% of the received insurance premium tax revenues to the respective pension plans.
10. General Fund-Debt Service (\$495,554) and Capital Outlay (\$605,766) – Negative Variances:
The implementation of GASB Statement No. 96 (SBITA) required the City to reclassify certain transactions that were initially budgeted as operating expenditures to payments of principal and interest. This adjustment resulted in a budget variance at the debt service level, but it did not negatively impact the General Fund, as these expenditures were effectively accounted for within the departments' operating budgets. Additionally, the City entered into an equipment financing agreement in fiscal year 2023; however, an unforeseen delay in receiving the equipment necessitated recording the related capital outlay in fiscal year 2024, in accordance with Generally Accepted Accounting Principles (GAAP) requirements. While this timing difference caused some variances, it had no adverse effect on the General Fund's budget.
11. Homestead Community Redevelopment Agency (CRA)-Capital Outlay-Positive Variance \$62,642:
During fiscal year 2024, the CRA, in coordination with the City, acquired land totaling \$2,847,392 for use in a redevelopment project. The acquisition was funded through the American Rescue Plan Act (ARPA), with the CRA designated as a subrecipient of ARPA funds. The expenditure was recorded as a capital outlay within the CRA's financial statements, with a corresponding transfer in recognized from the ARPA fund. This transaction resulted in no net financial impact to the CRA, as the transfer in fully offsets the capital expenditure, resulting in a favorable variance of \$2,847,392.

CITY OF HOMESTEAD, FLORIDA
REQUIRED SUPPLMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT PLAN

Measurement date September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability										
Service Cost	\$ 1,080,482	\$ 1,133,469	\$ 1,298,106	\$ 1,414,901	\$ 1,493,602	\$ 1,643,498	\$ 1,667,916	\$ 1,653,360	\$ 1,693,876	\$ 1,749,000
Interest on the total pension liability	6,702,219	6,704,144	6,647,938	6,523,098	6,275,331	6,090,423	5,674,844	5,618,813	5,415,394	5,207,957
Difference between expected and actual experience of the total pension liability	1,171,185	(2,144,586)	254,817	(1,085,959)	282,792	(740,698)	557,519	(807,532)	57,471	(588,885)
Changes of assumptions	-	-	(2,208,866)	-	-	-	1,956,133	-	-	-
Benefit payments	(6,519,962)	(4,777,613)	(5,150,088)	(4,544,982)	(4,037,075)	(4,128,538)	(3,157,304)	(3,721,862)	(2,900,572)	(3,626,962)
Refunds	<u>(39,528)</u>	<u>-</u>	<u>(61,649)</u>	<u>(14,818)</u>	<u>(7,903)</u>	<u>(34,398)</u>	<u>(30,307)</u>	<u>(57,959)</u>	<u>(30,096)</u>	<u>(256,423)</u>
Net change in total pension liability	2,394,396	915,414	780,258	2,292,240	4,006,747	2,830,287	6,668,801	2,684,820	4,236,073	2,484,687
Total pension liability - beginning	<u>101,491,403</u>	<u>100,575,989</u>	<u>99,795,731</u>	<u>97,503,491</u>	<u>93,496,744</u>	<u>90,666,457</u>	<u>83,997,656</u>	<u>81,312,836</u>	<u>77,076,763</u>	<u>74,592,076</u>
Total pension liability - ending	<u>\$ 103,885,799</u>	<u>\$ 101,491,403</u>	<u>\$ 100,575,989</u>	<u>\$ 99,795,731</u>	<u>\$ 97,503,491</u>	<u>\$ 93,496,744</u>	<u>\$ 90,666,457</u>	<u>\$ 83,997,656</u>	<u>\$ 81,312,836</u>	<u>\$ 77,076,763</u>
B. Plan fiduciary net position										
Contributions - employer	\$ 1,147,568	\$ 1,771,698	\$ 2,155,733	\$ 2,476,457	\$ 2,613,899	\$ 2,794,643	\$ 2,505,891	\$ 2,725,022	\$ 2,834,656	\$ 2,874,430
Contributions - employee	259,826	253,281	267,599	294,602	311,611	336,745	360,501	353,824	360,333	368,500
Net investment income	7,694,926	(13,772,902)	17,292,229	3,706,972	6,791,312	4,307,216	6,830,581	7,438,130	1,652,437	5,985,552
Benefit payments	(6,519,962)	(4,777,613)	(5,150,088)	(4,544,982)	(4,037,075)	(4,128,538)	(3,157,304)	(3,721,862)	(2,900,572)	(3,626,962)
Refunds	(39,528)	-	(61,649)	(14,818)	(7,903)	(34,398)	(30,307)	(57,959)	(30,096)	(256,423)
Pension plan administrative expense	<u>(117,153)</u>	<u>(127,789)</u>	<u>(138,111)</u>	<u>(140,437)</u>	<u>(134,505)</u>	<u>(114,953)</u>	<u>(114,280)</u>	<u>(121,737)</u>	<u>(94,114)</u>	<u>(115,419)</u>
Net change in plan fiduciary net position	2,425,677	(16,653,325)	14,365,713	1,777,794	5,537,339	3,160,715	6,395,082	6,615,418	1,822,644	5,229,678
Plan fiduciary net position - beginning	<u>88,855,230</u>	<u>105,508,555</u>	<u>91,142,842</u>	<u>89,365,048</u>	<u>83,827,709</u>	<u>80,666,994</u>	<u>74,271,912</u>	<u>67,656,494</u>	<u>65,833,850</u>	<u>60,604,172</u>
Plan fiduciary net position - ending	<u>\$ 91,280,907</u>	<u>\$ 88,855,230</u>	<u>\$ 105,508,555</u>	<u>\$ 91,142,842</u>	<u>\$ 89,365,048</u>	<u>\$ 83,827,709</u>	<u>\$ 80,666,994</u>	<u>\$ 74,271,912</u>	<u>\$ 67,656,494</u>	<u>\$ 65,833,850</u>
C. Net pension liability (asset) (A-B)	<u>\$ 12,604,892</u>	<u>\$ 12,636,173</u>	<u>\$ (4,932,566)</u>	<u>\$ 8,652,889</u>	<u>\$ 8,138,443</u>	<u>\$ 9,669,035</u>	<u>\$ 9,999,463</u>	<u>\$ 9,725,744</u>	<u>\$ 13,656,342</u>	<u>\$ 11,242,913</u>
D. Plan fiduciary net position as a percentage of the total pension liability	87.87%	87.55%	104.90%	91.33%	91.65%	89.66%	88.97%	88.42%	83.21%	85.41%
E. Covered payroll *	\$ 6,495,650	\$ 6,332,025	\$ 6,689,975	\$ 7,365,050	\$ 7,790,275	\$ 8,403,325	\$ 9,012,525	\$ 8,845,600	\$ 9,008,325	\$ 11,891,551
F. Net pension liability (asset) as a percentage of covered payroll	194.05%	199.56%	-73.73%	117.49%	104.47%	115.06%	110.95%	109.95%	151.60%	94.55%

* Covered payroll was calculated by dividing the member contributions (excluding buyback contributions) for the fiscal year by the member contribution rate of 4.0%.

CITY OF HOMESTEAD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' RETIREMENT PLAN

Measurement date September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability										
Service Cost	\$ 4,303,387	\$ 3,874,949	\$ 3,622,468	\$ 3,106,405	\$ 2,861,164	\$ 2,555,719	\$ 2,457,445	\$ 2,303,862	\$ 2,038,250	\$ 1,867,237
Interest on the total pension liability	10,045,557	9,528,407	9,034,911	8,875,260	8,589,530	8,362,811	7,779,407	7,467,998	6,996,689	6,697,302
Changes of benefit terms	-	-	-	-	-	-	-	-	-	(636,892)
Difference between expected and actual experience of the total pension liability	593,721	301,167	80,172	206,308	1,302,913	147,491	(1,061,534)	2,137,361	9,760	868,752
Changes of assumptions	-	3,880,678	-	601,956	-	1,221,370	3,284,117	994,053	909,574	-
Benefit payments	(5,651,804)	(6,137,390)	(6,223,701)	(7,821,731)	(9,997,832)	(6,176,595)	(3,546,301)	(5,950,632)	(5,450,397)	(5,292,181)
Refunds	(70,719)	(4,042)	(1,249)	-	(14,319)	(16,764)	(23,031)	-	-	(27,559)
Other: Change in state sontribution reveived	-	-	-	-	(272,163)	-	-	208,166	204,003	136,996
Net change in total pension liability	9,220,142	11,443,769	6,512,601	4,968,198	2,469,293	6,094,032	8,890,103	7,160,808	4,707,879	3,613,655
Total pension liability - beginning	142,065,835	130,622,066	124,109,465	119,141,267	116,671,974	110,577,942	101,687,839	94,527,031	89,819,152	86,205,497
Total pension liability - ending	<u>\$ 151,285,977</u>	<u>\$ 142,065,835</u>	<u>\$ 130,622,066</u>	<u>\$ 124,109,465</u>	<u>\$ 119,141,267</u>	<u>\$ 116,671,974</u>	<u>\$ 110,577,942</u>	<u>\$ 101,687,839</u>	<u>\$ 94,527,031</u>	<u>\$ 89,819,152</u>
B. Plan fiduciary net position										
Contributions - employer	\$ 5,308,308	\$ 5,282,800	\$ 5,088,182	\$ 4,442,521	\$ 3,917,203	\$ 3,233,825	\$ 3,996,869	\$ 3,726,793	\$ 3,816,076	\$ 4,057,242
Contributions - employer (from state)	861,783	742,896	677,154	665,319	605,683	652,393	577,817	532,808	528,645	461,638
Contributions - employee	879,636	840,517	823,898	859,818	740,591	723,982	663,039	665,451	580,028	680,063
Net investment income	13,616,278	(16,074,029)	19,751,840	11,215,703	2,501,251	6,130,868	9,517,349	6,354,619	498,007	10,520,035
Benefit payments	(5,651,804)	(6,137,390)	(6,223,701)	(7,821,731)	(9,997,832)	(6,176,595)	(3,546,301)	(5,950,632)	(5,450,397)	(5,292,181)
Refunds	(70,719)	(4,042)	(1,249)	-	(14,319)	(16,764)	(23,031)	-	-	(27,559)
Pension plan administrative expense	(160,263)	(153,052)	(184,982)	(221,615)	(161,057)	(113,859)	(103,626)	(108,083)	(84,733)	(82,376)
Other	-	-	-	1	(1)	347,365	-	-	-	-
Net change in plan fiduciary net position	14,783,219	(15,502,300)	19,931,142	9,140,016	(2,408,481)	4,781,215	11,082,116	5,220,956	(112,374)	10,316,862
Plan fiduciary net position - beginning	108,805,092	124,307,392	104,376,250	95,236,234	97,644,715	92,863,500	81,781,384	76,560,428	76,672,802	66,355,940
Plan fiduciary net position - ending	<u>\$ 123,588,311</u>	<u>\$ 108,805,092</u>	<u>\$ 124,307,392</u>	<u>\$ 104,376,250</u>	<u>\$ 95,236,234</u>	<u>\$ 97,644,715</u>	<u>\$ 92,863,500</u>	<u>\$ 81,781,384</u>	<u>\$ 76,560,428</u>	<u>\$ 76,672,802</u>
C. Net pension liability (A-B)	<u>\$ 27,697,666</u>	<u>\$ 33,260,743</u>	<u>\$ 6,314,674</u>	<u>\$ 19,733,215</u>	<u>\$ 23,905,033</u>	<u>\$ 19,027,259</u>	<u>\$ 17,714,442</u>	<u>\$ 19,906,455</u>	<u>\$ 17,966,603</u>	<u>\$ 13,146,350</u>
D. Plan fiduciary net position as a percentage of the total pension liability	81.69%	76.59%	95.17%	84.10%	79.94%	83.69%	83.98%	80.42%	80.99%	85.36%
E. Covered payroll *	\$ 10,922,362	\$ 10,387,703	\$ 9,613,516	\$ 9,917,948	\$ 8,821,373	\$ 8,151,843	\$ 7,858,654	\$ 7,394,222	\$ 7,145,922	\$ 6,411,046
F. Net pension liability as a percentage of covered payroll	253.59%	320.19%	65.69%	198.96%	270.99%	233.41%	225.41%	269.22%	251.42%	205.06%

* Covered payroll was calculated by dividing the member contributions (excluding buyback contributions) for the fiscal year by the member contribution rate of 7.65%.

CITY OF HOMESTEAD, FLORIDA
REQUIRED SUPPLMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ELECTED OFFICIALS RETIREMENT PLAN

Measurement date December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability										
Service Cost	\$ 37,046	\$ 37,046	\$ 36,938	\$ 37,445	\$ 32,138	\$ 32,016	\$ 33,062	\$ 30,899	\$ 28,777	\$ 28,777
Interest on the total pension liability	192,504	189,023	186,868	231,285	225,325	229,217	221,813	213,296	205,503	196,249
Difference between expected and actual experience of the total pension liability	-	24,794	-	(686,908)	-	(150,347)	-	(147,132)	-	-
Changes of assumptions	-	-	-	(56,606)	-	20	-	127,575	-	-
Benefit payments	(202,243)	(196,352)	(187,614)	(177,876)	(171,056)	(166,320)	(121,962)	(118,409)	(84,381)	(91,469)
Net change in total pension liability	27,307	54,511	36,192	(652,660)	86,407	(55,414)	132,913	106,229	149,899	133,557
Total pension liability - beginning	2,915,984	2,861,473	2,825,281	3,477,941	3,391,534	3,446,948	3,314,035	3,207,806	3,057,907	2,924,350
Total pension liability - ending	<u>\$ 2,943,291</u>	<u>\$ 2,915,984</u>	<u>\$ 2,861,473</u>	<u>\$ 2,825,281</u>	<u>\$ 3,477,941</u>	<u>\$ 3,391,534</u>	<u>\$ 3,446,948</u>	<u>\$ 3,314,035</u>	<u>\$ 3,207,806</u>	<u>\$ 3,057,907</u>
B. Plan fiduciary net position										
Contributions - employer (from City)	\$ 69,210	\$ 69,210	\$ 78,774	\$ 78,774	\$ 259,658	\$ 259,658	\$ 297,864	\$ 297,864	\$ 136,611	\$ 221,576
Net investment income (loss)	192,515	(306,932)	620,754	44,562	484,381	(82,743)	203,238	162,124	(254,296)	3,474
Benefit payments	(202,243)	(196,352)	(187,614)	(177,876)	(171,056)	(166,320)	(121,962)	(118,409)	(84,381)	(91,469)
Refunds								-	-	-
Pension plan administrative expense	(21,559)	(35,434)	(19,809)	(37,952)	(31,620)	(62,218)	(23,577)	(31,711)	(19,095)	(33,313)
Other	-	-	-	3	-	-	-	-	-	-
Net change in plan fiduciary net position	37,923	(469,508)	492,105	(92,489)	541,363	(51,623)	355,563	309,868	(221,161)	100,268
Plan fiduciary net position - beginning	3,418,926	3,888,434	3,396,329	3,488,818	2,947,455	2,999,078	2,643,515	2,333,647	2,554,808	2,454,540
Plan fiduciary net position - ending	<u>\$ 3,456,849</u>	<u>\$ 3,418,926</u>	<u>\$ 3,888,434</u>	<u>\$ 3,396,329</u>	<u>\$ 3,488,818</u>	<u>\$ 2,947,455</u>	<u>\$ 2,999,078</u>	<u>\$ 2,643,515</u>	<u>\$ 2,333,647</u>	<u>\$ 2,554,808</u>
C. Net pension liability (asset) (A-B)	<u>\$ (513,558)</u>	<u>\$ (502,942)</u>	<u>\$ (1,026,961)</u>	<u>\$ (571,048)</u>	<u>\$ (10,877)</u>	<u>\$ 444,079</u>	<u>\$ 447,870</u>	<u>\$ 670,520</u>	<u>\$ 874,159</u>	<u>\$ 503,099</u>
D. Plan fiduciary net position as a percentage of the total pension liability	117.45%	117.25%	135.89%	120.21%	100.31%	86.91%	87.01%	79.77%	72.75%	83.55%
E. Covered payroll	\$ 35,524	\$ 35,524	\$ 33,200	\$ 33,200	\$ 33,200	\$ 33,200	\$ 33,200	\$ 34,363	\$ 56,167	\$ 32,100
F. Net pension liability (asset) as a percentage of covered payroll	-1445.66%	-1415.78%	-3093.26%	-1720.02%	-32.76%	1337.59%	1349.01%	1951.28%	1556.36%	1567.29%

CITY OF HOMESTEAD, FLORIDA
REQUIRED SUPPLMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
NEW ELECTED OFFICIALS AND SENIOR MANAGEMENT RETIREMENT SYSTEM

