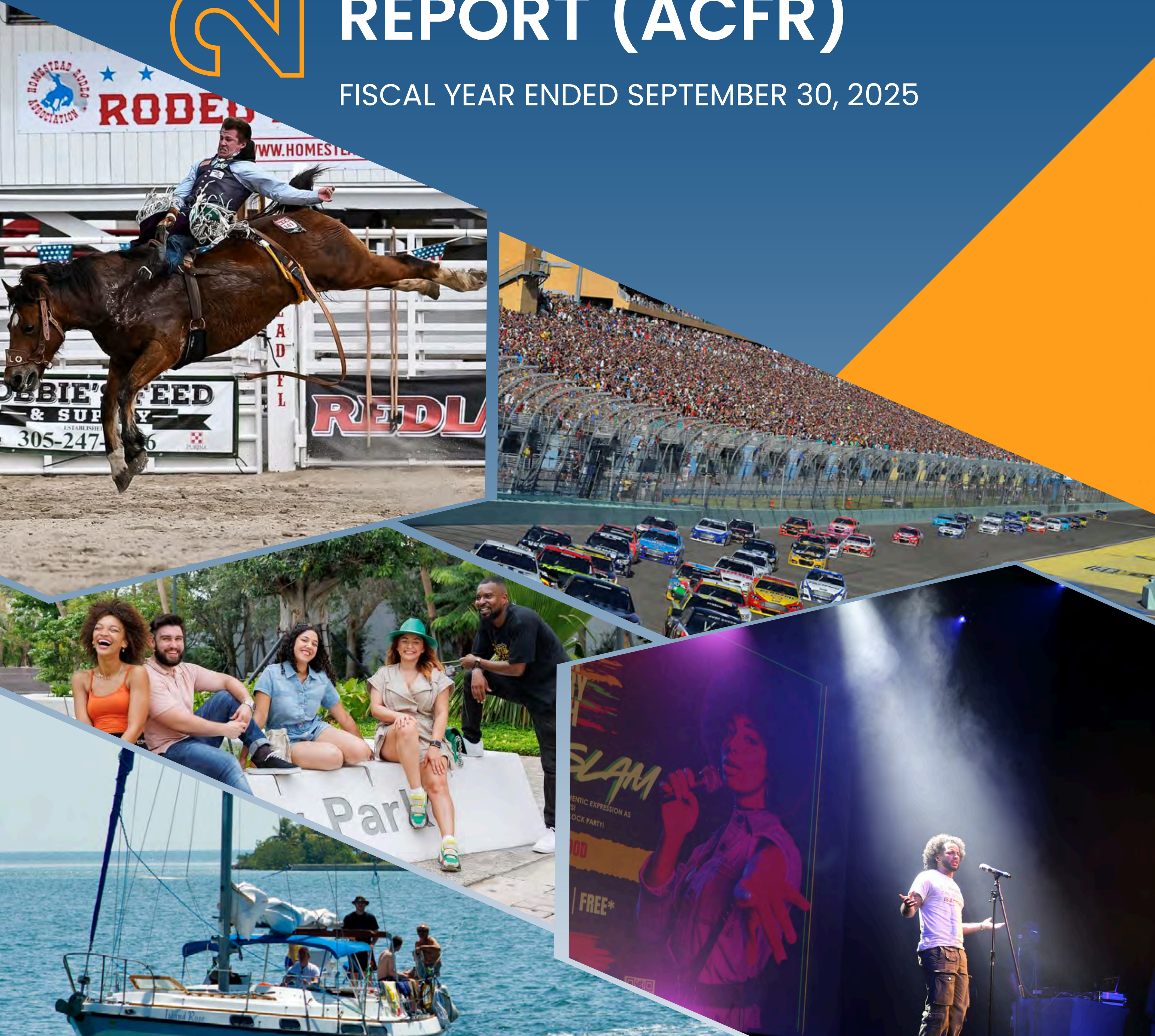
THE CITY OF

HOMESTEAD FLORIDA

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

FISCAL YEAR ENDED SEPTEMBER 30, 2025



CITY OF HOMESTEAD, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2025

PREPARED BY

THE FINANCE & BUDGET DEPARTMENT

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CITY OF HOMESTEAD

HOMESTEAD • FLORIDA CELEBRATES 1776-2026
250 YEARS of AMERICA'S INDEPENDENCE

CITY COUNCIL

Steven D. Losner
Mayor

Jenifer N. Bailey
Vice Mayor
Seat 4

Kimberly Konsky
Councilwoman
Seat 1

Sean L. Fletcher
Councilman
Seat 2

Larry Roth
Councilman
Seat 3

Erica G. Ávila
Councilwoman
Seat 5

Clemente Canabal
Councilman
Seat 6

CITY OFFICERS

Zerry Ihekwaba, PhD, PE
City Manager

Elizabeth Sewell, MMC
City Clerk

Weiss Serota Helfman Cole + Bierman
City Attorney

June 30, 2026

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, 2025, 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, 2025, 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, 2025 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

www.homesteadfl.gov 100 Civic Court, Homestead, FL 33030 305.224.4400

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 and State awards. This reporting is available in the City of Homestead's Reporting Section, issued as part of the Annual Comprehensive Financial Report ("ACFR"). 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 85,630. 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. Beginning in November 2023, the Mayor is elected to serve a four-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, code enforcement, building enforcement, 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 appropriation requests 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 the 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 programs). No department may legally expend more than the 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 expenditure 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, HOME Investment Partnership Program ("HOME") Fund, State Housing Initiatives Partnership Program ("SHIP") Fund, Park & Roadway Trust 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. With the exception of the fiduciary funds, the budgets for the remaining funds are adopted by resolutions that coincide with the length of the grant or assistance and do not result in an annual budget for the funds. 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 151-153 as part of the required supplementary information and on pages 171-176 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 2025 it was estimated at 85,630.

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 large portions of residential property value. The City can tax property up to 10 mills, or $1 for each $1,000 of taxable value. It is not anticipated that 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 steady and continued growth. For FY 2026, the City's assessed valuation is estimated at $6.389 billion, representing a 13.23% 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 increased from 5.9215 to 6.2055. The .2840 increase resulted in no impact on 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. For FY 2026, the operating millage was kept at 5.9604, while the debt millage rate was reduced from .2772 to .2446 mills. 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 FY2026 adopted budget includes a $1 million transfer from the General Fund to the Electric Utility, with additional transfers expected in future years. 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 hospital is part of Baptist Health South Florida and serves a very high patient volume, treating over 60,000 patients annually.

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 motorsports 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 marked the 30-year anniversary of the track's opening, and coincided with the City's continued role as a premier motorsports venue, hosting major NASCAR events and other racing series. The track's legacy includes producing champions, attracting global audiences, and serving as a symbol of South Florida's motorsports heritage.

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 1,700 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 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, a 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 park 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 opportunities for live, work, and play within the community. The park has more opportunities 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" has been reimagined to better position the property for future activation and private investment. The windows at Krome Marketplace have been wrapped with renderings showcasing the potential uses and design. These concepts will serve as guiding tools for staff as they seek development partners capable of transforming the re-envisioned spaces into viable, long-term assets for Downtown Homestead. This proactive approach is intended to enhance marketability, showcase the site's potential, and support the broader goal of creating a vibrant dining and entertainment destination within the CRA district. 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 Regional Park* –In July 2025, the Sports Performance Hub (SPH) team approached the City of Homestead with a proposal to invest $275 million to develop the Homestead Regional Park site into a state-of-the-art sports and recreation destination. The SPH project is a transformative, multi-use private development spanning over 100 acres and designed to provide world-class athletic, training, and community amenities for residents and visitors. Phase 1 of the envisioned complex includes multiple artificial-turf soccer fields, a multipurpose stadium, tennis and pickleball courts, walking paths, playgrounds, a shaded pavilion, concession areas, and parking, all supported by essential infrastructure such as sports lighting, security systems, and irrigation. Future phases of SPH are anticipated to introduce additional training facilities, athlete development programs, performance technology, and expanded recreational amenities that strengthen the site's long-standing role as a regional sports hub. Together, these improvements modernize and expand the complex to meet the growing recreational needs of the Homestead community while positioning it as a destination with regional and international appeal. The contract was officially executed in September, and the project has now reached a key milestone as Phase 1 enters the Site Plan Review process. This marks an important step forward, keeping the project on schedule as it moves closer to delivering a premier multi-use recreational destination for the community. The signing ceremony in September also confirmed that Miami FC will make SPH its future training facility and stadium home. The ceremony highlighted the City's commitment to community development, economic growth, and opportunities for residents, all at no cost to taxpayers. Construction is expected to begin in FY2026.
- *Old City Hall Site* – The City continues exploring options for the redevelopment of the old city hall site into a mixed-use 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 with hopes of being finalized:

- *Triangle Redevelopment Project* –The project includes 22 parcels that have been assembled for the development of a mixed-use project introducing a broader range of housing in the Southwest Neighborhood, including higher-level affordable and/or workforce housing, as well as for-sale market-rate housing. Some of the parcels were purchased with ARPA funding. A development proposal is currently under consideration.
- *Shotgun Property Redevelopment* – An RFP was issued for 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 and out-of-towners, who get the opportunity to visit Homestead.

In 2024, the City officially became part of Florida's spaceport system following the designation of the Homestead Air Reserve Base as a spaceport territory under Senate Bill 968. A spaceport territory is an aerospace hub that creates an ecosystem for companies to access resources, shared knowledge, a skilled workforce, and capital. The designation allows Homestead to benefit from Space Florida's toolkit, including the Spaceport Improvement Program, which can fund infrastructure and development projects.

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 remains significant 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 and future resources. The planning and decisions undertaken by the City are also weighed against 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 must focus on engagement, infrastructure, internal operations, economic development, and the quality of life for our residents, while balancing these priorities against the City's fiscal health.

The City's primary focus for 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 City's downtown and southwest sections.

During FY2024, the City was still in negotiations with a developer for the redevelopment of the old city hall site; however, those negotiations yielded no results, and in FY 2025, the City is determining its next approach for 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 by increased property tax revenues resulting from the implementation of a debt millage rate of .2772 mills for FY 2025.

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 with $16.6 million from available 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 covered by a $10 million bank loan, which was refinanced in FY2021. The City had always considered that the sale of the old city hall site would provide the final gap financing for the project, and, once negotiated, it would use the funds from the old city hall site redevelopment agreement to liquidate this debt.

Homestead Station is a multimodal transit center that includes a public facility consisting of a parking garage with a 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 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 $18.2 million in funding 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 $126.4 million in projects to be undertaken in FY2026 – FY2030 and funded by various sources.

The General Fund's spendable fund balance (including committed, assigned, and unassigned balances) at September 30, 2025, of $45,311,981 represents 57% of General Fund expenditures. This ensures that the City will have sufficient funds for future unexpected events. The City continues to implement cost-stabilization measures and seeks additional sources of recurring revenue whenever opportunities arise.

Relevant Financial Policies

Over the past several years, the State of Florida has passed legislation regarding how local governments may assess ad valorem taxes, as well as special voting requirements. Among the provisions of the legislation are special tax exemptions and maximum millage rate calculations based on the state's growth rate. Further impairment of tax proceeds occurred during the housing crisis, as the assessed value of property located within the City declined from a peak of nearly $4 billion on January 1, 2008, to just $6.389 billion by the valuation date of January 1, 2025.

In response to the City's commitment to long-term sustainability, an ordinance was adopted beginning in fiscal year 2005 that requires a fund balance commitment equal to 10% of general fund budgeted revenues. These financial statements reflect this $7,793,655 required reserve in the Governmental Fund's Balance Sheet.

The City maintains an investment policy with a primary focus on capital protection, while seeking investment earnings and providing for daily cash requirements. The City's investment portfolio at September 30, 2025, was $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 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 in 2008 and provides Homestead residents with improved access to other areas of the county north of the City via a connection to Metrorail. Conversely, it makes the City of Homestead more accessible to other Miami-Dade County residents.

In 2018, the 20-mile Bus Rapid Transit (BRT) corridor, 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. The BRT project received $100 million in federal funding and broke ground in 2021. Now complete, it offers 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 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 rights-of-way. During 2025, projects completed by the streets division included:

- 4,480 square feet of asphalt repair/replacement
- 0.82 miles of street repaved
- 344 pot holes and 121 trash holes filled/repaired
- 16,672 square feet of sidewalk repaired/installed
- 889 linear feet of curb and gutter were installed
- 43 handicap pedestrian ramps were repaired/installed
- 568 drains inspected, and 341 drains cleaned
- 2,684 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 BRT to other parts of South Florida. During 2019, the City also constructed two temporary bus shelters to provide bus service closer to the City's facility, complementing the County's BRT. In 2024, the City launched Freebee Homestead, providing residents with a free, seamless connection to their destinations.

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 FY2025 for the City's local trolley service and the Freebee transit services was as follows:

- 9,448 Downtown Route
- 13,145 Campbell Route
- 28,390 Lucy Route

- 4,057 National Park program

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 2025, the Parks Department accomplished the following:

- Activated free public Wi-Fi at all the City's parks.
- Launched a new summer camp program for the William F. "Bill" Dickinson Community Center.
- Installed a new splashpad and refinished the restrooms at James Archer Smith Park.
- Added new monthly paint parties for the senior members at the William F. "Bill" Dickinson Community Center.
- Renovated the tennis area at JD Redd Park, which included 6 new dedicated pickleball courts, 6 resurfaced tennis courts, 2 resurfaced racquetball courts, electrostatic fence paint and repairs, and 22 new benches for seating.
- Purchased 4 new solar LED portable light towers for enhanced lighting for events.
- Resurfaced the basketball courts at Mayor Roscoe Warren Municipal Park.
- Resurfaced the basketball courts and track at Blakey Park
- Replaced the roofs at Harris Field Football Stadium Press Box, William F. "Bill" Dickenson Community Center, and at JD Redd Park.

The CRA's initiatives and activities during FY2025 were concentrated in the following main areas:

- Published RFPs for the redevelopment of the
  - Shotgun property site
  - Krome Marketplace
- Completed the Downtown Enhanced Maintenance Program (DEMP) Initiative.
- Completed the Commercial Revitalization (Rock the Block) – Mowry & 8th Street.
- Section 163 Notice of Disposal was issued for two parcels on SW 4th Street designated for the development of a Pocket Park.
- Administered the Commercial Enhancement Grant Program.
  - Awarding (4) four grants
- Administered the Business Relocation & Expansion Grant Program.
  - Awarding (1) one grant
- Administered the Residential Rehabilitation Grant Program.
  - Awarding (5) five grants
- Completed the Krome Marketplace Roof Replacement Project.
- Secured the Florida Communities Trust Grant for the creation of a Pocket Park.
- Initiated Infrastructure design for the Krome & Flagler Avenue Improvements.
- Initiated Construction for
  - the Utility Undergrounding Project
  - the Krome Marketplace Parking Lot
- Received Board direction to advance negotiations for the Triangle Project.

In FY 2025, the Development Services Department prepared for the implementation of the Electronic Permitting

& Licensing – Building, Utilities, Inspections, Land, & Development System (EPL-B.U.I.L.D.)— Phase I, which was launched in October 2025. EPL-B.U.I.L.D is an innovative, integrated online platform that streamlines how residents, businesses, and contractors interact with City departments for permitting, licensing, and code compliance. With this new system, users can submit applications, upload documents, and track progress all in one place—anytime, from anywhere. The EPL-B.U.I.L.D System includes powerful tools such as electronic plan review for faster, simultaneous reviews across departments, including Development Services, Public Works, Code Compliance, Energy Department, and City Clerk's Office, as well as a citywide online payment solution. Whether applying for a permit, submitting plans, or paying a fee, the EPL-B.U.I.L.D. System is a one-stop shop for doing business with the City of Homestead—quickly, securely, and efficiently.

The Planning and Zoning Division guided new businesses and developments through the review and approval process effectively and efficiently. It administered applications involving site plans, rezoning, text amendments, administrative approvals, historic reviews, public art, plats, unity of title, variances, and comprehensive plan amendments. A partnership walkthrough service with Miami-Dade County (MDC), launched in 2025 to support the Certificate of Use (CU) process and business licensing for property owners, contractors, small businesses, and developers, has been enhanced to incorporate business tax and zoning walkthroughs at monthly open houses held in the City Hall Main lobby. The Building Services Division provided support to residential and commercial customers. In FY 2025, the Division issued 6,294 permits, reviewed 8,966 construction plans, conducted 20,922 inspections, and issued 485 Certificates of Occupancy. The Department has been recruiting new employees and retaining existing employees to replace contracted personnel with in-house personnel, to provide consistency and reliability in the services offered to the public.

The Police Department accomplished several projects and initiatives during 2025. Highlights of these accomplishments included:

- Total of 33 staffing vacancies (18 sworn, 15 non-sworn) identified and filled after launching a recruitment campaign that yielded over 600 applicants.
- Establishment of the HOA/Condo Fraud Unit, positioning the City as a leader in this critical area.
- A new Records Management System was selected; procurement is underway to bring HPD into compliance with state/federal reporting.
- Implemented a Crime Suppression Team responding to crime trends and quality of life issues.
- Social media presence has increased by over 300%, improving transparency and engagement.
- Implementation of the Citizens' Police Academy, which engages with our residents, giving them an inside look at HPD.
- Patrol coverage has been significantly increased per shift without adding personnel, with a change in the work schedule that has improved visibility and response time.
- The CFA Accreditation process began for the first time in HPD history.

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 & Budget Department. Since 2008, the City has received approximately $15 million in CDBG funding. These funds have supported a wide range of programs and capital projects benefiting low- to moderate-income residents.

During 2025, the Community Development Division of the General Administration Department (which reports to the City Manager's Office) took oversight of the programmatic aspects of CDBG. Financial reporting and accounting remained with the Finance & Budget Department. Community Development also accomplished the following initiatives:

1. Established the Affordable Housing Advisory Committee (AHAC), including the formation and staffing of the City's first AHAC
2. Completed the Local Housing Assistance Plan (LHAP) to access State Housing Initiative Partnerships (SHIP) funding from the Florida Housing Finance Corporation
3. Hosted the 1st Annual Community Health & Wellness Fair, providing free health screenings, dental services, health resources, educational materials, and a food distribution in partnership with Farm Share
4. Secured and distributed 1,000 Hurricane Preparedness Family Necessity Kits in collaboration with Global Empowerment Mission (GEM) and Farm Share
5. Rebranded the City's Utility Assistance Program and launched Homestead C.A.R.E.S., expanding eligibility to serve both residents and non-resident HPS customers in financial crisis; assisted 31 households.
6. CDBG-funded activities included:
   - STEM Education Program; served 83 students through contracted providers
   - Continued repayment of Section 108 loan used for Cybrarium construction
   - Renovated baseball field restroom facilities at Harris Field Park
   - Installed a waterproofing system and storm drainage improvements to protect the Seminole Theatre building structure

The Finance & Budget Department received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its FY 2025 Budget, and the Certificate of Excellence in Financial Reporting for its FY 2024 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 can 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 & Budget Director and Assistant Finance Director both became Certified Government Finance Officers (CGFOs), the highest state certification for government finance officers. During 2025, the Finance & Budget Department, as part of its normal operations, processed the following:

- Issued over 12,000 checks for approved invoices
- Processed over 23,200 vendor invoices
- Issued approximately 23,000 paychecks to employees
- Balanced 366 daily cash receipt batches
- Set up over 40 new grant files (budgets and accounts)
- Reviewed and approved over 3,300 purchase requisitions
- Reviewed and approved 213 travel authorization requests
- Reviewed and approved 335 contracts and amendments
- Reviewed and approved over 250 council agenda reports
- Reviewed, approved, and processed 542 budget transfers
- Reviewed, approved, and processed 185 travel expenditure reports (and travel reimbursements)

In addition to normal operations, the Finance & Budget Department also achieved the following:

- Successfully obtained two financing arrangements totaling over $2.7 million for various equipment acquisitions, demonstrating a sound financing strategy in addressing critical capital needs.
- Implemented several new GASB pronouncements to ensure accounting compliance and financial reporting excellence.
- Instrumental in getting council approval to place two questions on the November 2025 ballot to obtain voter approval for the issuance of general obligation bonds for (1) Parks Improvements, and (2) Roadway Improvements.

During the year, the Electric Utility installed service to 400 new residential units and 9 new commercial customers, supporting ongoing development across the City. To accommodate this growth and improve system resilience, approximately 15 miles of new underground cable were installed, and 1 mile of overhead distribution line was converted to underground, reducing exposure to weather-related outages. Street lighting system performance and efficiency were enhanced through the repair of 405 streetlights and the conversion of 251 High-Pressure Sodium fixtures to energy-efficient LED fixtures. Significant progress was made in strengthening the City's electrical infrastructure. Building on the installation of a major transformer on the east side of the City at the Renaissance electrical substation, the Utility completed three new distribution circuits in FY2025—two on the east side and one from the Redland Substation on the west side. This increased the total number of main circuits from 19 to 22 (a 16% increase), improving redundancy, reliability, and capacity to support future growth. Long-term system expansion efforts also advanced, with ongoing engineering design work for a new electrical substation on the west side of the City, expected to come online within the next 2–3 years. Utility continued its modernization initiatives by deploying Advanced Metering Infrastructure (AMI). As of the end of FY2025, approximately 8,000 smart electric meters have been installed, enabling remote reading capabilities for 89% of electric meters citywide and improving operational efficiency and customer service.

Other notable Utility projects of note during FY2025 included:

- The replacement of 40 wood poles with concrete or more robust Class II wood poles throughout the City to strengthen the system against severe weather and hurricanes.
- Completion of installation of a new motor control center supporting Engine Generator #20.
- Completion of the overhaul and return to service of Engine Generator Unit #16.
- Completion of the overhaul of the raw water pump serving Engine Generator Units #13 - #17.
- Replacement of 12 aging power plant roof ventilators to improve facility reliability and performance.
- Upgrade of the Utility's Outage Management System (OMS) to a more user-friendly platform, improving outage response and operational efficiency.
- Purchase of animal guards for installation at the McMinn Substation to prevent wildlife-related equipment outages.
- The Engineering Division managed over 20 projects from design through construction

The Utility continued its commitment to energy efficiency and customer programs by completing 468 residential and 18 commercial energy surveys, issuing 7 rebates for energy-efficient upgrades, and enrolling an additional 9 customers in its surge protection program. The Utility also executed 17 new net metering agreements, increasing total participation to 352 solar customers, collectively generating 1,193 3MWh of energy.

Despite rising energy costs, the Utility maintained highly competitive electric rates, ranking in the top 8th percentile statewide (No. 3 out of 37 utilities). This was achieved through active, day-to-day management of purchased power agreements and the successful addition of cost-effective utility-scale solar resources, which came online in 2025. During the year, the Utility responded to 410 customer-reported incidents, ensuring timely restoration and service reliability

For another consecutive year, the Utility maintained its American Public Power Association (APPA) Reliable Public Power (RP3) Diamond designation, the highest level of recognition, which it has held since 2017. The Utility also received the APPA Certificate of Excellence in Reliability, recognizing performance that significantly exceeds the national five-year average for electric utilities.

The Water and Wastewater Utility completed many projects during 2025; the most notable included the following:

- Televised 4,090 linear feet of pipe
- Cleared 68 sewer back-ups
- Cleaned 8,468 linear feet of sewer main lines
- Changed out 944 meters
- Installed 852 new meters for new water service accounts
- Completed 37 sewer line repairs throughout the city
- Treated 1.6 billion gallons of wastewater
- Produced over 4.2 billion gallons of water
- Completed 3,901 Customer Service work orders
- 7 new water services installed
- Repaired 44 fire hydrants throughout the city
- Replaced 4 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, as well as EPA's Water Treatment Facilities Inspection
- Passed Miami-Dade DERM inspections at WWTP
- Completed the EPA's Risk and Resiliency Assessment Certification
- Completed the Racetrack Tower Booster Pump Station project and placed the water tower into operation

During 2025, the Solid Waste Department's most significant accomplishments included:

- Commercial Garbage – 26,130 tons collected
- Residential Garbage – 23,505 tons collected
- Bulk Trash – 11,479 tons collected
- Industrial Trash/Garbage roll-off and compactor – 8,951 tons collected
- Recycling – 2,412 tons collected
- Purchased a side loader, a front loader, a trash truck, and five pick-up trucks
- After installation of the camera system, residential route completion reached 99% accuracy
- 100% response to illegal dumping within 48 hours
- Recycled 6.91 tons of supercans

The Procurement & Contract Services Department continued to advance its mission of delivering professional, efficient, and cost-effective procurement support to all City departments. Staff remained committed to professional development by pursuing certifications and training through the Universal Public Procurement Certification Council and the National Institute of Governmental Purchasing, while also participating in the Florida

Association of Public Procurement Officials Annual Conference to stay aligned with industry best practices. During FY2025, Procurement worked on 38 formal solicitations, processed 335 contracts, processed 3,346 requisitions, and issued 2,523 Purchase Orders. Inventory management remained highly accurate, with the Department successfully completing the annual inventory process with a discrepancy rate of less than 1%, achieving an exceptional variance of 0.0008% on a $7.755 million inventory. Additionally, the Department conducted two surplus auctions during the fiscal year—in March 2025 and September 2025, generating a combined total of $247,657 in revenue returned to the City.

During 2025, the General Services Administration ("GSA") Department's accomplishments included the following within various areas of its operations:

Facility Maintenance

Seminole Theater Waterproofing

- Managed contractor activities, including ongoing repairs and inspections.

Administration Building Project (Relocation of Code and PROS Departments)

- Successfully passed occupancy inspection.
- Completed lighting, signage upgrades, built cabinets, and installed equipment

JD Redd Park Re-Opening Project

- Painted multiple areas and built and installed new benches.

Operational Standards

- Re-aligned assignments and building maintenance responsibilities for the team.

Office Preparation & Improvements

Assisted various departments with creating/expanding office space in underutilized areas

- Expansion of the Human Resources Department's office space
- Re-opening the Customer Service Center's lobby
- New offices at the Electric Utility building
- New Offices for the City Manager/General Administration Department
- New safety windows and doors for the Procurement building
- Enhancements to the City Hall Balcony Room
- Installation of benches and equipment across multiple parks

Citywide Support & Projects

Collaborated with artists on Seminole murals and Cybrarium installations

Supported citywide events with painting, repairs, lighting, and plumbing

Fleet Division

Supported major city events, including NASCAR races, food festivals, and beautification events

Implemented citywide branding

- Installed 250-year anniversary decals on all city vehicles

Asset Management

- Prepared 100 vehicles for auction
- Transitioning fleet to hybrid/EV
- Implemented the 3rd eye camera system on certain city vehicles, which reduced accidents and speeding events
- Achieved 20% reduction in fuel consumption through route optimization of solid waste trucks

Innovation & Technology Department (ITD) accomplished the following during FY2025:

- Upgraded the City's ERP platform to the latest version to improve efficiency, scalability, security, and service delivery.

- Migrated email services to Microsoft Cloud, improving reliability, accessibility, scalability, and administration.
- Modernized network security infrastructure (firewall replacement) to strengthen cybersecurity and support future technology needs.
- Modernized core server infrastructure (network server) to maintain security, performance, and system reliability.
- Implemented a cloud-based agenda management system to modernize public meeting and agenda workflows.
- Implemented advanced firmware security controls and conducted citywide cybersecurity testing to identify vulnerabilities and strengthen network security.
- Equipped field staff with mobile technology to improve productivity, communication, and service delivery.
- Staff members attended several conferences to explore innovative public-sector technology solutions, strengthen cybersecurity strategies, evaluate future software enhancements, and learn best practices

The City Clerk's office continues to pursue its goal for staff certifications as Certified Municipal Clerk (CMC) and Master Municipal Clerk (MMC), and during FY2025, it also accomplished the following:

- Implemented an agenda management software (in collaboration with the CMO), which has streamlined the publication of meeting agenda packets for easier access by the public
- Implemented a campaign financing software platform allowing candidates to electronically file their campaign treasurer reports
- Processed 1,902 lien searches
- Processed 154 Lobbyists Registrations
- Transcribed 67 sets of Council Meeting minutes.
- Prepared 224 resolutions and 42 ordinances for execution and recording
- The department responded to 1,105 public record requests electronically received through the recently implemented JustFOIA software platform
- Two staff members became certified Passport Acceptance agents
- Various staff have their notary commission, and records management training

The Human Resources Department's FY2025 accomplishments were as follows:

- Successfully implemented negotiated labor agreements and cost-of-living adjustments, strengthening employee compensation and retention efforts.
- Modernized hiring and onboarding processes through NEOGOV, resulting in more efficient recruitment and the hiring of 103 new employees
- Processed and reviewed 7,359 employment applications through NEOGOV.
- Expanded employee engagement initiatives through feedback sessions and stay surveys to improve workplace experience and retention.
- Enhanced organizational governance through implementation of a comprehensive citywide social media policy.
- Strengthened employee morale and workplace culture through new recognition programs, celebrations, and appreciation events.
- Expanded employee healthcare access and wellness resources while generating significant cost savings ($378,000) and funding opportunities.

- Advanced long-term employee retirement benefits by securing approval to join the Florida Retirement System effective May 2026.
- Reduced insurance costs while investing in updated property valuations to improve risk management and coverage accuracy.
- Improved return-to-work practices to support employee recovery and reduce workers' compensation impacts.

The Grants Administration & Management Division is responsible for managing the American Rescue Plan Act (ARPA) projects. The City of Homestead secured $19,192,087 in ARPA funding to offset the effects of COVID-19 and help stop its spread. All funds were encumbered for specific allowable projects, as required, by December 31, 2024; however, as of September 30, 2025, the City allocated 100% of the ARPA funds to 52 projects and expended $17,864,469. Funds were allowed to be spent on the following four categories: Public Health/Negative Economic Impacts; Premium Pay; Revenue Loss; and Investments in Water, Sewer, and Broadband. All ARPA costs must be expended by December 31, 2026. In addition to managing the ARPA projects, the Division has overseen, tracked, and coordinated approximately 61 grant-funded projects totaling $50 million, applied for 42 grant opportunities totaling $63 million, and been awarded 16 grants totaling $5.3 million.

The Emergency Operations Manager was successful in accomplishing the following initiatives in FY2025:

- Launched the City's Emergency Management Hub — a centralized digital platform housing plans, training resources, operational documents, equipment inventories, and preparedness guidance.
- Secured the National Weather Service's StormReady designation and became the first community in South Florida to attain the NWS' Tsunami Ready designation, strengthening community resilience metrics and improving the City's Community Rating System (CRS) profile.
- Launched the Everbridge / Ready Homestead emergency notification system at no cost to the City.
- Implemented weekly Situation Reports and National Weather Service briefings for City staff to enhance proactive risk posture and situational awareness.