Measurement date December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability										
Service Cost	\$ 68,720	\$ 68,040	\$ 62,057	\$ 63,256	\$ 62,683	\$ 62,110	\$ 58,646	\$ 58,065	\$ 44,342	\$ 43,903
Interest on the total pension liability	331,199	322,051	318,800	321,611	317,262	311,494	306,336	301,228	288,559	284,923
Difference between expected and actual experience of the total pension liability	-	93,697	-	34,588	-	15,577	-	20,951	-	-
Changes of assumptions	-	-	-	(130,952)	-	(2,652)	-	100,119	-	-
Benefit payments	(352,589)	(345,298)	(332,081)	(325,799)	(306,374)	(296,941)	(287,120)	(281,288)	(278,718)	(272,069)
Net change in total pension liability	47,330	138,490	48,776	(37,296)	73,571	89,588	77,862	199,075	54,183	56,757
Total pension liability - beginning	5,014,219	4,875,729	4,826,953	4,864,249	4,790,678	4,701,090	4,623,228	4,424,153	4,369,970	4,313,213
Total pension liability - ending	<u>\$ 5,061,549</u>	<u>\$ 5,014,219</u>	<u>\$ 4,875,729</u>	<u>\$ 4,826,953</u>	<u>\$ 4,864,249</u>	<u>\$ 4,790,678</u>	<u>\$ 4,701,090</u>	<u>\$ 4,623,228</u>	<u>\$ 4,424,153</u>	<u>\$ 4,369,970</u>
B. Plan fiduciary net position										
Contributions - employer	\$ 111,098	\$ 109,990	\$ 94,435	\$ 93,505	\$ 106,700	\$ 105,641	\$ 108,151	\$ 107,073	\$ 54,580	\$ 108,622
Net investment income (loss)	650,585	(834,062)	855,761	671,544	861,401	(194,291)	660,067	162,088	(64,059)	390,121
Benefit payments	(352,589)	(345,298)	(332,081)	(325,799)	(306,374)	(296,941)	(287,120)	(281,288)	(278,718)	(272,069)
Pension plan administrative expense	(32,520)	(47,746)	(29,605)	(45,324)	(39,620)	(47,118)	(66,113)	(47,988)	(29,472)	(31,358)
Other	-	-	-	-	-	-	(1,527)	-	-	-
Net change in plan fiduciary net position	376,574	(1,117,116)	588,510	393,926	622,107	(432,709)	413,458	(60,115)	(317,669)	195,316
Plan fiduciary net position - beginning	4,779,376	5,896,492	5,307,982	4,914,056	4,291,949	4,724,658	4,311,200	4,371,315	4,688,984	4,493,668
Plan fiduciary net position - ending	<u>\$ 5,155,950</u>	<u>\$ 4,779,376</u>	<u>\$ 5,896,492</u>	<u>\$ 5,307,982</u>	<u>\$ 4,914,056</u>	<u>\$ 4,291,949</u>	<u>\$ 4,724,658</u>	<u>\$ 4,311,200</u>	<u>\$ 4,371,315</u>	<u>\$ 4,688,984</u>
C. Net pension liability (asset) (A-B)	<u>\$ (94,401)</u>	<u>\$ 234,843</u>	<u>\$ (1,020,763)</u>	<u>\$ (481,029)</u>	<u>\$ (49,807)</u>	<u>\$ 498,729</u>	<u>\$ (23,568)</u>	<u>\$ 312,028</u>	<u>\$ 52,838</u>	<u>\$ (319,014)</u>
D. Plan fiduciary net position as a percentage of the total pension liability	101.87%	95.32%	120.94%	109.97%	101.02%	89.59%	100.50%	93.25%	98.81%	107.30%
E. Covered payroll	\$ 185,658	\$ 183,820	\$ 180,000	\$ 180,000	\$ 202,427	\$ 180,000	\$ 175,611	\$ 181,800	\$ 154,744	\$ 151,500
F. Net pension liability (asset) as a percentage of covered payroll	-50.85%	127.76%	-567.09%	-267.24%	-24.60%	277.07%	-13.42%	171.63%	34.15%	-210.57%

CITY OF HOMESTEAD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS RETIREMENT SYSTEM

Measurement date December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability										
Interest on the total pension liability	\$ 248,029	\$ 242,913	\$ 347,365	\$ 386,794	\$ 447,154	\$ 468,435	\$ 477,065	\$ 520,113	\$ 511,447	\$ 500,515
Difference between expected and actual experience of the total pension liability	117,776	146,844	(423,971)	98,587	(860,624)	109,911	113,721	(314,459)	-	87,812
Changes of assumptions	-	-	617,389	587,083	-	307,181	-	(61,905)	433,681	-
Benefit payments	(760,767)	(744,665)	(744,301)	(738,208)	(735,220)	(808,468)	(888,166)	(993,410)	(1,031,456)	(1,000,057)
Other: Change in share plan reserve	812,833	205,409	188,144	150,912	137,468	126,894	122,635	146,910	254,332	302,968
Net change in total pension liability	417,871	(149,499)	(15,374)	485,168	(1,011,222)	203,953	(174,745)	(702,751)	168,004	(108,762)
Total pension liability - beginning	7,060,511	7,210,010	7,225,384	6,740,216	7,751,438	7,547,485	7,722,230	8,424,981	8,256,977	8,365,739
Total pension liability - ending	<u>\$ 7,478,382</u>	<u>\$ 7,060,511</u>	<u>\$ 7,210,010</u>	<u>\$ 7,225,384</u>	<u>\$ 6,740,216</u>	<u>\$ 7,751,438</u>	<u>\$ 7,547,485</u>	<u>\$ 7,722,230</u>	<u>\$ 8,424,981</u>	<u>\$ 8,256,977</u>
B. Plan fiduciary net position										
Contributions - employer	\$ -	\$ -	\$ -	\$ 76,407	\$ 19,311	\$ 302,000	\$ 188,587	\$ 181,617	\$ 289,941	\$ 195,529
Contributions - employer (from state)	905,258	276,231	251,963	217,787	201,287	180,355	215,060	239,335	346,757	395,393
Net investment income (loss)	627,875	(856,298)	731,853	630,592	1,386,147	(367,995)	1,047,585	475,187	3,173	381,316
Benefit payments	(760,767)	(744,665)	(744,301)	(738,208)	(735,220)	(808,468)	(888,166)	(993,410)	(1,031,456)	(1,000,057)
Pension plan administrative expense	(70,795)	(89,200)	(90,109)	(79,480)	(76,003)	(88,289)	(72,089)	(58,793)	(61,629)	(54,920)
Net change in plan fiduciary net position	701,571	(1,413,932)	149,406	107,098	795,522	(782,397)	490,977	(156,064)	(453,214)	(82,739)
Plan fiduciary net position - beginning	6,566,619	7,980,551	7,831,145	7,724,047	6,928,525	7,710,922	7,219,945	7,376,009	7,829,223	7,911,962
Plan fiduciary net position - ending	<u>\$ 7,268,190</u>	<u>\$ 6,566,619</u>	<u>\$ 7,980,551</u>	<u>\$ 7,831,145</u>	<u>\$ 7,724,047</u>	<u>\$ 6,928,525</u>	<u>\$ 7,710,922</u>	<u>\$ 7,219,945</u>	<u>\$ 7,376,009</u>	<u>\$ 7,829,223</u>
C. Net pension liability (asset) (A-B)	<u>\$ 210,192</u>	<u>\$ 493,892</u>	<u>\$ (770,541)</u>	<u>\$ (605,761)</u>	<u>\$ (983,831)</u>	<u>\$ 822,913</u>	<u>\$ (163,437)</u>	<u>\$ 502,285</u>	<u>\$ 1,048,972</u>	<u>\$ 427,754</u>
D. Plan fiduciary net position as a percentage of the total pension liability	97.19%	93.00%	110.69%	108.38%	114.60%	89.38%	102.17%	93.50%	87.55%	94.82%
E. Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement date October 1,	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
A. Service cost	\$ 191,220	\$ 225,494	\$ 259,767	\$ 721,421	\$ 1,183,074	\$ 764,962	\$ 1,040,917
B. Interest cost	335,804	257,082	254,345	356,320	357,805	524,308	421,901
C. Difference due to changes in benefit terms	-	-	-	-	5,045,956	-	-
D. Difference between actual and expected experience	-	(1,259,692)	-	(4,016,426)	-	(5,045,546)	-
E. Total difference due to changes in assumptions	(213,045)	(1,964,634)	74,104	1,193,783	(4,181,097)	561,410	(850,170)
F. Benefit payments	<u>(187,345)</u>	<u>(206,044)</u>	<u>(179,169)</u>	<u>(151,940)</u>	<u>(124,710)</u>	<u>(73,317)</u>	<u>(52,936)</u>
G. Net change in Total OPEB liability	126,634	(2,947,794)	409,047	(1,896,842)	2,281,028	(3,268,183)	559,712
H. Total OPEB liability - beginning	<u>8,675,164</u>	<u>11,622,958</u>	<u>11,213,911</u>	<u>13,110,753</u>	<u>10,829,725</u>	<u>14,097,908</u>	<u>13,538,196</u>
I. Total OPEB liability - ending	\$ 8,801,798	\$ 8,675,164	\$ 11,622,958	\$ 11,213,911	\$ 13,110,753	\$ 10,829,725	\$ 14,097,908
J. Assets *	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
K. Total OPEB liability - ending	<u><u>\$ 8,801,798</u></u>	<u><u>\$ 8,675,164</u></u>	<u><u>\$ 11,622,958</u></u>	<u><u>\$ 11,213,911</u></u>	<u><u>\$ 13,110,753</u></u>	<u><u>\$ 10,829,725</u></u>	<u><u>\$ 14,097,908</u></u>
 Covered-employee payroll	 \$ 33,970,512	 \$ 31,269,142	 \$ 28,231,945	 \$ 26,312,509	 \$ 26,751,423	 \$ 25,697,804	 \$ 24,961,866
 Total OPEB liability as a percentage of covered payroll	 25.91%	 27.74%	 41.17%	 42.62%	 49.01%	 42.14%	 56.48%

Note: This schedule is intended to have ten years of data.
Implementation of GASB No. 75 occurred in fiscal year 2018.
Additional data to be compiled as information becomes available.
* There is no assets accumulated in a trust since this is an unfunded plan.

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST TEN YEARS

City's Fiscal Year Ended	Actuarially Determined Contribution	Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll *	Actual contribution as a % of covered payroll		
General Employees' Retirement Plan							
09/30/24	\$ 1,488,608	\$ 1,488,608	\$ -	\$ 6,422,475	23.18%	Valuation date	10/1/2022
09/30/23	1,147,568	1,147,568	-	6,495,650	17.67%	Actuarial cost method	Entry age normal
09/30/22	1,771,698	1,771,698	-	6,332,025	27.98%	Amortization method	level dollar amount, closed
09/30/21	2,155,733	2,155,733	-	6,689,975	32.22%	Remaining amortization period	10 years
09/30/20	2,476,457	2,476,457	-	7,365,050	33.62%	Asset valuation method	4-year smoothed market
09/30/19	2,613,899	2,613,899	-	7,790,275	33.55%	Salary increases	5.0% including inflation
09/30/18	2,794,643	2,794,643	-	8,403,325	33.26%	Investment rate of return	6.75%
09/30/17	2,505,891	2,505,891	-	9,012,525	27.80%	Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
09/30/16	2,725,022	2,725,022	-	8,845,600	30.81%	Mortality	The PUB-2010 Headcount Weighted General Below Median Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted General Below median. Healthy Retiree Mortality Table (for post - retirement mortality), with separate rates for males and females and ages set back one year for males, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For disables retirees, PUB-2010 Headcount Weighted General Disables Retiree Male and Female Tables, with a 3-year setforward for both males and females, with no provision being made for mortality improvements. These are the same rates used for Regular Class members in the July 1, 2021 actuarial valuation of the Florida Retirement System (FRS) Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.
09/30/15	2,834,656	2,834,656	-	9,008,325	31.47%		
Police Officers' Retirement Plan							
09/30/24	\$ 6,721,100	\$ 6,721,100	\$ -	\$ 10,678,510	62.94%	Valuation date	10/1/2022
09/30/23	6,170,091	6,170,091	-	10,922,362	56.49%	Actuarial cost method	Entry age normal
09/30/22	6,025,696	6,025,696	-	10,387,703	58.01%	Amortization method	Level dollar, closed
09/30/21	5,765,336	5,765,336	-	9,613,516	59.97%	Remaining amortization period	17 years
09/30/20	5,107,840	5,107,840	-	9,917,948	51.50%	Asset valuation method	4-year smoothed market
09/30/19	4,776,061	4,522,886	** 253,175	8,821,373	51.27%	Salary increases	5.75% to 10.50% depaending on service
09/30/18	4,648,788	3,886,218	** 762,570	8,151,843	47.67%	Investment rate of return	7.00%
09/30/17	4,321,511	4,574,686	*** (253,175)	7,858,654	58.21%	Retirement age	Upon eligibility
09/30/16	4,051,435	4,259,601	*** (208,166)	7,394,222	57.61%	Mortality	<u>Pre-retirement:</u> PUB-2010 Headcount Weighted Safety Below Median Employee Male Table, set forward one year, and the PUB-2010 Headcount Weighted Safety Employee Female Table, set forward one year.
09/30/15	4,076,435	4,344,721	*** (268,286)	7,145,922	60.80%		<u>Post-retirement:</u> PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward one year, and the PUB-2010 Headcount Weighted Safety Healthy Retiree Female Table, set forward one year. Mortality improvements are projected to all future years after 2010 using Scale MP-2018. Motrtality improvements are being made for each year after 2010 using gender-specific MP-2018 projection scales. The mortality assumption is the same as used for Special Risk Members of the Florida Retirement System (FRS) in the July 1, 2021 actuarial valuation, in compliance with Florida Statutes.

Notes to the schedule of contributions:

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

* Covered employee payroll was calculated by dividing total member contributions (excluding buyback contributions) for the fiscal year by the member contribution rate of 4% fot the General Employees' Retirement Plan and 7.65% for the Police Officers' Retirement Plan.

** Pursuant to Senate Bill 172, the City and Plan members mutually consented to use of the State contribution reserve of \$762,570 as an offset to the City's contribution requirement for fiscal year ending September 30, 2018 and \$253,175 for the fiscal year ending September 30, 2019.

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST TEN YEARS

Pension Plan YE	City's Fiscal Year Ended	Actuarially Determined Contribution	Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual contribution as a % of covered payroll		
Elected Officials Retirement Plan								
12/31/23	09/30/24	\$ 69,210	\$ 69,210	\$ -	\$ 35,524	194.83%	Valuation date	1/1/2022
12/31/22	09/30/23	69,210	69,210	-	35,524	194.83%	Actuarial cost method	Entry age, normal
12/31/21	09/30/22	78,774	78,774	-	33,200	237.27%	Amortization method	level dollar, closed
12/31/20	09/30/21	78,774	78,774	-	33,200	237.27%	Remaining amortization period	4 years
12/31/19	09/30/20	259,658	259,658	-	33,200	782.10%	Asset valuation method	Market value of assets
12/31/18	09/30/19	259,658	259,658	-	33,200	782.10%	Salary increases	7.00%
12/31/17	09/30/18	297,864	297,864	-	33,200	897.18%	Investment rate of return	6.75%
12/31/16	09/30/17	297,864	297,864	-	34,363	866.82%	Retirement age	100% when first eligible for normal retirement
12/31/15	09/30/16	136,611	136,611	-	56,167	** 243.22%	Mortality	PUB-2010 Headcount Weighted Below-Median Employee Mortality Tables, set back 1 year for males (pre-retirement) and the PUB-2010 Headcount Weighted Below-Median Healthy Retiree Tables, set back 1 year for males (post-retirement), with mortality improvements projected to each future year after 2010 using Scale MP-2018. These are the same mortality tables used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2020 actuarial valuation.
12/31/14	09/30/15	136,611	221,576	(84,965)	32,100	690.27%		
New Elected Officials and Senior Management Retirement System								
12/31/23	09/30/24	\$ 111,098	\$ 111,098	\$ -	\$ 185,658	59.84%	Valuation date	1/1/2022
12/31/22	09/30/23	109,990	109,990	-	183,820	59.84%	Actuarial cost method	Aggregate
12/31/21	09/30/22	94,435	94,435	-	180,000	52.46%	Amortization method	N/A
12/31/20	09/30/21	93,505	93,505	-	180,000	51.95%	Remaining amortization period	N/A
12/31/19	09/30/20	106,700	106,700	-	202,427	52.71%	Asset valuation method	Market value of assets
12/31/18	09/30/19	105,641	105,641	-	180,000	58.69%	Salary increases	1% per year
12/31/17	09/30/18	108,151	108,151	-	175,611	61.59%	Investment rate of return	6.75%
12/31/16	09/30/17	107,073	107,073	-	181,800	58.90%	Retirement age	100% when first eligible for normal retirement
12/31/15	09/30/16	54,580	54,580	-	154,744	35.27%	Mortality	PUB-2010 Headcount Weighted Below-Median Employee Mortality Tables, set back 1 year for males (pre-retirement) and the PUB-2010 Headcount Weighted Below-Median Healthy Retiree Tables, set back 1 year for males (post-retirement), with mortality improvements projected to each future year after 2010 using Scale MP-2018. These are the same mortality tables used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2020 actuarial valuation.
12/31/14	09/30/15	54,042	108,622	(54,580)	151,500	71.70%		

Notes to the schedule of contributions:

Notes : Actuarially determined contribution amounts are calculated as of January 1, which is one year prior to the end of the plan year in which contributions are reported. Valuations are performed every other year. Additional data to be compiled as information becomes available.

* Covered payroll is estimated to be the covered payroll in the actuarial valuation except where otherwise noted.

** Reflects total pay for a rehired active member and an active member who retired during the plan year.

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST TEN YEARS

Pension Plan YE	City's Fiscal Year Ended	Actuarially Determined Contribution	Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual contribution as a % of covered payroll			
Firefighters Retirement System									
12/31/23	09/30/24	\$ 60,197	\$ 92,425	\$ (32,228)	\$ -	N/A	Valuation date	1/1/2023	
12/31/22	09/30/23	38,832	70,822	(31,990)	-	N/A	Actuarial cost method	Entry age normal actuarial cost method	
12/31/21	09/30/22	54,545	63,819	(9,274)	-	N/A	Amortization method	level dollar, closed	
12/31/20	09/30/21	143,282	143,282	-	-	N/A	Remaining amortization period	10 years	
12/31/19	09/30/20	83,130	83,130	-	-	N/A	Asset valuation method	5-year smoothed market	
12/31/18	09/30/19	354,322	354,322	-	-	N/A	Inflation	2.00%	
12/31/17	09/30/18	** 282,150	282,150	-	-	N/A	Salary increases	N/A	
12/31/16	09/30/17	274,042	274,042	-	-	N/A	Investment rate of return	3.0%, net of investment -related and administrative expenses	
12/31/15	09/30/16	382,366	382,366	-	-	N/A	Retirement age	N/A	
12/31/14	09/30/15	* 287,954	287,954	-	-		Mortality	The same mortality tables and improvement scales used by the Florida Retirement System (FRS) for Special Risk Class members in the July 1, 2021 actuarial valuation, in compliance with Florida Statutes Chapter 112.63(1)(f), which mandates use of the same mortality assumptions from one of the two published FRS actuarial valuation reports.	

Notes to the schedule of contributions:

Notes : Actuarially determined contribution amounts are calculated as of January 1, which is one year prior to the end of the plan year in which contributions are reported.
 Additional data to be compiled as information becomes available.



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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Impact Fees Fund – This fund was established to account for the receipt and expenditure of impact fees assessed on residential and non-residential new developments. This fund is also used to account for the receipt and expenditure of public art fees.

Sundries Grants – This fund is used to account for expenditures and revenues derived from various grants.

Community Development Block Grants – This fund was established to account for expenditures and revenues derived from Community Development Block Grants obtained from the Department of Housing and Urban Development (HUD), and other local agencies.

Confiscated Property Law Enforcement Fund – This fund is used to account for monies received from federal and state confiscated and forfeited property and from county surcharges of traffic violations. The federal and state equitable shared property are to be used in accordance with State of Florida Statutes, Chapter 932, the United States Department of Justice publication, *A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies*, and the United States Treasury Department publication, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies*, which govern the use of confiscated and forfeited funds. The county funds are restricted to use on police training activities.

Disaster Relief Fund – This fund was established to account for expenditures and reimbursements related to natural disasters.

Debt Service Funds

Debt service funds are used to account for the servicing of the certain governmental debt.

Taxable Transportation System Revenue Bonds Debt Service – This fund is used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of the Taxable Transportation System Revenue Bonds, Series 2017.

CRA Tax Increment Revenue Note Debt Service – This fund was used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of the Community Redevelopment Agency (CRA) Tax Increment Revenue Note, Series 2023.

GOB Debt Service – This fund is used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of the General Obligation Bonds, Series 2014.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

People's Transportation Plan – This fund is used to account for surtax revenues received from Miami-Dade County based on a one-half of one percent discretionary sales surtax on all transactions occurring in Miami-Dade County per an Interlocal agreement. At least 20% of the surtax revenue must be used for transit purposes such as buses, bus shelters and other transit-related infrastructure and the remainder be used for transportation.

Multimodal Transit Center Fund – This capital project fund is used to account for the costs associated with the construction of a parking garage/retail facility (Multimodal Transit Center). This fund was closed out at the end of fiscal year 2024.

Capital Improvement Fund – This fund is used to account for various capital improvement projects for the General Fund, funded mostly from the equipment financing.

Cybrarium Fund – This fund is used to account for most of the costs associated with the construction of a new Cybrarium building, and the various sources of funding, including a HUD Section 108 Loan.

CITY OF HOMESTEAD, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue Funds					<u>Total</u>
	<u>Impact Fees Funds</u>	<u>Sundries Grants</u>	<u>Community Development Block Grants</u>	<u>Confiscated Property</u>	<u>Disaster Relief</u>	
ASSETS						
Cash and cash equivalents	\$ 3,458,935	\$ 125,742	\$ 261,805	\$ -	\$ 458,173	\$ 4,304,655
Investments	4,852,324	-	-	-	-	4,852,324
Interest receivable on investments	13,249	-	-	1,256	-	14,505
Account receivables, net	-	3,509,518	263,055	505	233,580	4,006,658
Restricted assets:						
Cash and cash equivalents	-	-	-	2,043,724	-	2,043,724
Investments	-	-	-	270,293	-	270,293
Asset available for sale	-	-	807,346	-	-	807,346
Total Assets	<u>\$ 8,324,508</u>	<u>\$ 3,635,260</u>	<u>\$ 1,332,206</u>	<u>\$ 2,315,778</u>	<u>\$ 691,753</u>	<u>\$ 16,299,505</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 228,894	\$ 1,271,141	\$ 147,475	\$ 58,189	\$ 840	\$ 1,706,539
Due to other funds	-	500,000	-	-	-	500,000
Unearned revenue	313,301	1,217,413	273,412	531,276	-	2,335,402
Total Liabilities	<u>542,195</u>	<u>2,988,554</u>	<u>420,887</u>	<u>589,465</u>	<u>840</u>	<u>4,541,941</u>
FUND BALANCES						
<i>Restricted :</i>						
Grants	-	646,706	-	-	-	646,706
Community development	-	-	911,319	-	-	911,319
Disaster relief	-	-	-	-	690,913	690,913
Parks and recreation	3,901,853	-	-	-	-	3,901,853
Law enforcement	853,022	-	-	1,726,313	-	2,579,335
Road improvements	864,376	-	-	-	-	864,376
<i>Committed :</i>						
Public art	2,074,660	-	-	-	-	2,074,660
Transportation	88,402	-	-	-	-	88,402
Total fund balances	<u>7,782,313</u>	<u>646,706</u>	<u>911,319</u>	<u>1,726,313</u>	<u>690,913</u>	<u>11,757,564</u>
Total liabilities and fund balances	<u>\$ 8,324,508</u>	<u>\$ 3,635,260</u>	<u>\$ 1,332,206</u>	<u>\$ 2,315,778</u>	<u>\$ 691,753</u>	<u>\$ 16,299,505</u>

(Continued)

CITY OF HOMESTEAD, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2024

	Debt Service Funds			
	Taxable Transportation System Revenue <u>Bonds</u>	CRA Tax Increment Revenue <u>Note</u>	Genaral Obligation <u>Bonds</u>	<u>Total</u>
ASSETS				
Account receivables, net	\$ -	\$ -	\$ 3,983	\$ 3,983
Restricted assets:				
Cash and cash equivalents	<u>465,009</u>	<u>135,603</u>	<u>97,843</u>	<u>698,455</u>
Total Assets	<u>\$ 465,009</u>	<u>\$ 135,603</u>	<u>\$ 101,826</u>	<u>\$ 702,438</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>-</u>	<u>102,881</u>	<u>-</u>	<u>102,881</u>
Total Liabilities	<u>-</u>	<u>102,881</u>	<u>-</u>	<u>102,881</u>
FUND BALANCES				
<i>Restricted :</i>				
Debt service	<u>465,009</u>	<u>32,722</u>	<u>101,826</u>	<u>599,557</u>
Total fund balances	<u>465,009</u>	<u>32,722</u>	<u>101,826</u>	<u>599,557</u>
 Total liabilities and fund balances	 <u>\$ 465,009</u>	 <u>\$ 135,603</u>	 <u>\$ 101,826</u>	 <u>\$ 702,438</u>

(Continued)

CITY OF HOMESTEAD, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2024

	Capital Projects Funds					Total Other Governmental Funds
	People's Transportation <u>Plan</u>	Multimodal Transit Center <u>Fund</u>	Capital Improvement <u>Improvement</u>	<u>Cybrarium</u>	<u>Total</u>	
ASSETS						
Cash and cash equivalents	\$ 6,158,076	\$ -	\$ 2,329,537	\$ 594,798	\$ 9,082,411	\$ 13,387,066
Investments	766,924	-	-	74,993	841,917	5,694,241
Interest receivable on investments	3,563	-	-	382	3,945	18,450
Account receivables, net	1,226,059	-	-	-	1,226,059	5,236,700
Restricted assets:						
Cash and cash equivalents	-	-	9,934	-	9,934	2,752,113
Investments	-	-	-	7,286	7,286	277,579
Asset available for sale	-	-	-	-	-	807,346
Total Assets	<u>\$ 8,154,622</u>	<u>\$ -</u>	<u>\$ 2,339,471</u>	<u>\$ 677,459</u>	<u>\$ 11,171,552</u>	<u>\$ 28,173,495</u>
LIABILITIES						
Accounts payable and accrued liabilities	566,228	-	463,792	36,900	1,066,920	2,876,340
Due to other funds	-	-	-	-	-	500,000
Unearned revenue	<u>539,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>539,922</u>	<u>2,875,324</u>
Total Liabilities	<u>1,106,150</u>	<u>-</u>	<u>463,792</u>	<u>36,900</u>	<u>1,606,842</u>	<u>6,251,664</u>
FUND BALANCES						
<i>Restricted :</i>						
Grants	-	-	-	-	-	646,706
Community development	-	-	-	-	-	911,319
Disaster relief	-	-	-	-	-	690,913
Parks and recreation	-	-	-	-	-	3,901,853
Law enforcement	-	-	-	-	-	2,579,335
Road improvements	-	-	-	-	-	864,376
Debt service	-	-	-	-	-	599,557
Capital Project	-	-	-	7,286	7,286	7,286
Transit and transportation	7,048,472	-	-	-	7,048,472	7,048,472
<i>Committed :</i>						
Public art	-	-	-	-	-	2,074,660
Transportation	-	-	-	-	-	88,402
<i>Assigned :</i>						
Capital Project	<u>-</u>	<u>-</u>	<u>1,875,679</u>	<u>633,273</u>	<u>2,508,952</u>	<u>2,508,952</u>
Total fund balances	<u>7,048,472</u>	<u>-</u>	<u>1,875,679</u>	<u>640,559</u>	<u>9,564,710</u>	<u>21,921,831</u>
Total liabilities and fund balances	<u>\$ 8,154,622</u>	<u>\$ -</u>	<u>\$ 2,339,471</u>	<u>\$ 677,459</u>	<u>\$ 11,171,552</u>	<u>\$ 28,173,495</u>

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds					<u>Total</u>
	Impact Fees <u>Fund</u>	Sundries <u>Grants</u>	Community Development Block <u>Grants</u>	Confiscated <u>Property</u>	Disaster <u>Relief</u>	
Revenues:						
Intergovernmental	\$ 6,068,466	\$ 3,639,670	\$ 1,691,629	\$ -	\$ 56,210	\$ 11,455,975
Fines and forfeitures	-	38,213	-	458,313	-	496,526
Investment earnings (loss)	160,751	-	-	15,383	-	176,134
Other revenues	-	27,569	-	-	-	27,569
Total revenues	<u>6,229,217</u>	<u>3,705,452</u>	<u>1,691,629</u>	<u>473,696</u>	<u>56,210</u>	<u>12,156,204</u>
Expenditures:						
Current:						
General government	12,001	2,469	386,614	-	-	401,084
Public safety	82,084	1,937,150	-	110,705	-	2,129,939
Public works	-	385,904	-	-	-	385,904
Parks and recreation	-	96,272	-	-	-	96,272
Disaster relief	-	-	-	-	4,128	4,128
Capital outlay	524,479	1,319,999	245,597	70,166	-	2,160,241
Debt service:						
Principal	-	-	965,000	-	-	965,000
Interest and fiscal charges	-	-	126,859	-	-	126,859
Total expenditures	<u>618,564</u>	<u>3,741,794</u>	<u>1,724,070</u>	<u>180,871</u>	<u>4,128</u>	<u>6,269,427</u>
Excess (deficiency) of revenues over expenditures	<u>5,610,653</u>	<u>(36,342)</u>	<u>(32,441)</u>	<u>292,825</u>	<u>52,082</u>	<u>5,886,777</u>
Change in fund balances	5,610,653	(36,342)	(32,441)	292,825	52,082	5,886,777
Fund balances, beginning	<u>2,171,660</u>	<u>683,048</u>	<u>943,760</u>	<u>1,433,488</u>	<u>638,831</u>	<u>5,870,787</u>
Fund balances, ending	<u>\$ 7,782,313</u>	<u>\$ 646,706</u>	<u>\$ 911,319</u>	<u>\$ 1,726,313</u>	<u>\$ 690,913</u>	<u>\$ 11,757,564</u>

(Continued)

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Debt Service Funds			
	Taxable Transportation System Revenue <u>Bonds</u>	CRA Tax Increment Revenue <u>Note</u>	General Obligation <u>Bonds</u>	<u>Total</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ 1,499,353	\$ 1,499,353
Total revenues	<u>-</u>	<u>-</u>	<u>1,499,353</u>	<u>1,499,353</u>
Expenditures:				
Debt service:				
Principal	720,000	134,000	620,000	1,474,000
Interest and fiscal charges	<u>1,076,011</u>	<u>208,631</u>	<u>863,688</u>	<u>2,148,330</u>
Total expenditures	<u>1,796,011</u>	<u>342,631</u>	<u>1,483,688</u>	<u>3,622,330</u>
Excess (deficiency) of revenues over expenditures	<u>(1,796,011)</u>	<u>(342,631)</u>	<u>15,665</u>	<u>(2,122,977)</u>
Other financing sources:				
Transfers in	<u>1,800,000</u>	<u>335,000</u>	<u>-</u>	<u>2,135,000</u>
Total other financing sources	<u>1,800,000</u>	<u>335,000</u>	<u>-</u>	<u>2,135,000</u>
Change in fund balances	3,989	(7,631)	15,665	12,023
Fund balances, beginning	<u>461,020</u>	<u>40,353</u>	<u>86,161</u>	<u>587,534</u>
Fund balances, ending	<u>\$ 465,009</u>	<u>\$ 32,722</u>	<u>\$ 101,826</u>	<u>\$ 599,557</u>

(Continued)

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Capital Projects Funds					Total Other Governmental Funds
	People's Transportation <u>Plan</u>	Multimodal Transit Center <u>Fund</u>	Capital Improvement <u>Improvement</u>	Cybrarium <u>Cybrarium</u>	<u>Total</u>	
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,499,353
Intergovernmental	5,151,663	-	-	-	5,151,663	16,607,638
Fines and forfeitures	-	-	-	-	-	496,526
Investment income (loss)	44,091	-	45	4,698	48,834	224,968
Rentals and other revenues	-	-	25,000	-	25,000	52,569
Total revenues	<u>5,195,754</u>	<u>-</u>	<u>25,045</u>	<u>4,698</u>	<u>5,225,497</u>	<u>18,881,054</u>
Expenditures:						
Current:						
General government	-	-	199,205	-	199,205	600,289
Public safety	-	-	12,292	-	12,292	2,142,231
Public works	1,236,191	-	-	-	1,236,191	1,622,095
Parks and recreation	-	-	5,695	14,500	20,195	116,467
Disaster relief	-	-	-	-	-	4,128
Capital outlay	2,256,321	-	1,395,403	190,089	3,841,813	6,002,054
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	2,439,000
Interest and fiscal charges	-	-	-	-	-	2,275,189
Total expenditures	<u>3,492,512</u>	<u>-</u>	<u>1,612,595</u>	<u>204,589</u>	<u>5,309,696</u>	<u>15,201,453</u>
Excess (deficiency) of revenues over expenditures	<u>1,703,242</u>	<u>-</u>	<u>(1,587,550)</u>	<u>(199,891)</u>	<u>(84,199)</u>	<u>3,679,601</u>
Other financing sources (uses):						
Transfers in	1,700,000	-	2,961,282	146,656	4,807,938	6,942,938
Transfers out	<u>(1,400,000)</u>	<u>(4,828,296)</u>	<u>-</u>	<u>-</u>	<u>(6,228,296)</u>	<u>(6,228,296)</u>
Total other financing sources	<u>300,000</u>	<u>(4,828,296)</u>	<u>2,961,282</u>	<u>146,656</u>	<u>(1,420,358)</u>	<u>714,642</u>
Change in fund balances	2,003,242	(4,828,296)	1,373,732	(53,235)	(1,504,557)	4,394,243
Fund balances, beginning	<u>5,045,230</u>	<u>4,828,296</u>	<u>501,947</u>	<u>693,794</u>	<u>11,069,267</u>	<u>17,527,588</u>
Fund balances, ending	<u>\$ 7,048,472</u>	<u>\$ -</u>	<u>\$ 1,875,679</u>	<u>\$ 640,559</u>	<u>\$ 9,564,710</u>	<u>\$ 21,921,831</u>

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

NONMAJOR GOVERNMENTAL FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds							
	Impact Fees Fund				Confiscated Property			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 1,360,000	\$ 1,360,000	\$ 6,068,466	\$ 4,708,466	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	458,313	458,313
Investment income (loss)	54,000	54,000	160,751	106,751	9,000	9,000	15,383	6,383
Rentals and other revenues	-	-	-	-	-	-	-	-
Total revenues	1,414,000	1,414,000	6,229,217	4,815,217	9,000	9,000	473,696	464,696
Expenditures:								
Current:								
General government	1,262,376	973,913	12,001	961,912	-	-	-	-
Public safety	254,652	254,171	82,084	172,087	853,583	853,583	110,705	742,878
Parks and recreation	364,786	352,785	-	352,785	-	-	-	-
Capital outlay	1,873,694	2,174,639	524,479	1,650,160	209,440	209,440	70,166	139,274
Total expenditures	3,755,508	3,755,508	618,564	3,136,944	1,063,023	1,063,023	180,871	882,152
Excess (deficiency) of revenues over expenditures	(2,341,508)	(2,341,508)	5,610,653	7,952,161	(1,054,023)	(1,054,023)	292,825	1,346,848
Other financing sources (uses):								
Appropriation of prior years' fund balance	2,341,508	2,341,508	-	(2,341,508)	1,054,023	1,054,023	-	(1,054,023)
Total other financing sources	2,341,508	2,341,508	-	(2,341,508)	1,054,023	1,054,023	-	(1,054,023)
Change in fund balance	\$ -	\$ -	5,610,653	\$ 5,610,653	\$ -	\$ -	292,825	\$ 292,825
Fund balances, beginning			2,171,660				1,433,488	
Fund balance - ending			\$ 7,782,313				\$ 1,726,313	

(Continued)

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds			
	Disaster Relief Fund			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Rentals and other revenues	\$ -	\$ -	\$ 56,210	\$ 56,210
Total revenues	-	-	56,210	56,210
Expenditures:				
Current:				
Disaster relief	23,702	23,702	4,128	19,574
Total expenditures	23,702	23,702	4,128	19,574
Excess (deficiency) of revenues over expenditures	(23,702)	(23,702)	52,082	75,784
Other financing sources (uses):				
Appropriation of prior years' fund balance	23,702	23,702	-	(23,702)
Total other financing sources	23,702	23,702	-	(23,702)
Change in fund balance	\$ -	\$ -	52,082	\$ 52,082
Fund balance - beginning			638,831	
Fund balance - ending			\$ 690,913	

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Debt Service Funds							
	Taxable Transportation System Revenue Bonds				CRA Tax Increment Revenue Note			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:								
Current:								
General government	3,988	3,988	-	3,988	662	662	-	662
Debt service:								
Principal	720,000	720,000	720,000	-	134,000	134,000	134,000	-
Interest and fiscal charges	1,076,012	1,076,012	1,076,011	1	200,338	200,338	208,631	(8,293)
Total expenditures	1,800,000	1,800,000	1,796,011	3,989	335,000	335,000	342,631	(7,631)
Excess (deficiency) of revenues over expenditures	(1,800,000)	(1,800,000)	(1,796,011)	3,989	(335,000)	(335,000)	(342,631)	(7,631)
Other financing sources (uses):								
Transfers in	1,800,000	1,800,000	1,800,000	-	335,000	335,000	335,000	-
Total other financing sources	1,800,000	1,800,000	1,800,000	-	335,000	335,000	335,000	-
Change in fund balance	\$ -	\$ -	3,989	\$ 3,989	\$ -	\$ -	(7,631)	(7,631)
Fund balance - beginning			461,020				40,353	
Fund balance - ending			\$ 465,009				\$ 32,722	