The Customer Service Department accomplished several initiatives during FY2025 in an effort to improve customer service delivery:

- Executed the Customer Service Window relocation.
- Streamlined billing operations, including re-read processing and data capture improvements.
- Launched AnswerNet Call Center (soft launch 4/22/25, full cutover 5/1/2025).
- Implemented QR codes, updated bill design, and improved customer portal functionality.
- Advanced system integrations and upgrades, including Paymentus (paperless billing), AppixSoft enhancements, Tantalus update, QLess planning, and FCS upgrade for tablet transition.
- Secured and applied $119K in LIHEAP funding and supported CARES program implementation.
- Improved cross-department service order routing and coordination.
- Transitioned meter readers from laptops to tablets to support a more efficient, paperless workflow.
- Expanded cross-training across collections, liens, and customer support functions.

During Fiscal Year 2025, the Code Compliance Department continued its transition to a fully independent and modernized operation, building on its inaugural year by advancing its organizational structure, operational efficiency, and community-focused enforcement strategies. Key initiatives and accomplishments during FY2025 were as follows:

- Improved service delivery through zone restructuring and proactive enforcement efforts, addressing 4,619 violations citywide, including 612 illegal dumping cases.
- Implemented comprehensive Standard Operating Procedures (SOPs) to improve consistency, accountability, and operational effectiveness.
- Expanded field technology, body-worn cameras, electronic lien recording, and property registration systems to increase efficiency and transparency.
- Established a stronger departmental presence through relocation to a dedicated facility and implementation of updated branding and uniforms.
- Modernized enforcement procedures and code administration processes (Notice of Violations, Citation process, Courtery Notice procedure, Special Magistrate appointments) to improve consistency, clarity, and legal defensibility.
- Enhanced compliance management by addressing lien backlogs and generating approximately $350,750 in revenues.
- Strengthened the department through the hiring, training, and professional development of six new Code Compliance Officers.

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 FY2025 were as follows:

- Negotiated a landmark public-private partnership to redevelop Homestead Regional Park into the Sports Performance Hub at no cost to taxpayers.
- Successfully launched and completed the City's first Five-Year Strategic Plan process, moving from executive alignment and community engagement to formal adoption, and then into implementation planning with performance tracking and future public dashboards to guide City operations and accountability.
- Launched Phase I of the Enterprise Permitting and Licensing (EPL) initiative to modernize permitting, licensing, and code compliance processes.
- Established the City's Passport Acceptance Facility, expanding local access to passport services for residents.
- Completed the City's first GIS Strategic Plan and expanded GIS tools to support modernization and service delivery initiatives.
- Increased resident access to government services through partnerships with County constitutional offices and recurring outreach events (i.e. FLOW DMV events)
- Expanded the City Manager's Office capacity by adding key leadership positions in human services, emergency management, grants administration, and communications.
- Launched the Discover Homestead brand to promote the community as a regional destination and economic driver.

- Strengthened workforce development and economic mobility opportunities through partnerships, youth employment initiatives, and homeownership-focused programs.
- Secured $1.2 million in State appropriations for critical water infrastructure and transportation projects and developed the 2026 Legislative Priorities packet to support continued funding.

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, 2025, the City expended a total of $17,864,469 of ARPA funds, with all remaining funds encumbered as required by the December 31, 2024, deadline.

Other Awards and Acknowledgments

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, 2024. This was the twenty-second 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 & Budget 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 conducting their independent audit of the City's financial records and transactions. Acknowledgments are also given to the Mayor and the City Council for their unfailing support in 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 are greatly appreciated.

Respectfully submitted,

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

CITY OF HOMESTEAD, FLORIDA

CITY OFFICIALS

SEPTEMBER 30, 2025

COUNCIL – MANAGER FORM OF GOVERNMENT

CITY COUNCIL
2025

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, ICMA-CM

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

HOMESTEAD RESIDENTS

CITY COUNCIL

- MAYOR
  Steven D. Losner
- VICE MAYOR
  Sean L. Fletcher
  Seat 2
- COUNCILMAN
  Tom Davis
  Seat 1
- COUNCILMAN
  Larry Roth
  Seat 3
- COUNCILWOMAN
  Jenifer N. Bailey
  Seat 4
- COUNCILWOMAN
  Erica G. Ávila
  Seat 5
- COUNCILMAN
  Clemente Canabal
  Seat 6

CITY ATTORNEY
Weiss Serota

CITY CLERK
Elizabeth Sewell, MMC

CHIEF ADMINISTRATOR/CITY MANAGER
Nzeribe (Zerry) Ihekwaba, PhD, PE, ICMA-CM

DEPUTY CITY MANAGER
Kemarr L. Brown, LLM MAIA

ASSISTANT CITY MANAGER/ DIRECTOR
Crystal Ollivierre, MIB

- Solid Waste Management
- Customer Service
- Code Compliance
  Jose Perez, EMPA CFM
- Parks, Recreation & Open Spaces
  Pedro Reynaldos,CPRP

- Development Services
  Debora Storch, NCARB, AIA
- General Services Administration
  Israel Salgado
- Innovation & Technology
  Yaniel Corrales, MSMIS
- Utilities-Energy
  Barbara Quinones, BSME
- Procurement
  Malia Rivera, NIGP-CPP
- Community Development & Human Services

- Police
  Mario Knapp
- Finance & Budget
  Carlos Perez, CPA,CGFO, CPPT
- Human Resources
  Babette Friedman,PHRP
- Public Works
  Cairo Cangas, PE
- Community Redevelopment Agency
  Jared Beck, AICP FRP
- Communications
  Camila Varcarcel, MBA
- Economic Development
- Emergency Management
  Jamie Hernandez

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, 2024

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

CBIZ CPAs P.C.

2811 Ponce De Leon Blvd., Suite 1100
Coral Gables, FL 33134

P: 305.995.9600

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, 2025, 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, 2025, 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 84%, 88% and 36%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of September 30, 2025. 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 21%, -7% and 1%, respectively, of the assets, net position and revenues of the business-type activities as of September 30, 2025. Those statements were audited by an other auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the QALICB are based solely on the report 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, 2026, 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.

Coral Gables, Florida
June 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

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, 2025. 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, 2025, the government-wide assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $323,670 (*net position*), an increase of $49,180 (net of a restatement - change in accounting principle of $1,175) or 17.9% from the prior year.

- The City's *total assets and deferred outflows of resources* of $592,389 reflect a net increase of $39,992 from the previous year. Current assets increased by $19,461, mostly from the increase in cash and investment from unspent money in Impact fees and Park & Roadway Trust Funds and government-wide increases in net position. Non-current assets increased by $3,325, mostly from the increase in lease receivables. Total deferred outflows of resources increased $6,858 due to the increase in deferred outflows for pensions.

- The City's *total liabilities and deferred inflows of resources* reflect a net decrease of $9,188 from $277,907 in FY 2024 to $268,719 in FY 2025. Current liabilities decreased by $16,973, mostly from the decrease in American Rescue Plan Fund unearned revenue and also the decrease in power cost adjustment liability. Noncurrent liabilities decreased by $28,727 or -15%. Net pension liability decreased by $32,134 and bond, notes and loans liability decreased by $3,330 from FY2025 principal payments. However, total OPEB liability increased $2,823, and other liabilities increased $3,914.

- At September 30, 2025, the City's governmental funds reported a combined ending fund balance of $126,735, an increase of $24,181 from the prior year. The increase is due to the increase in property taxes and other revenues, while expenditures were below budgeted expectations. Of the total fund balance, $28,821 or 23% represents the *unassigned* fund balance, which is available for spending at the City's discretion.

- The City's enterprise funds reported a combined ending net position of $59,645, an increase of $16,273 (net of a restatement - change in accounting principle of $312) from the prior year; $47,476 was *net investments in capital assets*, $1,759 was *restricted*, and $10,411 was *unrestricted.*

- At fiscal year end, the General Fund total fund balance increased by $11,227 from $72,262 in FY 2024 to $83,490 in FY 2025, which represents approximately 120% of total General Fund expenditures. Of this total fund balance, $36,316 was *nonspendable* and represents prepaid costs, long-term notes receivables, and long-term lease receivable, $1,556 has been *restricted* for fiber optic and rock pit security, $306 *restricted* for HUD section 108 loan security, $2,283 *restricted* for building enforcement, $7,794 has been *committed* for a required reserve, $8,697 was *assigned* for subsequent year's budget, and $26,538 was *unassigned.*

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.

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 seventeen 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 and the Homestead Community Redevelopment Agency Fund, both of which are considered to be major funds. Data for the other fifteen 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 *combining* statements elsewhere in this report.
The City adopts an annual budget for its General Fund, the Homestead Community Redevelopment

Agency Fund and nine 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, Capital Improvement, and Cybrarium Fund. The American Rescue Plan Fund, the Sundries Grant Fund, the Community Development Block Grant Fund, Home Fund, State Housing Initiative Program Fund, and Park & Roadway Trust 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 *151-153* and the schedules of revenues, expenditures and changes in fund balance - budget and actual for the nine non-major governmental funds can be found on pages *171-176* 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 four internal service funds, three 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.

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 37-150 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 151-164 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 165-184 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 $323,670 at the close of fiscal year 2025 of which 82% was for governmental activities and 18% was for business-type activities.

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, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets and Deferred Outflows of Resourses:						
Current assets	$ 145,286	$ 130,503	$ 64,550	$ 59,872	$ 209,836	$ 190,375
Other assets, non current	5,422	1,526	16,822	17,393	22,244	18,919
Capital assets, net	242,000	237,556	88,702	82,798	330,702	320,354
Total assets	392,708	369,585	170,074	160,063	562,782	529,648
Total deferred outflows of resources	22,419	17,069	7,188	5,680	29,607	22,749
Liabilities and Deferred Inflows of Resourses:						
Current and other liabilities	14,294	23,937	24,683	32,013	38,977	55,950
Noncurrent liabilities	101,884	126,425	67,195	71,381	169,079	197,806
Total liabilities	116,178	150,362	91,878	103,394	208,056	253,756
Total deferred inflows of resources	34,924	5,244	25,739	18,907	60,663	24,151
Net position:						
Net investment in capital assets	190,866	185,057	47,475	39,756	238,341	224,813
Restricted	37,885	28,086	1,759	1,536	39,644	29,622
Unrestricted	35,274	17,905	10,411	2,150	45,685	20,055
Total net position	$ 264,025	$ 231,048	$ 59,645	$ 43,442	$ 323,670	$ 274,490

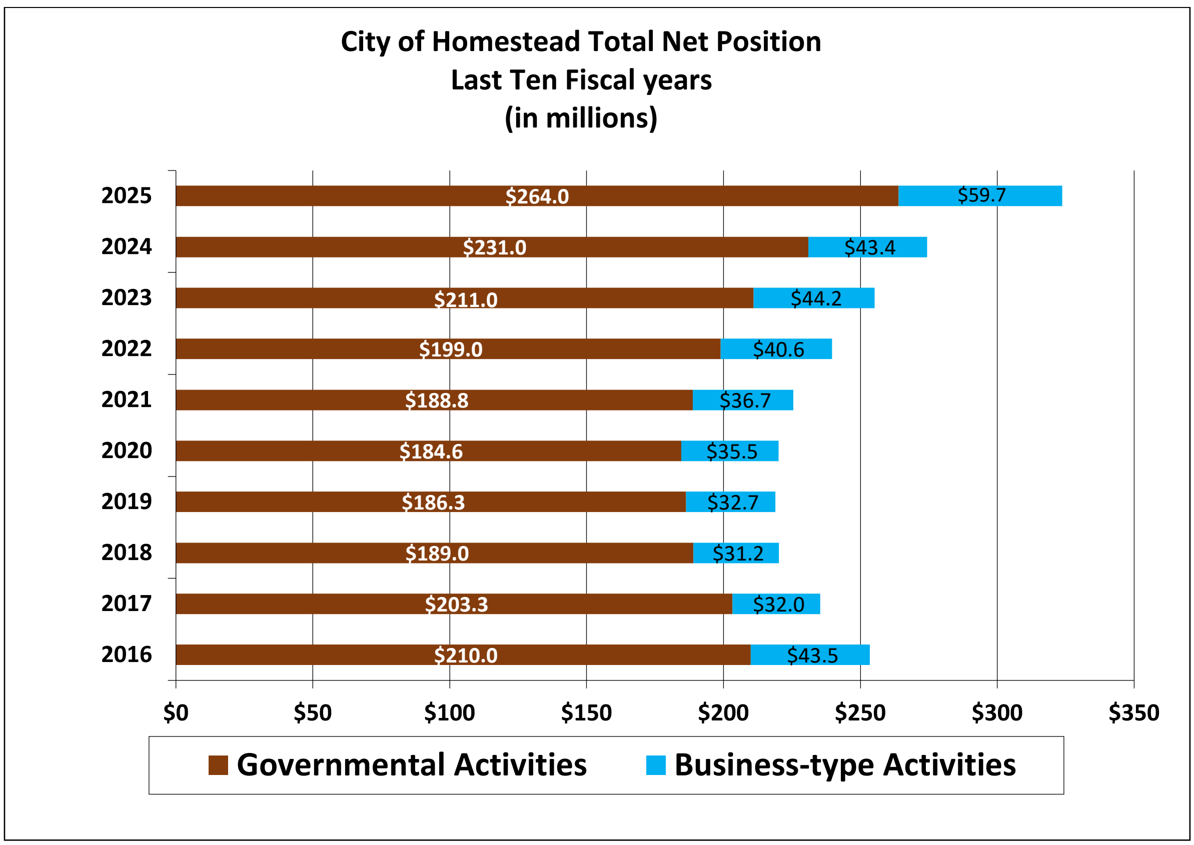
By far, the largest portion of the City's net position reflects its *net investment in capital assets* (e.g., land, buildings, infrastructure, utility plant and systems, lease (right-to-use assets) and subscription-based arrangement asset), net of accumulated depreciation and amortization, less any outstanding 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 2025 had a balance of $238,341 (74% of total net position.)

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 2025 had a balance of $39,644 (13% 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 2025 the City reported a total unrestricted net position of $45,685, an increase of $25,630 from the prior year. Governmental activities reported a $35,274 unrestricted net position and business-type activities reported a $10,411 unrestricted net position.

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



Summary of Activities

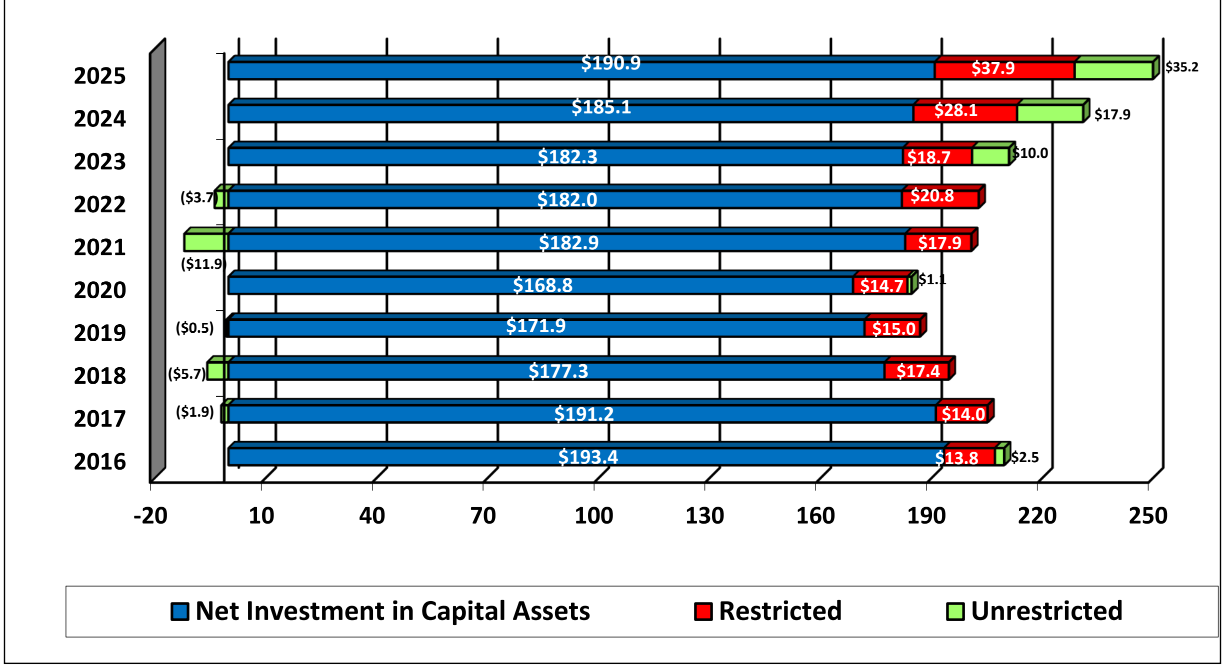
The following table provides a comparative summary of the government-wide statement of activities for the current and prior fiscal year.

City of Homestead
Summary of Changes in Net Position
Fiscal years ended September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 19,564	$ 20,805	$ 117,677	$ 110,102	$ 137,241	$ 130,907
Operating grants and contributions	12,820	9,532	-	-	12,820	9,532
Capital grants and contributions	11,967	8,040	4,351	789	16,318	8,829
General revenues:						
Property taxes	36,601	33,141	-	-	36,601	33,141
Fuel taxes	1,436	1,195	-	-	1,436	1,195
Franchise fees	1,503	1,400	-	-	1,503	1,400
Utility taxes	1,729	1,720	-	-	1,729	1,720
Communication service taxes	1,973	1,837	-	-	1,973	1,837
Half cent sales taxes	8,476	8,534	-	-	8,476	8,534
Unrestricted intergovernmental	5,230	5,217	-	-	5,230	5,217
Payment in lieu of taxes	9,457	8,881	-	-	9,457	8,881
Other revenues	9,790	2,598	6,625	3,976	16,415	6,574
Unrestricted investment earnings	3,696	4,362	1,328	842	5,024	5,204
Total revenues	124,242	107,262	129,981	115,709	254,223	222,971
Expenses:						
General government	23,636	19,135	-	-	23,636	19,135
Public safety	40,619	43,724	-	-	40,619	43,724
Public works and services	10,956	7,134	-	-	10,956	7,134
Parks and recreation	10,665	12,539	-	-	10,665	12,539
Disaster relief	-	4	-	-	-	4
Interest on long-term debt	2,419	2,552	-	-	2,419	2,552
Unallocated depreciation	2,138	2,196	-	-	2,138	2,196
Water / Sewer utilities	-	-	26,296	26,347	26,296	26,347
Electric utility	-	-	70,586	69,867	70,586	69,867
Solid waste	-	-	16,613	16,860	16,613	16,860
Other enterprise	-	-	1,906	1,881	1,906	1,881
Homestead Station QALICB	-	-	1,422	1,418	1,422	1,418
Total expenses	90,433	87,284	116,823	116,373	207,256	203,657
Increase/(Decrease) in net position before transfers and special item	33,809	19,978	13,158	(664)	46,967	19,314
Special item : PFAS Litigation Settlement	-	-	3,388	-	3,388	-
Transfers	-	106	-	(106)	-	-
Increase (Decrease) in net position	33,809	20,084	16,546	(770)	50,355	19,314
Net position – beginning as originally stated	231,048	210,964	43,442	44,212	274,490	255,176
Restatement - change in accounting principle (see note 20)	(832)	-	(343)	-	(1,175)	-
Net position – beginning as restated	230,216	210,964	43,099	44,212	273,315	255,176
Net position – ending	$ 264,025	$ 231,048	$ 59,645	$ 43,442	$ 323,670	$ 274,490

Governmental activities

Total net position of the City's governmental activities increased by $33,809 from $230,216 (as restated by the restatement - change in accounting principle) in FY 2024 to $264,025 in FY 2025, or 14%. Restricted net position increased $9,799 mostly from the increases in impact fees collected during FY2025. Unrestricted net position increased $17,369 primarily due to $6.7 million in proceeds received from the sale of fill from a city-owned rock pit. Other factors included actual expenditures being well below budgets; this was due to vacancies, delays in some projects or studies, and savings in studies and projects that were completed. Additionally, a decrease in the net pension liability as well as certain revenues that exceeded budgeted expectations contributed to the increases in unrestricted net position.



Governmental Activities Net Position (in million)

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

- Total charges for services decreased by $1,241 while both operating grants and contributions and capital grants and contributions increased by $3,288 and $3,927 respectively. This reflects the City's aggressive pursuit of grant funding to support new initiatives and capital projects.

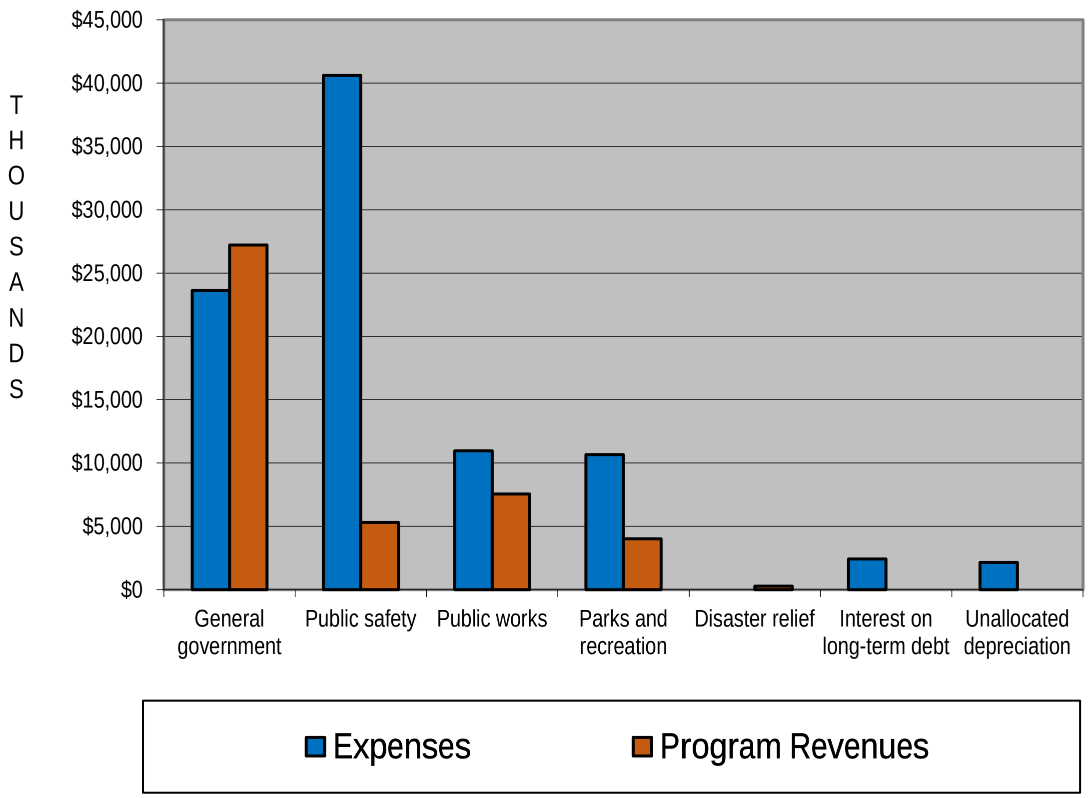
- Gross property taxable values for the City increased for a twelfth straight year, from $5.063 billion in 2024 to $6.061 billion in FY 2025. Total property tax revenues increased by $3,460 from the increase in the assessed property taxable value even though the City lowered its property tax millage rate from 6.0206 mills in FY 2024 to 5.9604 mills in FY 2025.

- Other revenues increased by $7,192, primarily due to the $6.7 million received for the sale of fill from a rock pit owned by the City. While this is not deemed a special item, it is considered an infrequent revenue.

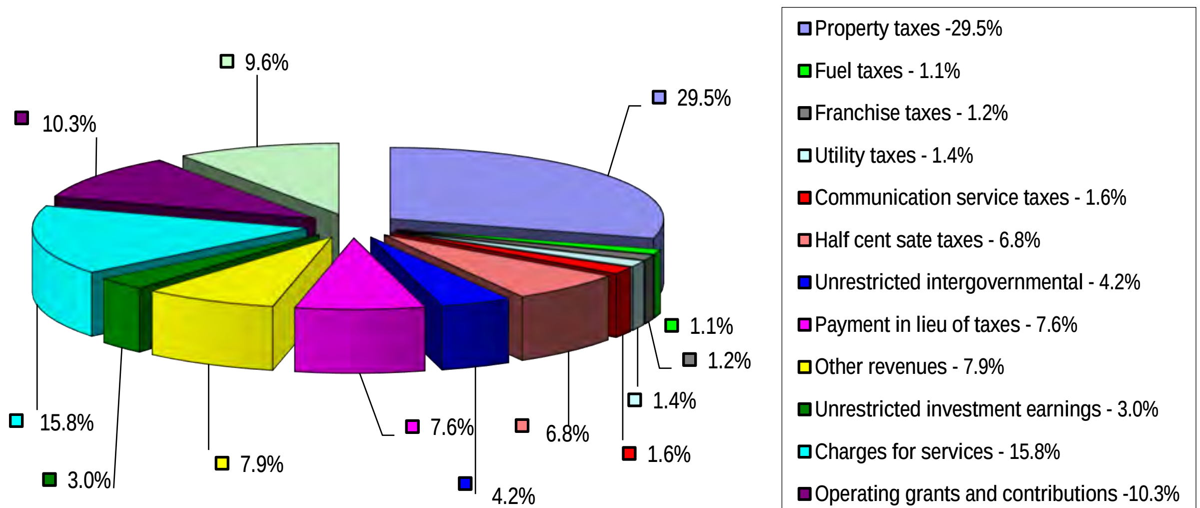
- Total governmental activities expenses increased by $3,149 from the prior year, mostly from increases in personnel costs as well increased expenditures of ARPA funds in order to meet the December 31, 2026 deadline when all ARPA funds must be expended.

The following charts compare expenses and program revenues and revenue by sources for governmental activities for fiscal year 2025:

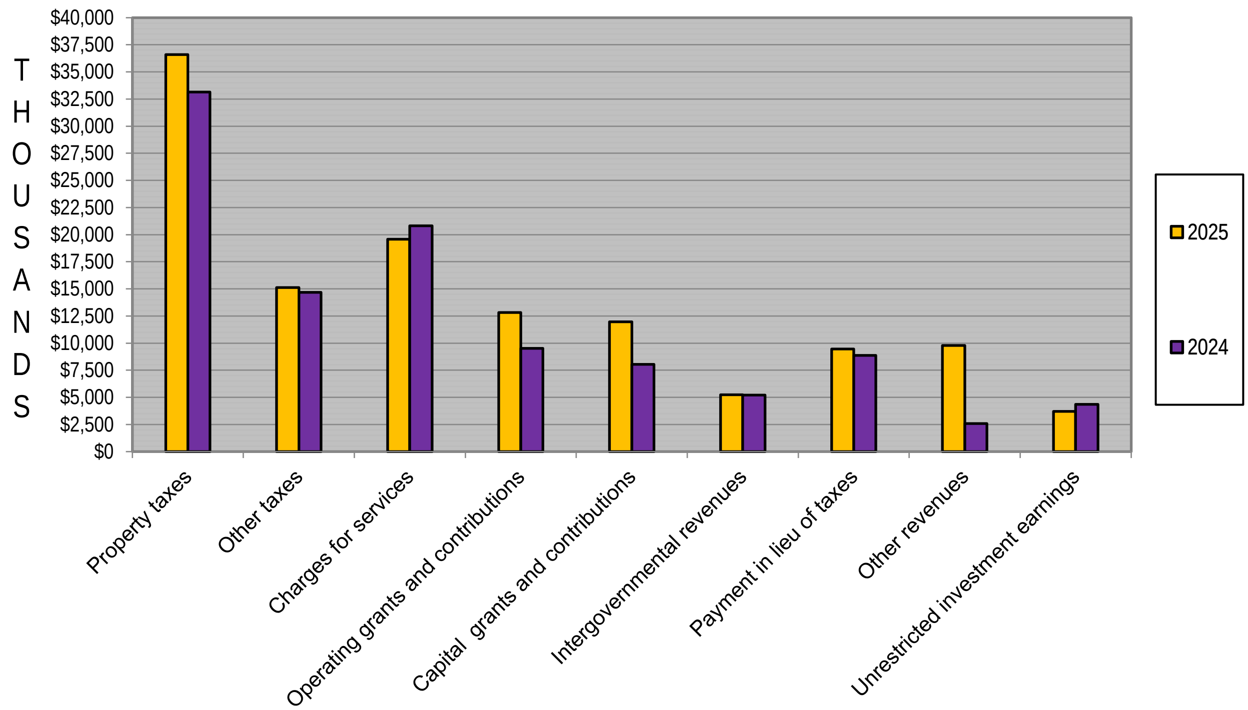
Governmental Activities - Expenses and Program Revenues



Governmental Activities – Revenues by Source

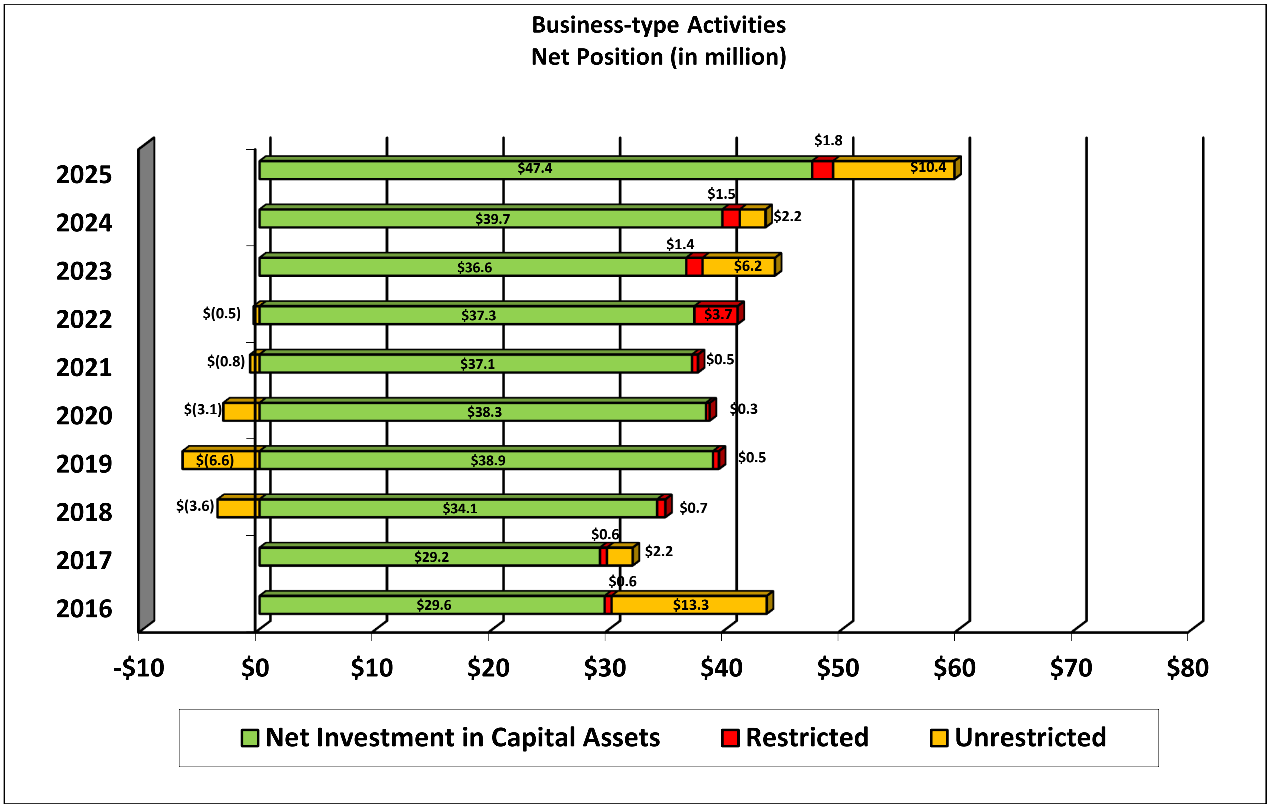


Governmental Activities – Current Year Revenues vs. Prior Year Revenues



Business-type activities

The City's net position of the business-type activities, which includes the customer service internal service fund and Homestead Station QALICB, increased by $16,203 from $43,442 to $59,645, or 37% from the prior year.