(Continued)

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Debt Service Funds			
	<u>General Obligation Bonds</u>			
	Budgeted		Actual	Variance
	<u>Original</u>	<u>Final</u>		with Final
				Budget -
				Positive
				(Negative)
Revenues:				
Property taxes	\$ 1,479,068	\$ 1,479,068	\$ 1,499,353	\$ 20,285
Total revenues	<u>1,479,068</u>	<u>1,479,068</u>	<u>1,499,353</u>	<u>20,285</u>
Expenditures:				
Debt service:				
Principal	620,000	620,000	620,000	-
Interest and fiscal charges	<u>864,738</u>	<u>864,738</u>	<u>863,688</u>	<u>1,050</u>
Total expenditures	<u>1,484,738</u>	<u>1,484,738</u>	<u>1,483,688</u>	<u>1,050</u>
Excess (deficiency) of revenues over expenditures	<u>(5,670)</u>	<u>(5,670)</u>	<u>15,665</u>	<u>21,335</u>
Other financing sources (uses):				
Appropriation of prior years' fund balance	<u>5,670</u>	<u>5,670</u>	<u>-</u>	<u>(5,670)</u>
Total other financing sources	<u>5,670</u>	<u>5,670</u>	<u>-</u>	<u>(5,670)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>15,665</u>	<u>\$ 15,665</u>
Fund balance - beginning			<u>86,161</u>	
Fund balance - ending			<u>\$ 101,826</u>	

(Continued)

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Capital Project Fund							
	People's Transportation Plan				Multimodal Transit Center Fund			
	Budgeted Original	Final	Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts Original	Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues:								
Intergovernmental	\$ 5,120,137	\$ 5,120,137	\$ 5,151,663	\$ 31,526	\$ -	\$ -	\$ -	\$ -
Investment income (loss)	18,000	18,000	44,091	26,091	-	-	-	-
Total revenues	<u>5,138,137</u>	<u>5,138,137</u>	<u>5,195,754</u>	<u>57,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current:								
Public works	3,530,946	3,127,038	1,236,191	1,890,847	-	-	-	-
Capital outlay	<u>6,562,219</u>	<u>6,966,127</u>	<u>2,256,321</u>	<u>4,709,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,093,165</u>	<u>10,093,165</u>	<u>3,492,512</u>	<u>6,600,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(4,955,028)</u>	<u>(4,955,028)</u>	<u>1,703,242</u>	<u>6,658,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources::								
Transfers in	1,700,000	1,700,000	1,700,000	-	-	-	-	-
Transfers out	(1,400,000)	(1,400,000)	(1,400,000)	-	(4,828,297)	(4,828,297)	(4,828,296)	1
Appropriation of prior years' fund balance	<u>4,655,028</u>	<u>4,655,028</u>	<u>-</u>	<u>(4,655,028)</u>	<u>4,828,297</u>	<u>4,828,297</u>	<u>-</u>	<u>(4,828,297)</u>
Total other financing sources	<u>4,955,028</u>	<u>4,955,028</u>	<u>300,000</u>	<u>(4,655,028)</u>	<u>-</u>	<u>-</u>	<u>(4,828,296)</u>	<u>(4,828,296)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,003,242</u>	<u>\$ 2,003,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,828,296)</u>	<u>\$ (4,828,296)</u>
Fund balances, beginning			<u>5,045,230</u>				<u>4,828,296</u>	
Fund balance - ending			<u>\$ 7,048,472</u>				<u>\$ -</u>	

(Continued)

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Capital Project Funds							
	Capital Improvement				Cybrarium			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Investment income	\$ -	\$ -	\$ 45	\$ 45	\$ -	\$ -	\$ 4,698	\$ 4,698
Rentals and other revenues	-	-	25,000	25,000	-	-	-	-
Total revenues	-	-	25,045	25,045	-	-	4,698	4,698
Expenditures:								
Current:								
General government	530,741	449,550	199,205	250,345	-	-	-	-
Public safety	12,293	12,293	12,292	1	-	-	-	-
Parks and recreation	5,695	5,695	5,695	-	44,735	44,735	14,500	30,235
Disaster relief	-	-	-	-	-	-	-	-
Capital outlay	2,985,284	3,066,475	1,395,403	1,671,072	777,346	777,346	190,089	587,257
Total expenditures	3,534,013	3,534,013	1,612,595	1,921,418	822,081	822,081	204,589	617,492
Excess (deficiency) of revenues over expenditures	(3,534,013)	(3,534,013)	(1,587,550)	1,946,463	(822,081)	(822,081)	(199,891)	622,190
Other financing sources (uses):								
Transfers in	2,961,282	2,961,282	2,961,282	-	146,656	146,656	146,656	-
Appropriation of prior years' fund balance	572,731	572,731	-	(572,731)	675,425	675,425	-	(675,425)
Total other financing sources	3,534,013	3,534,013	2,961,282	(572,731)	822,081	822,081	146,656	(675,425)
Change in fund balance	\$ -	\$ -	1,373,732	\$ 1,373,732	\$ -	\$ -	(53,235)	\$ (53,235)
Fund balance - beginning			501,947				693,794	
Fund balance - ending			\$ 1,875,679				\$ 640,559	

NONMAJOR PROPRIETARY FUNDS

NONMAJOR PROPRIETARY FUNDS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's Council has decided that periodic determination of net income is appropriate for accountability purposes.

Stormwater Fund - This fund accounts for the daily operating activities related to the Stormwater Utility.

Utilities Repair, Replacement and Improvement Fund – This fund accounts for the accumulation of assets to be utilized for the repair, replacement and improvements of the electric, water, sewer, and solid waste facilities of the City.



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CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	<u>Stormwater</u>	<u>Utilities Repair Replacement and Improvements</u>	<u>Total Other Enterprise Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 214,416	\$ 705,344	\$ 919,760
Investments	2,293,259	-	2,293,259
Interest receivable on investments	10,652	-	10,652
Account receivables, net	728,263	-	728,263
Due from other funds	-	1,200,000	1,200,000
Total current assets	<u>3,246,590</u>	<u>1,905,344</u>	<u>5,151,934</u>
Noncurrent assets:			
Capital assets being depreciated, net	<u>844,058</u>	-	<u>844,058</u>
Total noncurrent assets	<u>844,058</u>	-	<u>844,058</u>
Total assets	<u>4,090,648</u>	<u>1,905,344</u>	<u>5,995,992</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pension	231,208	-	231,208
Deferred outflows for OPEB	<u>5,217</u>	-	<u>5,217</u>
Total deferred outflows of resources	<u>236,425</u>	-	<u>236,425</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	154,223	-	154,223
Compensated absences	19,481	-	19,481
OPEB liability	<u>6,073</u>	-	<u>6,073</u>
Total current liabilities	<u>179,777</u>	-	<u>179,777</u>
Noncurrent liabilities:			
Compensated absences	45,456	-	45,456
Net pension liability	345,976	-	345,976
OPEB liability	<u>220,877</u>	-	<u>220,877</u>
Total noncurrent liabilities	<u>612,309</u>	-	<u>612,309</u>
Total liabilities	<u>792,086</u>	-	<u>792,086</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for OPEB	<u>214,808</u>	-	<u>214,808</u>
Total deferred inflows of resources	<u>214,808</u>	-	<u>214,808</u>
NET POSITION			
Net investment in capital assets	844,058	-	844,058
Unrestricted	<u>2,476,121</u>	<u>1,905,344</u>	<u>4,381,465</u>
Total net position	<u>\$ 3,320,179</u>	<u>\$ 1,905,344</u>	<u>\$ 5,225,523</u>

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION NONMAJOR PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Stormwater</u>	Utilities Repair Replacement and <u>Improvements</u>	Total Other Enterprise <u>Funds</u>
Operating revenues:			
Charges for services	\$ 1,639,004	\$ -	\$ 1,639,004
Total operating revenues	<u>1,639,004</u>	<u>-</u>	<u>1,639,004</u>
Operating expenses:			
Personnel services	1,203,936	-	1,203,936
Other operating expenses	594,164	-	594,164
Depreciation	<u>82,848</u>	<u>-</u>	<u>82,848</u>
Total expenditures	<u>1,880,948</u>	<u>-</u>	<u>1,880,948</u>
Operating income (loss)	<u>(241,944)</u>	<u>-</u>	<u>(241,944)</u>
Non-operating revenues (expense):			
Interest income	<u>112,052</u>	<u>-</u>	<u>112,052</u>
Total non-operating expense	<u>112,052</u>	<u>-</u>	<u>112,052</u>
Loss before transfers	<u>(129,892)</u>	<u>-</u>	<u>(129,892)</u>
Transfers out	<u>(6,541)</u>	<u>-</u>	<u>(6,541)</u>
Total transfers	<u>(6,541)</u>	<u>-</u>	<u>(6,541)</u>
Change in net position	(136,433)	-	(136,433)
Net position, beginning	<u>3,456,612</u>	<u>1,905,344</u>	<u>5,361,956</u>
Net position, ending	<u>\$ 3,320,179</u>	<u>\$ 1,905,344</u>	<u>\$ 5,225,523</u>

CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Stormwater</u>	<u>Utilities Repair Replacement and Improvements</u>	<u>Total Other Enterprise Funds</u>
Cash flows from (used in) operating activities:			
Cash received from customers	\$ 1,732,840	\$ -	\$ 1,732,840
Cash payments to suppliers	(477,794)	-	(477,794)
Cash payments from other funds	-	600,000	600,000
Cash payments to employees	(1,077,842)	-	(1,077,842)
Net cash provided by operating activities	<u>177,204</u>	<u>600,000</u>	<u>777,204</u>
Cash flows used in noncapital financing activities:			
Transfers to other funds	(6,541)	-	(6,541)
Net cash used in noncapital financing activities	<u>(6,541)</u>	<u>-</u>	<u>(6,541)</u>
Cash flows used in capital and related financing activities:			
Acquisition and construction of capital assets	(541,882)	-	(541,882)
Net cash used in capital and related financing activities	<u>(541,882)</u>	<u>-</u>	<u>(541,882)</u>
Cash flows from (used in) investing activities:			
Purchases of investments	(111,159)	-	(111,159)
Proceeds from sale of investments	2,790	-	2,790
Interest received on investments	112,052	-	112,052
Net cash provided by investing activities	<u>3,683</u>	<u>-</u>	<u>3,683</u>
Net increase (decrease) in cash and cash equivalents	<u>(367,536)</u>	<u>600,000</u>	<u>232,464</u>
Cash and cash equivalents, beginning	<u>581,952</u>	<u>105,344</u>	<u>687,296</u>
Cash and cash equivalents, ending	<u>\$ 214,416</u>	<u>\$ 705,344</u>	<u>\$ 919,760</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (241,944)	\$ -	\$ (241,944)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	82,848	-	82,848
Net changes in assets, liabilities, deferred outflows and deferred inflows:			
(Increase) decrease in:			
Interest receivable	(3,092)	-	(3,092)
Accounts receivables	96,928	-	96,928
Due from other funds	-	600,000	600,000
Deferred outflows for pensions	191,551	-	191,551
Deferred outflows for OPEB	(1,124)	-	(1,124)
Increase (decrease) in:			
Accounts payable and accrued liabilities	116,370	-	116,370
Compensated Absences	2,531	-	2,531
Net pension liability	60,146	-	60,146
Total OPEB liability	37,431	-	37,431
Deferred inflows for pensions	(162,261)	-	(162,261)
Deferred inflows for OPEB	(2,180)	-	(2,180)
Total adjustments	<u>419,148</u>	<u>600,000</u>	<u>1,019,148</u>
Net cash provided by operating activities	<u>\$ 177,204</u>	<u>\$ 600,000</u>	<u>\$ 777,204</u>
Non-cash investing, capital and financing activities:			
Change in fair value of investments	<u>\$ 47,545</u>	<u>\$ -</u>	<u>\$ 47,545</u>



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INTERNAL SERVICE FUNDS

CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2024

	Governmental Activities				Business-type Activities	Total Internal Service
	Health Self-Insurance	Other Self-Insurance	Fleet Management	Total Governmental Activities	Customer Service	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 142,762	\$ 1,326,537	\$ 443,118	\$ 1,912,417	\$ 1,716,238	\$ 3,628,655
Account receivables, net	-	-	12,465	12,465	-	12,465
Due from other funds	-	4,200,000	-	4,200,000	-	4,200,000
Inventories	-	-	299,485	299,485	-	299,485
Total current assets	142,762	5,526,537	755,068	6,424,367	1,716,238	8,140,605
Noncurrent assets:						
Capital assets being depreciated, net	-	829	307,688	308,517	17,299	325,816
Total non current assets	-	829	307,688	308,517	17,299	325,816
Total assets	142,762	5,527,366	1,062,756	6,732,884	1,733,537	8,466,421
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows for pension	105,478	113,433	171,712	390,623	407,476	798,099
Deferred outflows for OPEB	839	1,710	3,324	5,873	12,836	18,709
Total deferred outflows of resources	106,317	115,143	175,036	396,496	420,312	816,808
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	10,452	462,966	465,741	939,159	216,136	1,155,295
Compensated absences	2,926	876	14,430	18,232	50,434	68,666
Equipmet financing	-	162	566	728	2,831	3,559
OPEB liability	977	1,990	3,869	6,836	14,942	21,778
Claims and judgements	-	1,193,008	-	1,193,008	-	1,193,008
Total current liabilities	14,355	1,659,002	484,606	2,157,963	284,343	2,442,306
Noncurrent liabilities:						
Compensated absences	6,827	2,047	33,671	42,545	117,680	160,225
Net pension liability	157,835	169,741	256,948	584,524	609,741	1,194,265
OPEB liability	35,519	72,397	140,717	248,633	543,459	792,092
Claims and judgements	-	3,668,915	-	3,668,915	-	3,668,915
Total noncurrent liabilities	200,181	3,913,100	431,336	4,544,617	1,270,880	5,815,497
Total liabilities	214,536	5,572,102	915,942	6,702,580	1,555,223	8,257,803
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows for OPEB	34,543	70,407	136,850	241,800	528,525	770,325
Total deferred inflows of resources	34,543	70,407	136,850	241,800	528,525	770,325
NET POSITION						
Net investment in capital assets	-	667	307,122	307,789	14,468	322,257
Unrestricted	-	(667)	(122,122)	(122,789)	55,633	(67,156)
Total net position	\$ -	\$ -	\$ 185,000	\$ 185,000	\$ 70,101	\$ 255,101

CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Governmental Activities			Business-type Activities	Total Internal Service
	Health Self-Insurance	Other Self-Insurance	Fleet Management	Total Governmental Activities	Customer Service
Operating revenues:					
Charges for services	\$ 9,599,388	\$ 5,390,819	\$ 5,360,341	\$ 20,350,548	\$ 4,405,259
Other revenues	-	-	68,414	68,414	-
Total operating revenues	9,599,388	5,390,819	5,428,755	20,418,962	4,405,259
Operating expenses:					
Personnel services	278,163	354,008	876,495	1,508,666	2,478,843
Administration	71,720	1,101,592	-	1,173,312	-
Insurance and claims	9,249,505	3,934,644	-	13,184,149	-
Other operating expenses	-	-	4,300,995	4,300,995	1,807,537
Depreciation	-	563	66,223	66,786	22,407
Total operating expenses	9,599,388	5,390,807	5,243,713	20,233,908	4,308,787
Operating income	-	12	185,042	185,054	96,472
Non-operating expenses:					
Interest expense	-	(12)	(42)	(54)	(208)
Total non-operating expenses	-	(12)	(42)	(54)	(208)
Other financing uses:					
Transfer out	-	-	-	-	(26,163)
Total other financing uses	-	-	-	-	(26,163)
Change in net position	-	-	185,000	185,000	70,101
Net position, beginning	-	-	-	-	-
Net position, ending	\$ -	\$ -	\$ 185,000	\$ 185,000	\$ 70,101

CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Governmental Activities			Business-type Activities	Total Internal Service
	Health Self-Insurance	Other Self-Insurance	Fleet Management	Total Governmental Activities	Customer Service
Cash flows from (used in) operating activities:					
Cash payments to suppliers	\$ (9,318,460)	\$ (4,762,679)	\$ (4,447,858)	\$ (18,528,997)	\$ (1,730,633)
Cash received from other funds	9,599,388	4,290,819	5,428,755	19,318,962	4,405,259
Cash payments to employees	(271,717)	(276,120)	(922,439)	(1,470,276)	(2,379,409)
Net cash provided by (used in) operating activities	9,211	(747,980)	58,458	(680,311)	295,217
Cash flows used in noncapital financing activities:					
Transfers to other funds	-	-	-	-	(26,163)
Net cash used in noncapital financing activities	-	-	-	-	(26,163)
Cash flows used in capital and related financing activities:					
Acquisition and construction of capital assets	-	-	(62,552)	(62,552)	-
Principal paid on long term debt	-	(639)	(2,236)	(2,875)	(11,180)
Interest paid on long term debt	-	(12)	(42)	(54)	(208)
Net cash used in capital and related financing activities	-	(651)	(64,830)	(65,481)	(11,388)
Net increase (decrease) in cash and cash equivalents	9,211	(748,631)	(6,372)	(745,792)	257,666
Cash and cash equivalents, beginning	133,551	2,075,168	449,490	2,658,209	1,458,572
Cash and cash equivalents, ending	\$ 142,762	\$ 1,326,537	\$ 443,118	\$ 1,912,417	\$ 1,716,238
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ -	\$ 12	\$ 185,042	\$ 185,054	\$ 96,472
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	-	563	66,223	66,786	22,407
Net changes in assets, liabilities, deferred outflows and deferred inflows:					
(Increase) decrease in:					
Account receivables	-	-	1,689	1,689	-
Due from other funds	-	(1,100,000)	-	(1,100,000)	-
Inventories	-	-	(126,047)	(126,047)	-
Deferred outflows for pension	231,713	221,869	207,041	660,623	629,227
Deferred outflows for OPEB	(16)	(932)	499	(449)	(1,142)
Increase (decrease) in:					
Accounts payable and accrued liabilities	2,765	374,581	(22,505)	354,841	76,904
Compensated Absences	(14,981)	(24,910)	(10,716)	(50,607)	34,951
Net pension liability	(70,142)	(56,959)	870	(126,231)	(91,181)
Total OPEB liability	(1,616)	38,358	(32,437)	4,305	16,919
Claims and judgements	-	(101,024)	-	(101,024)	-
Deferred inflows for pension	(129,419)	(128,694)	(145,371)	(403,484)	(397,901)
Deferred inflows for OPEB	(9,093)	29,156	(65,830)	(45,767)	(91,439)
Total adjustments	9,211	(747,992)	(126,584)	(865,365)	198,745
Net cash provided by (used in) operating activities	\$ 9,211	\$ (747,980)	\$ 58,458	\$ (680,311)	\$ 295,217