Key elements of the City's business-type activities for fiscal year 2025 are as follows:

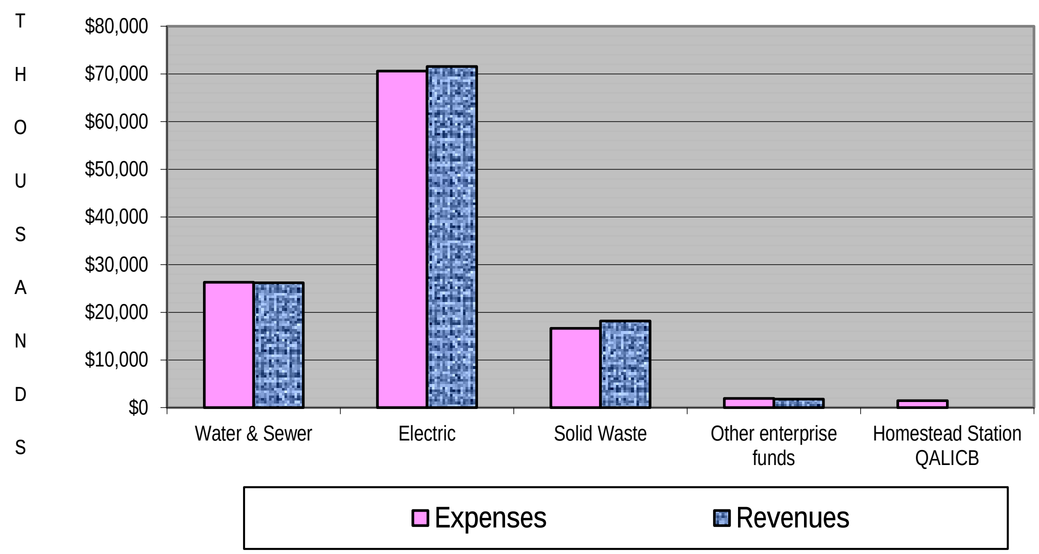
- Overall charges for services increased by $7,575 or 7% from the prior year. Electric Utility charges for services increased by $5,522 primarily due to increases in the power cost adjustment revenues. Water and Sewer had an increase in charges for services of $1,060 while Solid Waste charges for services increased by $857 both mostly from a CPI rate increase, and Stormwater charges for services increased by $136.

- Electric Utility expenses increased by $719. Purchased power costs increased by $2,023 while personnel decreased by $2,577 The decrease in personnel costs was primarily due to the capitalization of labor for ongoing capital projects. Water and Sewer expenses decreased $51 and Solid Waste expenses decreased by $247. The expenses for other utilities remained relatively stable.

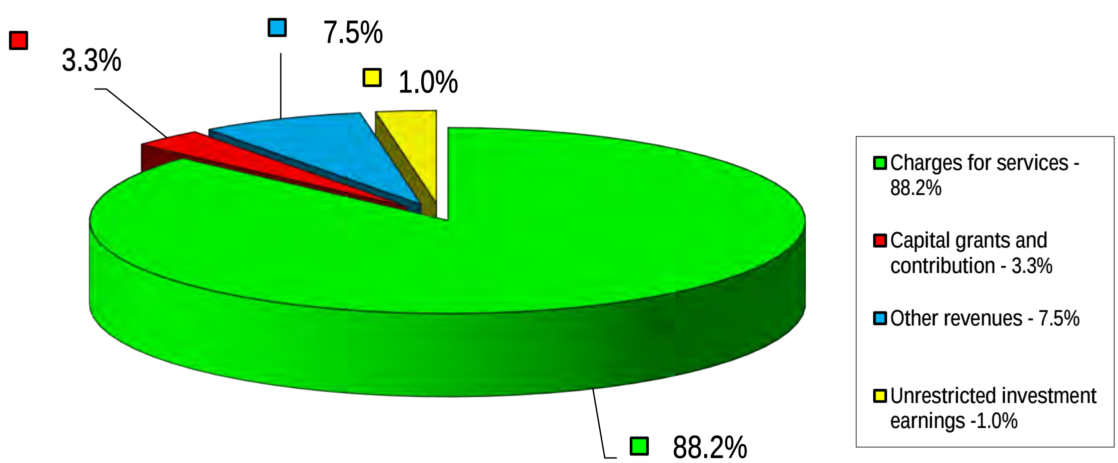
- Investment earnings increased by $486 due to money from Electric FMPA loans not yet spent.

- As of September 30, 2025, aside from the customary CPI and Miami-Dade County pass-through cost adjustments for water and sewer rates, and the CPI increases for the solid waste rates, there were no rate adjustments for stormwater utilities, or electric utilities.

Business-type Activities – Expenses and Revenues



Business-type Activities – Revenues by Source



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 2025, the City's governmental funds reported a total fund balance of $126,735, an increase of $24,181 from prior year. Out of this amount, $36,316 or 29% was in *nonspendable* which represents prepaid costs and the long-term leases and notes receivable. $37,027 or 30% is *restricted* by third parties such as grantors, creditors, state statue or other governmental entities for specific type of expenditures. The City, through ordinances, has $16,699, or 13%, 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 $7,794, and 2) *committed* fund balance to be used for specific purposes such as public art, transportation and capital projects of $8,905.

The City also has *assigned* $10,155 or 8% 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. $26,538 or 21% 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 $83,489, an increase of $11,227 from prior year primarily due to permits and licenses as well as interest income from investments outperforming original budgeted expectations. 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 $26,538 constitutes 32% of the total fund balance which represents a decrease of $3,144 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 39% of total General Fund expenditures, while total fund balance represents 120% of that same amount.

Besides the General Fund, major governmental funds include the Homestead Community Redevelopment Agency. The Homestead Community Redevelopment Agency's fund balance increased $617, from $6,740 in 2024 to $7,357 in 2025, primarily due to the unspent monies earmarked for land purchases, redevelopment projects, and grants.

As for other non-major governmental funds, Impact Fees' fund balance increased by $3,940 primarily due to increased development in the City. People's Transportation Plan's fund balance increased by $1,031 due to unspent money for capital projects. Capital Improvement Fund decreased by $1,632 the result of capital equipment purchases, and capital projects completed. Parks & Roadway Trust Fund increased by $6,700 from the sale of fill from a city-owned rock-pit.

Blended component unit - Homestead Community Redevelopment Agency (CRA): As of September 30, 2025, the CRA reported a fund balance of $7,357, reflecting an increase of $617 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 2025, Water & Sewer Utility is reporting an operating income of $2,645. *Total net position* increased by $7,793 while *unrestricted net position* also increased by $6,805 from a negative balance of $196 in FY 2024 to a positive balance of $6,609 in FY 2025. 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. Water & Sewer also reports a special item revenue of $3,388 from proceeds relating to the DuPont Public Water System settlements as well as $1,878 in contributions of grant-funded capital assets.

- In FY 2025, the Electric Utility reported an operating income of $4,776. The revenues increased by $6,363, while expenses increased slightly by $608. Personnel costs decreased by $2,577 from the prior year due to the capitalization of labor for ongoing capital projects. Total net position increased by $6,405 while *unrestricted net position* decreased by $949 from a negative balance of $5,753 in FY 2024 to a negative balance of $6,702 in F5 2025. In addition to significant non-current liabilities, the Electric Utility is reporting a balance of $15,800 due to other funds that are contributing to the negative unrestricted net position.

- Solid waste had an operating income of $1,725. *Total net position* increased by $2,483 while *unrestricted net position* also increased by $1,789. Solid Waste rates are being adjusted annually based on the CPI, and in an effort to allocate the use of resources over several years, recent equipment purchases have been financed.

- In summary, total net position for all proprietary funds in FY2025 was $59,645, an increase of $16,273 (net of a restatement - change in accounting principle of $312) 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. The QALICB was dissolved on May 5, 2026, pursuant to Council and QALICB board action after the nonprofit had met its minimum seven-year term.

In FY 2025, the City's proprietary financial statements include the QALICB's financial statements for the period from July 1, 2024 to June 30, 2025. QALICB reported a negative net position as of June 30, 2025 of $3,840. More detailed information for the Homestead Station QALICB may be obtained from its separately issued financial statements.

General Fund Budgetary Highlights

The General Fund had three budget amendments in FY 2025 that increased the original budget by the total of $1,882,450 during FY 2025:

- Ord 2024-12-33: Funding for Citywide EP&L Solution, increased the General Fund budget by $1,132,450. Funded from an appropriation of fund balance.
- Ord 2025-05-16: Funding for Development Service and Mayor & Council, increased General Fund budget by $250,000. Funded from increased permit revenues for Development Services.
- Ord 2025-05-17: Funding for the purchase of an Ice Rink, increased General Fund budget by $500,000. Funded from an appropriation of fund balance.

The General Fund budgetary comparison schedules can be found on pages 151-152 of this report.

Budgeted revenues compared to actual revenues. Actual General Fund revenues before other financing sources were $4,447 higher than the final budgeted amount.

- Licenses and permits were $1,981 over budget expectations due to increased development.
- Rental and other revenues were $687 higher than budgeted due to the mid-year CPI-adjusted catch-up payments related to an operating agreement.
- Investment income showed $1,384 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 $8,240 lower than budgeted. All of the departments in the General Fund reported positive variances.

- General government showed a positive variance of $4,823; General Administration ($1,385 mostly from savings in public relations and special events), Planning & Zoning ($1,150 mostly from savings in professional services for projects/programs that have been delayed), Finance ($731 mostly from personnel vacancies, professional services and contracts for programs that have been delayed), all others ($1,557 mostly vacancies, professional services and contracts).

- Public Safety had a total positive variance of $2,564; Police reported a positive variance of $1,691 mostly from savings in personnel costs due to vacancies. Code compliance had a positive variance of $411 while other components of public safety had a positive variance of $462.
- Public works showed a positive variance of $372 while Parks, recreation and facility maintenance had a positive variance of $297. Savings were mostly from supplies, maintenance costs and professional services.

Capital Asset and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2025 amounted to $330,702 (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 2025 increased by $10,348 from the previous year. Major capital asset events that occurred during the fiscal year include the following:

- Purchase of a portable Ice-Rink for Parks for $425, funded by the General Fund.
- Conversion and renovation of a building for code compliance totaling $863, as well as new furniture for code compliance totaling $109, funded by the General Fund and ARPA.
- Police purchased two vehicles for $110 and radio and other equipment for $108 using police impact fees; radio infrastructure battery for $140 with CIP fund.
- Parks projects included the completion of the restrooms at JD Redd Park, Roby George Park and Harris Field, totaling $352 funded by Impact Fees and CDBG funds; waterproofing of the Seminole Theatre building for $163 funded by CDBG Funds, new roofs for the Dickinson Center and JD Redd Park totaling $576 funded by grant and CIP funds, JD Redd resurfacing of tennis and racquetball courts for $161 funded by ARPA, renovation of the JAS Park splash pad for $479 funded by Impact Fees, grant and CIP Funds, and a new Witkop Park playground equipment for $420 funded by Impact Fees Fund.
- Street and sidewalk replacements and improvements totaled $991, funded by the General Fund, Grant Funds, and the People's Transportation Plan Fund.
- Through new equipment financing for FY 2025, the City acquired 13 vehicles for Police, totaling $957.
- Construction-in-progress for governmental activities at year-end totaled $13,832. This includes public works projects totaling $11,517, such as a water main upgrade ($4,708), a force-main upgrade for pumpstation #22 ($1,581), a pumpstation #22 bypass ($2,955), a PTP walkway ($888), and major sewer line repairs ($596). Parks' ongoing projects totaling $1,573, such as the Sports Complex A&E and Expansion ($520) and the Cybrarium 3rd & 4th Floor renovation and construction ($887), are mostly funded by Grants, Impact Fees, and ARPA funds.
- Electric Utility completed FEMA Hazard Mitigation for $5,228; advanced metering infrastructure (AMI) for $992; underground, overhead, and streetlight projects totaling $3,771; engine upgrades

for $1,093; new meters and substation equipment for $1,565; and purchased two bucket trucks for $473. Major construction-in-progress at year-end included a new substation ($2,449), downtown infrastructure project ($426), NW area underground project ($2,150), foundation for new transformer ($286), protection relays ($247), and Engine #17 rebuild ($732).

- Water and Sewer purchased four Ford trucks for $285, a Ford F-450 crane with hydraulic extension for $138, a Ford transit cargo van for $370, an emergency pump station super bypass heavy equipment for $127, and finished a 10-year meter replacement project of $426, all funded by ARPA. They also finished the booster pump station project at the Racetrack Water Tower for $979.
- Stormwater purchased a backhoe for $142, funded by ARPA.
- Solid Waste purchased four Ford F-150s, a Ford Lincoln Mercury, and a self-loader truck for $425, and also a roll-off and a Mack side loader for $629, funded by ARPA.
- Capital assets at the fiscal year ended June 30, 2025, for Homestead Station QALICB amounted to $29,448, net of depreciation.
- Depreciation expense totaled $12,014 and $7,629 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, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 54,350	$ 57,311	$ 1,876	$ 1,876	$ 56,226	$ 59,187
Land improvements	9,142	9,564	-	-	9,142	9,564
Buildings and improvements	101,796	100,627	29,384	30,342	131,180	130,969
Other improvements	10,622	10,224	-	-	10,622	10,224
Furniture, fixtures and equipment	8,585	7,478	-	-	8,585	7,478
Books	76	227	-	-	76	227
Artworks	2,529	1,760	-	-	2,529	1,760
Infrastructure	25,126	27,265	-	-	25,126	27,265
Utility plant and systems	-	-	50,086	39,748	50,086	39,748
Construction in progress	13,832	6,350	7,229	10,832	21,061	17,182
Lease (Right-to-use asset)	15,123	15,779	-	-	15,123	15,779
Subscription-based arrangements assets	819	971	127	-	946	971
Total capital assets	$ 242,000	$ 237,556	$ 88,702	$ 82,798	$ 330,702	$ 320,354

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 67-73 of this report.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt and loans outstanding of $110,912, a decrease of $1,329 from prior year. The City's bonded debt represents bonds secured by specific revenue sources. Total governmental bonded debt and loans payable amounted to $57,042. Business-type activities bonded debt and loans payable amounted to $53,870.

- Governmental activities' bonded debt and loan payable decreased by $2,335 due to principal payments made during FY2025.
- Business-type activities' debt decreased by $984 for principal payments made during FY2025.

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. On October 14, 2025, Moody's issuer comment shows the City's rating at Aa3 with no 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, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds, Series 2014	$ 18,615	$ 19,270	$ -	$ -	$ 18,615	$ 19,270
Plus: Unamortized Bonds Premium	1,101	1,159	-	-	1,101	1,159
Total General Obligation Bonds	19,716	20,429	-	-	19,716	20,429
Taxable Transportation System Revenue Bonds, Series 2017	25,755	26,500	-	-	25,755	26,500
HUD Section 108 Loan	1,351	1,544	-	-	1,351	1,544
New City Hall Refunding Notes, Series 2021	6,001	6,538	-	-	6,001	6,538
CRA Tax Increment Revenue Note, Taxable	4,219	4,366	-	-	4,219	4,366
Electric FMPA Pooled Loan 2021	-	-	7,154	7,520	7,154	7,520
Electric FMPA Pooled Loan 2022	-	-	5,271	5,899	5,271	5,899
Electic Revnue Note, Series 2024	-	-	5,165	5,165	5,165	5,165
Homestead Station QALICB Notes payable	-	-	36,280	36,280	36,280	36,280
Total bonds and loans payable	$ 57,042	$ 59,377	$ 53,870	$ 54,864	$ 110,912	$ 114,241

Additional information on bonded debt and loan payable can be found in Note 12 on pages 75-92 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City's FY 2026 adopted budget totals $348,721 in anticipated revenues and expenditures.
- The budget includes funding for all capital improvement projects estimated at $42,096.
- The General Fund reserve requirement for FY 2026 is $8,921, representing 10% of the adopted General Fund revenues of $89,215.Taxable property values rose for the thirteenth consecutive year, reaching an all-time high of $6.389 billion for FY 2026—an increase of 13.2% from $5.642 billion in FY 2025.
- The operating millage rate was kept at 5.9604 mills for fiscal 2026, while the rolled back rate was 5.4284 mills. The City lowered its debt millage rate for the general obligation bonds for Fiscal Year 2026 to 0.2446 mills from 0.2772 mills in Fiscal Year 2025.
- Utility Rates for FY 2026:
    - Electric Utility PCA Rate was increased from $24/1000Kwh to $34/1000Kwh
    - Stormwater utility rates were increased from $40.44/ERU/year to $72.00/ERU/Year
    - Water and sewer rates were increased by 8% in lieu of the CPI, as well as a 2.81% increase to water customers and a 13% increase to sewer customers for the Miami-Dade County pass-thru
    - Solid Waste rates were adjusted by 4.88%, representing the CPI increase.
- Other rate/fee increases included building permits, inspection fees, local business tax fees, public hearing fees, and parks and recreation fees.
- New Fees included the establishment of a right-of-way permit fee.
- According to the State of Florida's Office of Economic and Demographic Research (EDR), the City's population increased from 84,014 in 2024 to 85,630 in 2025. In September 2025, the local unemployment rate was at 3.0%, per the U.S. Department of Labor Bureau of Labor Statistics, while the national average was 4.4%, 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 2026 budget reflects a balanced and cost-conscious approach to delivering essential services and capital investments. As FY 2027 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, CGFO, CPPT
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, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 23,004,939	$ 4,466,827	$ 27,471,766
Investments	64,714,280	8,194,814	72,909,094
Receivables, net	10,275,530	22,807,663	33,083,193
Lease receivable	358,927	499,835	858,762
Interest on lease receivable	16,111	-	16,111
Internal balances	5,000,000	(5,000,000)	-
Prepaid costs	805,989	138,241	944,230
Note receivable	31,506,233	-	31,506,233
Inventories	259,544	8,306,980	8,566,524
Restricted assets:			
Cash and cash equivalents	3,872,292	19,741,868	23,614,160
Investments	5,472,606	5,393,319	10,865,925
Total current assets	145,286,451	64,549,547	209,835,998
Non-current Assets:			
Capital assets not being depreciated	70,711,273	9,104,782	79,816,055
Capital assets being depreciated, net	155,346,568	79,470,286	234,816,854
Lease (right-to-use) asset, net	15,123,003	-	15,123,003
Subscription-based arrangement assets, net	818,820	126,678	945,498
Sub-total capital assets	241,999,664	88,701,746	330,701,410
Lease receivables	3,646,234	16,822,403	20,468,637
Asset available for sale	917,614	-	917,614
Net pension asset	857,662	-	857,662
Total non-current assets	247,421,174	105,524,149	352,945,323
TOTAL ASSETS	392,707,625	170,073,696	562,781,321
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	22,299,243	7,122,563	29,421,806
Deferred outflows for OPEB	120,348	65,585	185,933
TOTAL DEFERRED OUTFLOWS OF RESOURCES	22,419,591	7,188,148	29,607,739
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	8,338,850	15,312,929	23,651,779
Arbitrage liabilites	-	207,944	207,944
Unearned revenue	4,336,680	2,431,587	6,768,267
Power cost adjustment liability	-	291,055	291,055
Other liabilities	1,084,777	-	1,084,777
Liabilities payable from restricted assets:			
Customer deposits	-	5,698,822	5,698,822
Current accrued interest payable	534,110	740,523	1,274,633
Total current liabilities	$ 14,294,417	$ 24,682,860	$ 38,977,277

(Continued)

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

(Continued)

	Governmental Activities	Business-Type Activities	Total
LIABILITIES (continued)**:**			
Non-current liabilities:			
Due within one year :			
Compensated absences	$ 1,724,716	$ 745,003	$ 2,469,719
Equipment financing	606,053	813,981	1,420,034
Bonds, notes and loans	2,403,622	2,098,358	4,501,980
Total OPEB liability	161,231	87,869	249,100
Claims and judgements	1,325,282	-	1,325,282
Lease obligation (right-to-use asset)	584,623	-	584,623
Subscription-based arrangements liability	321,209	27,088	348,297
Due in more than one year:			
Compensated absences	4,024,341	1,738,340	5,762,681
Equipment financing	1,172,825	4,092,625	5,265,450
Bonds, notes and loans	54,637,928	51,772,065	106,409,993
Net pension liability	6,671,621	1,707,521	8,379,142
Total OPEB liability	7,363,556	4,013,037	11,376,593
Claims and judgements	3,644,086	-	3,644,086
Lease obligation (right-to-use asset)	16,725,951	-	16,725,951
Subscription-based arrangements liability	516,843	99,107	615,950
Total non-current liabilities	101,883,887	67,194,994	169,078,881
TOTAL LIABILITIES	116,178,304	91,877,854	208,056,158
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for leases	4,005,161	15,174,446	19,179,607
Deferred inflows for pensions	28,029,228	8,988,995	37,018,223
Deferred inflows for OPEB	2,889,892	1,574,953	4,464,845
TOTAL DEFERRED INFLOWS OF RESOURCES	34,924,281	25,738,394	60,662,675
NET POSITION			
Net investment in capital assets	190,866,223	47,475,547	238,341,770
Restricted :			
Community redevelopment	7,356,805	-	7,356,805
Fiber optic and rock pit security	1,555,665	-	1,555,665
HUD section 108 loan security	306,000	-	306,000
Grants	2,626,256	-	2,626,256
Community development	1,018,186	-	1,018,186
Diasater relief	961,939	-	961,939
Parks and recreation	6,865,244	-	6,865,244
Law enforcement	4,237,016	-	4,237,016
Road improvements	1,112,266	-	1,112,266
Debt service	625,404	1,759,339	2,384,743
Transit & Transportation	8,078,789	-	8,078,789
Building enforcement	2,283,281	-	2,283,281
Net pension asset	857,662	-	857,662
Unrestricted	35,273,895	10,410,710	45,684,605
TOTAL NET POSITION	$ 264,024,631	$ 59,645,596	$ 323,670,227

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government	$ 23,635,930	$ 13,206,143	$ 9,028,503	$ 4,977,839	$ 3,576,555	$ -	$ 3,576,555
Public safety	40,619,401	2,450,317	2,858,738	-	(35,310,346)	-	(35,310,346)
Public works and services	10,955,630	213,364	634,640	6,700,895	(3,406,731)	-	(3,406,731)
Parks and recreation	10,664,720	3,694,111	26,799	288,783	(6,655,027)	-	(6,655,027)
Disaster relief	373	-	271,399	-	271,026	-	271,026
Interest on long-term debt	2,418,821	-	-	-	(2,418,821)	-	(2,418,821)
Unallocated depreciation	2,138,274	-	-	-	(2,138,274)	-	(2,138,274)
Total governmental activities	90,433,149	19,563,935	12,820,079	11,967,517	(46,081,618)	-	(46,081,618)
Business-type activities:							
Water & sewer	26,295,719	26,181,606	-	1,878,275	-	1,764,162	1,764,162
Electric utility	70,586,421	71,555,221	-	1,701,614	-	2,670,414	2,670,414
Solid waste	16,612,968	18,165,080	-	629,168	-	2,181,280	2,181,280
Stormwater utility	1,905,456	1,774,939	-	142,404	-	11,887	11,887
Homestead station QALICB	1,422,439	-	-	-	-	(1,422,439)	(1,422,439)
Total business-type activities	116,823,003	117,676,846	-	4,351,461	-	5,205,304	5,205,304
Total	$ 207,256,152	$ 137,240,781	$ 12,820,079	$ 16,318,978	(46,081,618)	5,205,304	(40,876,314)
General revenues:							
Property taxes					36,600,980	-	36,600,980
Fuel taxes					1,436,103	-	1,436,103
Franchise taxes (on gross receipts)					1,503,213	-	1,503,213
Utility taxes					1,728,478	-	1,728,478
Communication service taxes					1,973,102	-	1,973,102
Half cent sales taxes					8,475,907	-	8,475,907
Unrestricted intergovernmental revenue					5,229,691	-	5,229,691
Payment in lieu of taxes					9,456,924	-	9,456,924
Other revenues					9,789,859	6,625,368	16,415,227
Unrestricted investment earnings					3,696,265	1,328,283	5,024,548
Special item:							
PFAS Litigation Settlement					-	3,387,522	3,387,522
Total general revenues and special item					79,890,522	11,341,173	91,231,695
Change in net position					33,808,904	16,546,477	50,355,381
Net position, beginning as originally stated					231,047,583	43,442,322	274,489,905
Restatement - change in accounting principle (see note 20)					(831,856)	(343,203)	(1,175,059)
Net position, beginning as restated					230,215,727	43,099,119	273,314,846
Net position, ending					$ 264,024,631	$ 59,645,596	$ 323,670,227

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	General	Homestead Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,135,310	$ 3,373,409	$ 17,768,091	$ 22,276,810
Investments	49,328,945	4,407,692	10,977,643	64,714,280
Interest receivable on investments	917,544	41,461	58,908	1,017,913
Account receivables, net	4,138,377	1,962	5,105,547	9,245,886
Lease receivables	4,005,161	-	-	4,005,161
Interest on lease receivables	16,111	-	-	16,111
Due from other funds	-	-	1,000,000	1,000,000
Prepaid costs	804,377	-	646	805,023
Notes receivable	31,506,233	-	-	31,506,233
Restricted assets:				
Cash and cash equivalents	80,613	-	3,791,679	3,872,292
Investments	1,555,665	-	3,916,941	5,472,606
Asset available for sale	-	110,268	807,346	917,614
Total Assets	$ 93,488,336	$ 7,934,792	$ 43,426,801	$ 144,849,929
LIABILITIES:				
Accounts payable and accrued liabilities	$ 4,192,472	$ 577,987	$ 2,917,498	$ 7,687,957
Due to other funds	-	-	1,000,000	1,000,000
Unearned revenue	716,509	-	3,620,171	4,336,680
Other liabilities	1,084,777	-	-	1,084,777
Total liabilities	5,993,758	577,987	7,537,669	14,109,414
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - leases	4,005,161	-	-	4,005,161
Total deferred inflows of resources	4,005,161	-	-	4,005,161
FUND BALANCES				
Nonspendable :				
Prepaid costs	804,377	-	646	805,023
Long-term notes receivable	31,506,233	-	-	31,506,233
Long-term leases receivable	4,005,161	-	-	4,005,161
Restricted :				
Community redevelopment	-	7,356,805	-	7,356,805
Fiber optic & rock pit security	1,555,665	-	-	1,555,665
HUD section 108 loan security	306,000	-	-	306,000
Grants	-	-	2,626,256	2,626,256
Community development	-	-	1,018,186	1,018,186
Disaster relief	-	-	961,939	961,939
Parks and recreation	-	-	6,865,244	6,865,244
Law enforcement	-	-	4,237,016	4,237,016
Road improvements	-	-	1,112,266	1,112,266
General obligation bonds debt service	-	-	126,107	126,107
CRA tax increment revenue note debt service	-	-	33,974	33,974
Taxable transportation system revenue bonds debt service	-	-	465,323	465,323
Transit and transportation	-	-	8,078,789	8,078,789
Building enforcement	2,283,281	-	-	2,283,281
Committed :				
Required reserve	7,793,655	-	-	7,793,655
Public Art	-	-	2,116,829	2,116,829
Transportation	-	-	88,402	88,402
Capital projects	-	-	6,700,000	6,700,000
Assigned :				
Capital projects	-	-	1,458,155	1,458,155
Appropriation of subsequent year's budget	8,696,982	-	-	8,696,982
Unassigned :				
General fund	26,538,063	-	-	26,538,063
Total fund balances	83,489,417	7,356,805	35,889,132	126,735,354
Total liabilities and fund balances	$ 93,488,336	$ 7,934,792	$ 43,426,801	$ 144,849,929

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, 2025

Fund balance - total governmental funds (Page 28)		$ 126,735,354
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.		241,728,669
Net pension assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		857,662
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	(534,110)	
Bonds and loan payable	(57,041,550)	
Compensated absences	(5,663,220)	
Equipment financing	(1,778,878)	
Net pension liability	(6,605,696)	
Total OPEB liability	(7,212,460)	
Lease obligation (right-to-use asset)	(17,310,574)	
Subscription-based arrangements liability	(838,052)	
Total long-term liabilities		(96,984,540)
Deferred outflows / inflows of resources related to pensions and OPEB (excluding internal service funds)		
Deferred outflows for pensions	22,024,248	
Deferred outflows for OPEB	115,352	
Deferred inflows for pensions	(27,682,171)	
Deferred inflows for OPEB	(2,769,943)	
Total deferred outflows/inflows of resources		(8,312,514)
Net position of governmental activities (Page 26)		$ 264,024,631

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

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

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General	Homestead Community Redevelopment Agency	(Previous Year Major Fund) American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 29,073,241	$ -	$ -	$ 1,512,469	$ 30,585,710
Fuel taxes	1,436,103	-	-	-	1,436,103
Franchise taxes	1,503,213	-	-	-	1,503,213
Utility taxes	1,728,478	-	-	-	1,728,478
Communication service taxes	1,973,102	-	-	-	1,973,102
Half cent sales taxes	8,475,907	-	-	-	8,475,907
Licenses and permits	4,688,263	-	-	-	4,688,263
Intergovernmental	6,981,201	6,015,270	-	27,915,287	40,911,758
Charges for services	970,538	-	-	-	970,538
Fines and forfeitures	367,191	-	-	1,098,945	1,466,136
Interest earnings	2,769,530	251,816	-	674,919	3,696,265
Payments in lieu of taxes	9,456,924	-	-	-	9,456,924
Other revenues	10,706,854	54	-	6,823,818	17,530,726
Total revenues	80,130,545	6,267,140	-	38,025,438	124,423,123
Expenditures:					
Current:					
General government	17,860,294	2,914,513	-	670,893	21,445,700
Public safety	40,488,159	471,299	-	1,812,634	42,772,092
Public works and services	1,210,193	303,601	-	2,566,578	4,080,372
Parks and recreation	6,436,780	-	-	30,853	6,467,633
Diaster relief	-	-	-	373	373
Capital outlay	2,030,288	1,446,718	-	17,901,341	21,378,347
Debt service:					
Principal	1,088,477	-	-	1,740,000	2,828,477
Interest and fiscal charges	337,522	-	-	2,160,480	2,498,002
Total expenditures	69,451,713	5,136,131	-	26,883,152	101,470,996
Excess of revenues over expenditures	10,678,832	1,131,009	-	11,142,286	22,952,127
Other financing sources (uses):					
Issuance of debt (equipment financing)	1,037,500	-	-	-	1,037,500
Proceed from subscription-based IT arrangements liability	192,032	-	-	-	192,032
Transfers in	-	-	-	2,595,449	2,595,449
Transfers out	(680,885)	(514,564)	-	(1,400,000)	(2,595,449)
Total other financing sources (uses)	548,647	(514,564)	-	1,195,449	1,229,532
Net change in fund balances	11,227,479	616,445	-	12,337,735	24,181,659
Fund balances - beginning, as previously reported	72,261,938	6,740,360	1,629,566	21,921,831	102,553,695
Change within financial reporting entity (major to non-major)	-	-	(1,629,566)	1,629,566	-
Fund balances, beginning, as restated	72,261,938	6,740,360	-	23,551,397	102,553,695
Fund balances, ending	$ 83,489,417	$ 7,356,805	$ -	$ 35,889,132	$ 126,735,354

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, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds (Page 30)		$ 24,181,659
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	21,061,781	
Depreciation expense (excluding internal service funds)	(10,944,688)	
Amortization expense (lease (right-to-use) asset and subscription-based assets)	(1,000,231)	
Net adjustment		9,116,862
The effect of various miscellaneous transactions increased (decreased) net position:		
Removal of capital assets		(284,611)
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.		(4,351,461)
The net effect of pension deferred outflows/ inflows and retirement contribution expenses		(22,208,893)
The net effect of OPEB deferred outflows/ inflows		2,226,221
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:		
Issuance of debt (equipment financing)	(192,032)	
Issuance of subscription-based IT arrangements liability	(1,037,500)	
Principal payments:		
General obligation bonds	655,000	
Taxable tansportation system revenue bonds, series 2017	745,000	
HUD section 108 loan	193,000	
New City Hall refunding note	537,853	
CRA tax increment revenue note, taxable series 2023	147,000	
Equipment financing	635,047	
Lease (right-to-use asset) payment	259,084	
Subscription-based IT arrangements payment	291,540	
Amortization of bond premium	58,120	
Total Adjustment		2,292,112
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	(260,127)	
Change in net pension assets	249,703	
Changes in net pension liability	24,934,842	
Change in total OPEB liability	(1,927,393)	
Effect of accrued interest on long-term debt (difference between amount that would have been accrued in prior year and current year accrual)	21,060	
Total Adjustment		23,018,085
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.		(181,070)
Change in net position of governmental activities (Page 27)		$ 33,808,904

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	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	$ 1,236,462	$ 640,602	$ 436,695	$ 494,389	$ 1,451,682	$ 4,259,830	$ 935,126
Investments	37,931	66,445	5,674,334	2,416,104	-	8,194,814	-
Interest receivable	357	1,160	53,376	22,727	-	77,620	-
Account receivables, net	5,815,933	14,168,065	1,994,171	751,874	-	22,730,043	11,731
Lease receivable	-	-	-	-	499,835	499,835	-
Due from other funds	6,800,000	-	1,000,000	1,500,000	-	9,300,000	6,500,000
Prepaid costs	425	132,165	-	-	5,651	138,241	966
Inventories	-	8,306,980	-	-	-	8,306,980	259,544
Restricted Assets:							
Cash and cash equivalents	1,240,766	15,720,705	2,743,017	-	37,380	19,741,868	-
Investments	-	5,393,319	-	-	-	5,393,319	-
Total current assets	15,131,874	44,429,441	11,901,593	5,185,094	1,994,548	78,642,550	7,707,367
Noncurrent assets:							
Capital assets not being depreciated	518,056	8,529,995	56,731	-	-	9,104,782	-
Capital assets being depreciated, net	11,473,908	34,061,590	3,624,492	862,169	29,448,127	79,470,286	270,995
Subscription-based arrangement assets, net	-	126,678	-	-	-	126,678	-
Sub-total capital assets	11,991,964	42,718,263	3,681,223	862,169	29,448,127	88,701,746	270,995
Lease receivable	-	-	-	-	16,822,403	16,822,403	-
Total non-current assets	11,991,964	42,718,263	3,681,223	862,169	46,270,530	105,524,149	270,995
Total assets	27,123,838	87,147,704	15,582,816	6,047,263	48,265,078	184,166,699	7,978,362
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows for pension	918,975	3,352,704	2,118,967	224,456	-	6,615,102	782,456
Deferred outflows for OPEB	10,594	22,691	15,242	4,532	-	53,059	17,522
Total deferred outflows of resources	929,569	3,375,395	2,134,209	228,988	-	6,668,161	799,978
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	5,358,043	8,998,976	650,357	89,736	-	15,097,112	866,710
Arbitrage liabilities	-	207,944	-	-	-	207,944	-
Due to other funds	-	15,800,000	-	-	-	15,800,000	-
Compensated absences	166,966	301,884	215,187	11,444	-	695,481	75,272
Unearned revenue	-	-	2,431,587	-	-	2,431,587	-
Power cost adjustment liability	-	291,055	-	-	-	291,055	-
Current portion of equipment financing	102,083	53,351	658,547	-	-	813,981	-
Current portion of OPEB liability	14,194	30,401	20,420	6,072	-	71,087	23,474
Claims and judgements	-	-	-	-	-	-	1,325,282
Subscription-based arrangements liability	-	27,088	-	-	-	27,088	-
Liabilities payable from restricted assets:							
Customer deposits	1,240,766	4,452,305	5,751	-	-	5,698,822	-
Accrued interest payable	-	89,880	-	-	650,643	740,523	-
Current portion of loans and notes payable	-	1,175,322	-	-	923,036	2,098,358	-
Total current liabilities	6,882,052	31,428,206	3,981,849	107,252	1,573,679	43,973,038	2,290,738
Non-current liabilities:							
Compensated absences	389,590	704,402	502,104	26,691	-	1,622,787	175,640
Equipment financing	196,259	174,703	3,721,663	-	-	4,092,625	-
Loans and notes payable	-	16,414,868	-	-	35,357,197	51,772,065	-
Net pension liability	220,310	803,757	507,990	53,810	-	1,585,867	187,579
OPEB liability	648,245	1,388,463	932,584	277,318	-	3,246,610	1,072,062
Claims and judgements	-	-	-	-	-	-	3,644,086
Subscription-based arrangements liability	-	99,107	-	-	-	99,107	-
Total non-current liabilities	1,454,404	19,585,300	5,664,341	357,819	35,357,197	62,419,061	5,079,367
Total liabilities	8,336,456	51,013,506	9,646,190	465,071	36,930,876	106,392,099	7,370,105
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows for leases	-	-	-	-	15,174,446	15,174,446	-
Deferred inflows for pensions	1,159,787	4,231,265	2,674,231	283,274	-	8,348,557	987,495
Deferred inflows for OPEB	254,410	544,915	366,001	108,836	-	1,274,162	420,740
Total deferred inflows of resources	1,414,197	4,776,180	3,040,232	392,110	15,174,446	24,797,165	1,408,235
NET POSITION							
Net investment in capital assets	11,693,622	39,676,203	2,038,279	862,169	(6,794,726)	47,475,547	270,995
Restricted :							
Debt service	-	1,759,339	-	-	-	1,759,339	-
Unrestricted	6,609,132	(6,702,129)	2,992,324	4,556,901	2,954,482	10,410,710	(270,995)
Total net position	$ 18,302,754	$ 34,733,413	$ 5,030,603	$ 5,419,070	$ (3,840,244)		$ -
Net position of business-type activities						$ 59,645,596	

(1) Homestead Station QALICB fiscal year end is June 30, 2025.

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	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	$ 26,181,606	$ 71,593,777	$ 18,165,080	$ 1,774,939	$ -	$ 117,715,402	$ 27,753,953
Other revenues	2,746,486	3,117,059	99,077	17,025	645,721	6,625,368	72,135
Total operating revenues	28,928,092	74,710,836	18,264,157	1,791,964	645,721	124,340,770	27,826,088
Operating expenses:							
Personnel services	4,115,292	6,873,123	5,302,295	1,104,113	-	17,394,823	4,099,705
Administration	-	-	-	-	-	-	1,080,865
Purchased power	-	39,621,198	-	-	-	39,621,198	-
Insurance and claims	-	-	-	-	5,358	5,358	15,772,917
Other operating expenses	21,205,449	18,731,373	10,412,959	677,050	119,398	51,146,229	7,005,433
Amortization	-	15,302	-	-	-	15,302	-
Depreciation	962,160	4,693,438	824,398	124,293	992,500	7,596,789	86,775
Total expenses	26,282,901	69,934,434	16,539,652	1,905,456	1,117,256	115,779,699	28,045,695
Operating income (loss)	2,645,191	4,776,402	1,724,505	(113,492)	(471,535)	8,561,071	(219,607)
Non-operating revenues (expenses):							
Interest income	3,412	695,931	318,456	135,022	175,462	1,328,283	-
Interest expense	(12,818)	(651,987)	(73,316)	-	(305,183)	(1,043,304)	(19)
Total non-operating revenues (expenses)	(9,406)	43,944	245,140	135,022	(129,721)	284,979	(19)
Income (loss) before contributions and special items	2,635,785	4,820,346	1,969,645	21,530	(601,256)	8,846,050	(219,626)
Special item: PFAS Litigation Settlement	3,387,522	-	-	-	-	3,387,522	-
Contribution of capital assets	1,878,275	1,701,614	629,168	142,404	-	4,351,461	-
Total contributions and special items	5,265,797	1,701,614	629,168	142,404	-	7,738,983	-
Change in net position	7,901,582	6,521,960	2,598,813	163,934	(601,256)	16,585,033	(219,626)
Net position, beginning as originally stated	10,509,976	28,327,698	2,548,012	5,225,523	(3,238,988)	43,372,221	255,101
Restatement - change in accounting principle (note 20)	(108,804)	(116,245)	(116,222)	29,613	-	(311,658)	(35,475)
Net position, beginning as restated	10,401,172	28,211,453	2,431,790	5,255,136	(3,238,988)	43,060,563	219,626
Net position, ending	$ 18,302,754	$ 34,733,413	$ 5,030,603	$ 5,419,070	$ (3,840,244)	$ 59,645,596	$ -
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(38,556)	
Change in net position of business-type activities						$ 16,546,477	

(1) Homestead Station QALICB fiscal year end is June 30, 2025.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	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
Cash flows from (used in) operating activities:							
Cash received from customers	$ 28,484,336	$ 66,894,593	$ 18,398,087	$ 1,756,278	$ 220,592	$ 115,753,886	$ -
Cash payments to suppliers.	(19,062,381)	(57,553,243)	(10,672,852)	(741,537)	(197,653)	(88,227,666)	(24,000,646)
Cash received from/(to) other funds	(7,910,937)	8,081,876	(1,218,762)	(300,000)	-	(1,347,823)	25,526,088
Cash payments to employees	(4,313,524)	(6,529,815)	(5,245,314)	(1,152,289)	-	(17,240,942)	(4,183,439)
Net cash provided by (used in) operating activities	(2,802,506)	10,893,411	1,261,159	(437,548)	22,939	8,937,455	(2,657,997)
Cash flows from (used in) capital and related financing activities:							
Proceeds from equipment financing debt	-	-	2,737,249	-	-	2,737,249	-
Acquisition and construction of capital assets	-	-	-	-	-	-	(31,954)
Proceeds from PFAS Litigation Settlement (Special Item)	3,387,522	-	-	-	-	3,387,522	-
Purchase and construction of property, plant and equipment	(1,849,320)	(10,465,595)	(1,076,051)	-	-	(13,390,966)	
Contributed capital	1,878,275	1,701,614	629,168	-	-	4,209,057	
Principal paid on equipment financing debt	(100,030)	(53,671)	(441,541)	-	-	(595,242)	(3,559)
Principal paid on bonds debt	-	(993,915)	-	-	-	(993,915)	-
Interest paid on long term debt	(12,818)	(651,987)	(73,316)	-	(150,349)	(888,470)	(19)
Net cash provided by (used in) capital and related financing activities	3,303,629	(10,463,554)	1,775,509	-	(150,349)	(5,534,765)	(35,532)
Cash flows from (used in) investing activities:							
Purchases of investments	(2,548)	(574,986)	(381,110)	(162,275)	-	(1,120,919)	-
Proceeds from sales and maturities of investments	619	384,653	92,604	39,430	-	517,306	-
Interest received from investments	3,412	695,931	318,456	135,022	-	1,152,821	-
Proceeds from collection of lease receivable	-	-	-	-	258,616	258,616	-
Interest earned on lease receivable	-	-	-	-	175,462	175,462	-
Net cash provided by (used in) investing activities	1,483	505,598	29,950	12,177	434,078	983,286	-
Net increase (decrease) in cash and cash equivalents	502,606	935,455	3,066,618	(425,371)	306,668	4,385,976	(2,693,529)
Cash and cash equivalents, beginning	1,974,622	15,425,852	113,094	919,760	1,182,394	19,615,722	3,628,655
Cash and cash equivalents, ending	$ 2,477,228	$ 16,361,307	$ 3,179,712	$ 494,389	$ 1,489,062	$ 24,001,698	$ 935,126
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	$ 2,645,191	$ 4,776,402	$ 1,724,505	$ (113,492)	$ (471,535)	$ 8,561,071	$ (219,607)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Amortization	-	15,302	-	-	-	15,302	-
Depreciation	962,160	4,693,438	824,398	124,293	992,500	7,596,789	86,775
Change in power cost adjustment	-	(8,059,781)	-	-	-	(8,059,781)	-
Net changes in assets, liabilities and deferred inflows/outflows:							
(Increase) decrease in:							
Interest receivable	(190)	23,317	(28,358)	(12,075)	-	(17,306)	-
Accounts receivables	(525,727)	92,479	(165,981)	(23,611)	220,592	(402,248)	734
Due from other funds	(6,800,000)	-	(1,000,000)	(300,000)	-	(8,100,000)	(2,300,000)
Prepaid costs	(425)	36,684	-	-	(5,651)	30,608	(966)
Inventories	-	(1,295,766)	-	-	-	(1,295,766)	39,941
Deferred outflows for pensions	(65,765)	(624,672)	(733,598)	6,752	-	(1,417,283)	15,643
Deferred outflows for OPEB	3,535	1,298	3,554	685	-	9,072	1,187
Increase (decrease) in:							
Accounts payable and accrued liabilities	1,032,556	(662,019)	(278,655)	(64,487)	(67,246)	(39,851)	(288,585)
Arbitrage liabilities	-	76,110	-	-	-	76,110	-
Due to other funds	-	10,600,000	(200,000)	-	-	10,400,000	-
Compensated absences	40,181	81,460	(49,581)	2,811	-	74,871	(13,454)
Subscription-based arrangements liability	-	126,195	-	-	-	126,195	-
Unearned revenue	-	-	328,400	-	-	328,400	-
Customer deposits	82,161	127,742	(131)	-	-	209,772	-
Net pension liability	(1,056,422)	(3,278,433)	(1,565,059)	(292,166)	-	(6,192,080)	(1,006,686)
Total OPEB liability	47,799	375,252	135,345	56,440	-	614,836	281,666
Claims and judgements	-	-	-	-	-	-	107,445
Deferred inflows for leases					(645,721)	(645,721)	-
Deferred inflows for pensions	1,159,787	4,231,265	2,674,231	283,274	-	8,348,557	987,495
Deferred inflows for OPEB	(327,347)	(442,862)	(407,911)	(105,972)	-	(1,284,092)	(349,585)
Total adjustments	(5,447,697)	6,117,009	(463,346)	(324,056)	494,474	376,384	(2,438,390)
Net cash provided by (used in) operating activities	$ (2,802,506)	$ 10,893,411	$ 1,261,159	$ (437,548)	$ 22,939	$ 8,937,455	$ (2,657,997)
Non-cash investing, capital and financing activities:							
Borrowing under equipment financing	$ -	$ -	$ 2,737,249	$ -	$ -	$ 2,737,249	$ -
Contribution of capital assets from governmental fund	$ 1,878,275	$ 1,701,614	$ 629,168	$ 142,404	$ -	$ 4,351,461	$ -
Change in fair value of investments	$ (270)	$ (22,395)	$ (40,395)	$ (17,200)	$ -	$ (80,260)	$ -

(1) Homestead Station QALICB fiscal year end is June 30, 2025.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2025

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	$ 11,031,645
Receivables:	
Contributions	33,635
Due from broker	86,449
Accrued investment income	445,967
Total receivables	566,051
Other Asset	35,930
Investments:	
U.S. Government securities	11,971,037
U.S. Government agency obligations	2,603,960
Municipal obligations	8,965,260
Corporate bonds	16,804,475
Hedge funds	151,605
Preferred stocks	43,160
International stocks	354,669
Mutual funds - fixed income	44,878,394
Mutual funds - equities	29,741,540
Common stocks	154,853,143
Real estate	8,527,539
Temporary investment funds	950,147
Other	5,716,081
Total investments	285,561,010
Total Assets	297,194,636
LIABILITIES	
DROP Payable	504,272
Accounts payable	820,138
Due to broker	124,705
Total Liabilities	1,449,115
DEFERRED INFLOWS OF RESOURCES	
Prepaid City contribution	52,416
Total deferred inflows of resources	52,416
NET POSITION RESTRICTED FOR PENSION BENEFITS	$ 295,693,105

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, 2024.

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FISCAL YEAR ENDED SEPTEMBER 30, 2025

		Pension Trust Funds
ADDITIONS		
Contributions:		
City	$	8,100,250
Employees		1,201,676
State		1,801,201
Total contributions		11,103,127
Investment income:		
Investment earnings		5,699,073
Net appreciation (depreciation) in fair value of investments		22,760,421
Less investment expenses		(1,081,514)
Net investment income		27,377,980
Total additions (reductions)		38,481,107
DEDUCTIONS		
Pension benefits		14,587,699
DROP benefits		886,884
Administrative expenses		493,710
Total deductions		15,968,293
Change in net position		22,512,814
NET POSITION RESTRICTED FOR PENSION BENEFITS		
Beginning of year		273,180,291
End of year	$	295,693,105

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, 2024.

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2025

INDEX

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NOTE 1. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

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) <u>*Homestead Community Redevelopment Agency (CRA)*</u> 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.

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 2025, the City's financial statements include Homestead Station QALICB's financial statements for the period from July 1, 2024 to June 30, 2025.

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

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.

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.

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

The City implemented the following GASB Pronouncements during fiscal year ended September 30, 2025:

- GASB Statement No. 101, *Compensated Absences;* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.
- GASB Statement No. 102, *Certain Risk Disclosures;* The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This statement did not have an effect on the City's financial statements.

The adoption of GASB Statement No. 101 required a restatement of prior period financial statements (see Note 20) and has been applied retroactively in accordance with the guidance. The adoption of GASB Statement No. 102 did not require a restatement of prior period financial statements and has been applied prospectively in accordance with the guidance.

E. ASSETS, LEASES, SBITA, 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 U.S Treasury for the America Rescue Plan Act, proceeds held with a fiscal agent for the Electric Utility FMPA Pooled Loan Project Notes, Series 2021 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LEASES, SBITA, 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, 2025, the internal balances between governmental activities and business-type activities are $5,000,000.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LEASES, SBITA, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ASSETS, LEASES, SBITA, 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. Leases and Subscription-Based Information Technology Arrangements (SBITAs)

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Lessee: The City is a lessee for the “Lease Agreement” related to the QALICB as detailed further in both Notes 5 and 9. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term Subsequently, the lease liability is reduced by the principal portion of lease payments made The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs Subsequently, the lease asset is amortized on a straight-line basis over the shorter of it’s useful life or lease term.

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payments:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Leases and Subscription-Based Information Technology Arrangements (SBITAs) *(Continued)*

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

Lessor: The City is a lessor for various non-cancellable leases, including but not limited to ground leases of land, and water tower and other land spaces used for cellular equipment service sites. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) the lease term, and (3) the lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable and related amounts.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of each subscription, the liability is measured at the present value of payments expected to be made during the term. Subsequently, the subscription liability is reduced

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Leases and Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

by the principal portions of payments made. The right-to-use subscription assets are measured as the initial amount of the individual liabilities, adjusted for payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the right-to-use subscription assets are amortized on a straight-line basis over their useful lives.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) the subscription payments.

- The City uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The lease term includes the non-cancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

Leases and SBITAs are included in capital assets and long-term liabilities on the Statement of Net Position.

9. 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 may 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 maintained the PCA rate at the same level during fiscal year 2025, resulting in no rate increase or decrease. As of September 30, 2025, the Electric Utility has an over-recovery of $291,055. The Electric Utility will continue to monitor the over-recovery and adjust the PCA rate, as determined necessary to mitigate future fluctuations in power costs.

10. 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Unearned Revenues (Continued)

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.

11. 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.

12. 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 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.

13. 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. City employees also earn compensatory time to comply with the Fair Labor Standards Act. In accordance with GASB Statement No. 101, *Compensated Absences*, the City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Compensated Absences (Continued)

compensated absences: vacation leave, sick leave, and compensatory time. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. 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.

14. 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 as a financing source when 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.

15. 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,

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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.

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, 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

15. Net Position/Fund Balances (Continued)

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.

16. 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.

17. 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.

18. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

18. Fund Balance Policy (Continued)

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.

F. CHANGE WITHIN THE FINANCIAL REPORTING ENTITY (RECLASSIFICATION OF MAJOR FUNDS)

The American Rescue Plan (ARPA) Fund, which was reported as a major governmental fund as of September 30, 2024, did not meet the GAAP requirements to be reported as a major fund during the current fiscal year. Accordingly, this fund is reported within the aggregate nonmajor governmental funds column for the fiscal year ended September 30, 2025. The reclassification had no effect on the total governmental funds balance, the governmental activities net position, or changes in net position.

	September 30, 2024, as previously reported	Adjustment to beginning fund balance	September 30, 2024, as restated
Reporting Unit:			
Governmental Funds:			
American Rescue (ARPA) Fund (major)	$ 1,629,566	(1,629,566)	-
Total Non-major Governmental Funds	21,921,831	1,629,566	23,551,397
	$ 23,551,397	$ -	23,551,397

G. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. OTHER SIGNIFICANT POLICIES (Continued)

2. Rebatable Arbitrage

The City has chosen to treat rebatable arbitrage as a reduction of investment income. For the fiscal year ended September 30, 2025, it recognized a cumulative liability of $207,945 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, 2024, upon which the 2024-2025 levy was based was approximately $6.06 billion, but subsequently revised to approximately $5.642 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 2024-2025 fiscal year is 5.9604 mills ($5.9604 per $1,000 of assessed valuation) and 0.2772 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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.

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:

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

B. INVESTMENTS - CITY (Continued)

Pooled Investments	Maturity	Fair Value or Amortized Cost	Rating (Moody's)
Money Market Mutual Funds	Daily	$ 10,634,545	
U.S. Treasury Securities:			
United States Treas Bills	2025	19,615,233	Aaa
United States Treas Notes	6/30/2026	4,024,080	Aaa
United States Treas Notes	10/31/2029	3,034,680	Aaa
U.S. Government Agencies:			
Federal Home Loan Bks Cons Bond Step-up	1/29/2026	990,240	Aaa
Federal Home Loan Banks	6/22/2026	4,911,650	Aaa
Federal Farm Cr Banks Cons Systemwide Bonds	12/16/2026	2,008,700	Aaa
Federal Home Loan Bks Cons Bond	12/16/2026	1,997,660	Aaa
Federal Home Loan Bks Cons Bond	2027	4,002,180	Aaa
Federal National Mortgage Association	8/5/2027	1,998,980	Aaa
Federal Home Loan Bks Cons Bond	6/15/2028	2,000,220	Aaa
Federal Home Loan Bks Cons Bond	2029	5,035,240	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	8/25/2026	41	Aaa
Small Business Administration Guaranteed Development Participation Debt	11/1/2027	17,449	Aaa
Small Business Administration Guaranteed Development Participation Certificate	9/1/2028	26,572	Aaa
Small Business Administration Guaranteed Development Participation Debt	6/1/2031	76,131	Aaa
Small Business Administration Guaranteed Development Participation Certificate	7/1/2031	60,391	Aaa
Small Business Administration Guaranteed Development Participation Debt	4/1/2033	129,934	Aaa
Corporate Bonds:			
Federation Ded Caisses Desiardins Du Quebec	10/14/2025	1,500,300	Aaa
Asian Development Bank Adb	1/9/2026	2,000,560	Aaa
Royal Bank of Canada 144A	12/14/2026	2,021,940	Aaa
Apple Inc	5/12/2028	2,013,720	Aaa
Kreditanstalt Fur Wiederaufbau Kfw	3/15/2029	3,030,840	Aaa
Johnson & Johnson NT	6/1/2029	2,062,580	Aaa
Certificates of Deposits		1,555,665	
Total Pooled Investments		**74,749,531**	
Deposits		35,806,932	
Total Pooled Cash & Investments		**$ 110,556,463**	

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

B. INVESTMENTS - CITY (Continued)

Proceeds received from the U.S. Treasury on May 26, 2021 and on June 4, 2022 for the American Rescue Plan Act, 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, proceeds 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, 2025 are as follows:

	Maturity	Fair Value or Amortized Cost	Rating (Moody's)
Total Pooled Cash & Investments		**$ 110,556,463**	
Money Market Mutual Funds	Daily	$ 2,787,447	-
U.S. Treasury Securities		6,238,041	Aaa
Total Non-Pooled Investments		**9,025,488**	
Deposits		2,952,054	
Total Non-Pooled Cash & Investments :		**$ 11,977,542**	
TD Bank as Fiscal Agent for Electric FMPA Pooled Loans		**$ 9,509,061**	
Equipment financing escrow		**2,817,879**	
Total Cash and Investments for the City		**$ 134,860,945**	

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, 2025.

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, 2025**:**

Investment Type	Policy Maximum	Actual Investment
Money Market Mutual Funds	100%	9.9%
U.S. Treasury Securities	100%	24.4%
U.S. Government Agency Securities (Bonds & ABS)	75%	17.2%
Collateralized Variable Bonds (Corporate Bonds)	20%	9.4%
Certificates of Deposit	100%	1.1%
Deposits (includes equipment financing escrow & TD Fiscal Agent)	100%	38.0%
		100.0%

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

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, 2025, the City held the following concentrations:

Issuer	Percentage of Portfolio
U.S. Treasury Securities	24.4%
Federal Home Loan Bks Cons Bond	9.7%

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.

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, 2025:

· U.S. Treasury securities of $32.9 million are valued using quoted market prices in active markets (Level 1);
· U.S. Government bonds of $22.9 million are valued using observable market prices in active markets (Level 2);
· Asset-backed securities of $0.31 million are valued using multi-dimensional, collateral-specific spread/price/prepayment spread tables (Level 2);
· Corporate bonds of $12.6 million are valued using matrix pricing models (Level 2).

As of September 30, 2025, 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
Investments by Fair value level	9/30/2025	(Level 1)	(Level 2)	(Level 3)
Debt Securities:				
U.S. Treasury Securities	$ 32,912,034	$ 32,912,034	$ -	$ -
U.S. Government bonds	22,944,870	-	22,944,870	-
Asset Backed Securities	310,518	-	310,518	-
Corporate bonds	12,629,940	-	12,629,940	-
Total investments measured by fair value level	68,797,362	$ 32,912,034	$ 35,885,328	$ -
Money markets funds	13,421,992			
Certificates of deposit	1,555,665			
Total investments	$ 83,775,019			

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

D. FAIR VALUE MEASUREMENT- CITY (Continued)

Reconciliation of Cash and Investments for the City:

	Unrestricted	Restricted	Total
Total demand deposits	$ 27,471,766	$ 11,287,220	$ 38,758,986
Total equipment financing escrow	-	2,817,879	2,817,879
Total deposit with fiscal agent	-	9,509,061	9,509,061
Total cash and cash equivalents	27,471,766	23,614,160	51,085,926
Total investments measured at fair value level	62,274,549	6,522,813	68,797,362
Total money market mutual funds	10,634,545	2,787,447	13,421,992
Total certificates of deposits	-	1,555,665	1,555,665
Total investments	72,909,094	10,865,925	83,775,019
Total cash and investments for the City at 09/30/25	$ 100,380,860	$ 34,480,085	$ 134,860,945

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.

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

The City had the following restricted assets at September 30, 2025:

Governmental activities:		
Forfeiture	$	3,303,477
Fiber optic ring security		100,000
Rock pit security		1,455,665
American rescue plan proceed		3,686,569
Equipment financing escrow		80,613
General obligation bonds debt service		120,130
Taxable transportation system revenue bonds debt service		465,323
CRA tax increment revenue note, taxable series 2023 debt service		133,121
Subtotal governmental activities		9,344,898
Business-type activities:		
Customer deposits		5,698,822
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		356,339
QALICB debt service reserve		37,380
Equipment financing escrow		2,737,266
Electric utility 2021 FMPA loan proceeds		4,325,837
Electric utility 2022 FMPA loan proceeds		5,183,224
Electric utility 2024 revenue note proceeds		5,393,319
Subtotal business-type activities		25,135,187
Total restricted cash, cash equivalents and investments	$	34,480,085

NOTE 4. RECEIVABLES

Receivables as of September 30, 2025, 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:

	General	Homestead CRA	Other Governmental	Internal Service	Total
Utility Billed	$ 453,400	$ -	$ -	$ -	$ 453,400
Utility Unbilled	121,238	-	-	-	121,238
Property taxes receivables	99,502	-	6,477	-	105,979
Grant receivables	-	-	3,404,937	-	3,404,937
Intergovernmental receivables	2,976,251	-	1,694,133	-	4,670,384
Miscellaneous receivables	1,053,225	1,962	-	11,731	1,066,918
Gross receivables	4,703,616	1,962	5,105,547	11,731	9,822,856
Less allowance for uncollectibles	565,239	-	-	-	565,239
Sub-Total:	4,138,377	1,962	5,105,547	11,731	9,257,617
Interest on investments	917,544	41,461	58,908	-	1,017,913
Governmental activities receivables, net	$ 5,055,921	$ 43,423	$ 5,164,455	$ 11,731	$ 10,275,530

Business-type activities receivables:

	Water & Sewer Utilities	Electric Utility	Solid Waste	Other Enterprise Funds	Total
Utility Billed	$ 8,842,100	$ 19,221,487	$ 3,682,374	$ 2,425,994	$34,171,955
Utility Unbilled	1,409,737	4,825,860	387,173	58,845	6,681,615
Miscellaneous receivables	40,329	187,444	72,841	980	301,594
Gross receivables	10,292,166	24,234,791	4,142,388	2,485,819	41,155,164
Less allowance for uncollectibles	4,476,233	10,066,726	2,148,217	1,733,945	18,425,121
Sub-Total:	5,815,933	14,168,065	1,994,171	751,874	22,730,043
Interest on investments	357	1,160	53,376	22,727	77,620
Business-type activities receivables, net	$ 5,816,290	$ 14,169,225	$ 2,047,547	$ 774,601	$22,807,663
Total government-wide net receivables					$33,083,193

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 ("QLICIs"), 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, 2025, the QALICB reported $29,448,127 in net capital assets consisting of the Project that was placed in service in May 2020. Accordingly, as of June 30, 2025 the QALICB also reports $35,357,197 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. As of September 30, 2025 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, 2025 is $627,028.