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FIDUCIARY FUNDS

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

SEPTEMBER 30, 2024

	General Employees' Retirement <u>Plan</u>	Police Officers' Retirement <u>Plan</u>	Elected Officials' Retirement <u>Plan</u> (1)	New Elected Officials' and Senior Management Retirement System (1)	Firefighters' Retirement System (1)	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ 2,464,065	\$ 11,611,164	\$ 165,751	\$ 120,216	\$ 1,077,254	\$ 15,438,450
Receivables:						
Other receivables	11,289	-	-	-	-	11,289
Contributions	22,659	31,096	-	-	-	53,755
Due from broker	24,392	-	21,222	-	-	45,614
Accrued investment income	330,599	35,630	14,189	6,291	40,759	427,468
Total receivables	<u>388,939</u>	<u>66,726</u>	<u>35,411</u>	<u>6,291</u>	<u>40,759</u>	<u>538,126</u>
Other asset	-	10,322	-	1,631	-	11,953
Investments:						
U.S. Government Securities	9,768,996	-	-	-	2,878,051	12,647,047
Municipal obligations	8,847,602	-	-	-	244,823	9,092,425
Corporate bonds	15,383,188	-	1,225,640	-	1,475,924	18,084,752
Hedge funds	298,280	-	-	-	-	298,280
Preferred stock	-	-	43,840	-	-	43,840
Mutual funds - fixed income	-	40,242,624	-	815,909	4,022	41,062,555
Mutual funds - equities	20,199,042	-	407,242	3,679,071	-	24,285,355
Common stocks	42,821,585	97,466,510	1,322,810	-	1,512,996	143,123,901
Real estate	-	3,028,724	-	538,962	-	3,567,686
Certificate of deposit	-	-	-	-	100,010	100,010
Other	5,388,431	-	281,074	-	-	5,669,505
Total investments	<u>102,707,124</u>	<u>140,737,858</u>	<u>3,280,606</u>	<u>5,033,942</u>	<u>6,215,826</u>	<u>257,975,356</u>
TOTAL ASSETS	<u>105,560,128</u>	<u>152,426,070</u>	<u>3,481,768</u>	<u>5,162,080</u>	<u>7,333,839</u>	<u>273,963,885</u>
LIABILITIES						
DROP payable	219,298	-	-	-	-	219,298
Accounts payable	121,891	276,064	7,740	6,130	13,233	425,058
Due to broker	69,643	-	17,179	-	-	86,822
TOTAL LIABILITIES	<u>410,832</u>	<u>276,064</u>	<u>24,919</u>	<u>6,130</u>	<u>13,233</u>	<u>731,178</u>
DEFERRED INFLOWS OF RESOURCES						
Advance City contributions	-	-	-	-	52,416	52,416
Total deferred inflows of resources	-	-	-	-	52,416	52,416
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 105,149,296</u>	<u>\$ 152,150,006</u>	<u>\$ 3,456,849</u>	<u>\$ 5,155,950</u>	<u>\$ 7,268,190</u>	<u>\$ 273,180,291</u>

(1) Amounts reflected as of December 31, 2023, the date of the latest plan year.

CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General Employees' Retirement <u>Plan</u>	Police Officers' Retirement <u>Plan</u>	Elected Officials' Retirement Plan <u>(1)</u>	New Elected Officials' and Senior Management Retirement System <u>(1)</u>	Firefighters' Retirement System <u>(1)</u>	<u>Totals</u>
ADDITIONS						
Contributions:						
City	\$ 1,488,608	\$ 5,683,709	\$ 69,210	\$ 111,098	\$ -	\$ 7,352,625
Employees	256,899	845,812	-	-	-	1,102,711
State	-	1,037,391	-	-	905,258	1,942,649
Total contributions	<u>1,745,507</u>	<u>7,566,912</u>	<u>69,210</u>	<u>111,098</u>	<u>905,258</u>	<u>10,397,985</u>
Investment income:						
Investment earnings	2,564,974	1,825,246	178,460	121,696	500,421	5,190,797
Net appreciation (depreciation) in fair value of investments	16,121,065	27,781,406	44,315	555,713	171,599	44,674,098
Less investment expenses	<u>(356,031)</u>	<u>(501,120)</u>	<u>(30,260)</u>	<u>(26,824)</u>	<u>(23,312)</u>	<u>(937,547)</u>
Net investment income (loss)	<u>18,330,008</u>	<u>29,105,532</u>	<u>192,515</u>	<u>650,585</u>	<u>648,708</u>	<u>48,927,348</u>
Other revenues	<u>1,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,666</u>
Total additions (reductions)	<u>20,077,181</u>	<u>36,672,444</u>	<u>261,725</u>	<u>761,683</u>	<u>1,553,966</u>	<u>59,326,999</u>
DEDUCTIONS						
Pension benefits	4,995,825	7,715,629	202,243	352,589	760,767	14,027,053
DROP payments	1,059,141	-	-	-	-	1,059,141
Refunds		232,549	-	-	-	232,549
Administrative expenses	<u>153,826</u>	<u>162,572</u>	<u>21,559</u>	<u>32,520</u>	<u>91,628</u>	<u>462,105</u>
Total deductions	<u>6,208,792</u>	<u>8,110,750</u>	<u>223,802</u>	<u>385,109</u>	<u>852,395</u>	<u>15,780,848</u>
Change in net position	13,868,389	28,561,694	37,923	376,574	701,571	43,546,151
NET POSITION RESTRICTED FOR PENSION BENEFITS						
Beginning of year	<u>91,280,907</u>	<u>123,588,312</u>	<u>3,418,926</u>	<u>4,779,376</u>	<u>6,566,619</u>	<u>229,634,140</u>
End of year	<u>\$ 105,149,296</u>	<u>\$ 152,150,006</u>	<u>\$ 3,456,849</u>	<u>\$ 5,155,950</u>	<u>\$ 7,268,190</u>	<u>\$ 273,180,291</u>

(1) Amounts reflected as of December 31, 2023, the date of the latest plan year.

STATISTICAL SECTION

Statistical Section

This part of the City of Homestead's annual comprehensive financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

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Financial Trends

175-179

The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

Revenue Capacity

180-184

These information presented in this section is intended to assist users in understanding and assessing the City's two most significant local revenue sources, the property tax and the electric utility revenues.

Debt Capacity

185-189

The information presented in this section is intended to assist users in understanding and assessing the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

190-191

The information presented in this section is intended to assist users in understanding the socioeconomic environment within which the City operates.

Operating Information

192-194

The information presented in this section contains service and infrastructure data and is intended to help the reader understand how the information in the City's financial reports relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant years.



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Financial Trends Information

Page

The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

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CITY OF HOMESTEAD, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities:										
Net investment in capital assets	\$ 185,056,980	\$ 182,289,512	\$ 182,035,858	\$ 182,857,637	\$ 168,779,914	\$ 171,873,549	\$ 177,339,023	\$ 191,173,910	\$ 193,677,481	\$ 197,273,126
Restricted	28,085,982	18,721,837	20,752,108	17,886,488	14,726,787	14,980,268	17,404,061	13,992,265	13,803,772	13,390,211
Unrestricted	<u>17,904,621</u>	<u>9,952,831</u>	<u>(3,732,770)</u>	<u>(11,947,991)</u>	<u>1,085,299</u>	<u>(521,798)</u>	<u>(5,692,542)</u>	<u>(1,908,807)</u>	<u>2,541,761</u>	<u>1,104,887</u>
Total governmental activities net position	<u>\$ 231,047,583</u>	<u>\$ 210,964,180</u>	<u>\$ 199,055,196</u>	<u>\$ 188,796,134</u>	<u>\$ 184,592,000</u>	<u>\$ 186,332,019</u>	<u>\$ 189,050,542</u>	<u>\$ 203,257,368</u>	<u>\$ 210,023,014</u>	<u>\$ 211,768,224</u>
Business-type activities:										
Net investment in capital assets	\$ 39,755,942	\$ 36,553,353	\$ 37,344,075	\$ 37,054,711	\$ 38,354,236	\$ 38,895,085	\$ 34,074,210	\$ 29,169,365	\$ 29,643,262	\$ 30,874,752
Restricted	1,535,776	1,403,000	3,702,669	510,121	270,752	476,460	715,800	552,719	559,257	716,527
Unrestricted	<u>2,150,604</u>	<u>6,255,960</u>	<u>(473,658)</u>	<u>(819,084)</u>	<u>(3,085,589)</u>	<u>(6,630,871)</u>	<u>(3,567,329)</u>	<u>2,242,034</u>	<u>13,332,705</u>	<u>22,098,736</u>
Total business-type activities net position	<u>\$ 43,442,322</u>	<u>\$ 44,212,313</u>	<u>\$ 40,573,086</u>	<u>\$ 36,745,748</u>	<u>\$ 35,539,399</u>	<u>\$ 32,740,674</u>	<u>\$ 31,222,681</u>	<u>\$ 31,964,118</u>	<u>\$ 43,535,224</u>	<u>\$ 53,690,015</u>
Primary government:										
Net investment in capital assets	\$ 224,812,922	\$ 218,842,865	\$ 219,379,933	\$ 219,912,348	\$ 207,134,150	\$ 210,768,634	\$ 211,413,233	\$ 220,343,275	\$ 223,320,743	\$ 228,147,878
Restricted	29,621,758	20,124,837	24,454,777	18,396,609	14,997,539	15,456,728	18,119,861	14,544,984	14,363,029	14,106,738
Unrestricted	<u>20,055,225</u>	<u>16,208,791</u>	<u>(4,206,428)</u>	<u>(12,767,075)</u>	<u>(2,000,290)</u>	<u>(7,152,669)</u>	<u>(9,259,871)</u>	<u>333,227</u>	<u>15,874,466</u>	<u>23,203,623</u>
Total primary government net position	<u>\$ 274,489,905</u>	<u>\$ 255,176,493</u>	<u>\$ 239,628,282</u>	<u>\$ 225,541,882</u>	<u>\$ 220,131,399</u>	<u>\$ 219,072,693</u>	<u>\$ 220,273,223</u>	<u>\$ 235,221,486</u>	<u>\$ 253,558,238</u>	<u>\$ 265,458,239</u>

Source: City of Homestead ACFR for fiscal years ending September 30, 2015 through September 30, 2024.

CITY OF HOMESTEAD, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses:										
Governmental activities:										
General government	\$ 19,134,722	\$ 19,950,050	\$ 15,249,170	\$ 14,754,516	\$ 16,070,707	\$ 19,120,054	\$ 21,003,043	\$ 16,344,478	\$ 17,246,402	\$ 17,351,952
Public safety	43,724,088	41,160,636	31,258,474	32,381,625	36,940,046	31,313,525	31,399,222	31,277,616	29,168,711	29,690,875
Public works	7,133,756	5,313,600	4,619,991	4,053,061	4,913,009	4,972,723	5,082,373	5,259,020	4,189,826	4,119,974
Parks and recreation	12,538,540	11,615,808	10,696,384	9,723,368	8,586,509	8,605,167	8,831,440	8,626,647	7,931,471	7,594,640
Disaster relief	4,128	2,036	216,809	230,593	1,656,340	1,494,954	4,774,725	5,784,058	-	-
Interest on long-term debt	2,552,469	2,561,476	2,335,423	2,250,655	2,309,156	2,566,298	2,533,914	1,914,467	1,278,725	1,315,178
Unallocated depreciation	2,196,415	2,183,664	2,299,641	2,436,921	2,438,939	2,537,794	2,605,333	2,614,783	2,728,555	2,663,535
Total governmental activities expenses	<u>87,284,118</u>	<u>82,787,270</u>	<u>66,675,892</u>	<u>65,830,739</u>	<u>72,914,706</u>	<u>70,610,515</u>	<u>76,230,050</u>	<u>71,821,069</u>	<u>62,543,690</u>	<u>62,736,154</u>
Business-type activities:										
Water & Sewer	26,346,642	23,202,247	21,142,394	19,558,048	19,829,160	18,630,219	18,327,873	19,568,630	20,517,653	16,957,507
Electric	69,867,533	67,810,025	69,865,504	54,539,331	57,349,765	65,511,531	63,631,753	63,978,883	62,909,804	60,464,609
Solid waste	16,860,212	15,307,063	14,329,271	13,590,850	13,696,451	12,444,373	12,618,609	12,151,517	12,433,778	10,933,920
Other enterprise funds	1,880,948	1,669,618	1,642,438	1,480,030	1,799,207	1,590,250	1,646,534	1,533,212	1,561,837	1,525,438
Homestead station QALICB	1,417,995	1,416,260	1,403,096	1,363,737	210,525	50,000	949,837	-	-	-
Total business-type activities expenses	<u>116,373,330</u>	<u>109,405,213</u>	<u>108,382,703</u>	<u>90,531,996</u>	<u>92,885,108</u>	<u>98,226,373</u>	<u>97,174,606</u>	<u>97,232,242</u>	<u>97,423,072</u>	<u>89,881,474</u>
Total primary government expenses	<u>\$ 203,657,448</u>	<u>\$ 192,192,483</u>	<u>\$ 175,058,595</u>	<u>\$ 156,362,735</u>	<u>\$ 165,799,814</u>	<u>\$ 168,836,888</u>	<u>\$ 173,404,656</u>	<u>\$ 169,053,311</u>	<u>\$ 159,966,762</u>	<u>\$ 152,617,628</u>
Program revenue:										
Governmental activities:										
Charge for services:										
General government	\$ 14,567,783	\$ 11,255,145	\$ 11,831,050	\$ 12,316,849	\$ 11,110,086	\$ 11,129,438	\$ 11,114,484	\$ 10,116,159	\$ 10,605,142	\$ 9,730,932
Public safety	1,958,157	1,126,868	1,253,225	1,477,930	1,141,759	1,544,241	2,725,547	1,935,293	1,680,681	1,420,610
Public works	229,266	18,439	64,933	119,768	103,148	106,176	116,645	103,850	132,364	95,848
Parks and recreation	4,049,645	1,588,528	1,994,553	1,931,257	1,509,470	2,765,675	3,127,406	3,393,329	4,163,420	4,090,198
Operating grants and contributions	9,531,815	7,381,119	3,754,209	4,642,906	12,823,167	4,266,401	3,850,681	2,231,928	1,999,080	3,822,973
Capital grants and contributions	8,039,719	14,241,442	8,130,812	4,729,811	3,868,007	5,779,524	4,674,927	4,600,091	3,382,844	4,240,088
Total governmental activities programs revenues	<u>38,376,385</u>	<u>35,611,541</u>	<u>27,028,782</u>	<u>25,218,521</u>	<u>30,555,637</u>	<u>25,591,455</u>	<u>25,609,690</u>	<u>22,380,650</u>	<u>21,963,531</u>	<u>23,400,649</u>
Business-type activities:										
Charge for services:										
Water & sewer	25,122,016	22,613,952	21,067,151	19,774,024	19,337,106	16,815,050	14,001,983	13,574,254	13,139,628	12,869,453
Electric	66,033,054	67,861,540	71,984,732	53,867,721	56,958,932	63,749,905	62,652,734	61,077,521	61,272,008	61,307,335
Solid waste	17,308,364	14,291,023	13,409,703	12,802,595	13,421,214	12,679,156	12,082,839	12,198,899	11,673,675	11,690,965
Other enterprise funds	1,639,004	1,730,509	1,686,643	1,516,562	2,172,199	1,653,240	901,505	1,666,635	1,639,976	1,693,618
Capital grants and contributions	788,486	359,704	-	-	620,368	2,428,044	3,936,372	217,088	-	-
Total business-type activities programs revenues	<u>110,890,924</u>	<u>106,856,728</u>	<u>108,148,229</u>	<u>87,960,902</u>	<u>92,509,819</u>	<u>97,325,395</u>	<u>93,575,433</u>	<u>88,734,397</u>	<u>87,725,287</u>	<u>87,561,371</u>
Total primary government program revenues	<u>\$ 149,267,309</u>	<u>\$ 142,468,269</u>	<u>\$ 135,177,011</u>	<u>\$ 113,179,423</u>	<u>\$ 123,065,456</u>	<u>\$ 122,916,850</u>	<u>\$ 119,185,123</u>	<u>\$ 111,115,047</u>	<u>\$ 109,688,818</u>	<u>\$ 110,962,020</u>
Net (expense) revenue:										
Governmental activities	\$ (48,907,733)	\$ (47,175,729)	\$ (39,647,110)	\$ (40,612,218)	\$ (42,359,069)	\$ (45,019,060)	\$ (50,620,360)	\$ (49,440,419)	\$ (40,580,159)	\$ (39,335,505)
Business-type activities	(5,482,406)	(2,548,485)	(234,474)	(2,571,094)	(375,289)	(900,978)	(3,599,173)	(8,497,845)	(9,697,785)	(2,320,103)
Total primary government net (expense) revenue	<u>\$ (54,390,139)</u>	<u>\$ (49,724,214)</u>	<u>\$ (39,881,584)</u>	<u>\$ (43,183,312)</u>	<u>\$ (42,734,358)</u>	<u>\$ (45,920,038)</u>	<u>\$ (54,219,533)</u>	<u>\$ (57,938,264)</u>	<u>\$ (50,277,944)</u>	<u>\$ (41,655,608)</u>