NOTE 6. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts and purchase orders issued for good and services. Significant encumbrances as of September 30, 2025 are as follows:

Significant encumbrances:		
Major funds:		
General Fund	$	2,735,000
Homestead Community Redevelopment Agency		848,000
Total major funds		3,583,000
Other governmental funds:		
People's Transportation Plan Fund		3,640,000
Others governmental funds		6,369,000
Total other governmental funds		10,009,000
Total encumbrances	$	13,592,000

NOTE 7. INTERFUND TRANSACTIONS

Interfund Transfers

	Transfers Out				
Transfers In	General Fund	CRA	Other Governmental Funds	Total	
Other Governmental Funds	$ 111,268			$ 111,268	(1)
Other Governmental Funds	-	164,564		164,564	(2)
Other Governmental Funds	400,000	350,000	1,400,000	2,150,000	(3)
Other Governmental Funds	169,617	-	-	169,617	(4)
Total	$ 680,885	$ 514,564	$ 1,400,000	$ 2,595,449	

(1) Transfer of $111,268 from the General Fund to the HOME Fund (one-time transfer) in order to establish the new HOME fund in FY2025 by meeting the required HOME threshold.
(2) Transfer totaling $164,564 from CRA to General Fund was to help fund Cybrarium capital improvements.
(3) Transfer of $2,150,000 from General Fund, CRA, and People's Transportation Plan into other governmental funds for debt service payments.
(4) Transfer of $169,617 from the General Fund into the Capital Improvement Fund to cover the cost of different capital projects.

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, 2025 are as follows:

	Due from Other Funds	Due to Other Funds
Other Governmental Funds:		
Impact fees	$ 1,000,000	$ -
Sundries Grant	-	1,000,000
Total Other Governmental Funds	1,000,000	1,000,000
Total Governmental Funds	1,000,000	1,000,000
Major Proprietary Funds:		
Water and Sewer	6,800,000	-
Electric Utility	-	15,800,000
Solid Waste	1,000,000	-
Total Major Proprietary Funds	7,800,000	15,800,000
Other Proprietary Fund:		
Utilities Repair, Replacement and Improvement	1,500,000	-
Total Other Proprietary Fund	1,500,000	-
Total Proprietary Funds	9,300,000	15,800,000
Internal Service Funds:		
Other Self Insurance	5,000,000	-
Customer Service	1,500,000	-
Total Internal Service Funds	6,500,000	-
Total Interfund Balances	$ 16,800,000	$ 16,800,000
Total Interfund Balances as of September 30, 2025		$ -

NOTE 8. CAPITAL ASSETS

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

Governmental activities:	Beginning Balance (09/30/2024)		Additions		Deletions	Ending Balance (09/30/2025)
Capital assets not being depreciated:						
Land	$ 57,311,242		$ -	*(a)*	$ 2,961,246	$ 54,349,996
Artworks	1,760,890	*(b)*	768,128		-	2,529,018
Construction in Progress	6,350,148		15,547,719	*(b)*	8,065,608	13,832,259
Total capital assets not being depreciated	65,422,280		16,315,847		11,026,854	70,711,273
Capital assets being depreciated:						
Land improvements	10,336,690		-		-	10,336,690
Buildings and improvements	175,762,429	*(a)/(b)*	5,310,691		-	181,073,120
Other improvements	64,717,961	*(b)*	2,251,113		-	66,969,074
Furniture, fixtures and equipment	55,051,246	*(b)*	3,414,836		-	58,466,082
Books	756,846		-		-	756,846
Infrastructure	118,580,871		-		-	118,580,871
Lease (Right-to-use) assets	17,746,436		-			17,746,436
Subscription-base arrangements assets	1,420,563		192,032		-	1,612,595
Total capital assets being depreciated/amortized	444,373,042		11,168,672		-	455,541,714
Less accumulated depreciation/amortization for:						
Land improvements	773,080		421,497		-	1,194,577
Buildings and improvements	75,135,766		4,141,683		-	79,277,449
Other improvements	54,493,784		1,853,480		-	56,347,264
Furniture, fixtures and equipment	47,573,237		2,307,861		-	49,881,098
Books	529,792		151,369		-	681,161
Infrastructure	91,316,292		2,138,274		-	93,454,566
Lease (Right-to-use) asset	1,967,574		655,859		-	2,623,433
Subscription-base arrangements assets	449,403		344,372		-	793,775
Total accumulated depreciation/amortization	272,238,928		12,014,395		-	284,253,323
Total capital assets being depreciated, net	172,134,114		(845,723)		-	171,288,391
Governmental activities capital assets, net	$ 237,556,394		$ 15,470,124		$ 11,026,854	$ 241,999,664

(a) 3 Land folios in the total amount of $2,961,246 were reclassified to Buildings amd Improvements,

(b) Construction in Progress of $1,264,335 was transferred to Buildings amd Improvements; $1,324,027 to Other Improvements; $73,047 to Furnitures, Fixtures & Equipment; $768,128 to Artworks; $284,611 was removed; $1,701,614 was contributed to Electric Utility Fund; $1,878,275 was contributed to Water and Sewer Fund; $629,167 was contributed to Solid Waste Fund; and $142,404 was contributed to Stormwater Fund.

NOTE 8. CAPITAL ASSETS (Continued)

Business-type activities:	Beginning Balance (09/30/2024)		Additions		Deletions	Ending Balance (09/30/2025)
Capital assets not being depreciated:						
Land	$ 1,876,063		$ -		$ -	$ 1,876,063
Construction in Progress	10,831,983		3,912,067	*(a)*	7,515,331	7,228,719
Total capital assets not being depreciated	12,708,046		3,912,067		7,515,331	9,104,782
Capital assets being depreciated:						
Buildings and improvements	34,251,413		-		-	34,251,413
Utility plant and systems	160,468,665	*(a)*	16,994,654		-	177,463,319
Subscription-base arrangements assets	-		141,980		-	141,980
Total capital assets being depreciated/amortized	194,720,078		17,136,634		-	211,856,712
Less accumulated depreciation/amortization for:						
Buildings and improvements	3,909,307		957,727		-	4,867,034
Utility plant and systems	120,721,051		6,656,361		-	127,377,412
Subscription-base arrangements assets	-		15,302		-	15,302
Total accumulated depreciation/amortization	124,630,358		7,629,390		-	132,259,748
Total capital assets being depreciated, net	70,089,720		9,507,244		-	79,596,964
Business-type activities capital assets, net	$ 82,797,766		$ 13,419,311		$ 7,515,331	$ 88,701,746

(a) Construction in Progress of $7,515,331 was transferred to Utility plant and systems.

Depreciation expense for the fiscal year ended September 30, 2025 has been recorded as follows:

	Total Depreciation & Amortization Expense
Governmental activities:	
General government	$ 2,397,964
Public safety	1,870,618
Public works	1,388,538
Parks and recreation	4,149,525
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	69,476
Unallocated	2,138,274
Total depreciation & amortization expense - governmental activities	$ 12,014,395
Business-type activities:	
Water/Sewer	$ 962,160
Electric	4,708,740
Solid waste	824,398
Other enterprise funds	124,293
QALICB	992,500
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	17,299
Total depreciation & amortization expense - business-type activities	$ 7,629,390

NOTE 9. LEASE (RIGHT-TO-USE) CAPITAL ASSETS / LESSEE & LESSOR

A. GASB 87 Lease (right-to-use) Asset – Lessee

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, 2025, the value of the lease receivable was $16,822,403. The implicit borrowing interest rate on the master lease was 1%. The value of the deferred inflows of resources as of June 30, 2025 was $15,174,446. For the year ended June 30, 2025, 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.

NOTE 9. LEASE (RIGHT-TO-USE) CAPITAL ASSETS / LESSEE & LESSOR (Continued)

A. GASB 87 Lease (right-to-use) Asset – Lessee (Continued)

In fiscal year 2022, the City recorded an initial lease liability in the amount of $17,746,436. As of September 30, 2025, the value of the lease liability is $17,310,574. The City is required to make quarterly fixed payments of $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, 2025, is $15,123,003 with accumulated amortization of $2,623,433, which is included within the Capital Assets roll-forward table for Governmental Activities in Note 8.

Debt Service Requirements to Maturity:

	Principal	Interest	Total
Fiscal year ending September 30:			
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	695,178	144,214	839,392
2031-2035	3,581,967	614,993	4,196,960
2036-2040	3,765,384	431,576	4,196,960
2041-2045	3,958,193	238,768	4,196,961
2046-2049	2,680,874	47,150	2,728,024
Total	$ 17,310,574	$ 2,121,753	$ 19,432,327

Right-to-use Asset (Governmental activities):

	Beginning Balance	Additions	Deletions	Ending Balance
Lease asset	$ 17,746,436	$ -	$ -	$ 17,746,436
Total lease (Right-to-use) asset	17,746,436	-	-	17,746,436
Less accumulated amortization for:				
Lease asset	1,967,574	655,859	-	2,623,433
Total accumulated amortization	1,967,574	655,859	-	2,623,433
Governmental activities lease asset, net	$ 15,778,862	$ (655,859)	$ -	$ 15,123,003

NOTE 9. LEASE (RIGHT-TO-USE) CAPITAL ASSETS / LESSEE & LESSOR (Continued)

A. GASB 87 Leases – Lessor

As of September 30, 2025, the City had seven active leases. The leases have receipts that range from $43,228 to $99,000 and interest rates that range from 0.2133% to 5.0000%. As of September 30, 2025, the total combined value of the lease receivable is $4,005,160, the total combined value of the short-term lease receivable is $358,927, and the combined value of the deferred inflow of resources is $3,950,641. The leases had no variable receipts or other receipts, included in the Lease Receivable, within the Fiscal Year.

Principal and Interest Expected to Maturity:

	Principal	Interest	Total
Fiscal year ending September 30:			
2026	$ 358,927	$ 57,901	$ 416,828
2027	377,913	52,623	430,536
2028	319,196	47,104	366,300
2029	265,196	42,169	307,365
2030	192,952	37,135	230,087
2031-2035	782,734	161,326	944,060
2036-2040	528,582	120,281	648,863
2041-2045	641,621	72,128	713,749
2046-2049	538,040	17,586	555,626
Total	$ 4,005,161	$ 608,253	$ 4,613,414

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

As of fiscal year ended September 30, 2023, the City's financial statements included 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.

As of September 30, 2025, the City had five active subscriptions. The subscriptions have payments that range from $17,850 to $151,872 and interest rates that range from 2.4740% to 3.6310%. As of September 30, 2025, the total combined value of the subscription liability is $964,247, and the total combined value of the short-term subscription liability is $348,297. The combined value of the right to use asset, as of September 30, 2025 of $1,754,575 with accumulated amortization of $809,077 is included within the Subscription Class activities tables found on the next couple of pages:

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

Governmental activities:

Debt Service Requirements to Maturity:

	Principal	Interest	Total
Fiscal year ending September 30:			
2026	$ 321,209	$ 26,740	$ 347,949
2027	197,064	17,686	214,750
2028	154,671	11,284	165,955
2029	165,108	5,826	170,934
Total	$ 838,052	$ 61,536	$ 899,588

Business-type activities:

Debt Service Requirements to Maturity:

	Principal	Interest	Total
Fiscal year ending September 30:			
2026	$ 27,088	$ 3,512	$ 30,600
2027	27,935	2,665	30,600
2028	28,809	1,791	30,600
2029	29,711	889	30,600
2030	12,652	98	12,750
Total	$ 126,195	$ 8,955	$ 135,150

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

Subscription-based arrangement assets - Governmental activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Subscription-base arrangements assets:				
CAD and records management software	$ 980,992	$ -	$ -	$ 980,992
OpenGov procurement software	131,491	52,805	-	184,296
OpenGov finance budget software	308,080	-	-	308,080
NeoGov HR Software	-	139,227	-	139,227
Total subscription-base arrangements assets	1,420,563	192,032	-	1,612,595
Less accumulated amortization for:				
CAD and records management software	273,660	136,830	-	410,490
OpenGov procurement software	73,050	58,440	-	131,490
OpenGov finance budget software	102,693	102,693	-	205,386
NeoGov HR Software	-	46,409	-	46,409
Total accumulated amortization	449,403	344,372	-	793,775
Governmental activities subscription-based assets, net	$ 971,160	$ (152,340)	$ -	$ 818,820

Subscription-based arrangement assets - Business-type activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Subscription-base arrangements assets:				
Milsoft utility solutions	$ -	$ 141,980	$ -	$ 141,980
Total subscription-base arrangements assets	-	141,980	-	141,980
Less accumulated amortization for:				
Milsoft utility solutions	-	15,302	-	15,302
Total accumulated amortization	-	15,302	-	15,302
Business-type activities subscription-based assets, net	$ -	$ 126,678	$ -	$ 126,678

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:

Deferred Outflows:	Enterprise Funds	Internal Service Funds	Total Proprietary Funds Statements	Government-Wide Statements
Deferred outflows for pensions	$ 6,615,102	$ 782,456	$ 7,397,558	$ 29,421,806
Deferred outflows for OPEB	53,059	17,522	70,581	185,933
Total deferred outflows	$ 6,668,161	$ 799,978	$ 7,468,139	$ 29,607,739

Deferred Inflows:	Enterprise Funds	Internal Service Funds	Total Proprietary Funds Statements	Government-Wide Statements
Deferred inflows for leases	$ 15,174,446	$ -	$ 15,174,446	$ 19,179,607
Deferred inflows for pensions	8,348,557	987,495	9,336,052	37,018,223
Deferred inflows for OPEB	1,274,162	420,740	1,694,902	4,464,845
Total deferred inflows	$ 24,797,165	$ 1,408,235	$ 26,205,400	$ 60,662,675

NOTE 12. LONG-TERM LIABILITIES

Governmental Activities

The following is a summary of changes in governmental long-term liabilities at September 30, 2025:

Governmental activities:

	Beginning Balance, as originally reported	Restatement - Change in Acct Principle	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:							
General Obligation Bonds, Series 2014	$ 19,270,000	$ -	$ 19,270,000	$ -	$ 655,000	$ 18,615,000	$ 685,000
Plus: Unamortized Bond Premium	1,159,215	-	1,159,215	-	58,120	1,101,095	58,120
Total General Obligation Bonds, Series 2014	20,429,215	-	20,429,215	-	713,120	19,716,095	743,120
Taxable Transportation System Revenue Bonds, Series 2017	26,500,000	-	26,500,000	-	745,000	25,755,000	765,000
Total bonds payable	46,929,215	-	46,929,215	-	1,458,120	45,471,095	1,508,120
Loans and notes payable:							
HUD Section 108 loan **	1,544,000	-	1,544,000	-	193,000	1,351,000	193,000
New City Hall Refunding Note, Series 2021 **	6,538,308	-	6,538,308	-	537,853	6,000,455	548,502
CRA Tax Increment Revenue Note, Taxable Series 2023 **	4,366,000	-	4,366,000	-	147,000	4,219,000	154,000
Total loans and notes payable	12,448,308	-	12,448,308	-	877,853	11,570,455	895,502
Total bonds, loans and notes payable	59,377,523	-	59,377,523	-	2,335,973	57,041,550	2,403,622
Compensated absences*	4,635,943	831,856	5,467,799	281,258	-	5,749,057	1,724,716
Equipment financing obligation**	1,377,152	-	1,377,152	1,037,500	635,774	1,778,878	606,053
Net pension liability	32,125,062	-	32,125,062	7,657,533	33,110,974	6,671,621	-
Total OPEB liability	5,540,536	-	5,540,536	1,984,251		7,524,787	161,231
Claims and judgements	4,861,923	-	4,861,923	2,242,748	2,135,303	4,969,368	1,325,282
Lease obligation (Right-to-use asset)	17,569,658	-	17,569,658	-	259,084	17,310,574	584,623
Subscription-based IT arrangements obligation	937,560	-	937,560	192,032	291,540	838,052	321,209
Governmental activities long-term liabilities	$ 126,425,357	$ 831,856	$ 127,257,213	$ 13,395,322	$ 38,768,648	$ 101,883,887	$ 7,126,736

*Beginning balances were restated with the implementation of GASB 101, *Compensated Absences*, reported as "Net Change" between additions and reductions

**Direct Borrowings

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

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 the principal and interest due. These bonds are issued as 30-year serial bonds, due in annual installments of $685,000 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, 2025.

Debt Service Requirements to Maturity:

	Principal	Interest	Total
Fiscal year ending September 30:			
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	775,000	709,850	1,484,850
2031-2035	4,305,000	3,116,525	7,421,525
2036-2040	5,365,000	2,053,000	7,418,000
2041-2044	5,305,000	635,100	5,940,100
Sub-Total	18,615,000	9,584,914	28,199,914
Plus: Unamortized Bonds Premium	1,101,095	-	1,101,095
Total	$ 19,716,095	$ 9,584,914	$ 29,301,009

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 $765,000 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

Fiscal year ending September 30:	Principal	Interest	Total
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	880,000	917,270	1,797,270
2031-2035	4,940,000	4,052,735	8,992,735
2036-2040	6,000,000	2,986,736	8,986,736
2041-2044	7,335,000	1,652,680	8,987,680
2046-2047	3,380,000	214,104	3,594,104
Total	$ 25,755,000	$ 13,791,935	$ 39,546,935

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, 2025, is $1,351,000.

NOTE 12. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

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

Debt Service Requirements to Maturity

	Principal	(1) Interest	Total
Fiscal year ending September 30:			
2026	$ 193,000	$ 56,290	$ 249,290
2027	193,000	48,052	241,052
2028	193,000	39,814	232,814
2029	193,000	31,576	224,576
2030	193,000	23,338	216,338
2031-2032	386,000	21,961	407,961
Total	$ 1,351,000	$ 221,031	$ 1,572,031

(1) Computed at 4.21%%, which is 35 basis points above 13 week T-Bill rate of 3.86% 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 $548,502 to $654,355. Interest is payable semi-annually on March 1 and September 1. The outstanding balance of this loan as of September 30, 2025, is $6,000,455.

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:

	Principal	Interest	Total
Fiscal year ending September 30:			
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	593,251	74,060	667,311
2031-2035	3,147,170	189,385	3,336,555
Total	$ 6,000,455	$ 672,655	$ 6,673,110

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 $154,000 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. The outstanding balance of this loan as of September 30, 2025, is $4,219,000.

NOTE 12. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

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

Debt Service Requirements to Maturity:

	Principal	Interest	Total
Fiscal year ending September 30:			
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	185,000	162,879	347,879
2031-2035	1,066,000	672,009	1,738,009
2036-2040	1,341,000	390,312	1,731,312
2041-2043	966,000	69,513	1,035,513
	$ 4,219,000	$ 2,027,559	$ 6,246,559

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. During fiscal year 2025, the City entered into a $1,037,500 equipment financing agreement for the purchase of two Code Enforcement cars and thirteen Police vehicles. The value of capital assets acquired under new equipment financing during fiscal year 2025 for governmental activities totaled $1,056,229. 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, 2025, the City had outstanding borrowings with two financial institutions.

NOTE 12. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

***F. Equipment Financing-Direct Borrowing** (Continued)*

Future minimum payments at September 30, 2025, are as follows:

Governmental Equipment Financing:

Fiscal year ending September 30:	Principal	Interest	Total
2026	$ 606,053	$ 65,604	$ 671,657
2027	463,768	44,924	508,692
2028	318,237	26,204	344,441
2029	219,429	14,450	233,879
2030	171,391	4,019	175,410
Total minimum payments	$ 1,778,878	$ 155,201	$ 1,934,079

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

Furniture, fixtures and equipment	$ 3,596,166
Accumulated depreciation	(1,713,336)
Total	$ 1,882,830

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, 2025:

	Beginning Balance, as originally reported	Restatement - Change in Acct Principle	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due within One Year
Loans and notes payable:							
Electric FMPA pooled loan 2021**	$ 7,519,813	$ -	$ 7,519,813	-	365,256	7,154,557	372,413
Electric FMPA pooled loan 2022**	5,899,292	-	5,899,292	-	628,659	5,270,633	657,910
Electric revenue note, series 2024**	5,165,000	-	5,165,000	-	-	5,165,000	145,000
Notes payable (1)	36,280,233	-	36,280,233	-	-	36,280,233	923,036
Total loans and notes payable	54,864,338	-	54,864,338	-	993,915	53,870,423	2,098,359
Compensated absences*	2,099,853	343,203	2,443,056	40,287	-	2,483,343	745,003
Equipment financing obligation**	2,767,430	-	2,767,430	2,737,249	598,073	4,906,606	813,981
Net pension liability	8,387,688	-	8,387,688	2,566,027	9,246,194	1,707,521	-
Total OPEB liability	3,261,262	-	3,261,262	839,644	-	4,100,906	87,869
Subscription-based IT arrangements obligation	-	-	-	141,979	15,784	126,195	27,087
Buiness-type activities long-term liabilities	$ 71,380,571	$ 343,203	$ 71,723,774	$ 6,325,186	$ 10,853,966	$ 67,194,994	$ 3,772,299

*Beginning balances were restated with the implementation of GASB 101, *Compensated Absences*, reported as "Net Change" between additions and reductions
**Direct Borrowings
(1) The $36,280,233 notes payable is NMTC-related and represents the balance at June 30, 2025 per the QALICB's separately issued financial statements. Please refer to those statements for additional information.

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. The outstanding balance of this loan as of September 30, 2025, is $7,154,557.

Debt Service Requirements to Maturity:

	Principal	Interest	Total
Fiscal year ending September 30:			
2026	$ 372,413	$ 137,707	$ 510,120
2027	379,711	130,410	510,121
2028	387,151	130,409	517,560
2029	394,738	122,969	517,707
2030	402,472	115,383	517,855
2031	5,218,072	107,648	5,325,720
Total	$ 7,154,557	$ 744,526	$ 7,899,083

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. The outstanding balance of this loan as of September 30, 2025, is $5,270,633.

Debt Service Requirements to Maturity:

	Principal	Interest	Total
Fiscal year ending September 30:			
2026	$ 657,910	$ 234,969	$ 892,879
2027	688,521	204,357	892,878
2028	720,558	172,321	892,879
2029	754,084	138,794	892,878
2030	789,171	103,707	892,878
2031-2032	1,660,389	95,548	1,755,937
Total	$ 5,270,633	$ 949,696	$ 6,220,329

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. The outstanding balance of this loan as of September 30, 2025, is $5,165,000.

Debt Service Requirements to Maturity:

	Principal	Interest	Total
Fiscal year ending September 30:			
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	200,000	180,940	380,940
2031-2035	1,145,000	768,891	1,913,891
2036-2040	1,405,000	505,159	1,910,159
2041-2045	1,710,000	183,015	1,893,015
Total	$ 5,165,000	$ 2,440,096	$ 7,605,096

NOTE 12. LONG-TERM LIABILITIES (Continued)

Business-type Activities (Continued)

D. Equipment Financing-Direct Borrowing

Periodically, the City enters into financing agreements to finance the purchase of vehicles, and other heavy equipment. In September 2025, the City entered into a $2,737,249 equipment financing agreement for the purchase of ten solid waste trucks. However, there were no capital assets acquired under new equipment financing for business-type activities in 2025. 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, 2025, the City had outstanding borrowings with two financial institutions.

Future minimum payments at September 30, 2025, are as follows:

Fiscal year ending September 30:	Principal	Interest	Total
2026	$ 813,983	$ 200,557	$ 1,014,540
2027	793,656	171,013	964,669
2028	762,665	141,243	903,908
2029	657,284	111,324	768,608
2030	593,785	82,067	675,852
2031-2033	1,285,233	109,897	1,395,130
Total minimum payments	$ 4,906,606	$ 816,101	$ 5,722,707

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

Furniture, fixtures and equipment	$ 3,968,753
Accumulated depreciation	(1,790,077)
Total	$ 2,178,676

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, 2025 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	$1,512,469
Total debt service to maturity (1)	$29,301,009
Term of commitment	2014-2044
Current year debt service	$1,488,188
Percentage of debt service to pledged revenues (current year)	98%

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	$5,534,931
Total debt service to maturity (1)	$39,546,935
Term of commitment	2017-2047
Current year debt service	$1,799,686
Percentage of debt service to pledged revenues (current year)	33%

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	$662,504
Total debt service to maturity (1)	$1,572,031
Term of commitment	2017-2036
Current year debt service	$263,858
Percentage of debt service to pledged revenues (current year)	40%

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 Halll Loan
Current revenue pledged	$51,057,304
Total debt service to maturity (1)	$6,673,110
Term of commitment	2021-2035
Current year debt service	$667,312
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	$6,015,270
Total debt service to maturity (1)	$6,246,559
Term of commitment	2023-2043
Current year debt service	$348,748
Percentage of debt service to pledged revenues (current year)	6%

(1) Total future principal and interest payments.

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 Sereis 2019 Electric Utility Bonds
Current revenue pledged	$10,181,073
Total debt service to maturity (1)	$7,899,083
Term of commitment	2021-2031
Current year debt service	$509,787
Percentage of debt service to pledged revenues (current year)	5.01%

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	$10,181,073
Total debt service to maturity (1)	$6,220,329
Term of commitment	2023-2032
Current year debt service	$892,593
Percentage of debt service to pledged revenues (current year)	8.77%

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	$10,181,073
Total debt service to maturity (1)	$7,605,096
Term of commitment	2023-2032
Current year debt service	$215,022
Percentage of debt service to pledged revenues (current year)	2.11%

(1) Total future principal and interest payments.

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. It is the City's policy to permit employees to accumulate earned but unused vacation, sick leave, and compensatory time. The estimated liability includes an accrual for salary-related costs (the employer's share of 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.

At September 30, 2025, the liability for compensated absences were as follows:

	Amount Due Within One Year	Amount Due in More Than One Year	Total Liability
Governmental Activities	$ 1,724,716	$ 4,024,341	$ 5,749,057
Business-type Activities	745,003	1,738,340	$ 2,483,343
Total	$ 2,469,719	$ 5,762,681	$ 8,232,400

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.

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 Plan*	Police Officers' Retirement Plan	Elected Officials' Retirement Plan*	New Elected Officials' and Senior Management Retirement System	Firefighters' Retirement System*
Inactive plan members or beneficiaries currently receiving benefits	219	117	7	5	7
Inactive plan members entitled to but not yet receiving benefits	39	2	-	5	-
Active plan members	71	100	1	6	-
Total	329	219	8	16	7

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, 2025. 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.

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.

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, 2025 are as follows:

Investment Type	Fair Value	Less than One Year	1-5 Years	6-10 Years
Cash and short-term investments	$ 2,769,157	$ 2,769,157		
Fixed income: U.S. government and agency securities	6,036,953	-	1,955,683	4,081,270
Fixed income: Municipal obligations	8,838,315	624,019	3,744,328	4,469,968
Fixed income: Mortgage backed securities	4,973,024	-	-	4,973,024
Fixed income: Foreign Bonds Notes & Debentures	332,294	-	285,133	47,161
Fixed income: Corporate bonds	14,049,837	964,826	8,768,657	4,316,354
Sub-total	36,999,580	$ 4,358,002	$ 14,753,801	$ 17,887,777
Hedge funds	151,605			
Mutual funds-equity	25,236,390			
Common Stocks	40,096,560			
Limited partnerships	5,405,571			
Total cash and investments	$ 107,889,706			

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.

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.

S&P Rating	Fair value	Percentage of Fixed Income
AAA	$ 426,377	1.51%
AA+	494,684	1.75%
AA	4,997,467	17.73%
AA-	973,192	3.45%
A+	916,926	3.25%
A	1,414,078	5.02%
A-	1,721,591	6.11%
BBB+	1,787,434	6.34%
BBB	5,130,270	18.20%
BBB-	4,294,181	15.23%
BB+	314,539	1.12%
NR	5,722,731	20.29%
Total	$28,193,470	100.00%

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, 2025, 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.

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, 2025:

		Fair Value Measurements Using	
Investments Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Equity securities:			
Common stock	$ 36,655,990	$ 36,655,990	$ -
Foreign stock	3,440,570	3,385,271	55,299
Mutual funds/equity	25,236,390	25,236,390	-
Total equity securities	65,332,950	65,277,651	55,299
Fixed-income securities:			
U.S. government obligations	6,036,953	825,090	5,211,863
Mortgage backed securities	4,973,024		4,973,024
Municipal obligations	8,838,315	-	8,838,315
Corporate bonds	14,049,837	-	14,049,837
Foreign bonds notes & debentures	332,294	-	332,294
Total fixed-income securities	34,230,423	825,090	33,405,333
Total fair value	99,563,373	$ 66,102,741	$33,460,632
Investment measured at net asset value (NAV) (a)			
Hedge funds	151,605		
Limited partnerships	5,405,571		
Total investments at NAV	5,557,176		
Total investments	$105,120,549		

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

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			
Investments Type		Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds	(1)	$ 151,605	$ -	N/A	N/A
Limited Partnerships	(2)	$ 5,405,571	$ 955,786	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

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"). 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, 2023 and rolled forward to the September 30, 2024 (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 disabled 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, 2022 actuarial valuation of the Florida Retirement System (FRS) Pension Plan in accordance with Florida Statutes Chapter 112.63.

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, 2025 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
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.

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 Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Total pension liability (asset) - beginning	$ 103,885,799	$ 91,280,907	$ 12,604,892
Changes for the year:			
Service Cost	1,160,359	-	1,160,359
Interest on the total pension liability	6,886,261	-	6,886,261
Difference between expected and actual experience of the total pension liability	1,784,869	-	1,784,869
Changes of assumptions	-		-
Contributions - employer	-	1,488,608	(1,488,608)
Contributions - employee	-	256,899	(256,899)
Net investment income	-	18,331,674	(18,331,674)
Benefit payments	(6,054,966)	(6,054,966)	-
Refunds	-	-	-
Pension plan administrative expense	-	(153,826)	153,826
Net change in total pension liability (asset)	3,776,523	13,868,389	(10,091,866)
Total pension liability (asset) - ending	$ 107,662,322	$ 105,149,296	$ 2,513,026

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		
	1% Decrease 5.75%	Current discount rate 6.75%	1% Increase 7.75%
Net pension liability (asset)	$ 14,286,950	$ 2,513,026	$ (7,344,895)

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, 2025 but based on a measurement date of September 30, 2024, the City recognized GERP pension expense of $1,078,593. This amount is included as an increase to personal services expenses within the functional program activities.

At September 30, 2025, 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	$ -	$ 4,910,467
Total	$ -	$ 4,910,467

The City also has contributions subsequent to the measurement date of $2,163,564 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:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2026	$ (927,447)
2027	1,320,326
2028	(2,839,177)
2029	(2,464,169)
	$ (4,910,467)

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.

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, 2025. 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.

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, 2025 are as follows:

Investment Type	Fair Value	Less than One Year	1-5 Years	6-10 Years	More than 10 Years
Cash and short-term investments	$ 7,921,749	$ 7,921,749	$ -	$ -	$ -
Mutual funds-fixed income	44,045,275	-	17,957,179	24,690,345	1,397,751
Sub-total	51,967,024	$ 7,921,749	$ 17,957,179	$ 24,690,345	$ 1,397,751
Stocks	112,457,286				
Real Estate	8,033,019				
Total cash and investments	$ 172,457,329				

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, 2025 the weighted average maturity of the fixed income portfolio was 9.03 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

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.S. government guaranteed*	$ 7,530,830	17.10%
Federal Home Loan Mortgage Corporation*	$ 13,870,835	31.50%
Quality rating of credit risk debt securities: S&P Rating		
AAA	$ 1,226,546	2.78%
AA+	1,059,073	2.40%
AA-	204,242	0.46%
A+	159,400	0.36%
A	636,776	1.45%
A-	2,035,663	4.62%
BBB+	3,191,019	7.24%
BBB	4,737,853	10.77%
BBB-	4,266,838	9.69%
BB+	266,359	0.60%
BB	471,707	1.07%
BB-	514,506	1.17%
B+	555,393	1.26%
B	293,187	0.67%
B-	331,661	0.75%
CCC+	121,124	0.27%
Total credit risk debt securities	20,071,347	45.56%
N/A	2,572,263	5.84%
Total fixed income securities	$ 44,045,275	100.00%

* Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

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.

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

B. POLICE OFFICERS' RETIREMENT PLAN (PORP) (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 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, 2025, none of Plan's investments were held with any single issuer that represents 5% or more of the Plan's 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 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.

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

***Investments** (Continued)*

The Plan has the following recurring fair value measurements as of September 30, 2025:

	Fair Value Measurements Using	
Investments Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Foreign stock	$ 2,720,050	$ 2,720,050
Common stocks	109,737,236	109,737,236
Total investmenst at fair value	$ 112,457,286	$ 112,457,286
Investment measured at net asset value (NAV)		
Mutual fund-fixed income	44,045,275	
Real estate fund	8,033,019	
Total investments measured at NAV	52,078,294	
Total investments	$ 164,535,580	

Plans valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2025 are as follows:

Investment measured at net asset value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual fund-fixed income	$ 44,045,275	-	Daily	N/A
Real estate - JPMorgan Chase	2,775,151		Quarterly	45 days
Real estate - Principal Enhanced Property Fund, L.P.	5,257,868	-	Quarterly	End of the calendar quarter following the quarter in which notice is received
Total investments measured at NAV	$ 52,078,294	$ -		

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.

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments *(Continued)*

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, 2023 and rolled forward to the September 30, 2024 (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
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, 2022 actuarial valuation, in compliance with Florida Statutes.

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

***Net Pension Liability** (Continued)*

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, 2025 are summarized in the following table:

Asset Group	Long-Term Expected Real rate of return
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.

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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Total pension liability - beginning	$ 151,285,977	$ 123,588,311	$ 27,697,666
Changes for the year:			
Service Cost	4,363,018	-	4,363,018
Interest on the total pension liability	10,617,243	-	10,617,243
Difference between expected and actual experience of the total pension liability	(331,899)	-	(331,899)
Contributions - employer	-	5,683,709	(5,683,709)
Contributions - employer (from state)	-	1,037,391	(1,037,391)
Contributions - employee	-	845,812	(845,812)
Net investment income	-	29,105,532	(29,105,532)
Benefit payments	(7,715,629)	(7,715,629)	-
Refunds	(232,549)	(232,549)	-
Pension plan administrative expense	-	(162,571)	162,571
Net change in total pension liability	6,700,184	28,561,695	(21,861,511)
Total pension liability - ending	$ 157,986,161	$ 152,150,006	$ 5,836,155

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, 2024 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		
	1% Decrease 6.00%	Current discount rate 7.00%	1% Increase 8.00%
Net pension liability (asset)	$ 25,512,318	$ 5,836,155	$ (10,266,607)

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, 2025 but based on a measurement date of September 30, 2024, the City recognized a decrease in the Plan's pension expense of $3,471,919. This amount is included as a decrease to personal services expenses within the functional program activities.

At September 30, 2025, the City reports deferred outflows and inflows of resources related to the PORP as follows:

	Police Officers' Retirement Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 246,105	$ 221,266
Change in assumptions	456,550	-
Net difference between projected and actual earnings on pension plan investments	-	12,471,545
Total	$ 702,655	$ 12,692,811

Contributions from City and State subsequent to the measurement date of $6,814,666 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:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2026	$ (2,190,126)
2027	(418,861)
2028	(5,286,492)
2029	(4,094,677)
	$ (11,990,156)

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.

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, 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 - 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.

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, 2024. The actual contribution from the City for active members was actuarially determined using the latest actuarial valuation dated January 1, 2024 for the years ended December 31, 2024 and December 31, 2025.

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, 2024 are as follows:

Investment Type	Fair Value	0-12 Months	1-5 Years
Fixed income-corporate bonds	$ 1,043,860	$ 348,386	$ 695,474
Fixed income-convertible corporate bonds	29,307	-	29,307
Fixed income-foreign bonds	242,504	-	242,504
Sub-total Fixed Income	1,315,671	$ 348,386	$ 967,285
Common stock	1,032,350		
Preferred stock	43,160		
Foreign stock	151,392		
Mutual fund equities	488,328		
Partnerships	310,510		
Sub-total Equities	2,025,740		
Total Investments	$ 3,341,411		

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, 2024 the weighted average maturity of the fixed income portfolio was 1.71 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.

S&P Rating	Fair Value	Percentage of Fixed Income
AA+	$ 49,942	3.80%
A	176,618	13.42%
A-	246,519	18.74%
BBB+	502,117	38.16%
BBB	193,427	14.70%
BBB-	48,489	3.69%
BB	49,455	3.76%
NR	49,104	3.73%
	$ 1,315,671	100.00%

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.

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, 2024 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, 2024.

NOTE 13. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

		Fair Value Measurements Using	
Investments Type	Value as of 12/31/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt securities:			
Corporate and foreign bonds	$ 1,315,671	$ -	$ 1,315,671
Total debt securities	1,315,671	-	1,315,671
Equity securities:			
Common stock	1,032,350	1,032,350	-
Foreign stock	151,392	116,088	35,304
Preferred stock	43,160	43,160	-
Mutual fund equities	488,328	488,328	-
Partnerships	310,510	310,510	-
Total equity securities	2,025,740	1,990,436	35,304
Total investments at fair value	$ 3,341,411	$ 1,990,436	$ 1,350,975

Net Pension Liability (Asset)

The City's net pension liability was measured by the actuarial valuation as of January 1, 2024 and rolled forward to the December 31, 2024 (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, 2022 actuarial valuation.

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, 2024 are summarized in the following table:

Asset Group	Long-Term Expected Real Rate of Return
Equities	8.56%
Fixed Income	5.26%

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 12/31/2023	$ 2,943,291	$ 3,456,849	$ (513,558)
Changes for the year:			
Service Cost	37,156	-	37,156
Interest on the total pension liability	194,150	-	194,150
Difference between expected and actual experience of the total pension liability	26,210	-	26,210
Contributions - employer	-	64,982	(64,982)
Net investment income	-	278,509	(278,509)
Benefit payments	(208,301)	(208,301)	-
Pension plan administrative expense	-	(36,893)	36,893
Net change in total pension liability (asset)	49,215	98,297	(49,082)
Total pension liability (asset) - ending 12/31/2024	$ 2,992,506	$ 3,555,146	$ (562,640)

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 5.75%	Current discount rate 6.75%	1% Increase 7.75%
Net pension liability (asset)	$ (243,202)	$ (562,640)	$ (832,217)

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

For the fiscal year ended September 30, 2025 but based on a measurement date of December 31, 2024, the City recognized an increase in the Plan's pension expense of $69,404. This amount is included as an increase to personal services expenses within the functional program activities.

At September 30, 2025, 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	$ 125,221	$ -
Total	$ 125,221	$ -

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

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:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2026	$ 29,973
2027	109,140
2028	(3,642)
2029	(10,250)
	$ 125,221

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, 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 – New Elected Officials' and Senior Management Retirement Plan, c/o City of Homestead, Finance Department, 100 Civic Court, Homestead, FL 33030.

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, 2024. The actual contribution from the City for active members was actuarially determined using the latest actuarial valuation dated January 1, 2024 for the year ended December 31, 2024 and December 31, 2025.

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.

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, 2024:

Investment Type	Fair Value	0-12 Months	1-5 Years	6-10 Years	More than 10 years
Bond Mutual funds	$ 831,028	$ -	$ -	$ 831,028	$ -
Sub-total	831,028	$ -	$ -	$ 831,028	$ -
Mutual funds - equity	4,016,822				
Real Estate Fund	494,520				
Total Investments at fair value	$ 5,342,370				

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, 2024 the weighted average maturity of the fixed income portfolio was 8.13 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:

S&P Rating	Fair Value	Percentage of Fixed Income
N/R	$ 831,028	100.00%
	$ 831,028	100.00%

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, 2024, 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.

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, 2024:

		Fair Value Measurements Using	
Investments by fair value level:	Value as of 12/31/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Bond Mutual funds	$ 831,028	$ 831,028	$ -
Total debt securities	831,028	831,028	-
Equity securities:			
Mutual Funds - equity	4,016,822	4,016,822	-
Total equity securities	4,016,822	4,016,822	-
Total investments at fair value	4,847,850	$ 4,847,850	$ -
Investments measured at the net asset value ("NAV")			
Real estate fund	494,520		
Total investments	$ 5,342,370		

The Plan valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of December 31, 2024 are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currenty Eligible)	Redemption Notice Period
Real estate fund (1)	$ 494,520	$ -	Quarterly	10 business days
Total investments measured at NAV	$ 494,520			

(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.

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, 2024 and rolled forward to the December 31, 2024 (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, 2022 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, 2024 are summarized in the following table:

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

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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Total pension liability (asset) - beginning 12/31/2023	$ 5,061,549	$ 5,155,950	$ (94,401)
Changes for the year:			
Service Cost	69,837	-	69,837
Interest on the total pension liability	334,239	-	334,239
Difference between expected and actual experience of the total pension liability	55,659	-	55,659
Changes of assumptions	-	-	-
Contributions - employer	-	110,236	(110,236)
Net investment income	-	614,244	(614,244)
Benefit payments	(359,409)	(359,409)	-
Pension plan administrative expense	-	(64,124)	64,124
Net change in total pension liability (asset)	100,326	300,947	(200,621)
Total pension liability (asset) - ending 12/31/2024	$ 5,161,875	$ 5,456,897	$ (295,022)

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)	$ 274,748	$ (295,022)	$ (770,184)

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

For the fiscal year ended September 30, 2025 but based on a measurement date of December 31, 2024, the City recognized an increase in the Plan's pension expense of $2,416. This amount is included as an increase to personal services expenses within the functional program activities.

At September 30, 2025, 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	$ 50,193	$ -
Net difference between projected and actual earnings on pension plan investments	-	36,058
Total	$ 50,193	$ 36,058

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 $111,346, which 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:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2026	$ 61,317
2027	130,980
2028	(122,803)
2029	(55,359)
	$ 14,135

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, 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 – Firefighters' Retirement System, C/O City of Homestead, Finance Department., 100 Civic Court, FL 33030.

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.

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, 2024:

Investment Type	Fair Value	0-12 Months	1.1-5.9 Years	6.1-9.9 Years	10 + Years
U.S. Government obligations	$ 961,060	$ -	$ 961,060	$ -	$ -
U.S. Government agency obligations	2,603,960	-	2,603,960	-	-
Corporate bonds	1,106,673		1,106,673		
Municipal bonds	126,945		126,945		
Temporary investment funds	950,147	-	950,147	-	-
Sub-total : fixed income	5,748,785	$ -	$ 5,748,785	$ -	$ -
Domestic stocks	1,115,555				
International stocks	354,669				
International equity investment funds	2,091				
Total Investments at fair value	$ 7,221,100				

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, 2024, the Plan's corporate bonds were rated between A1 and Baa3 by Moody's Investor Services.

S & P Rating	Fair Value	Percentage of Fixed Income
AAA-A+	$ 961,060	16.72%
AAA-BBB-	3,710,633	64.54%
AAA-A	126,945	2.21%
N/A	950,147	16.53%
Total	$ 5,748,785	100.00%

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.

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, 2024, 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.

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, 2024:

Investments Type	Value as of 12/31/2024	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements Using: Significant Other Observable Inputs (Level 2)
U.S.Government obligations	$ 961,060	$ 38,208	$ 922,852
U.S.Government agency obligations	2,603,960	-	$ 2,603,960
Corporate bonds	1,106,673	13,200	1,093,473
Municipal bonds	126,945	-	126,945
Domestic stocks	1,115,555	1,115,555	-
International stocks	354,669	204,049	150,620
International equity investment funds	2,091	2,091	-
Temporary investment funds	950,147	950,147	-
Total fair value	$ 7,221,100	$ 2,323,250	$ 4,897,850

Net Pension Liability (Asset)

The City's net pension liability was measured by the actuarial valuation as of January 1, 2024 and rolled forward to the December 31, 2024 (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, 2022 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.

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 Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the Plan's target asset allocation as of December 31, 2024 are as follows:

Asset Group	Long-Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
Cash	0.0%

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 12/31/2023	$ 7,478,382	$ 7,268,190	$ 210,192
Changes for the year:			
Interest on the total pension liability	251,027	-	251,027
Difference between expected and actual experience of the total pension liability	108,192	-	108,192
Contributions - employer (from state)	-	748,003	(748,003)
Net investment income	-	523,267	(523,267)
Benefit payments	(1,267,944)	(1,267,944)	-
Pension plan administrative expense	-	(76,242)	76,242
Other (change in share plan reserve)	655,578	-	655,578
Net change in total pension liability (asset)	(253,147)	(72,916)	(180,231)
Total pension liability - ending 12/31/2024	$ 7,225,235	$ 7,195,274	$ 29,961

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)	$ 664,030	$ 29,961	$ (500,774)

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, 2025 but based on a measurement date of December 31, 2024, the City recognized an increase in the Plan's pension expense of $81,500. This amount is included as a increase to personal services expenses within the functional program activities. At September 30, 2025, the City reports deferred outflows and inflows of resources related to the Plan as follows:

	Firefighters Retirement System	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on pension plan investments	$ -	$ 82,133
Total	$ -	$ 82,133

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:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2026	$ 18,985
2027	89,957
2028	(135,213)
2029	(55,862)
	$ (82,133)

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.

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 per GASB 68	Deferred Inflows of Resources per GASB 68	Pension Expense (income)
General Employees' Retirement Plan	9/30/2024	$ -	$ (2,513,026)	$ 8,319,006	$ (13,229,473)	$ 1,078,593
Police Officers' Retirement Plan	9/30/2024	-	(5,836,155)	10,620,879	(22,611,035)	(3,471,919)
Elected Officials' Retirement Plan	12/31/2024	562,640	-	245,392	(120,171)	69,404
New Elected Officials and Senior Management Retirement System	12/31/2024	295,022	-	539,203	(525,068)	2,416
Firefighters' Retirement System	12/31/2024	-	(29,961)	450,343	(532,476)	81,500
Total by plan:		$ 857,662	$ (8,379,142)	$ 20,174,823	$ (37,018,223)	$ (2,240,006)
By Activities type:						
Governmental Activities		$ 857,662	$ (6,671,621)	$ 14,522,330	$ (28,029,228)	$ (3,031,566)
Business-type Activities		-	(1,707,521)	5,652,493	(8,988,995)	791,560
Total by type:		$ 857,662	$ (8,379,142)	$ 20,174,823	$ (37,018,223)	$ (2,240,006)

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	9/30/2024	$ 8,319,006	$ 2,163,564	$ 10,482,570
Police Officers' Retirement Plan	9/30/2024	10,620,879	6,814,666	17,435,545
Elected Officials' Retirement Plan	12/31/2024	245,392	64,982	310,374
New Elected Officials and Senior Management Retirement System	12/31/2024	539,203	111,346	650,549
Firefighters' Retirement System	12/31/2024	450,343	92,425	542,768
		$ 20,174,823	$ 9,246,983	$ 29,421,806
By Activities type:				
Governmental Activities		$ 14,522,330	$ 7,776,913	$ 22,299,243
Business-type Activities		5,652,493	1,470,070	7,122,563
Total:		$ 20,174,823	$ 9,246,983	$ 29,421,806

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 contributed a total of $49,095 to the Plan for the fiscal year ended September 30, 2025.

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, 2025 there were 22 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 a total of $385,279 to the Plan for the fiscal year ended September 30, 2025.

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 a total of $792,047 to the Plan for the fiscal year ended September 30, 2025.

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, 2025, the OPEB Plan covered 180 active employees and 56 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:	10/01/2024
Measurement Date:	10/01/2024
Reporting date:	09/30/2025

At September 30, 2025, the City reported the following:

Total OPEB liability: $ 11,625,693
Total covered payroll: $ 37,331,360
OPEB liability as a percentage of covered payroll: 31.14%

Methods and assumptions used to determine Total OPEB liability:

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.73%
HealthCare Cost Trend Rates	6.0% for 2026; 5.5% for 2027; 5.0% 2028 to later years
Mortality Rate	RP-2017 mortality table (combined healthy lives) with projected mortality

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

Total OPEB Liability (Continued)

Changes in Total OPEB Liability:

		OPEB Liability
Total OPEB liability- beginning 9/30/2024	$	8,801,798
Changes for the year:		
Service cost		204,476
Interest cost		360,039
Changes of benefit terms		-
Difference between expected and actual experience		2,567,266
Change of assumptions		(105,654)
Benefit payments		(202,232)
Net change in OPEB liability		2,823,895
Total OPEB liability- ending 9/30/2024	$	11,625,693
By Activities type:		
Governmental Activities	$	7,524,787
Business-type Activities		4,100,906
Total:	$	11,625,693

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 (2.73%) or 1-percentage-point higher (4.73%) than the current discount rate:

	Sensitivity Testing to change in interest discount assumption		
	1% Decrease	Selected discount rate	1% Increase
Discount rate assumption	2.73%	3.73%	4.73%
Total OPEB liability	$ 13,000,308	$ 11,625,693	$ 10,497,225

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 (starts at 0.2%, 5.5%) or 1-percentage-point higher (starts at 2.2%, 7.5%) than the current medical costs trend rate:

	Sensitivity Testing to change in medical costs trend assumption		
Medical costs trend assumption	1% Decrease starts at 0.2%, 5.5%	Selected Trend rate starts at 1.2%, 6.5%	1% Increase starts at 2.2%, 7.5%
Total OPEB liability	$ 10,498,040	$ 11,625,693	$ 12,969,983

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

For the fiscal year ended September 30, 2025 but based on a measurement date of October 1, 2024, the City recognized a reduction to the Plan's OPEB expense of $1,025,743. This amount is included as a decrease to personal services expenses within the functional program activities.

At September 30, 2025, 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	$ -	$ 1,262,173
Changes in assumptions	-	3,202,672
Expected benefit payments subsequent to the measurement date of 10/1/2024	185,933	-
Total	$ 185,933	$ 4,464,845
By Activities type:		
Governmental Activities	$ 120,348	$ 2,889,892
Business-Type Activities	65,585	1,574,953
Total	$ 185,933	$ 4,464,845

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.

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

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

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

Year Ending September 30,		Net Deferred Inflows of Resources
2026	$	(1,404,426)
2027		(933,985)
2028		(946,335)
2029		(408,949)
2030		(373,440)
2031+		(397,710)
	$	(4,464,845)

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.

A claims liability of approximately $4,969,000 was actuarially determined by an outside actuary at September 30, 2025.

NOTE 15. SELF-INSURANCE PROGRAMS (Continued)

Changes in liabilities during the years ended September 30, 2025 and 2024 are presented in the following table:

	Liability at Beginning Year	Current Year Claims	Claim Payments	Liability at End of Year	Due within One Year
2025					
Worker's compensation	$ 1,457,449	$ 993,117	$ 1,078,311	$ 1,372,255	$ 392,895
General and auto liabilities	3,404,474	1,249,631	1,056,992	3,597,113	932,387
2025 Total	$ 4,861,923	$ 2,242,748	$ 2,135,303	$ 4,969,368	$ 1,325,282
2024					
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	$ 4,962,947	$ 2,174,906	$ 2,275,930	$ 4,861,923	$ 1,193,008

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 limit per occurrence 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 three, is unlikely to have a material adverse effect on the financial condition of the City.

The City is involved in three 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.

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

NOTE 16. COMMITMENTS AND CONTINGENCIES (Continued)

(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 November 2026. A hearing on the City's motion for summary judgment is scheduled for August 2026. 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.

(1) 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. On March 12, 2026, the Court issued summary judgment for the Defendants. Plaintiff filed a notice of appeal to the U.S. District Court, 11th Circuit. The City prevailed at the trial level, and the Court agreed that the use of deadly force was legally justified because the decedent posed a threat of death or grievous bodily harm to the Officer who was within 5 feet of the decedent. 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.

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 2045, total approximately $195 million plus interest imputed at annual rate at 5%. The City intends to meet its obligations under these agreements. Purchased power during fiscal 2025 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:		
2026	$	15,679,000
2027		15,496,000
2028		15,806,000
2029		20,350,000
2030		18,086,000
2031 - 2035		68,299,000
2036 - 2040		19,493,000
2041 - 2045		21,522,000
Total		194,731,000
Less amount representing interest		32,241,000
Total present value	$	162,490,000

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:		
2026	$	1,220,146
2027		1,220,146
2028		1,220,146
2029		1,220,146
2030		1,220,146
2031 - 2032		2,440,291
Total	$	8,541,021

NOTE 17. HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY (CRA)

For fiscal year 2025, total Tax Increment Financing (TIF) property tax revenues for the CRA amounted to $6,015,270. Of the total amount, $2,624,542 was from property taxes levied by Miami-Dade County, and $3,390,728 was from property taxes levied by the City.

The following projects were completed, ongoing, or planned during the fiscal year ending September 30, 2025:

Projects completed in fiscal year 2025:

1. Published RFP for the redevelopment of the Shotgun property site.
2. Completed the Downtown Enhanced Maintenance Program (DEMP) Initiative.
3. Completed the Commercial Revitalization (Rock the Block) – Mowry & 8th Street.
4. Issued a Section 163 Notice of Disposal for two parcels on SW 4th Street designated for the development of a Pocket Park.
5. Published an RFP for the redevelopment of Krome Marketplace.
6. Administered the Commercial Enhancement Grant Program.
    a. Awarding (4) four grants
7. Administered the Business Relocation & Expansion Grant Program.
    a. Awarding (1) one grant
8. Administered the Residential Rehabilitation Grant Program.
    a. Awarding (5) five grants
9. Completed the Krome Marketplace Roof Replacement Project.
10. Initiated Infrastructure design for public works improvements on Krome & Flagler Ave.
11. Secured the Florida Communities Trust Grant for the creation of a Pocket Park.
12. Initiated Construction for the Utility Undergrounding Project.
13. Initiated Construction for the Krome Marketplace Parking Lot
14. Received Board direction to advance negotiations and formalize the general development terms for the Triangle Project.

Projects planned for fiscal year 2026:

1. Complete the Krome Marketplace Mural.
2. Complete the Krome Marketplace Parking Lot.
3. Complete the NW 2nd Street Utility Undergrounding.
4. Complete the “Downtown Enhancement Maintenance Program.”
5. Complete the “Keep CRA Beautiful” Initiative.
6. Complete the Demolition of 37 W Mowry Drive.
7. Award (4) $25,000 Commercial Enhancement Grants.
8. Accept a Florida Communities Trust Grant Award.
9. New Grant Programming
    a. Includes:
        i. Tax Increment Rebate Grant
        ii. Construction Impact Relief Program
10. Create an In-Fill Housing Disposition Project.
11. Create a Downtown Gateway Project.

NOTE 17. HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY (CRA) (Continued)

Projects planned for fiscal year 2026 (Continued):

12. Create a Downtown Banner Project.
13. Complete the final phase of the adaptive reuse of a blighted structure located at 37 W Mowry Dr. to create a Paseo Park.
14. Create a Street Tree Planting Project.

Expenditures incurred during fiscal year 2025 related to these projects are as follows:

	Expenditures
General government	$ 2,914,513
Public safety	471,299
Public works	303,601
Capital outlay	1,446,718
Total Expenditures	$ 5,136,131

A separate, independently published set of financial statements for the CRA may be obtained by contacting the CRA Director at 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. Total funds received were $19,192,086. The City expended $ 9,000 of ARPA funds in FY 2021, $800,109 in FY 2022, $2,801,190 in FY 2023, $5,246,244 (including a transfer out to the CRA for the purchase of land) in FY 2024, and $9,007,925 in FY 2025. All remaining funds were encumbered for specific allowable projects as required by the December 31, 2024, deadline. The City anticipates expending all funds by the December 31, 2026, deadline.

NOTE 19. SPECIAL ITEM: PFAS LITIGATION SETTLEMENT PROCEEDS

Per- and poly-fluoroalkyl substances (PFAS) have been widely used in various industries for decades for items such as nonstick coatings, firefighting foams, waterproof fabrics, and food packaging. However, mounting evidence suggests that PFAS pose significant health risks and environmental harm. In 2023, the industrial conglomerate 3M reached a settlement of $12.5 billion with public water systems across the United States seeking redress for the impact of PFAS contamination to their water supplies.

The Ferraro Law Firm represents plaintiffs in this and other multidistrict PFAS litigation and currently represents the City of Homestead (as authorized by Resolution # R2023-12-157) in pursuing any potential compensation the City would be entitled to as part of this class action settlement on a contingent fee basis. Settling Defendants include 3M, DuPont, Tyco and BASF.

During fiscal year 2025, the City received net settlement proceeds totaling $3,387,522 in connection with the 3M nationwide class action settlement resolving claims of per- and polyfluoroalkyl substances (PFAS) contamination of public drinking water systems arising from *In re: Aqueous Film-Forming Foams Products Liability Litigation*, MDL No. 2873, U.S. District Court, District of South Carolina.

The 3M Company settlement is payable in ten installments from fiscal year 2025 through fiscal year 2033, with approximately 65.6% of the total allocation distributed in the first two installments. Net proceeds under the settlement are stated after deduction of attorneys' fees and litigation costs pursuant to the Court's order on fees and costs.

The City has classified these proceeds as a special item within the Water and Sewer Fund in the fund financial statements and in the government-wide Statement of Activities in accordance with GASB Statement No. 34, paragraph 56, and GASB Statement No. 62, paragraphs 45–49. The transactions are unusual in nature, as PFAS contamination litigation settlements are not part of the City's ordinary and typical activities, and are within the control of management, as the City elected to remain in the settlement classes rather than opt out and pursue independent litigation. This presentation distinguishes these nonrecurring proceeds from ongoing operating revenues and enhances comparability between reporting periods.

NOTE 20. RESTATEMENT – CHANGE IN ACCOUNTING PRINCIPLE

Adjustments to and Restatements of Beginning Balances

The City implemented GASB Statement No. 101, *Compensated Absences*, effective September 30, 2024, which required a restatement of net position as of September 30, 2024. Calculating the compensated absence liability as of September 30, 2024, resulted in a decrease of $1,175,059 to the net position at September 30, 2024.

The following tables present a reconciliation of net position impacted by implementing the new accounting standard:

	Total Net Position
Governmental Activities:	
Balance September 30, 2024, as previously reported	$231,047,583
Adjustment to opening balances:	
Change in Accounting Principle (Implementation of GASB 101)	(831,856)
Balance September 30, 2024, as restated	$ 230,215,727
Business-Type Activities:	
Balance September 30, 2024, as previously reported	$ 43,442,322
Adjustment to opening balances:	
Change in Accounting Principle (Implementation of GASB 101)	(343,203)
Balance September 30, 2024, as restated	$ 43,099,119

	Total Net Position				
	Major Funds			Nonmajor Funds	
	Water & Sewer Fund	Electric Utility Fund	Solid Waste Fund	Other Enterprise Funds	Internal Service Funds
Proprietary Funds					
Balance September 30, 2024, as previously reported	$10,509,976	$28,327,698	$2,548,012	$ 5,225,523	$ 255,101
Adjustment to opening balances:					
Change in Accounting Principle (Implementation of GASB 101)	(108,804)	(116,245)	(116,222)	29,613	(35,475)
Balance September 30, 2024, as restated	$10,401,172	$28,211,453	$ 2,431,790	$ 5,255,136	$ 219,626

The City reduced the prior year's net position by $831,856 in the Governmental Activities and $343,203 in the Business-type Activities when it implemented GASB Statement No. 101, *Compensated Absences*.

See Note 12 Long-Term Liabilities, Compensated Absences.

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, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes:				
Property taxes	$ 28,559,243	$ 28,559,243	$ 29,073,241	$ 513,998
Fuel taxes	1,397,348	1,397,348	1,436,103	38,755
Franchise taxes	1,299,900	1,299,900	1,503,213	203,313
Utility taxes	1,843,259	1,843,259	1,728,478	(114,781)
Communication service taxes	1,896,061	1,896,061	1,973,102	77,041
Half cent sales taxes	8,548,631	8,548,631	8,475,907	(72,724)
Total taxes	43,544,442	43,544,442	44,190,044	645,602
Licenses and permits	2,457,500	2,707,500	4,688,263	1,980,763
Intergovernmental:				
State revenue sharing	5,019,627	5,019,627	5,130,344	110,717
State insurance premium taxes	1,990,221	1,990,221	1,751,510	(238,711)
County revenue sharing	75,000	75,000	99,347	24,347
Total intergovernmental	7,084,848	7,084,848	6,981,201	(103,647)
Charges for services:				
Recreation fees	306,297	306,297	276,995	(29,302)
Other fees	862,395	862,395	693,543	(168,852)
Total charges for services	1,168,692	1,168,692	970,538	(198,154)
Fines and forfeitures	315,000	315,000	367,191	52,191
Investment income	1,385,769	1,385,769	2,769,530	1,383,761
Payments in lieu of taxes	9,456,924	9,456,924	9,456,924	-
Rentals and other revenues	10,019,991	10,019,991	10,706,854	686,863
Total other revenues	21,177,684	21,177,684	23,300,499	2,122,815
Total revenues	$ 75,433,166	$ 75,683,166	$ 80,130,545	$ 4,447,379

(Continued)

See note to budgetary comparison schedule.