CITY OF HOMESTEAD, FLORIDA
CHANGES IN NET POSITION (continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	\$ 33,141,126	\$ 29,041,411	\$ 25,619,680	\$ 23,886,305	\$ 20,719,613	\$ 18,835,686	\$ 17,284,317	\$ 15,571,327	\$ 14,044,980	\$ 13,507,112
Fuel taxes	1,195,268	1,449,845	1,297,194	1,216,531	1,136,424	1,304,847	1,309,021	1,222,652	1,178,768	1,188,363
Franchise fees *	1,399,988	195,172	52,757	4,609,837	4,475,352	4,383,291	4,115,956	4,011,858	3,767,938	3,662,823
Utility taxes	1,719,744	1,653,882	1,579,957	1,566,050	1,554,248	1,558,004	1,491,902	1,532,625	1,614,804	1,608,427
Communication service taxes	1,836,634	1,764,066	1,576,166	1,598,216	1,383,144	1,343,577	1,518,228	1,525,106	2,069,644	1,590,006
Half cent sales taxes	8,534,276	8,687,352	7,793,915	6,364,097	5,024,707	5,845,264	5,631,661	5,280,732	5,143,347	4,853,152
Unrestricted intergovernmental revenue	5,217,246	5,317,700	5,501,415	3,697,777	3,036,391	3,391,630	3,328,071	3,024,983	2,727,254	2,556,091
Payment in lieu of taxes *	8,880,793	7,890,456	7,285,550	2,254,680	2,034,292	1,849,088	1,704,671	1,512,374	1,414,284	1,193,843
Other revenues	2,598,300	1,701,018	1,290,552	1,248,754	962,164	2,549,135	2,226,906	751,200	844,417	665,798
Gain on sale of assets	-	-	-	-	-	-	-	-	594,715	-
Unrestricted investment earnings (loss)	4,361,572	2,647,622	(997,203)	176,916	773,526	1,101,826	628,804	237,216	402,984	883,602
Cares Act **	-	-	-	-	604,000	-	-	-	-	-
Transfers	106,189	(1,263,811)	(1,093,811)	(1,802,811)	(1,084,811)	138,189	(745,500)	8,004,700	5,031,814	5,133,771
Total governmental activities	<u>68,991,136</u>	<u>59,084,713</u>	<u>49,906,172</u>	<u>44,816,352</u>	<u>40,619,050</u>	<u>42,300,537</u>	<u>38,494,037</u>	<u>42,674,773</u>	<u>38,834,949</u>	<u>36,842,988</u>
Business-type activities:										
Other revenues	3,976,458	4,187,616	2,867,357	1,967,396	1,907,506	2,449,147	2,916,645	4,898,995	4,355,998	2,067,761
Unrestricted investment earnings (loss)	842,146	736,285	100,644	7,236	104,600	108,013	37,928	32,444	218,810	470,857
Cares Act **	-	-	-	-	77,097	-	-	-	-	-
Transfers	(106,189)	1,263,811	1,093,811	1,802,811	1,084,811	(138,189)	745,500	(8,004,700)	(5,031,814)	(5,133,771)
Total business-type activities	<u>4,712,415</u>	<u>6,187,712</u>	<u>4,061,812</u>	<u>3,777,443</u>	<u>3,174,014</u>	<u>2,418,971</u>	<u>3,700,073</u>	<u>(3,073,261)</u>	<u>(457,006)</u>	<u>(2,595,153)</u>
Total primary government	<u>\$ 73,703,551</u>	<u>\$ 65,272,425</u>	<u>\$ 53,967,984</u>	<u>\$ 48,593,795</u>	<u>\$ 43,793,064</u>	<u>\$ 44,719,508</u>	<u>\$ 42,194,110</u>	<u>\$ 39,601,512</u>	<u>\$ 38,377,943</u>	<u>\$ 34,247,835</u>
Change in net position:										
Governmental activities	\$ 20,083,403	\$ 11,908,984	\$ 10,259,062	\$ 4,204,134	\$ (1,740,019)	\$ (2,718,523)	\$ (12,126,323)	\$ (6,765,646)	\$ (1,745,210)	\$ (2,492,517)
Business-type activities	(769,991)	3,639,227	3,827,338	1,206,349	2,798,725	1,517,993	100,900	(11,571,106)	(10,154,791)	(4,915,256)
Total primary government	<u>\$ 19,313,412</u>	<u>\$ 15,548,211</u>	<u>\$ 14,086,400</u>	<u>\$ 5,410,483</u>	<u>\$ 1,058,706</u>	<u>\$ (1,200,530)</u>	<u>\$ (12,025,423)</u>	<u>\$ (18,336,752)</u>	<u>\$ (11,900,001)</u>	<u>\$ (7,407,773)</u>

Source: City of Homestead ACFR for fiscal years ending September 30, 2015 through September 30, 2024.

Note : * Starting with FY 2022, certain fees charged to the City's other utilities funds have been moved to include with payments in lieu of taxes instead of franchise fees.

: ** For FY 2021 Cares Act revenues were included in operating grants and contributions for governmental activities. Business-type activities received no Cares Act revenue in FY 2021. .

In subsequent years Cares Act revenues were recorded in Intergovernmental.

CITY OF HOMESTEAD, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General fund:										
<i>Nonspendable :</i>										
Prepaid costs	\$ 110,789	\$ 198,198	\$ 74,530	\$ 19,298	\$ 117,636	\$ 7,179	\$ 237,950	\$ 1,824	\$ 198,906	\$ 371,951
Long-term note receivable	31,506,233	31,506,233	30,691,104	30,536,505	30,493,770	28,264,033	10,841,000	-	-	1,704,572
Long-term interest on notes receivable	-	-	-	-	-	-	-	-	-	614,910
<i>Restricted for:</i>										
Fiber optic & rock pit security	1,555,665	1,555,665	1,555,665	1,555,665	100,000	100,000	100,000	100,000	100,000	100,000
HUD section 108 loan security	306,000	306,000	306,000	306,000	306,000	306,000	306,000	-	-	-
<i>Committed to:</i>										
Required reserve	6,911,798	6,175,594	5,530,750	5,222,610	5,041,946	4,791,848	4,958,948	4,807,159	4,576,236	4,472,930
<i>Assigned to:</i>										
Appropriations of subsequent year's budget	2,189,490	2,305,201	2,570,529	464,985	378,940	1,130,300	1,215,667	5,540,576	1,506,952	1,345,841
<i>Unassigned :</i>										
General fund	<u>29,681,963</u>	<u>19,155,564</u>	<u>13,079,726</u>	<u>10,900,633</u>	<u>6,626,970</u>	<u>651,329</u>	<u>9,659,840</u>	<u>8,987,795</u>	<u>18,158,247</u>	<u>14,327,306</u>
Total General fund	<u>\$ 72,261,938</u>	<u>\$ 61,202,455</u>	<u>\$ 53,808,304</u>	<u>\$ 49,005,696</u>	<u>\$ 43,065,262</u>	<u>\$ 35,250,689</u>	<u>\$ 27,319,405</u>	<u>\$ 19,437,354</u>	<u>\$ 24,540,341</u>	<u>\$ 22,937,510</u>
All other governmental funds:										
<i>Nonspendable :</i>										
Prepaid costs	\$ 3,385	\$ 2,104	\$ 17,585	\$ -	\$ -	\$ 798	\$ 811,129	\$ 813,680	\$ 705	\$ -
<i>Restricted :</i>										
Community redevelopment	6,736,975	5,138,779	3,730,125	2,884,936	1,689,568	2,126,663	1,617,889	1,232,375	1,514,383	-
Grants	3,187,591	2,529,099	1,737,043	1,552,064	1,540,431	1,356,523	1,299,069	1,502,578	1,334,221	1,343,737
Disaster relief	690,913	638,831	640,867	396,326	7,898	6,999	13,803			
Parks and recreation	3,901,853	168,812	1,698,068	4,849,039	6,686,342	6,743,389	7,334,454	6,210,608	5,337,151	2,927,388
Public safety	2,579,335	1,598,598	1,670,597	1,911,622	1,600,020	1,801,972	1,816,323	1,391,817	952,647	1,493,258
Public work	864,376	643,072	620,745	666,709	642,768	464,842	636,262	572,283	528,707	389,159
Debt service	599,557	587,534	685,802	678,586	662,636	988,278	2,326,352	1,943,526	2,126,806	3,001,657
Capital projects	7,286	7,275	7,266	7,264	105,285	672,340	24,470,390	29,205,881	3,819,621	17,089,440
Transit and transportation	7,048,472	5,045,230	3,548,913	1,427,703	446,609	1,085,602	1,953,909	1,039,078	1,909,857	4,135,012
<i>Committed :</i>										
Public art	2,074,660	1,149,829	878,696	740,931	1,328,412	1,752,057	1,489,868	1,110,345	734,932	204,000
Transportation	88,402	44,837	88,402	88,402	88,402	290,346	290,346	290,346	290,346	290,346
<i>Assigned :</i>										
Parks and recreation	-	-	258,829	200,414	150,941	91,482	686,075	920,288	1,163,674	1,021,878
Capital projects	2,508,952	6,014,658	1,421,924	1,626,876	4,669,667	6,033,116	1,561,030	1,843,364	844,806	734,178
<i>Unassigned :</i>										
Community redevelopment	-	-	-	-	-	-	-	-	-	(471,553)
Capital project	-	-	(56,575)	-	-	-	-	-	-	-
Disaster relief	-	-	-	-	-	-	-	(784,058)	-	-
Total all other governmental funds	<u>\$ 30,291,757</u>	<u>\$ 23,568,658</u>	<u>\$ 16,948,287</u>	<u>\$ 17,030,872</u>	<u>\$ 19,618,979</u>	<u>\$ 23,414,407</u>	<u>\$ 46,306,899</u>	<u>\$ 47,292,111</u>	<u>\$ 20,557,856</u>	<u>\$ 32,158,500</u>

Source: City of Homestead ACFR for fiscal years ending September 30, 2015 through September 30, 2024.

CITY OF HOMESTEAD, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND:
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues:										
Taxes	\$ 42,434,151	\$ 37,991,281	\$ 33,636,444	\$ 35,323,983	\$ 31,151,854	\$ 30,529,687	\$ 28,871,775	\$ 26,866,132	\$ 25,743,387	\$ 24,591,361
Licenses and permits	4,612,987	2,289,553	2,357,633	2,899,749	2,347,153	2,670,656	2,975,987	2,290,641	2,642,967	2,438,791
Intergovernmental	34,250,132	32,370,388	22,850,703	18,772,214	23,010,793	17,259,315	17,108,962	15,066,338	13,913,307	13,670,286
Charges for services	1,360,699	1,503,589	1,706,187	1,303,963	1,038,317	1,195,603	1,281,639	1,191,516	1,257,738	1,395,902
Fines and forfeitures	874,174	1,007,475	901,281	882,852	619,815	1,024,382	2,162,753	1,411,095	1,029,146	943,665
Investment income (loss)	4,361,572	2,647,622	(997,203)	176,916	773,526	1,101,826	628,804	237,216	402,984	883,602
Payment in lieu of taxes	8,880,793	7,890,456	7,285,550	2,254,680	2,034,292	1,849,088	1,704,671	1,512,374	1,414,284	1,193,843
Other revenues	10,301,824	10,239,701	10,288,170	10,223,327	10,679,748	11,038,578	10,085,131	8,423,407	10,949,231	9,959,984
Total revenues	<u>107,076,332</u>	<u>95,940,065</u>	<u>78,028,765</u>	<u>71,837,684</u>	<u>71,655,498</u>	<u>66,669,135</u>	<u>64,819,722</u>	<u>56,998,719</u>	<u>57,353,044</u>	<u>55,077,434</u>
Expenditures:										
General government	17,881,599	18,620,998	15,161,965	14,263,861	14,310,841	14,672,993	15,340,125	14,679,512	14,486,390	13,763,016
Public safety	40,182,227	38,138,943	34,735,231	31,965,828	31,423,383	28,936,300	29,707,966	29,256,336	28,488,480	29,049,243
Public works and services	3,710,000	3,047,572	2,772,287	2,095,558	2,583,804	2,655,675	3,217,709	2,635,509	2,245,038	2,482,943
Parks and recreation	8,404,487	7,826,875	7,200,654	6,393,908	5,040,326	5,167,095	5,208,629	5,029,756	4,662,815	4,410,229
Disaster relief	4,128	2,036	216,809	230,593	1,656,340	1,494,954	4,774,725	5,784,058	-	-
Capital outlay *	13,583,023	14,821,024	25,980,804	8,925,944	11,699,960	11,574,716	6,336,098	16,792,046	24,661,517	35,589,749
Debt service: ***										
Principal	3,255,647	2,193,035	2,012,024	9,749,066	2,063,274	15,446,822	2,757,403	1,862,363	1,856,187	1,734,203
Interest and fiscal charges	2,621,408	2,607,284	2,390,224	2,293,427	2,377,774	2,661,252	2,339,265	1,930,560	1,318,302	1,104,292
Total expenditures	<u>89,642,519</u>	<u>87,257,767</u>	<u>90,469,998</u>	<u>75,918,185</u>	<u>71,155,702</u>	<u>82,609,807</u>	<u>69,681,920</u>	<u>77,970,140</u>	<u>77,718,729</u>	<u>88,133,675</u>
Excess of revenues over (under) expenditures	<u>17,433,813</u>	<u>8,682,298</u>	<u>(12,441,233)</u>	<u>(4,080,501)</u>	<u>499,796</u>	<u>(15,940,672)</u>	<u>(4,862,198)</u>	<u>(20,971,421)</u>	<u>(20,365,685)</u>	<u>(33,056,241)</u>
Other financing sources (uses):										
Cares Act **	-	-	-	-	604,000	-	-	-	-	-
Issuance of debt (HUD section 108 loan)	-	4,500,000	-	-	3,283,000	194,000	194,000	194,000	-	-
Issuance of debt (equipment financing)	-	987,742	508,631	1,171,716	717,160	647,275	226,008	2,895,000	765,000	447,000
Lease (right-to-use asset) acquired	-	-	17,746,436	-	-	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-	-	-	-	-	-
Taxable transportation system revenue bonds issued	-	-	-	-	-	-	-	31,440,000	-	-
Issuance of other long-term debt	242,580	1,088,293	-	8,063,923	-	-	12,829,100	-	4,570,000	5,430,000
Transfer in	10,063,533	3,855,994	2,783,813	3,046,801	12,528,758	39,462,051	13,006,895	13,472,571	8,499,473	7,406,773
Transfer out	(9,957,344)	(5,099,805)	(3,877,624)	(4,849,612)	(13,613,569)	(39,323,862)	(12,602,395)	(5,398,882)	(3,466,601)	(2,273,002)
Transfer to Homestead Station QALICB (NMTC)	-	-	-	-	-	-	(1,150,000)	-	-	-
Total other financing sources (uses)	<u>348,769</u>	<u>5,332,224</u>	<u>17,161,256</u>	<u>7,432,828</u>	<u>3,519,349</u>	<u>979,464</u>	<u>12,503,608</u>	<u>42,602,689</u>	<u>10,367,872</u>	<u>11,010,771</u>
Net change in fund balances	<u>\$ 17,782,582</u>	<u>\$ 14,014,522</u>	<u>\$ 4,720,023</u>	<u>\$ 3,352,327</u>	<u>\$ 4,019,145</u>	<u>\$ (14,961,208)</u>	<u>\$ 7,641,410</u>	<u>\$ 21,631,268</u>	<u>\$ (9,997,813)</u>	<u>\$ (22,045,470)</u>
Debt services as a percentage of noncapital expenditures *	7.65%	6.60%	6.81%	17.93%	7.46%	25.36%	8.01%	6.19%	5.90%	5.30%
Capital outlay P. 31	12,851,457	14,516,940	8,070,390	8,755,057	11,658,005	11,218,365	6,086,927	16,681,586	23,902,747	34,608,361

Source: City of Homestead ACFR for fiscal years ending September 30, 2015 through September 30, 2024.

Note * For FY 2022 capital outlay includes \$17.7 million right-to-use asset expenditure as a result of GASB 87 implementation, and is not included in this calculation.

** For FY 2021 Cares Act revenues were included in operating grants and contributions for governmental activities.

*** FY 2019 debt service % reflected the payoff of \$12.8 million New Market Tax Credit Bridge Loan debt and FY 2021 reflected the refinancing of \$8 million New City Hall Loan debt..



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Revenue Capacity Information

Page

The information presented in this section is intended to assist users in understanding and assessing the City's two most significant local revenue sources, the property tax and the electric utility revenues.

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CITY OF HOMESTEAD, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

City's Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Taxable Assessed Value	Valuation Adjustments	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Value as a Percentage of Assessed Value
2015	\$ 1,847,542	\$ 101,259	\$ 1,948,801	\$ (40,766)	6.9315	\$ 1,908,035	97.9%
2016	2,035,141	103,169	2,138,310	(35,122)	6.5149	2,103,188	98.4%
2017	2,214,915	101,599	2,316,514	(13,593)	6.5149	2,302,921	99.4%
2018	2,500,479	108,154	2,608,633	(19,462)	6.4790	2,589,171	99.3%
2019	2,737,081	120,420	2,857,501	(38,654)	6.4515	2,818,847	98.6%
2020	3,022,973	120,737	3,143,710	(29,435)	6.4015	3,114,275	99.1%
2021	3,345,201	139,085	3,484,286	(32,204)	6.6540	3,452,082	99.1%
2022	3,611,516	137,208	3,748,724	(29,921)	6.6205	3,718,803	99.2%
2023	4,218,816	141,796	4,360,612	(56,263)	6.4984	4,304,349	98.7%
2024	4,879,499	183,636	5,063,135	(18,190)	6.3281	5,044,945	99.6%

Source: Miami-Dade County Department of Property Appraiser.