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Expenditures:				
General government:				
Mayor and Council	$ 1,183,974	$ 1,235,974	$ 1,056,404	$ 179,570
City Attorney	1,000,000	1,400,000	1,301,944	98,056
City Manager	981,410	981,410	949,725	31,685
City Clerk	815,283	815,283	790,057	25,226
Planning & Zoning	2,675,692	2,675,692	1,526,075	1,149,617
Finance	3,178,628	3,094,836	2,364,047	730,789
ITS	1,891,031	2,309,768	1,879,692	430,076
General Services	3,731,896	3,731,896	3,292,869	439,027
Procurement	1,722,687	1,672,391	1,334,394	337,997
General Administration	4,365,309	3,819,304	2,434,862	1,384,442
Human resources	915,118	946,466	930,225	16,241
Total general government	22,461,028	22,683,020	17,860,294	4,822,726
Public safety:				
Police	36,464,072	36,312,198	34,621,555	1,690,643
Code compliance	1,925,966	1,966,966	1,555,488	411,478
Police - Insurance Premium Tax (Pass-thru)	1,037,391	1,037,391	1,053,198	(15,807)
Fire - Insurance Premium Tax (Pass-thru)	952,830	952,830	698,312	254,518
Building department	2,532,825	2,782,825	2,559,606	223,219
Total public safety	42,913,084	43,052,210	40,488,159	2,564,051
Public works and services:				
Streets	1,582,591	1,582,591	1,210,193	372,398
Total public works	1,582,591	1,582,591	1,210,193	372,398
Parks, recreation and open spaces	6,733,713	6,733,333	6,436,780	296,553
Total parks and recreation	6,733,713	6,733,333	6,436,780	296,553
Capital outlay	1,017,515	2,214,613	2,030,288	184,325
Debt service:				
Principal	796,937	1,088,480	1,088,477	3
Interest and fiscal charges	304,453	337,524	337,522	2
Total expenditures	75,809,321	77,691,771	69,451,713	8,240,058
Excess of revenues over expenditures	(376,155)	(2,008,605)	10,678,832	12,687,437
Other financing sources (uses):				
Issuance of debt (equipment financing)	-	-	1,037,500	1,037,500
Proceed from subscription-based IT arrangements liability	-	-	192,032	192,032
Transfers out	(680,885)	(680,885)	(680,885)	-
Appropriation of prior years' fund balance	1,057,040	2,689,490	-	(2,689,490)
Total other financing sources (uses)	376,155	2,008,605	548,647	(1,459,958)
Change in fund balance	$ -	$ -	11,227,479	$ 11,227,479
Fund balance - beginning			72,261,938	
Fund balance - ending			$ 83,489,417	

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, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 6,015,269	$ 6,015,269	$ 6,015,270	$ 1
Investment income	260,283	260,283	251,816	(8,467)
Other revenue	-	-	54	54
Total revenues	6,275,552	6,275,552	6,267,140	(8,412)
Expenditures:				
Current:				
General government	5,064,837	5,031,221	2,914,513	2,116,708
Public safety	435,516	435,516	471,299	(35,783)
Public works and services	451,958	517,534	303,601	213,933
Capital outlays	5,486,359	5,454,399	1,446,718	4,007,681
Total expenditures	11,438,670	11,438,670	5,136,131	6,302,539
Excess (deficiency) of revenues over expenditures	(5,163,118)	(5,163,118)	1,131,009	6,294,127
Other financing uses:				
Transfers out	(514,564)	(514,564)	(514,564)	-
Appropriation of prior years' fund balance	5,677,682	5,677,682	-	(5,677,682)
Total other financing sources (uses)	5,163,118	5,163,118	(514,564)	(5,677,682)
Change in fund balance	$ -	$ -	616,445	$ 616,445
Fund balances, beginning			6,740,360	
Fund balance - ending			$ 7,356,805	

See note to budgetary comparison schedule.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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.

NOTE 1. BUDGETS AND BUDGETARY INFORMATION (Continued)

8. General Fund-Premium Tax (Pass Thru)-Negative Variance $15,807:

   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 2025, the City budgeted $1,990,221 in state insurance premium tax revenues and corresponding public safety expenditures, comprised of $1,037,391 for the Police Pension Plan and $952,830 for the Firefighters' Pension Plan. However, the actual amounts received from the State were $1,053,198 for the Police Pension and $698,312 for the Firefighters' Pension. Even though the Police Pension Plan had a $15,807 negative variance on its own, combined with the Firefighter's Pension Plan positive variance of $254,518, the resulting net total variance of $238,711 is still positive. Even though this is not the case in FY 2025, in the event of a net negative overall variance in these expenses, it would not negatively impact the General Fund, as a corresponding negative variance in intergovernmental revenues would offset it. This transaction is not considered a budget violation, as the City is statutorily required to remit 100% of insurance premium tax revenues received to the respective pension plans.

9. Homestead Community Redevelopment Agency (CRA)-Public Safety-Negative Variance $35,783: Each fiscal year, the CRA, in coordination with the Homestead Police Department, staffs its public safety function to service the CRA boundary and further support the CRA mission and goals. During the budget development for fiscal year 2025, an entry-level police position was budgeted (since it was vacant) to staff the CRA district; however, during the fiscal year, a reassignment placed a more established, higher-salaried police officer in the CRA district. This caused an over-expenditure in full-time wages of $40,228 alone, but, when offset by savings in other accounts in the public safety division, the net negative variance was $35,783.

10. The General Fund had the following supplemental appropriations in fiscal year 2025:

$2,372,264	Decrease for MDC Property Appraiser Reduced Taxable Values	Ordinance 2024-11-28
$1,132,450	Increase to fund the Enterprise Permit & Licensing Solution	Ordinance 2024-12-33
$1,250,000	Increase to fund Worker's Comp Settlement & Insurance Recovery	Ordinance 2025-02-01
$250,000	Increase to Development Services & Mayor and Council Depts	Ordinance 2025-05-16
$500,000	Increase to fund Ice Rink	Ordinance 2025-05-17

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

GENERAL EMPLOYEES' RETIREMENT PLAN

LAST TEN YEARS

Measurement date September 30,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
A. Total pension liability										
Service Cost	$ 1,160,359	$ 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
Interest on the total pension liability	6,886,261	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
Difference between expected and actual experience of the total pension liability	1,784,869	1,171,185	(2,144,586)	254,817	(1,085,959)	282,792	(740,698)	557,519	(807,532)	57,471
Changes of assumptions	-	-	-	(2,208,866)	-	-	-	1,956,133	-	-
Benefit payments	(6,054,966)	(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)
Refunds	-	(39,528)	-	(61,649)	(14,818)	(7,903)	(34,398)	(30,307)	(57,959)	(30,096)
Net change in total pension liability	3,776,523	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
Total pension liability - beginning	103,885,799	101,491,403	100,575,989	99,795,731	97,503,491	93,496,744	90,666,457	83,997,656	81,312,836	77,076,763
Total pension liability - ending	$ 107,662,322	$ 103,885,799	$ 101,491,403	$ 100,575,989	$ 99,795,731	$ 97,503,491	$ 93,496,744	$ 90,666,457	$ 83,997,656	$ 81,312,836
B. Plan fiduciary net position										
Contributions - employer	$ 1,488,608	$ 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
Contributions - employee	256,899	259,826	253,281	267,599	294,602	311,611	336,745	360,501	353,824	360,333
Net investment income	18,331,674	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
Benefit payments	(6,054,966)	(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)
Refunds	-	(39,528)	-	(61,649)	(14,818)	(7,903)	(34,398)	(30,307)	(57,959)	(30,096)
Pension plan administrative expense	(153,826)	(117,153)	(127,789)	(138,111)	(140,437)	(134,505)	(114,953)	(114,280)	(121,737)	(94,114)
Net change in plan fiduciary net position	13,868,389	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
Plan fiduciary net position - beginning	91,280,907	88,855,230	105,508,555	91,142,842	89,365,048	83,827,709	80,666,994	74,271,912	67,656,494	65,833,850
Plan fiduciary net position - ending	$ 105,149,296	$ 91,280,907	$ 88,855,230	$ 105,508,555	$ 91,142,842	$ 89,365,048	$ 83,827,709	$ 80,666,994	$ 74,271,912	$ 67,656,494
C. Net pension liability (asset) (A-B)	$ 2,513,026	$ 12,604,892	$ 12,636,173	$ (4,932,566)	$ 8,652,889	$ 8,138,443	$ 9,669,035	$ 9,999,463	$ 9,725,744	$ 13,656,342
D. Plan fiduciary net position as a percentage of the total pension liability	**97.67%**	**87.87%**	**87.55%**	**104.90%**	**91.33%**	**91.65%**	**89.66%**	**88.97%**	**88.42%**	**83.21%**
E. Covered payroll *	**$ 6,422,475**	**$ 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**
F. Net pension liability (asset) as a percentage of covered payroll	**39.13%**	**194.05%**	**199.56%**	**-73.73%**	**117.49%**	**104.47%**	**115.06%**	**110.95%**	**109.95%**	**151.60%**

* 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 SUPPLMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

POLICE OFFICERS' RETIREMENT PLAN

LAST TEN YEARS

Measurement date September 30,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
A. Total pension liability										
Service Cost	$ 4,363,018	$ 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
Interest on the total pension liability	10,617,243	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
Difference between expected and actual experience of the total pension liability	(331,899)	593,721	301,167	80,172	206,308	1,302,913	147,491	(1,061,534)	2,137,361	9,760
Changes of assumptions	-	-	3,880,678	-	601,956	-	1,221,370	3,284,117	994,053	909,574
Benefit payments	(7,715,629)	(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)
Refunds	(232,549)	(70,719)	(4,042)	(1,249)	-	(14,319)	(16,764)	(23,031)	-	-
Other: Change in state contribution received	-	-	-	-	-	(272,163)	-	-	208,166	204,003
Net change in total pension liability	6,700,184	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
Total pension liability - beginning	151,285,977	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
Total pension liability - ending	$ 157,986,161	$ 151,285,977	$ 142,065,835	$ 130,622,066	$ 124,109,465	$ 119,141,267	$ 116,671,974	$ 110,577,942	$ 101,687,839	$ 94,527,031
B. Plan fiduciary net position										
Contributions - employer	$ 5,683,709	$ 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
Contributions - employer (from state)	1,037,391	861,783	742,896	677,154	665,319	605,683	652,393	577,817	532,808	528,645
Contributions - employee	845,812	879,636	840,517	823,898	859,818	740,591	723,982	663,039	665,451	580,028
Net investment income	29,105,532	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
Benefit payments	(7,715,629)	(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)
Refunds	(232,549)	(70,719)	(4,042)	(1,249)	-	(14,319)	(16,764)	(23,031)	-	-
Pension plan administrative expense	(162,571)	(160,263)	(153,052)	(184,982)	(221,615)	(161,057)	(113,859)	(103,626)	(108,083)	(84,733)
Other	-	-	-	-	1	(1)	347,365	-	-	-
Net change in plan fiduciary net position	28,561,695	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)
Plan fiduciary net position - beginning	123,588,311	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
Plan fiduciary net position - ending	$ 152,150,006	$ 123,588,311	$ 108,805,092	$ 124,307,392	$ 104,376,250	$ 95,236,234	$ 97,644,715	$ 92,863,500	$ 81,781,384	$ 76,560,428
C. Net pension liability (A-B)	$ 5,836,155	$ 27,697,666	$ 33,260,743	$ 6,314,674	$ 19,733,215	$ 23,905,033	$ 19,027,259	$ 17,714,442	$ 19,906,455	$ 17,966,603
D. Plan fiduciary net position as a percentage of the total pension liability	**96.31%**	**81.69%**	**76.59%**	**95.17%**	**84.10%**	**79.94%**	**83.69%**	**83.98%**	**80.42%**	**80.99%**
E. Covered payroll *	**$ 10,678,510**	**$ 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**
F. Net pension liability as a percentage of covered payroll	**54.65%**	**253.59%**	**320.19%**	**65.69%**	**198.96%**	**270.99%**	**233.41%**	**225.41%**	**269.22%**	**251.42%**

* 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

LAST TEN YEARS

Measurement date December 31,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
A. Total pension liability										
Service Cost	$ 37,156	$ 37,046	$ 37,046	$ 36,938	$ 37,445	$ 32,138	$ 32,016	$ 33,062	$ 30,899	$ 28,777
Interest on the total pension liability	194,150	192,504	189,023	186,868	231,285	225,325	229,217	221,813	213,296	205,503
Difference between expected and actual experience of the total pension liability	26,210	-	24,794	-	(686,908)	-	(150,347)	-	(147,132)	-
Changes of assumptions		-	-	-	(56,606)	-	20	-	127,575	-
Benefit payments	(208,301)	(202,243)	(196,352)	(187,614)	(177,876)	(171,056)	(166,320)	(121,962)	(118,409)	(84,381)
Net change in total pension liability	49,215	27,307	54,511	36,192	(652,660)	86,407	(55,414)	132,913	106,229	149,899
Total pension liability - beginning	2,943,291	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
Total pension liability - ending	$ 2,992,506	$ 2,943,291	$ 2,915,984	$ 2,861,473	$ 2,825,281	$ 3,477,941	$ 3,391,534	$ 3,446,948	$ 3,314,035	$ 3,207,806
B. Plan fiduciary net position										
Contributions - employer (from City)	$ 64,982	$ 69,210	$ 69,210	$ 78,774	$ 78,774	$ 259,658	$ 259,658	$ 297,864	$ 297,864	$ 136,611
Net investment income (loss)	278,509	192,515	(306,932)	620,754	44,562	484,381	(82,743)	203,238	162,124	(254,296)
Benefit payments	(208,301)	(202,243)	(196,352)	(187,614)	(177,876)	(171,056)	(166,320)	(121,962)	(118,409)	(84,381)
Refunds									-	-
Pension plan administrative expense	(36,893)	(21,559)	(35,434)	(19,809)	(37,952)	(31,620)	(62,218)	(23,577)	(31,711)	(19,095)
Other	-	-	-	-	3	-	-	-	-	-
Net change in plan fiduciary net position	98,297	37,923	(469,508)	492,105	(92,489)	541,363	(51,623)	355,563	309,868	(221,161)
Plan fiduciary net position - beginning	3,456,849	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
Plan fiduciary net position - ending	$ 3,555,146	$ 3,456,849	$ 3,418,926	$ 3,888,434	$ 3,396,329	$ 3,488,818	$ 2,947,455	$ 2,999,078	$ 2,643,515	$ 2,333,647
C. Net pension liability (asset) (A-B)	$ (562,640)	$ (513,558)	$ (502,942)	$ (1,026,961)	$ (571,048)	$ (10,877)	$ 444,079	$ 447,870	$ 670,520	$ 874,159
D. Plan fiduciary net position as a percentage of the total pension liability	**118.80%**	**117.45%**	**117.25%**	**135.89%**	**120.21%**	**100.31%**	**86.91%**	**87.01%**	**79.77%**	**72.75%**
E. Covered payroll	**$ 33,200**	**$ 35,524**	**$ 35,524**	**$ 33,200**	**$ 33,200**	**$ 33,200**	**$ 33,200**	**$ 33,200**	**$ 34,363**	**$ 56,167**
F. Net pension liability (asset) as a percentage of covered payroll	**-1694.70%**	**-1445.66%**	**-1415.78%**	**-3093.26%**	**-1720.02%**	**-32.76%**	**1337.59%**	**1349.01%**	**1951.28%**	**1556.36%**

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

LAST TEN YEARS

Measurement date December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Total pension liability										
Service Cost	$ 69,837	$ 68,720	$ 68,040	$ 62,057	$ 63,256	$ 62,683	$ 62,110	$ 58,646	$ 58,065	$ 44,342
Interest on the total pension liability	334,239	331,199	322,051	318,800	321,611	317,262	311,494	306,336	301,228	288,559
Difference between expected and actual experience of the total pension liability	55,659	-	93,697	-	34,588	-	15,577	-	20,951	-
Changes of assumptions	-	-	-	-	(130,952)	-	(2,652)	-	100,119	-
Benefit payments	(359,409)	(352,589)	(345,298)	(332,081)	(325,799)	(306,374)	(296,941)	(287,120)	(281,288)	(278,718)
Net change in total pension liability	100,326	47,330	138,490	48,776	(37,296)	73,571	89,588	77,862	199,075	54,183
Total pension liability - beginning	5,061,549	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
Total pension liability - ending	$ 5,161,875	$ 5,061,549	$ 5,014,219	$ 4,875,729	$ 4,826,953	$ 4,864,249	$ 4,790,678	$ 4,701,090	$ 4,623,228	$ 4,424,153
B. Plan fiduciary net position										
Contributions - employer	$ 110,236	$ 111,098	$ 109,990	$ 94,435	$ 93,505	$ 106,700	$ 105,641	$ 108,151	$ 107,073	$ 54,580
Net investment income (loss)	614,244	650,585	(834,062)	855,761	671,544	861,401	(194,291)	660,067	162,088	(64,059)
Benefit payments	(359,409)	(352,589)	(345,298)	(332,081)	(325,799)	(306,374)	(296,941)	(287,120)	(281,288)	(278,718)
Pension plan administrative expense	(64,124)	(32,520)	(47,746)	(29,605)	(45,324)	(39,620)	(47,118)	(66,113)	(47,988)	(29,472)
Other	-	-	-	-	-	-	-	(1,527)	-	-
Net change in plan fiduciary net position	300,947	376,574	(1,117,116)	588,510	393,926	622,107	(432,709)	413,458	(60,115)	(317,669)
Plan fiduciary net position - beginning	5,155,950	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
Plan fiduciary net position - ending	$ 5,456,897	$ 5,155,950	$ 4,779,376	$ 5,896,492	$ 5,307,982	$ 4,914,056	$ 4,291,949	$ 4,724,658	$ 4,311,200	$ 4,371,315
C. Net pension liability (asset) (A-B)	$ (295,022)	$ (94,401)	$ 234,843	$ (1,020,763)	$ (481,029)	$ (49,807)	$ 498,729	$ (23,568)	$ 312,028	$ 52,838
D. Plan fiduciary net position as a percentage of the total pension liability	**105.72%**	**101.87%**	**95.32%**	**120.94%**	**109.97%**	**101.02%**	**89.59%**	**100.50%**	**93.25%**	**98.81%**
E. Covered payroll	**$ 180,000**	**$ 185,658**	**$ 183,820**	**$ 180,000**	**$ 180,000**	**$ 202,427**	**$ 180,000**	**$ 175,611**	**$ 181,800**	**$ 154,744**
F. Net pension liability (asset) as a percentage of covered payroll	**-163.90%**	**-50.85%**	**127.76%**	**-567.09%**	**-267.24%**	**-24.60%**	**277.07%**	**-13.42%**	**171.63%**	**34.15%**

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FIREFIGHTERS RETIREMENT SYSTEM

LAST TEN YEARS

Measurement date December 31,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
A. Total pension liability										
Interest on the total pension liability	$ 251,027	$ 248,029	$ 242,913	$ 347,365	$ 386,794	$ 447,154	$ 468,435	$ 477,065	$ 520,113	$ 511,447
Difference between expected and actual experience of the total pension liability	108,192	117,776	146,844	(423,971)	98,587	(860,624)	109,911	113,721	(314,459)	-
Changes of assumptions	-	-	-	617,389	587,083	-	307,181	-	(61,905)	433,681
Benefit payments	(1,267,944)	(760,767)	(744,665)	(744,301)	(738,208)	(735,220)	(808,468)	(888,166)	(993,410)	(1,031,456)
Other: Change in share plan reserve	655,578	812,833	205,409	188,144	150,912	137,468	126,894	122,635	146,910	254,332
Net change in total pension liability	(253,147)	417,871	(149,499)	(15,374)	485,168	(1,011,222)	203,953	(174,745)	(702,751)	168,004
Total pension liability - beginning	7,478,382	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
Total pension liability - ending	$ 7,225,235	$ 7,478,382	$ 7,060,511	$ 7,210,010	$ 7,225,384	$ 6,740,216	$ 7,751,438	$ 7,547,485	$ 7,722,230	$ 8,424,981
B. Plan fiduciary net position										
Contributions - employer	$ -	$ -	$ -	$ -	$ 76,407	$ 19,311	$ 302,000	$ 188,587	$ 181,617	$ 289,941
Contributions - employer (from state)	748,003	905,258	276,231	251,963	217,787	201,287	180,355	215,060	239,335	346,757
Net investment income (loss)	523,267	627,875	(856,298)	731,853	630,592	1,386,147	(367,995)	1,047,585	475,187	3,173
Benefit payments	(1,267,944)	(760,767)	(744,665)	(744,301)	(738,208)	(735,220)	(808,468)	(888,166)	(993,410)	(1,031,456)
Pension plan administrative expense	(76,242)	(70,795)	(89,200)	(90,109)	(79,480)	(76,003)	(88,289)	(72,089)	(58,793)	(61,629)
Net change in plan fiduciary net position	(72,916)	701,571	(1,413,932)	149,406	107,098	795,522	(782,397)	490,977	(156,064)	(453,214)
Plan fiduciary net position - beginning	7,268,190	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
Plan fiduciary net position - ending	$ 7,195,274	$ 7,268,190	$ 6,566,619	$ 7,980,551	$ 7,831,145	$ 7,724,047	$ 6,928,525	$ 7,710,922	$ 7,219,945	$ 7,376,009
C. Net pension liability (asset) (A-B)	$ 29,961	$ 210,192	$ 493,892	$ (770,541)	$ (605,761)	$ (983,831)	$ 822,913	$ (163,437)	$ 502,285	$ 1,048,972
D. Plan fiduciary net position as a percentage of the total pension liability	**99.59%**	**97.19%**	**93.00%**	**110.69%**	**108.38%**	**114.60%**	**89.38%**	**102.17%**	**93.50%**	**87.55%**
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

LAST EIGHT YEARS

	Measurement date October 1,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
	Total OPEB Liability:								
A.	Service cost	$ 204,476	$ 191,220	$ 225,494	$ 259,767	$ 721,421	$ 1,183,074	$ 764,962	$ 1,040,917
B.	Interest cost	360,039	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	2,567,266	-	(1,259,692)	-	(4,016,426)	-	(5,045,546)	-
E.	Total difference due to changes in assumptions	(105,654)	(213,045)	(1,964,634)	74,104	1,193,783	(4,181,097)	561,410	(850,170)
F.	Benefit payments	(202,232)	(187,345)	(206,044)	(179,169)	(151,940)	(124,710)	(73,317)	(52,936)
G.	Net change in Total OPEB liability	2,823,895	126,634	(2,947,794)	409,047	(1,896,842)	2,281,028	(3,268,183)	559,712
H.	Total OPEB liability - beginning	8,801,798	8,675,164	11,622,958	11,213,911	13,110,753	10,829,725	14,097,908	13,538,196
I.	Total OPEB liability - ending	$ 11,625,693	$ 8,801,798	$ 8,675,164	$ 11,622,958	$ 11,213,911	$ 13,110,753	$ 10,829,725	$ 14,097,908
J.	Assets *	-	-	-	-	-	-	-	-
K.	**Total OPEB liability - ending**	$ 11,625,693	$ 8,801,798	$ 8,675,164	$ 11,622,958	$ 11,213,911	$ 13,110,753	$ 10,829,725	$ 14,097,908
	Covered-employee payroll	**$ 33,970,512**	**$ 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	**34.22%**	**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								
09/30/25	$ 2,163,564	$ 2,163,564		$ -	$ 6,585,725	32.85%	Valuation date	10/1/2023
09/30/24	1,488,608	1,488,608		-	6,422,475	23.18%	Actuarial cost method	Entry age normal
09/30/23	1,147,568	1,147,568		-	6,495,650	17.67%	Amortization method	level dollar amount, closed
09/30/22	1,771,698	1,771,698		-	6,332,025	27.98%	Remaining amortization period	10 years
09/30/21	2,155,733	2,155,733		-	6,689,975	32.22%	Asset valuation method	4-year smoothed
09/30/20	2,476,457	2,476,457		-	7,365,050	33.62%	Salary increases	5.0% including inflation
09/30/19	2,613,899	2,613,899		-	7,790,275	33.55%	Investment rate of return	6.75%
09/30/18	2,794,643	2,794,643		-	8,403,325	33.26%	Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
09/30/17	2,505,891	2,505,891		-	9,012,525	27.80%	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, 2022 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.
09/30/16	2,725,022	2,725,022		-	8,845,600	30.81%		
Police Officers' Retirement Plan								
09/30/25	$ 6,814,666	$ 6,814,666		$ -	$ 11,940,366	57.07%	Valuation date	10/1/2023
09/30/24	6,721,100	6,721,100		-	10,678,510	62.94%	Actuarial cost method	Entry age normal
09/30/23	6,170,091	6,170,091		-	10,922,362	56.49%	Amortization method	Level dollar, closed
09/30/22	6,025,696	6,025,696		-	10,387,703	58.01%	Remaining amortization period	16 years
09/30/21	5,765,336	5,765,336		-	9,613,516	59.97%	Asset valuation method	4-year smoothed
09/30/20	5,107,840	5,107,840		-	9,917,948	51.50%	Salary increases	5.75% to 10.50% depaending on service
09/30/19	4,776,061	4,522,886	**	253,175	8,821,373	51.27%	Investment rate of return	7.00%
09/30/18	4,648,788	3,886,218	**	762,570	8,151,843	47.67%	Retirement age	Upon eligibility
09/30/17	4,321,511	4,574,686	***	(253,175)	7,858,654	58.21%	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 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, 2022 actuarial valuation, in compliance with Florida Statutes.
09/30/16	4,051,435	4,259,601	***	(208,166)	7,394,222	57.61%		

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.

*** Restated to reflect contributions of excess state insurance tax premium monies previously made but not recognized until mutually consented by the City and the Plan members.

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST TEN YEARS

Elected Officials Retirement Plan

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		
12/31/24	09/30/25	$ 64,982	$ 64,982	$ -	$ 33,200		195.73%	Valuation date	1/1/2024
12/31/23	09/30/24	69,210	69,210	-	35,524		194.83%	Actuarial cost method	Entry age, normal
12/31/22	09/30/23	69,210	69,210	-	35,524		194.83%	Amortization method	level dollar, closed
12/31/21	09/30/22	78,774	78,774	-	33,200		237.27%	Remaining amortization period	4 years
12/31/20	09/30/21	78,774	78,774	-	33,200		237.27%	Asset valuation method	Fair value of assets
12/31/19	09/30/20	259,658	259,658	-	33,200		782.10%	Salary increases	7.00%
12/31/18	09/30/19	259,658	259,658	-	33,200		782.10%	Investment rate of return	6.75%
12/31/17	09/30/18	297,864	297,864	-	33,200		897.18%	Retirement age	100% when first eligible for normal retirement
12/31/16	09/30/17	297,864	297,864	-	34,363		866.82%	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, 2022 actuarial valuation.
12/31/15	09/30/16	136,611	136,611	-	56,167	**	243.22%		

New Elected Officials and Senior Management Retirement System

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		
12/31/24	09/30/25	$ 110,236	$ 110,236	$ -	$ 180,000	61.24%	Valuation date	1/1/2024
12/31/23	09/30/24	111,098	111,098	-	185,658	59.84%	Actuarial cost method	Aggregate
12/31/22	09/30/23	109,990	109,990	-	183,820	59.84%	Amortization method	N/A
12/31/21	09/30/22	94,435	94,435	-	180,000	52.46%	Remaining amortization period	N/A
12/31/20	09/30/21	93,505	93,505	-	180,000	51.95%	Asset valuation method	Fair value of assets
12/31/19	09/30/20	106,700	106,700	-	202,427	52.71%	Salary increases	1% per year
12/31/18	09/30/19	105,641	105,641	-	180,000	58.69%	Investment rate of return	6.75%
12/31/17	09/30/18	108,151	108,151	-	175,611	61.59%	Retirement age	100% when first eligible for normal retirement
12/31/16	09/30/17	107,073	107,073	-	181,800	58.90%	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, 2022 actuarial valuation.
12/31/15	09/30/16	54,580	54,580	-	154,744	35.27%		

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.

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		
								Firefighters Retirement System	
12/31/24	09/30/25		$ 53,971	$ 92,425	$ (38,454)	$ -	N/A	Valuation date	1/1/2024
12/31/23	09/30/24		60,197	92,425	(32,228)	-	N/A	Actuarial cost method	Entry age normal actuarial cost method
12/31/22	09/30/23		38,832	70,822	(31,990)	-	N/A	Amortization method	level dollar, closed
12/31/21	09/30/22		54,545	63,819	(9,274)	-	N/A	Remaining amortization period	10 years
12/31/20	09/30/21		143,282	143,282	-	-	N/A	Asset valuation method	5-year smoothed
12/31/19	09/30/20		83,130	83,130	-	-	N/A	Inflation	2.00%
12/31/18	09/30/19		354,322	354,322	-	-	N/A	Salary increases	N/A
12/31/17	09/30/18	**	282,150	282,150	-	-	N/A	Investment rate of return	3.0%, net of investment -related and administrative expenses
12/31/16	09/30/17		274,042	274,042	-	-	N/A	Retirement age	N/A
12/31/15	09/30/16		382,366	382,366	-	-		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.

****** Includes additional $1,138 City contribution requirement for 2017 due to final payment made after end of plan year.

***** Includes additional $12,448 City contribution requirement for 2013 due to missed quarterly contributions.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR PROPRIETARY 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 Fund – This fund is used to account for expenditures and revenues derived from various grants.

American Rescue Plan Act (ARPA) Fund – 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.

Community Development Block Grants Fund – 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.

HOME Investment Partnerships Program (HOME) Fund – This fund was established in FY2025 to account for expenditures and revenues derived from the City's HOME allocation, derived from the HOME Investment Partnerships Program (HOME), which is the largest federal block grant to state and local governments exclusively designed to create affordable housing for low-income households. Communities use—often in partnership with local nonprofit agencies—these resources to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

State Housing Initiatives Program (SHIP) Fund – This fund was established in FY2025 to account for the expenditures and revenues derived from the State Housing Initiative Program (SHIP) obtained from the Florida Housing Finance Corporation. This program allows the City to directly access funds to assist residents with their housing needs, including homeownership and other rental housing programs at the local level.

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.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

Debt Service Funds

Debt service funds are used to account for the servicing of 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.

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.

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.

Parks & Roadway Trust Fund – This fund was established in FY2025 via Ordinance # 2025-03-04 to account for the proceeds derived from the sale, lease, disposition of or revenues derived from the use of certain city-owned assets. The funds are to be used for planning, development, enhancement and capital improvement of public parks, roadway, and water & sewer infrastructure improvements (as subsequently amended by Ordinance # 2025-08-24).