CITY OF HOMESTEAD, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

City's Fiscal Year	Direct Rates			Overlapping Rates									Total Direct and Overlapping Millage
	City of Homestead			Miami-Dade County			Miami-Dade County School Board				Other Taxing Authorities and Special Districts		
	Operating	Debt	Total	Operating	Debt	Total	Operating	Debt	Voted	Total	State	Special	
	<u>Millage (1)</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	<u>Millage</u>	
2015	5.9215	1.0100	6.9315	4.6669	0.4500	5.1169	7.7750	0.1990	-	7.9740	0.4187	3.2161	23.6572
2016	5.9215	0.5934	6.5149	4.6669	0.4500	5.1169	7.4130	0.1990	-	7.6120	0.3871	3.2133	22.8442
2017	5.9215	0.5934	6.5149	4.6669	0.4000	5.0669	7.1380	0.1840	-	7.3220	0.3627	3.2122	22.4787
2018	5.9215	0.5575	6.4790	4.6669	0.4000	5.0669	6.7740	0.2200	-	6.9940	0.3420	3.1795	22.0614
2019	5.9215	0.5300	6.4515	4.6669	0.4644	5.1313	6.5040	0.2290	-	6.7330	0.3256	3.1462	21.7876
2020	5.9215	0.4800	6.4015	4.6669	0.4780	5.1449	7.0250	0.1230	-	7.1480	0.3115	3.1727	22.1786
2021	6.2055	0.4485	6.6540	4.6669	0.4780	5.1449	6.1860	0.1930	0.7500	7.1290	0.2995	2.8714	22.0988
2022	6.2055	0.4150	6.6205	4.6669	0.5075	5.1744	6.0790	0.1800	0.7500	7.0090	0.2892	2.9207	22.0138
2023	6.1434	0.3550	6.4984	4.6202	0.4853	5.1055	5.6740	0.1650	0.7500	6.5890	0.2621	2.8965	21.3515
2024	6.0206	0.3075	6.3281	4.5740	0.4355	5.0095	5.5660	0.1330	1.0000	6.6990	0.2589	2.8965	21.1920

Source: Miami-Dade County Department of Property Appraiser

Note: All millage rates are based on \$1 for every \$1,000 of assessed value.

State millage includes Florida Inland Navigation District, South Florida Water Management District, Okeechobee Basin and Everglades Construction Project.

Special Districts millage includes Children Trust Authority, Library District*, Fire and Rescue.

Starting with Fiscal Year 2021, Library District* is now part of City of Homestead Operating Millage and removed from Special District.

N/A - Not applicable

(1) Beginning in 2021, the City's operating millage includes 0.2840 previously assessed by the County as a library tax and reported above under Special District Millage.

This had no impact to a taxpayer's total millage.

CITY OF HOMESTEAD, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS CURRENT AND NINE YEARS AGO

(DOLLARS IN THOUSANDS)

		2024			2015		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>	<u>Type of Business</u>						
WRG Homestead LLC	Commercial Shopping Center	57,537	1	1.14%	-		0.00%
City Of Homestead	Municipal*	52,699	2	1.04%	26,598	2	1.36%
Royal Center LLC	Residential Real Estate	50,393	3	1.00%	-		0.00%
Florida Power & Light Company	Electric Utility	41,183	4	0.81%	21,598	4	1.11%
SB Palm Breeze LLC	Residential Real Estate	37,036	5	0.73%	-		0.00%
Cerberus SFR Holdings LP	Residential Real Estate	36,957	6	0.73%	-		0.00%
Kimco Realty Corp	Commercial Real Estate	28,600	7	0.56%	16,706	5	0.86%
Campbell South Rentals LLC	Residential Real Estate	26,757	8	0.53%	-		0.00%
Palace At Homestead LLC	Commercial	19,771	9	0.39%	-		0.00%
Sarria Holdings IV INC	Commercial Shopping Center	19,013	10	0.38%	12,883	7	0.66%
DDR Homestead LLC	Retail Outlet / Vacant Land				37,901	1	1.94%
Fifteen Homestead COA Townhome	Residential Real Estate				25,653	3	1.32%
Lowes Home Centers Inc	Retail Outlet				16,664	6	0.86%
Lennar Homes LLC	Residential Real Estate				12,636	8	0.65%
Venice by Garco LLC	Residential Real Estate				12,261	9	0.63%
AT&T Bellsouth	Retail Outlet				11,408	10	0.59%
Total		<u>\$ 369,946</u>		<u>7.31%</u>	<u>\$ 194,308</u>		<u>9.98%</u>

Total assessed valuation of taxable property: \$ 5,063,135

\$ 1,948,801

*Homestead Miami Speedway

2024 Data Source: Miami-Dade County Department of Property Appraiser, for the FY 2024 (Tax Roll Year 2023)

2015 Data Source: City of Homestead, FY 2015 Annual Comprehensive Financial Report

CITY OF HOMESTEAD, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

City's Fiscal Year	Tax Year	Total Taxes Levied for the fiscal year	Current Tax Collections		Delinquent Tax Collections		Total Tax Collections		Outstanding Delinquent Amount	Ratio of Delinquent Taxes to Total Taxes Levied
			Amount	% of Levy	Amount	% of Levy	Amount	% of Levy		
2015	2014	\$ 13,508	\$ 12,668	93.8%	\$ 49	0.4%	\$ 12,717	94.1%	\$ 233	1.7%
2016	2015	13,931	13,097	94.0%	33	0.2%	13,130	94.3%	756	5.4%
2017	2016	15,092	14,522	96.2%	47	0.3%	14,569	96.5%	N/A	N/A
2018	2017	16,901	15,528	91.9%	667	3.9%	16,195	95.8%	1,256	7.4%
2019	2018	18,435	17,036	92.4%	599	3.2%	17,635	95.7%	2,786	15.1%
2020	2019	20,124	18,514	92.0%	822	4.1%	19,336	96.1%	3,533	17.6%
2021	2020	23,184	21,585	93.1%	613	2.6%	22,198	95.7%	665	2.9%
2022	2021	24,818	23,194	93.5%	589	2.4%	23,783	95.8%	1,384	5.6%
2023	2022	28,337	26,307	92.8%	664	2.3%	26,971	95.2%	795	2.8%
2024	2023	32,040	29,941	93.4%	883	2.8%	30,824	96.2%	1,706	5.3%

Source: Miami-Dade County Department of Property Appraiser

Note: Starting in fiscal year 2015, total tax levied also included tax levied on debt services.

N/A - Not available

CITY OF HOMESTEAD, FLORIDA

ELECTRIC UTILITY REVENUES

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Inter- Departmental</u>	<u>Other Sales</u>	<u>Power Cost Adjustment</u>	<u>Total Sales Revenue</u>	<u>Bad Debt Expense</u>	<u>Net Sales Revenue</u>
2015	\$ 22,165,199	\$ 3,058,967	\$ 12,225,119	\$ 2,763,561	\$ 477,347	\$ 20,229,047	\$ 60,919,240	\$ (314,916)	\$ 61,234,156
2016	23,427,301	3,090,886	12,320,252	2,907,270	455,513	19,183,647	61,384,869	795,484	60,589,385
2017	23,465,509	3,120,780	11,901,987	2,690,980	465,902	19,822,634	61,467,792	427,700	61,040,092
2018	23,830,578	3,106,131	11,919,665	2,911,566	477,011	19,242,248	61,487,199	(1,006,801)	62,494,000
2019	25,301,625	3,442,461	12,025,673	3,016,914	483,986	20,608,491	64,879,150	1,100,278	63,778,872
2020	26,731,468	3,396,554	11,770,156	2,947,813	514,542	9,845,711	55,206,244	(1,726,525)	56,932,769
2021	26,413,634	3,209,624	12,007,430	2,681,795	524,790	11,300,627	56,137,900	2,296,342	53,841,558
2022	27,210,897	3,330,076	12,212,162	2,903,851	522,220	26,766,598	72,945,804	987,235	71,958,569
2023	28,191,489	3,437,846	12,381,401	3,514,971	524,877	20,924,157	68,974,741	1,139,364	67,835,377
2024	30,184,351	3,619,540	12,347,127	2,936,772	524,070	16,972,530	66,584,390	647,600	65,936,790

Source: City of Homestead ACFR for fiscal years ending September 30, 2015 through September 30, 2024.



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Debt Capacity Information

Page

The information presented in this section is intended to assist users in understanding and assessing the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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CITY OF HOMESTEAD, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

Fiscal Year Ended September 30,	Governmental Activities ¹						Business-type Activities ¹					Total Outstanding Debt	Personal Income (Thousands of Dollars) ² ,	Percentage of debt to Personal Income	Population ²	Debt Per Capita ^{****}
	General Obligation	Revenue	Special Obligation	Long-Term Notes and	Equipment	Lease/SBITA Obligations	Electric	Long-Term Notes and	Equipment	Other						
	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Loans</u>	<u>Financing</u>	(Right-to-use asset)	<u>Bonds</u>	<u>Loans*</u>	<u>Financing</u>	<u>Debts**</u>						
2015	\$ 25,597	\$ 1,421	\$ 2,810	\$ 5,430	\$ 2,560	\$ -	\$ 3,016	\$ -	\$ 90	\$ 2,450	\$ 43,374	\$ 1,198,123	3.62%	69,533	\$ 624	
2016	25,109	1,137	1,700	9,968	2,317	-	2,243	-	65	1,960	44,499	1,225,709	3.63%	70,209	634	
2017	24,606	32,293	1,150	9,579	4,158	-	1,597	-	39	1,470	74,892	1,285,086	5.83%	73,627	1,017	
2018	24,083	31,143	600	22,009	3,193	-	1,102	15,615	1,655	980	100,380	1,285,586	7.81%	73,863	1,359	
2019	23,540	30,214	-	8,770	2,963	-	2,820	24,638	1,911	490	95,346	1,402,285	6.80%	76,236	1,251	
2020	22,972	29,275	-	11,439	2,759	-	2,400	34,340	2,051	-	105,236	1,473,127	7.14%	80,737	1,303	
2021	22,378	28,605	-	10,959	2,938	-	-	43,739	2,497	-	111,116	1,573,858	7.06%	81,110	1,370	
2022	21,755	27,920	-	10,285	2,447	17,658	-	43,463	2,268	-	125,796	1,713,700	7.34%	83,012	1,515	
2023	21,107	27,220	-	14,075	2,410	18,554	-	50,326	2,826	-	136,518	1,867,039	7.31%	83,750	1,630	
2024	20,429	26,500	-	12,448	1,377	18,507	-	54,864	2,767	-	136,892	2,036,919	6.72%	84,014	1,629	

Note: ¹ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

² Office of Economic and Demographic Research.

* Reflects the QALICB notes payable to the City and CDE's as part of the NMTC transaction. Electric FMPA Pooled loan was added to this column starting in FY 2021.

** This column was added in FY2019 to reflect other long-term liabilities for the business-type activities.

*** Updated population per 2020 U.S. Census Bureau.

CITY OF HOMESTEAD, FLORIDA

RATIO OF GENERAL OBLIGATION BONDS DEBT OUTSTANDING

LAST NINE FISCAL YEARS

(DOLLARS IN THOUSANDS)

<u>Fiscal Year Ended September 30,</u>	<u>Total General Obligation Bonds</u>	<u>Amount Externally Restricted</u>	<u>Net General Obligation Bonds</u>	<u>Assessed Value of Taxable Property</u>	<u>Percentage of Assessed Value of Taxable Property</u>	<u>Population</u>	<u>Per Capita*</u>
2015	\$ 25,597	\$ 688	\$ 24,909	\$ 1,948,801	1.31%	69,533	\$ 358
2016	25,109	392	24,717	2,138,310	1.17%	70,209	352
2017	24,606	235	24,371	2,316,514	1.06%	73,627	331
2018	24,083	143	23,940	2,608,633	0.92%	73,863	324
2019	23,540	109	23,431	2,857,501	0.82%	76,236	307
2020	22,972	75	22,897	3,143,710	0.73%	** 80,737	284
2021	22,378	89	22,289	3,484,286	0.64%	81,110	275
2022	21,755	94	21,661	3,748,724	0.58%	83,012	261
2023	21,107	102	21,005	4,360,612	0.48%	83,750	251
2024	20,429	102	20,327	5,063,135	0.40%	84,014	242

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
The City issued General Obligation Bonds in FY 2014.

* Per capital amount have been revised to reflect net bonded debt instead of total bonded debt.

** Updated population per 2020 U.S. Census Bureau.

CITY OF HOMESTEAD, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

(DOLLARS IN THOUSANDS)

SEPTEMBER 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to City of Homestead</u>	<u>Estimated share of Overlapping Debt</u>
OVERLAPPING:			
School Board of Miami-Dade County (1)	\$ 1,082,277	3.03% (3)	\$ 32,793
Miami-Dade County (2)	<u>2,336,015</u>	3.03% (3)	<u>70,781</u>
Subtotal	<u>\$ 3,418,292</u>		<u>\$ 103,574</u>
DIRECT DEBT: (4)			
General obligation bonds	\$ 21,107	100.00%	\$ 21,107
Revenue bonds	27,220	100.00%	27,220
Other long-term debt	14,075	100.00%	14,075
Lease/SBITA obligations (Right-to-use assets)	18,507	100.00%	18,507
Equipment financing obligation	<u>2,410</u>	100.00%	<u>2,410</u>
Subtotal	<u>\$ 83,319</u>		<u>\$ 83,319</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 186,893</u></u>

(1) Information obtained from Miami-Dade County School Board Annual Financial Report for the Fiscal Year Ended June 30, 2023.

(2) Information obtained from Miami-Dade County, Finance Department.

(3) The percentage of overlapping debt applicable is estimated by dividing:

City of Homestead's population (April 1, 2024 estimate) **	84,014
by Miami-Dade County's population (April 1, 2024 estimate) **	2,774,841
Source : ** Office of Economic and Demographic Research	

(4) City of Homestead ACFR for fiscal year ending September 30, 2024.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates that portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Homestead. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF HOMESTEAD, FLORIDA

PLEDGED-REVENUE COVERAGE FOR GOVERNMENTAL ACTIVITIES

LAST EIGHT FISCAL YEARS

(DOLLARS IN THOUSANDS)

General Obligation Bonds, Series 2014						
Fiscal Year Ended September 30,	Voted Debt	Debt Service				Coverage
	Millage	Requirement				
	revenue + fund balance	Principal	Interest	Total		
2015	\$ 1,887	\$ 340	\$ 859	\$ 1,199	1.57	
2016	1,472	430	1,056	1,486	0.99	
2017	1,506	445	1,039	1,484	1.01	
2018	1,499	465	1,021	1,486	1.01	
2019	1,494	485	997	1,482	1.01	
2020	1,501	510	973	1,483	1.01	
2021	1,497	535	948	1,483	1.01	
2022	1,492	565	921	1,486	1.00	
2023	1,488	590	893	1,483	1.00	
2024	1,499	620	864	1,484	1.01	

Taxable Transportation System Revenue Bonds, Series 2017						
Fiscal Year Ended <u>September 30,</u>	Transportation System Surtax & Covenant to Budget Appropriation	Debt Service Requirement			<u>Coverage</u>	
	<u>revenue*</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2018	\$ 2,929	\$ 865	\$ 932	\$ 1,797	1.63	
2019	3,343	645	1,154	1,799	1.86	
2020	2,772	655	1,143	1,798	1.54	
2021	3,363	670	1,128	1,798	1.87	
2022	4,247	685	1,113	1,798	2.36	
2023	4,908	700	1,095	1,795	2.73	
2024	5,152	720	1,076	1,796	2.87	

CRA Increment Revenue Note, Series 2023					
Fiscal Year	CRA Voted	Debt Service			
Ended	Millage	Requirement			
<u>September 30,</u>	<u>revenue*</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2023	4,800	-	95	95	50.53

CITY OF HOMESTEAD, FLORIDA

PLEDGED-REVENUE COVERAGE FOR BUSINESS-TYPE ACTIVITIES

LAST TWO FISCAL YEARS

(DOLLARS IN THOUSANDS)

Electric Utility FMPA Pooled Loan 2021 and 2022							
Fiscal Year Ended <u>September 30,</u>	Gross <u>Revenue</u> (1)	Less: Operating <u>Expenses</u> (2)	Net Revenue Available for Debt <u>Service</u>	Debt Service Requirement			Coverage by Net Revenue Available for <u>Debt Service</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2021	\$ 54,721	\$ 51,043	\$ 3,678	\$ -	\$ 42	\$ 42	87.57
2022	73,125	66,174	6,951	345	165	510	13.63
2023	71,273	63,522	7,751	351	419	770	10.07
2024	68,744	65,259	3,485	959	442	1,401	2.49

Note : This schedule is intended to have ten years of data.

Prior to 2023, there was only one FMPA Pooled Loan (2021).

Electric Utility Revenue Note, Series 2024							
Fiscal Year Ended <u>September 30,</u>	Gross <u>Revenue</u> (1)	Less: Operating <u>Expenses</u> (2)	Net Revenue Available for Debt <u>Service</u>	Debt Service Requirement			Coverage by Net Revenue Available for <u>Debt Service</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2024	\$ 68,744	\$ 65,259	\$ 3,485	\$ -	\$ 8	\$ 8	435.63

(1) Gross revenue - all operating and non-operating revenue sources.

(2) Operating expenses - total operating expenses exclusive of depreciation, amortization and operating transfers.



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Demographic and Economic Information

Page

The information presented in this section is intended to assist users in understanding the socioeconomic environment within which the City operates.

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CITY OF HOMESTEAD, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>(1)</u> <u>Population</u>	<u>(2)</u> <u>General</u> <u>Fund</u> <u>Budget *</u>	<u>Per</u> <u>Capita</u> <u>Budget</u>	<u>(2), (5)</u> <u>General</u> <u>Fund</u> <u>Actual *</u>	<u>Per</u> <u>Capita</u> <u>Actual</u>	<u>(1)</u> <u>Personal</u> <u>Income</u> <u>(Thousands</u> <u>of</u> <u>Dollars)</u>	<u>(4)</u> <u>Per</u> <u>Capita</u> <u>Personal</u> <u>Income</u>	<u>(3)</u> <u>Unemployment</u> <u>Rate</u>
2015	69,533	\$ 45,153,064	\$ 628	\$ 44,290,837	\$ 616	\$ 1,198,123	\$ 17,231	6.5%
2016	70,209	49,427,679	704	47,827,570	681	1,225,709	17,458	5.8%
2017	73,627	52,844,703	718	54,622,724	742	1,285,086	17,454	6.1%
2018	73,863	68,706,210	930	54,678,618	740	1,285,586	17,405	4.1%
2019	76,236	69,742,910	915	68,990,256	905	1,402,285	18,394	4.0%
2020	** 80,737	51,549,760	638	49,947,776	619	1,473,127	18,246	11.9%
2021	81,110	62,495,043	770	59,652,946	735	1,573,858	19,404	6.4%
2022	83,012	56,972,486	686	54,829,963	661	1,713,700	20,644	2.3%
2023	83,750	62,976,471	752	62,209,251	743	1,867,039	22,293	2.0%
2024	84,014	71,105,252	846	66,051,703	786	2,036,919	24,245	2.0%

Sources: (1) Office of Economic and Demographic Research, except for 2020 which is from U.S. Census.
(2) City of Homestead ACFR for fiscal years ending September 30, 2014 through September 30, 2023.
(3) US. Bureau of Labor Statistics (as of September 30, 2022).
(4) U.S. Census Bureau
(5) FY 2022 excludes a \$17.7 million capital putlay related to GASB 87.

Note : * Numbers have been corrected to include transfers.
** Updated population per 2020 U.S. Census Bureau.

CITY OF HOMESTEAD, FLORIDA

PRINCIPAL EMPLOYERS CURRENT AND NINE YEARS AGO

<u>Employer</u>	<u>2024</u>			<u>2015</u>		
	<u>Rank</u>	<u>Employment</u>	<u>Percentage of Total City</u>	<u>Employees</u>	<u>Rank</u>	<u>Employment</u>
Homestead Hospital	1,209	1	6.59%	1,265	1	4.29%
City of Homestead	561	2	3.06%	476	2	1.59%
Miami-Dade Public Schools	481	3				
Walmart Supercenter	300	4	1.63%			
Miami Dade College	281	5	1.53%			
Publix Supermarkets	260	6	1.42%	478	3	0.97%
South Dade Technical College-Homestead	170	7	0.93%			
Home Depot	158	8	0.86%			
Campbell Drive K-8 Center	151	9	0.82%			
Signature Health Care	120	10	0.65%		7	0.58%
Keys Gate Charter School				260	4	0.85%
Somerset Academy SoHo				197	5	0.85%
BJ's Wholesale Club				180	6	0.85%
Signature Home Health				170		0.85%
Lowe's Home Center				144	8	0.85%
Sedano's Supermarket				125	9	0.85%
Homestead Manor				121	10	0.85%
	<u>3,691</u>		<u>20.11%</u>	<u>3,416</u>		<u>20.33%</u>

Note: Total number of local jobs as of 6/14/2023 = 18,352

Source: City of Homestead Community Redevelopment Agency (2024)
 BusinessFlare® and Street Economics®
 City of Homestead Annual Comprehensive Financial Report (2015)
 Bureau of Labor Statistics: Total number of local jobs

Operating Information

Page

The information presented in this section contains service and infrastructure data and is intended to help the reader understand how the information in the City's financial reports relates to the services the City provides and the activities it performs.

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CITY OF HOMESTEAD, FLORIDA

CITY GOVERNMENT FULL-TIME EMPLOYEES BY DEPARTMENT/DIVISION

LAST TEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City Council	10	10	10	10	11	11	11	11	11	11
City Clerk	4	4	4	4	4	4	4	4	4	4
City Managers' Office	7	7	7	8	9	8	7	7	7	7
Community Redevelopment Agency	5	5	5	4	4	4	4	4	3	3
Development Services	16	15	15	12	12	12	11	11	11	11
Finance	14	13	13	13	11	11	11	11	11	11
General Services	-	-	22	20	18	18	19	19	19	19
Customer Service	29	29	28	28	28	27	27	27	27	26
Human Resources	7	7	7	6	5	5	5	5	5	5
Information Technology Services	7	6	-	-	-	-	-	-	-	-
Parks, Recreation & Maint Svcs.	26	21	20	19	17	16	16	16	17	17
Police	184	176	168	162	155	155	155	153	153	153
Procurement (Fleet)	17	17	-	-	-	-	-	-	-	-
Public Works (Streets, Water&Sewer, Stormwater)	50	51	49	49	50	52	52	52	51	51
Solid Waste	44	34	34	34	34	34	34	34	34	34
Electric Utilities	53	51	51	51	50	50	50	49	49	49
Total Full-Time Employees	<u>473</u>	<u>446</u>	<u>433</u>	<u>420</u>	<u>408</u>	<u>407</u>	<u>406</u>	<u>403</u>	<u>402</u>	<u>401</u>

Note: Effective Fiscal Year 2023, the General Services Department dissolved, leaving ITS as a separate department while Procurement & Fleet were instead combined into one department.

Source: City of Homestead Human Resources Department

CITY OF HOMESTEAD, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Police:										
Adult arrest (1)	1,645	1,950	1,959	1,631	2,050	2,648	3,073	3,467	3,431	2,680
Juvenile arrest	170	211	121	163	256	245	234	359	431	407
Calls for service	37,987	39,223	33,028	30,549	31,897	34,149	36,374	37,281	37,379	37,401
Water:										
Number of service connections	24,059	24,059	26,637	26,037	25,330	24,987	25,465	23,969	23,177	23,597
Average daily billed consumption (millions of gallons)	10.07	10.07	6.44	6.20	6.20	5.70	5.80	6.00	5.50	5.10
Sewer:										
Number of service connections	22,669	22,669	23,460	22,857	22,203	21,837	22,313	20,656	20,137	20,488
Average daily billed consumption (millions of gallons)	5.30	5.30	5.00	5.00	5.00	4.70	4.70	4.30	4.40	4.20
Electric distribution system:										
Number of customers	26,996	26,480	26,480	26,124	25,853	25,606	25,115	25,031	23,863	23,086
Facilities and services not included in the primary government:										
Education:										
Number of schools	24	29	29	29	27	`	25	24	24	24
Number of instructors	744	1,311	1,311	1,311	1,464	1,229	1,229	1,040	1,040	1,040
Hospitals:										
Number of hospitals	1	1	1	1	1	1	1	1	1	1
Number of patient beds	147	147	147	147	143	143	143	143	143	143

N/A - Not Available

Sources: City of Homestead Police Department
City of Homestead Public Works Department
City of Homestead Electric Utilities Department
City of Homestead Development Services Department

CITY OF HOMESTEAD, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units/Sworn police officers	130	127	123	119	113	113	113	113	113	113
Other public works:										
Streets (miles)	160	160	164	164	161	157	142	136	133	124
Parks and recreation:										
Acreage	277	277	277	275	275	275	275	275	275	275
Playgrounds	14	14	14	13	13	13	13	13	13	13
Tennis courts	8	10	10	10	10	10	10	10	10	10
Pickleball courts	6	6	-	-	-	-	-	-	-	-
Community centers	2	2	2	2	2	2	2	2	2	2
Baseball/Softball fields	17	17	17	17	17	17	17	19	19	19
Basketball courts	10	10	10	10	10	11	11	11	11	11
Soccer court	1	1	1	1	1	-	-	-	-	-
Racketball courts	4	4	4	4	4	4	4	4	4	4
Football Stadium	1	1	1	1	1	1	1	1	1	1
Multipurpose Fields (Soccer/Football)	6	6	6	6	6	6	6	4	4	4
Indoor Volleyball Courts	4	4	4	-	-	-	-	-	-	-
Indoor Basketball Courts	2	2	2	-	-	-	-	-	-	-
Water:										
Water mains (miles)	290	290	287	286.45	286	285	284	282	281	277
Fire hydrants	1,989	1,989	1,972	1,967	1,958	1,944	1,932	1,907	1,898	1,878
Daily capacity (millions of gallons)	12.79	12.79	17	17	17	17	17	17	17	17
Sewer:										
Sanitary sewer (miles)	179	179	176.7	176.5	176	174	173	171	170	160
Daily capacity (millions of gallons)	5	5	6	6	6	6	6	6	6	6
Electric distribution system:										
Miles of service	326	230	223	222	219	211	209	203	197	195
Number of distribution feeders	20	20	19	19	19	19	19	19	19	19
Number of substations	5	5	5	5	5	5	5	5	5	5

N/A - Not Available

Sources: City of Homestead Police Department
City of Homestead Public Works Department
City of Homestead Electric Utilities Department
City of Homestead Parks and Recreation Department



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REPORTING SECTION

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

The Honorable Mayor, the City Council and City Manager
City of Homestead, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Homestead, Florida (the "City"), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2025. Our report includes a reference to other auditors who audited the financial statements of the Pension Trust Funds and the Homestead Station QALICB ("QALICB"), as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

CBIZ CPAs P.C.

Miami, FL
June 30, 2025

**Independent Auditors' Report on Compliance for Each Major Federal Program and State Project;
Report on Internal Control over Compliance; and Report on Schedule of Expenditures of
Federal Awards and State Financial Assistance Required by the Uniform Guidance
and Chapter 10.550, Rules of the Auditor General**

The Honorable Mayor, the City Council and City Manager
City of Homestead, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited City of Homestead, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on the City's major federal programs and state project for the fiscal year ended September 30, 2024. The City's major federal programs and state project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs and state project for the fiscal year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and Chapter 10.550, Rules of the Auditor General (Chapter 10.550). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of

deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. Our report includes a reference to other auditors who audited the financial statements of the Pension Trust Funds and the QALICB, as described in our report on the City's financial statements. We issued our report thereon dated June 30, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

Miami, FL
June 30, 2025

CITY OF HOMESTEAD, FLORIDA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Federal/State Agency, Pass Through Entity Federal Program/State Project	Assistance Listing / CSFA Number	Grant Identifying Number	Expenditures	Provided to Sub recipients
U.S. Department of Housing and Urban Development				
Direct programs:				
CDBG Entitlement Grants Cluster				
Community Development Block Grant Neighborhood Stabilization Program	14.218	B-08-MN-12-0011	\$ 26,618	\$ --
Community Development Block Grant 2018 Entitlement	14.218	B-18-MC-12-0055	73,627	--
Community Development Block Grant 2019 Entitlement	14.218	B-19-MC-12-0055	95,885	--
Community Development Block Grant 2020 Entitlement	14.218	B-20-MC-12-0055	496,129	45,805
Community Development Block Grant 2021 Entitlement	14.218	B-21-MC-12-0055	436,146	60,000
Community Development Block Grant 2022 Entitlement	14.218	B-22-MC-12-0055	136,989	95,396
Community Development Block Grant 2023 Entitlement	14.218	B-23-MC-12-0055	452,852	--
Total CDBG Entitlement Grants Cluster			1,718,246	201,201
Passed thru the State of Florida, Department of Economic Opportunity:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	IR006	10,415	--
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	22CV-E17	100,000	--
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			110,415	--
Total U.S. Department of Housing and Urban Development			1,828,661	--
U.S. Department of Justice				
Direct programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01307-JAGX	10,943	--
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-00656-MUMU	11,142	--
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03288-JAGX	38,110	--
Total Edward Byrne Memorial Justice Assistance Grant Programs			60,195	--
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-23-GG-02060-PPSE	15,440	--
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-22-GG-03420-UHPX	176,530	--
Total Public Safety Partnership and Community Policing Grants			191,970	--
Rural Violent Crime Initiative	16.039	15PBJA-23-GG-05321-RURA	52,815	--
Byrne Criminal Justice Innovation Program	16.817	15PBJA-21-GG-04115-BCJI	356,270	--
Congressionally Recommended Awards	16.753	15PBJA-22-GG-200110-BRND	328,819	--
Federal Equitable Sharing	16.922	N/A	14,344	--
Passed Through State of Florida, Office of Attorney General: Victims of Crime Act (VOCA)	16.575	VOCA-C-2023-CITY OF HOMESTEAD-00084	106,180	--
Passed Through Florida Department of Children and Families: Violence Against Women Formula Grants	16.588	LN263	153,794	--
Total U.S. Department of Justice			1,264,387	--
U.S. Department of Treasury				
Direct programs:				
Federal Equitable Sharing	21.016	N/A	21,226	--
Coronavirus State and Local Fiscal Recovery Funds - COVID 19	21.027	N/A	5,246,245	--
Total U.S. Department of Treasury			5,267,471	--
U.S. Department of Homeland Security				
Direct programs:				
Hazard Mitigation Grant	97.039	4337-004-PAK	30,060	--
Passed Through Florida Division of Emergency Management:				
Disaster Relief Funding, Public Assistance, Hurricane Irma	97.036	Z0379	56,209	--
Disaster Relief Funding, Public Assistance, COVID-19	97.036	Z1835	725	--
Total Disaster Relief Funding, Public Assistance			56,934	--
Total U.S. Department of Homeland Security			86,994	--

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

CITY OF HOMESTEAD, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

Federal/State Agency, Pass Through Entity Federal Program/State Project	Assistance Listing / CSFA Number	Grant Identifying Number	Expenditures	Provided to Sub recipients
<i>U.S. Department of Transportation</i>				
Direct programs:				
Federal Transit Cluster:				
Federal Transit Formula Grants	20.507	FL 2019-094-00	492,844	--
Total Federal Transit Cluster			492,844	--
Total U.S. Department of Transportation			492,844	--
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,940,357	\$ 201,201
<i>Florida Department of State and Secretary of State</i>				
Direct programs:				
General Program Support	45.061	24.c.ps.180.274	96,272	--
Total Florida Department of State and Secretary of State			96,272	--
<i>Florida Department of Environmental Protection</i>				
Direct programs:				
Statewide Water Quality Restoration Projects	37.039	LPA0542	1,015,357	--
Statewide Water Quality Restoration Projects	37.039	LP13208	3,500	--
Total Statewide Water Quality Restoration Projects			1,018,857	--
Total Florida Department of Environmental Protection			1,018,857	--
<i>Florida Division of Emergency Management</i>				
Direct programs:				
Hurricane Loss Mitigation Program	31.066	B0185	37,095	--
Total Florida Department of Health			37,095	--
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 1,152,224	\$ --
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			\$ 10,092,581	\$ --

N/A - None available

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

CITY OF HOMESTEAD, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the “Schedule”) includes the federal activity and state grant activity of the City of Homestead, Florida (the “City”) for the fiscal year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF HOMESTEAD, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FISCAL YEAR ENDED SEPTEMBER 30, 2024

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None reported

Non-compliance material to financial statements noted?

____ Yes X No

Federal Awards and State Projects

Internal control over the major federal programs and major state project:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified?

____ Yes X None reported

Type of auditors' report issued on compliance for the major federal programs and state project:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General?

____ Yes X No

Identification of the major programs and project:

Federal Programs

AL No.

Coronavirus State and Local Fiscal Recovery Funds

21.027

Community Development Block Grants/Entitlement Grants

14.218

State Project

CSFA No.

Statewide Water Quality Restoration Projects

37.039

Dollar threshold used to distinguish between Type A and Type B Federal program:

\$750,000

Dollar threshold used to distinguish between Type A and Type B – State project:

\$345,667

Auditee qualified as low risk auditee for Federal awards?

X Yes ____ No

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FISCAL YEAR ENDED SEPTEMBER 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None.

**Management Letter in Accordance with the Rules of the
Auditor General of the State of Florida**

To the Honorable Mayor, the City Council and City Manager
City of Homestead, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Homestead, Florida (the “City”), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 30, 2025. We did not audit the financial statements of Pension Trust Funds and the Homestead Station QALICB (“QALICB”), as described in our report on the City’s financial statements. This management letter does not include any matters reported on separately by those other auditors in their management letter, if any.

Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (“*Government Auditing Standards*”); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Summary Schedule of Prior Audit Findings; Schedule of Findings and Questioned Costs; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 30, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City 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 Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The financial condition assessment was performed 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, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. There was no PACE program operating within the City's geographical boundaries during the fiscal year ended September 30, 2024.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the 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 unit 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 fraud, waste, or abuse, that have occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but 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 Honorable Mayor, City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

Miami, FL

June 30, 2025

**Independent Accountants' Report on Compliance Pursuant to
Section 218.415, Florida Statutes**

To the Honorable Mayor, the City Council and City Manager
City of Homestead, Florida

We have examined the City of Homestead, Florida's (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2024. Management of the City is responsible for the City's compliance with the specified 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2024.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

CBIZ CPAs P.C.

Miami, FL
June 30, 2025

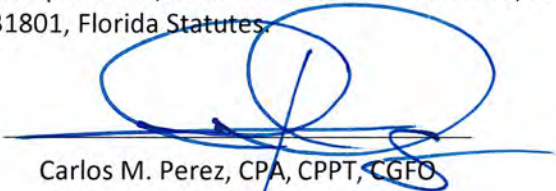


IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Carlos M. Perez, who being duly sworn, deposes and says on oath that:

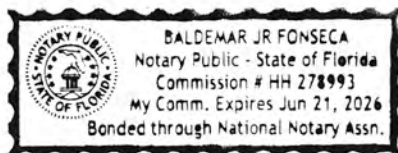
1. I am the Chief Financial Officer of the City of Homestead which is a local governmental entity of the State of Florida;
2. The governing body of the City of Homestead adopted Ordinances 2001-09-31 and 2001-10-69 implementing impact fees, and Ordinances 2005-11-159 and 2011-10-19 amending the impact fees.
3. The City of Homestead has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

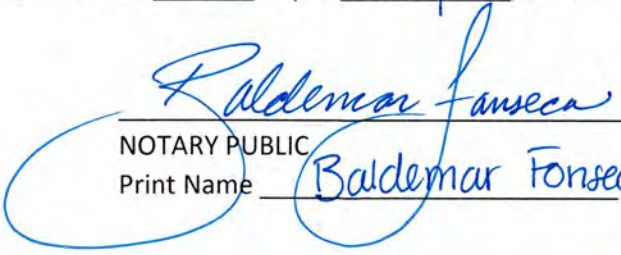
FURTHER AFFIANT SAYETH NAUGHT.


Carlos M. Perez, CPA, CPPT, CGFO
Director of Finance and Budget
City of Homestead

STATE OF FLORIDA
COUNTY OF MIAMI DADE

SWORN TO AND SUBSCRIBED before me this 02 day of May, 2025.




NOTARY PUBLIC

Print Name Baldeemar Fonseca

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires:

06/21/2026



THE CITY OF HOMESTEAD, FLORIDA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT (ACFR)**

FISCAL YEAR ENDED SEPTEMBER 30, 2024