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CITY OF HOMESTEAD, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Special Revenue Funds								
	Impact Fees Funds	Sundries Grants	American Rescue Plan Fund	Community Development Block Grants	Home Fund	State Housing Initiative Program Fund	Confiscated Property	Disaster Relief	Total
ASSETS									
Cash and cash equivalents	$ 6,487,119	$ 197,707	$ -	$ 192,378	$ 111,268	$ 7,097	$ -	$ 527,129	$ 7,522,698
Investments	5,090,277	-	-	-	-	-	-	-	5,090,277
Interest receivable on investments	47,882	-	-	-	-	-	2,679	-	50,561
Account receivables, net	-	3,173,078	-	232,919	-	-	1,549	434,810	3,842,356
Due from other funds	1,000,000	-	-	-	-	-	-	-	1,000,000
Restricted assets:									
Cash and cash equivalents	-	-	54,400	-	-	-	3,018,705	-	3,073,105
Investments	-	-	3,632,169	-	-	-	284,772	-	3,916,941
Asset available for sale	-	-	-	807,346	-	-	-	-	807,346
Total Assets	$ 12,625,278	$ 3,370,785	$ 3,686,569	$ 1,232,643	$ 111,268	$ 7,097	$ 3,307,705	$ 961,939	$ 25,303,284
Total assets and deferred outflows of resources	$ 12,625,278	$ 3,370,785	$ 3,686,569	$ 1,232,643	$ 111,268	$ 7,097	$ 3,307,705	$ 961,939	$ 25,303,284
LIABILITIES									
Accounts payable and accrued liabilities	$ 590,216	$ 1,097,678	$ 395,738	$ 52,313	$ -	$ -	$ 78,433	$ -	$ 2,214,378
Due to other funds	-	1,000,000	-	-	-	-	-	-	1,000,000
Unearned revenue	313,301	610,064	1,327,618	273,412	-	7,097	531,276	-	3,062,768
Total Liabilities	903,517	2,707,742	1,723,356	325,725	-	7,097	609,709	-	6,277,146
FUND BALANCES									
Restricted :									
Grants	-	663,043	1,963,213	-	-	-	-	-	2,626,256
Community development	-	-	-	906,918	111,268	-	-	-	1,018,186
Disaster relief	-	-	-	-	-	-	-	961,939	961,939
Parks and recreation	6,865,244	-	-	-	-	-	-	-	6,865,244
Law enforcement	1,539,020	-	-	-	-	-	2,697,996	-	4,237,016
Road improvements	1,112,266	-	-	-	-	-	-	-	1,112,266
Committed :									
Public art	2,116,829	-	-	-	-	-	-	-	2,116,829
Transportation	88,402	-	-	-	-	-	-	-	88,402
Total fund balances	11,721,761	663,043	1,963,213	906,918	111,268	-	2,697,996	961,939	19,026,138
Total liabilities and fund balances	$ 12,625,278	$ 3,370,785	$ 3,686,569	$ 1,232,643	$ 111,268	$ 7,097	$ 3,307,705	$ 961,939	$ 25,303,284

(Continued)

CITY OF HOMESTEAD, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SEPTEMBER 30, 2025

	Debt Service Funds			
	Taxable Transportation System Revenue Bonds	CRA Tax Increment Revenue Note	Genaral Obligation Bonds	Total
ASSETS				
Account receivables, net	$ -	$ -	$ 6,477	$ 6,477
Restricted assets:				
Cash and cash equivalents	465,323	133,121	120,130	718,574
Total Assets	$ 465,323	$ 133,121	$ 126,607	$ 725,051
LIABILITIES				
Accounts payable and accrued liabilities	-	99,147	500	99,647
Total Liabilities	-	99,147	500	99,647
FUND BALANCES				
Restricted :				
Debt service	465,323	33,974	126,107	625,404
Total fund balances	465,323	33,974	126,107	625,404
Total liabilities and fund balances	$ 465,323	$ 133,121	$ 126,607	$ 725,051

(Continued)

CITY OF HOMESTEAD, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SEPTEMBER 30, 2025

	Capital Projects Funds					Total Other Governmental Funds
	People's Transportation Plan	Capital Improvement	Cybrarium	Park & Roadway Trust	Total	
ASSETS						
Cash and cash equivalents	$ 2,077,837	$ 800,463	$ 667,093	$ 6,700,000	$ 10,245,393	$ 17,768,091
Investments	5,808,006	-	79,360	-	5,887,366	10,977,643
Interest receivable on investments	7,601	-	746	-	8,347	58,908
Account receivables, net	1,256,714	-	-	-	1,256,714	5,105,547
Due from other funds	-	-	-	-	-	1,000,000
Prepaid costs	646	-	-	-	646	646
Restricted assets:						
Cash and cash equivalents	-	-	-	-	-	3,791,679
Investments	-	-	-	-	-	3,916,941
Asset available for sale	-	-	-	-	-	807,346
Total Assets	$ 9,150,804	$ 800,463	$ 747,199	$ 6,700,000	$ 17,398,466	$ 43,426,801
LIABILITIES						
Accounts payable and accrued liabilities	513,966	88,767	740	-	603,473	2,917,498
Due to other funds	-	-	-	-	-	1,000,000
Unearned revenue	557,403	-	-	-	557,403	3,620,171
Total Liabilities	1,071,369	88,767	740	-	1,160,876	7,537,669
FUND BALANCES						
Nonspendable :						
Prepaid costs	646	-	-	-	646	646
Restricted :						
Grants	-	-	-	-	-	2,626,256
Community development	-	-	-	-	-	1,018,186
Disaster relief	-	-	-	-	-	961,939
Parks and recreation	-	-	-	-	-	6,865,244
Law enforcement	-	-	-	-	-	4,237,016
Road improvements	-	-	-	-	-	1,112,266
Debt service	-	-	-	-	-	625,404
Transit and transportation	8,078,789	-	-	-	8,078,789	8,078,789
Committed :						
Public art	-	-	-	-	-	2,116,829
Transportation	-	-	-	-	-	88,402
Capital Project	-	-	-	6,700,000	6,700,000	6,700,000
Assigned :						
Capital Project	-	711,696	746,459	-	1,458,155	1,458,155
Total fund balances	8,079,435	711,696	746,459	6,700,000	16,237,590	35,889,132
Total liabilities and fund balances	$ 9,150,804	$ 800,463	$ 747,199	$ 6,700,000	$ 17,398,466	$ 43,426,801

City of Homestead, Florida

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

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds								
	Impact Fees Fund	Sundries Grants	(Previous Year Major Fund) American Rescue Plan Fund	Community Development Block Grants	Home Fund	State Housing Initiative Program Fund	Confiscated Property	Disaster Relief	Total
Revenues:									
Intergovernmental	$ 4,879,201	$ 7,559,327	$ 9,007,925	$ 662,504	$ -	$ -	$ -	$ 271,399	$ 22,380,356
Fines and forfeitures	-	7,377	-	-	-	-	1,091,568	-	1,098,945
Investment income	276,646	-	333,647	-	-	-	17,405	-	627,698
Other revenues	-	60,625	-	-	-	-	48,743	-	109,368
Total revenues	5,155,847	7,627,329	9,341,572	662,504	-	-	1,157,716	271,399	24,216,367
Expenditures:									
Current:									
General government	12,523	31,741	258,668	239,628	-	-	-	-	542,560
Public safety	29,237	1,624,942	-	-	-	-	146,163	-	1,800,342
Public works	-	216,904	320,118	-	-	-	-	-	537,022
Parks and recreation	-	25,000	-	-	-	-	-	-	25,000
Disaster relief	-	-	-	-	-	-	-	373	373
Capital outlay	1,174,639	5,712,405	8,429,139	163,419	-	-	39,870	-	15,519,472
Debt service:									
Principal	-	-	-	193,000	-	-	-	-	193,000
Interest and fiscal charges	-	-	-	70,858	-	-	-	-	70,858
Total expenditures	1,216,399	7,610,992	9,007,925	666,905	-	-	186,033	373	18,688,627
Excess (deficiency) of revenues over expenditures	3,939,448	16,337	333,647	(4,401)	-	-	971,683	271,026	5,527,740
Other financing sources:									
Transfers in	-	-	-	-	111,268	-	-	-	111,268
Total other financing sources	-	-	-	-	111,268	-	-	-	111,268
Net change in fund balances	3,939,448	16,337	333,647	(4,401)	111,268	-	971,683	271,026	5,639,008
Fund balances, beginning, as previously reported	-	-	-	-	-	-	-	-	-
Change within financial reporting entity (major to non-major)	-	-	1,629,566	-	-	-	-	-	1,629,566
Fund balances, beginning, as restated	7,782,313	646,706	1,629,566	911,319	-	-	1,726,313	690,913	13,387,130
Fund balances, ending	$ 11,721,761	$ 663,043	$ 1,963,213	$ 906,918	$ 111,268	$ -	$ 2,697,996	$ 961,939	$ 19,026,138

(Continued)

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Debt Service Funds			
	Taxable Transportation System Revenue Bonds	CRA Tax Increment Revenue Note	Genaral Obligation Bonds	Total
Revenues:				
Property taxes	$ -	$ -	$ 1,512,469	$ 1,512,469
Total revenues	-	-	1,512,469	1,512,469
Expenditures:				
Debt service:				
Principal	745,000	147,000	655,000	1,547,000
Interest and fiscal charges	1,054,686	201,748	833,188	2,089,622
Total expenditures	1,799,686	348,748	1,488,188	3,636,622
Excess (deficiency) of revenues over expenditures	(1,799,686)	(348,748)	24,281	(2,124,153)
Other financing sources:				
Transfers in	1,800,000	350,000	-	2,150,000
Total other financing sources	1,800,000	350,000	-	2,150,000
Change in fund balances	314	1,252	24,281	25,847
Fund balances, beginning	465,009	32,722	101,826	599,557
Fund balances, ending	$ 465,323	$ 33,974	$ 126,107	$ 625,404

(Continued)

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Capital Projects Funds					Total Other Governmental Funds
	People's Transportation Plan	Capital Improvement	Cybrarium	Park & Roadway Trust	Total	
Revenues:						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ 1,512,469
Intergovernmental	5,534,931	-	-	-	5,534,931	27,915,287
Fines and forfeitures	-	-	-	-	-	1,098,945
Investment income (loss)	49,346	(2)	(2,123)	-	47,221	674,919
Rentals and other revenues	14,450	-	-	6,700,000	6,714,450	6,823,818
Total revenues	5,598,727	(2)	(2,123)	6,700,000	12,296,602	38,025,438
Expenditures:						
Current:						
General government	-	128,333	-	-	128,333	670,893
Public safety	-	12,292	-	-	12,292	1,812,634
Public works	2,029,556	-	-	-	2,029,556	2,566,578
Parks and recreation	-	5,695	158	-	5,853	30,853
Disaster relief	-	-	-	-	-	373
Capital outlay	1,138,208	1,187,278	56,383	-	2,381,869	17,901,341
Debt service:						
Principal	-	-	-	-	-	1,740,000
Interest and fiscal charges	-	-	-	-	-	2,160,480
Total expenditures	3,167,764	1,333,598	56,541	-	4,557,903	26,883,152
Excess (deficiency) of revenues over expenditures	2,430,963	(1,333,600)	(58,664)	6,700,000	7,738,699	11,142,286
Other financing sources (uses):						
Transfers in	-	169,617	164,564	-	334,181	2,595,449
Transfers out	(1,400,000)	-	-	-	(1,400,000)	(1,400,000)
Total other financing sources	(1,400,000)	169,617	164,564	-	(1,065,819)	1,195,449
Change in fund balances	1,030,963	(1,163,983)	105,900	6,700,000	6,672,880	12,337,735
Fund balances, beginning	7,048,472	1,875,679	640,559	-	9,564,710	23,551,397
Fund balances, ending	$ 8,079,435	$ 711,696	$ 746,459	$ 6,700,000	$ 16,237,590	$ 35,889,132

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds							
	Impact Fees Fund				Confiscated Property			
	Budgeted Amounts			Variance with Final Budget - Positive	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
Revenues:								
Intergovernmental	$ 2,575,000	$ 2,575,000	$ 4,879,201	$ 2,304,201	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-	-	-	1,091,568	1,091,568
Investment income	172,067	172,067	276,646	104,579	76,423	76,423	17,405	(59,018)
Rentals and other revenues	-	-	-	-	-	-	48,743	48,743
Total revenues	2,747,067	2,747,067	5,155,847	2,408,780	76,423	76,423	1,157,716	1,081,293
Expenditures:								
Current:								
General government	2,257,718	1,902,389	12,523	1,889,866	-	-	-	-
Public safety	24,059	12,059	29,237	(17,178)	1,365,482	1,459,574	146,163	1,313,411
Parks and recreation	2,753,406	2,211,070	-	2,211,070	-	-	-	-
Capital outlay	3,390,856	4,300,521	1,174,639	3,125,882	333,647	239,555	39,870	199,685
Total expenditures	8,426,039	8,426,039	1,216,399	7,209,640	1,699,129	1,699,129	186,033	1,513,096
Excess of revenues over expenditures	(5,678,972)	(5,678,972)	3,939,448	9,618,420	(1,622,706)	(1,622,706)	971,683	2,594,389
Other financing sources (uses):								
Appropriation of prior years' fund balance	5,678,972	5,678,972	-	(5,678,972)	1,622,706	1,622,706	-	(1,622,706)
Total other financing sources	5,678,972	5,678,972	-	(5,678,972)	1,622,706	1,622,706	-	(1,622,706)
Change in fund balance	$ -	$ -	3,939,448	$ 3,939,448	$ -	$ -	971,683	$ 971,683
Fund balances, beginning			7,782,313				1,726,313	
Fund balance - ending			$ 11,721,761				$ 2,697,996	

(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, 2025

	Special Revenue Funds			
	Disaster Relief Fund			
	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 271,399	$ 271,399
Total revenues	-	-	271,399	271,399
Expenditures:				
Current:				
Disaster relief	19,574	19,574	373	19,201
Total expenditures	19,574	19,574	373	19,201
Excess of revenues over expenditures	(19,574)	(19,574)	271,026	290,600
Other financing sources (uses):				
Appropriation of prior years' fund balance	19,574	19,574	-	(19,574)
Total other financing sources	19,574	19,574	-	(19,574)
Change in fund balance	$ -	$ -	271,026	$ 271,026
Fund balance - beginning			690,913	
Fund balance - ending			$ 961,939	

(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, 2025

	Debt Service Funds							
	Taxable Transportation System Revenue Bonds				CRA Tax Increment Revenue Note			
	Budgeted Amounts				Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget - Positive (Negative)	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
Expenditures:								
Current:								
General government	$ 314	$ 314	$ -	$ 314	$ 1,253	$ 1,253	$ -	$ 1,253
Debt service:								
Principal	745,000	745,000	745,000	-	147,000	147,000	147,000	-
Interest and fiscal charges	1,054,686	1,054,686	1,054,686	-	201,747	201,747	201,748	(1)
Total expenditures	1,800,000	1,800,000	1,799,686	314	350,000	350,000	348,748	1,252
Excess (deficiency) of revenues over expenditures	(1,800,000)	(1,800,000)	(1,799,686)	314	(350,000)	(350,000)	(348,748)	1,252
Other financing sources:								
Transfers in	1,800,000	1,800,000	1,800,000	-	350,000	350,000	350,000	-
Total other financing sources	1,800,000	1,800,000	1,800,000	-	350,000	350,000	350,000	-
Change in fund balance	$ -	$ -	314	$ 314	$ -	$ -	1,252	1,252
Fund balance - beginning			465,009				32,722	
Fund balance - ending			$ 465,323				$ 33,974	

(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, 2025

	Debt Service Funds			
	General Obligation Bonds			
	Amounts Original	Amounts Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Property taxes	$ 1,485,661	$ 1,485,661	$ 1,512,469	$ 26,808
Total revenues	1,485,661	1,485,661	1,512,469	26,808
Expenditures:				
Debt service:				
Principal	655,000	655,000	655,000	-
Interest and fiscal charges	833,738	833,738	833,188	550
Total expenditures	1,488,738	1,488,738	1,488,188	550
Excess of revenues over expenditures	(3,077)	(3,077)	24,281	27,358
Other financing sources (uses):				
Appropriation of prior years' fund balance	3,077	3,077	-	(3,077)
Total other financing sources	3,077	3,077	-	(3,077)
Change in fund balance	$ -	$ -	24,281	$ 24,281
Fund balance - beginning			101,826	
Fund balance - ending			$ 126,107	

(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, 2025

	Capital Project Fund							
	People's Transportation Plan				Capital Improvement			
	Amounts Original	Final	Actual	Variance with Final Budget - Positive (Negative)	Amounts Original	Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues:								
Intergovernmental	$ 4,801,827	$ 4,801,827	$ 5,534,931	$ 733,104	-	-	-	-
Investment income (loss)	213,717	213,717	49,346	(164,371)	$ -	$ -	$ (2)	$ (2)
Rentals and other revenues	-	-	14,450	14,450	-	-	-	-
Total revenues	5,015,544	5,015,544	5,598,727	583,183	-	-	(2)	(2)
Expenditures:								
Current:								
General government	-	-	-	-	134,286	134,286	128,333	5,953
Public safety	-	-	-	-	12,293	12,293	12,292	1
Public works	3,602,778	3,001,484	2,029,556	971,928	-	-	-	-
Parks and recreation	-	-	-	-	5,695	5,695	5,695	-
Capital outlay	6,816,002	7,417,296	1,138,208	6,279,088	1,993,077	1,993,077	1,187,278	805,799
Total expenditures	10,418,780	10,418,780	3,167,764	7,251,016	2,145,351	2,145,351	1,333,598	811,753
Excess (deficiency) of revenues over expenditures	(5,403,236)	(5,403,236)	2,430,963	7,834,199	(2,145,351)	(2,145,351)	(1,333,600)	811,751
Other financing sources (uses):								
Transfers in	-	-	-	-	169,617	169,617	169,617	-
Transfers out	(1,400,000)	(1,400,000)	(1,400,000)	-	-	-	-	-
Appropriation of prior years' fund balance	6,803,236	6,803,236	-	(6,803,236)	1,975,734	1,975,734	-	(1,975,734)
Total other financing sources	5,403,236	5,403,236	(1,400,000)	(6,803,236)	2,145,351	2,145,351	169,617	(1,975,734)
Change in fund balance	$ -	$ -	1,030,963	$ 1,030,963	$ -	$ -	(1,163,983)	$ (1,163,983)
Fund balances, beginning			7,048,472				1,875,679	
Fund balance - ending			$ 8,079,435				$ 711,696	

(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, 2025

	Capital Project Funds			
	Cybrarium			
	Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Investment income (loss)	$ -	$ -	$ (2,123)	$ (2,123)
Rentals and other revenues	-	-	-	-
Total revenues	-	-	(2,123)	(2,123)
Expenditures:				
Current:				
Parks and recreation	524	683	158	525
Capital outlay	774,749	774,590	56,383	718,207
Total expenditures	775,273	775,273	56,541	718,732
Excess (deficiency) of revenues over expenditures	(775,273)	(775,273)	(58,664)	716,609
Other financing sources:				
Transfers in	164,564	164,564	164,564	-
Appropriation of prior years' fund balance	610,709	610,709	-	(610,709)
Total other financing sources	775,273	775,273	164,564	(610,709)
Change in fund balance	$ -	$ -	105,900	$ 105,900
Fund balance - beginning			640,559	
Fund balance - ending			$ 746,459	

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, 2025

	Stormwater	Utilities Repair Replacement and Improvements	Total Other Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	$ 89,045	$ 405,344	$ 494,389
Investments	2,416,104	-	2,416,104
Interest receivable on investments	22,727	-	22,727
Account receivables, net	751,874	-	751,874
Due from other funds	-	1,500,000	1,500,000
Total current assets	3,279,750	1,905,344	5,185,094
Noncurrent assets:			
Capital assets being depreciated, net	862,169	-	862,169
Total noncurrent assets	862,169	-	862,169
Total assets	4,141,919	1,905,344	6,047,263
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pension	224,456	-	224,456
Deferred outflows for OPEB	4,532	-	4,532
Total deferred outflows of resources	228,988	-	228,988
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	89,736	-	89,736
Compensated absences	11,444	-	11,444
OPEB liability	6,072	-	6,072
Total current liabilities	107,252	-	107,252
Noncurrent liabilities:			
Compensated absences	26,691	-	26,691
Net pension liability	53,810	-	53,810
OPEB liability	277,318	-	277,318
Total noncurrent liabilities	357,819	-	357,819
Total liabilities	465,071	-	465,071
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for pension	283,274	-	283,274
Deferred inflows for OPEB	108,836	-	108,836
Total deferred inflows of resources	392,110	-	392,110
NET POSITION			
Net investment in capital assets	862,169	-	862,169
Unrestricted	2,651,557	1,905,344	4,556,901
Total net position	$ 3,513,726	$ 1,905,344	$ 5,419,070

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Stormwater	Utilities Repair Replacement and Improvements	Total Other Enterprise Funds
Operating revenues:			
Charges for services	$ 1,774,939	$ -	$ 1,774,939
Other revenues	17,025	-	17,025
Total operating revenues	1,791,964	-	1,791,964
Operating expenses:			
Personnel services	1,104,113	-	1,104,113
Other operating expenses	677,050	-	677,050
Depreciation	124,293	-	124,293
Total expenditures	1,905,456	-	1,905,456
Operating loss	(113,492)	-	(113,492)
Non-operating revenues:			
Interest income	135,022	-	135,022
Total non-operating revenues	135,022	-	135,022
Income before contribution	21,530	-	21,530
Contribution of capital assets	142,404	-	142,404
Total contribution	142,404	-	142,404
Change in net position	163,934	-	163,934
Net position, beginning	3,320,179	1,905,344	5,225,523
Restatement - change in accounting principle (note 20)	29,613	-	29,613
Net position, beginning as restated	3,349,792	1,905,344	5,255,136
Net position, ending	$ 3,513,726	$ 1,905,344	$ 5,419,070

City of Homestead, Florida

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Stormwater	Utilities Repair Replacement and Improvements	Total Other Enterprise Funds
Cash flows from (used in) operating activities:			
Cash received from customers	$ 1,756,278	$ -	$ 1,756,278
Cash payments to suppliers	(741,537)	-	(741,537)
Cash payments from other funds	-	(300,000)	(300,000)
Cash payments to employees	(1,152,289)	-	(1,152,289)
Net cash provided by operating activities	(137,548)	(300,000)	(437,548)
Cash flows from (used in) capital and related financing activities:			
Acquisition and construction of capital assets	(142,404)	-	(142,404)
Contributed capital	142,404	-	142,404
Net cash from (used in) capital and related financing activities	-	-	-
Cash flows from (used in) investing activities:			
Purchases of investments	(162,275)	-	(162,275)
Proceeds from sale of investments	39,430	-	39,430
Interest received on investments	135,022	-	135,022
Net cash provided by investing activities	12,177	-	12,177
Net decrease in cash and cash equivalents	(125,371)	(300,000)	(425,371)
Cash and cash equivalents, beginning	214,416	705,344	919,760
Cash and cash equivalents, ending	$ 89,045	$ 405,344	$ 494,389
Reconciliation of operating income to net cash provided by operating activities:			
Operating loss	$ (113,492)	$ -	$ (113,492)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	124,293	-	124,293
Net changes in assets, liabilities, deferred outflows and deferred inflows:			
(Increase) decrease in:			
Interest receivable	(12,075)	-	(12,075)
Accounts receivables	(23,611)	-	(23,611)
Due from other funds	-	(300,000)	(300,000)
Deferred outflows for pensions	6,752	-	6,752
Deferred outflows for OPEB	685	-	685
Increase (decrease) in:			
Accounts payable and accrued liabilities	(64,487)	-	(64,487)
Compensated Absences	2,811	-	2,811
Net pension liability	(292,166)	-	(292,166)
Total OPEB liability	56,440	-	56,440
Deferred inflows for pensions	283,274	-	283,274
Deferred inflows for OPEB	(105,972)	-	(105,972)
Total adjustments	(24,056)	(300,000)	(324,056)
Net cash used in operating activities	$ (137,548)	$ (300,000)	$ (437,548)
Non-cash investing, capital and financing activities:			
Contribution of capital assets from governmental fund	$ 142,404	$ -	$ 142,404
Change in fair value of investments	$ (17,200)	$ -	$ (17,200)

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INTERNAL SERVICE FUNDS

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2025

	Governmental Activities				Business-type Activities	
	Health Self-Insurance	Other Self-Insurance	Fleet Management	Total Governmental Activities	Customer Service	Total Internal Service
ASSETS						
Current assets:						
Cash and cash equivalents	$ 73,878	$ 257,843	$ 396,408	$ 728,129	$ 206,997	$ 935,126
Account receivables, net	-	-	11,731	11,731	-	11,731
Due from other funds	-	5,000,000	-	5,000,000	1,500,000	6,500,000
Prepaid Costs	-	-	966	966	-	966
Inventories	-	-	259,544	259,544	-	259,544
Total current assets	73,878	5,257,843	668,649	6,000,370	1,706,997	7,707,367
Noncurrent assets:						
Capital assets being depreciated, net	-	9,800	261,195	270,995	-	270,995
Total non current assets	-	9,800	261,195	270,995	-	270,995
Total assets	73,878	5,267,643	929,844	6,271,365	1,706,997	7,978,362
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows for pension	-	160,793	114,202	274,995	507,461	782,456
Deferred outflows for OPEB	700	1,427	2,869	4,996	12,526	17,522
Total deferred outflows of resources	700	162,220	117,071	279,991	519,987	799,978
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	9,220	91,730	549,943	650,893	215,817	866,710
Compensated absences	1,437	1,148	23,165	25,750	49,522	75,272
OPEB liability	938	1,911	3,843	6,692	16,782	23,474
Claims and judgements	-	1,325,282	-	1,325,282	-	1,325,282
Total current liabilities	11,595	1,420,071	576,951	2,008,617	282,121	2,290,738
Noncurrent liabilities:						
Compensated absences	3,349	2,682	54,056	60,087	115,553	175,640
Net pension liability	-	38,547	27,378	65,925	121,654	187,579
OPEB liability	42,826	87,291	175,518	305,635	766,427	1,072,062
Claims and judgements	-	3,644,086	-	3,644,086	-	3,644,086
Total noncurrent liabilities	46,175	3,772,606	256,952	4,075,733	1,003,634	5,079,367
Total liabilities	57,770	5,192,677	833,903	6,084,350	1,285,755	7,370,105
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows for pension	-	202,928	144,129	347,057	640,438	987,495
Deferred inflows for OPEB	16,808	34,258	68,883	119,949	300,791	420,740
Total deferred inflows of resources	16,808	237,186	213,012	467,006	941,229	1,408,235
NET POSITION						
Net investment in capital assets	-	9,800	261,195	270,995	-	270,995
Restricted :						
Unrestricted	-	(9,800)	(261,195)	(270,995)	-	(270,995)
Total net position	$ -	$ -	$ -	$ -	$ -	$ -

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Governmental Activities				Business-type Activities	
	Health Self-Insurance	Other Self-Insurance	Fleet Management	Total Governmental Activities	Customer Service	Total Internal Service
Operating revenues:						
Charges for services	$ 10,073,731	$ 7,298,312	$ 5,676,786	$ 23,048,829	$ 4,705,124	$ 27,753,953
Other revenues	-	-	70,985	70,985	1,150	72,135
Total operating revenues	10,073,731	7,298,312	5,747,771	23,119,814	4,706,274	27,826,088
Operating expenses:						
Personnel services	159,481	361,611	869,077	1,390,169	2,709,536	4,099,705
Administration	62,868	1,017,997	-	1,080,865	-	1,080,865
Insurance and claims	9,856,613	5,916,304	-	15,772,917	-	15,772,917
Other operating expenses	-	-	4,987,453	4,987,453	2,017,980	7,005,433
Depreciation	-	1,583	67,893	69,476	17,299	86,775
Total operating expenses	10,078,962	7,297,495	5,924,423	23,300,880	4,744,815	28,045,695
Operating income (expense)	(5,231)	817	(176,652)	(181,066)	(38,541)	(219,607)
Non-operating expenses:						
Interest expense	-	(1)	(3)	(4)	(15)	(19)
Total non-operating expenses	-	(1)	(3)	(4)	(15)	(19)
Change in net position	(5,231)	816	(176,655)	(181,070)	(38,556)	(219,626)
Net position, beginning as originally stated	-	-	185,000	185,000	70,101	255,101
Restatement - change in accounting principle (note 20)	5,231	(816)	(8,345)	(3,930)	(31,545)	(35,475)
Net position, beginning as restated	5,231	(816)	176,655	181,070	38,556	219,626
Net position, ending	$ -	$ -	$ -	$ -	$ -	$ -

CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Governmental Activities				Business-type Activities	
	Health Self-Insurance	Other Self-Insurance	Fleet Management	Total Governmental Activities	Customer Service	Total Internal Service
Cash flows from (used in) operating activities:						
Cash payments to suppliers	$ (9,920,713)	$ (7,198,092)	$ (4,863,542)	$ (21,982,347)	$ (2,018,299)	$ (24,000,646)
Cash received from other funds	10,073,731	6,498,312	5,747,771	22,319,814	3,206,274	25,526,088
Cash payments to employees	(221,902)	(358,197)	(908,970)	(1,489,069)	(2,694,370)	(4,183,439)
Net cash used in operating activities	(68,884)	(1,057,977)	(24,741)	(1,151,602)	(1,506,395)	(2,657,997)
Cash flows used in capital and related financing activities:						
Acquisition and construction of capital assets	-	(10,554)	(21,400)	(31,954)	-	(31,954)
Principal paid on long term debt	-	(162)	(566)	(728)	(2,831)	(3,559)
Interest paid on long term debt	-	(1)	(3)	(4)	(15)	(19)
Net cash used in capital and related financing activities	-	(10,717)	(21,969)	(32,686)	(2,846)	(35,532)
Net decrease in cash and cash equivalents	(68,884)	(1,068,694)	(46,710)	(1,184,288)	(1,509,241)	(2,693,529)
Cash and cash equivalents, beginning	142,762	1,326,537	443,118	1,912,417	1,716,238	3,628,655
Cash and cash equivalents, ending	$ 73,878	$ 257,843	$ 396,408	$ 728,129	$ 206,997	$ 935,126
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	$ (5,231)	$ 817	$ (176,652)	$ (181,066)	$ (38,541)	$ (219,607)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation	-	1,583	67,893	69,476	17,299	86,775
Net changes in assets, liabilities, deferred outflows and deferred inflows:						
(Increase) decrease in:						
Account receivables	-	-	734	734	-	734
Due from other funds	-	(800,000)	-	(800,000)	(1,500,000)	(2,300,000)
Prepaid / Other assets	-	-	(966)	(966)	-	(966)
Inventories	-	-	39,941	39,941	-	39,941
Deferred outflows for pension	105,478	(47,360)	57,510	115,628	(99,985)	15,643
Deferred outflows for OPEB	139	283	455	877	310	1,187
Increase (decrease) in:						
Accounts payable and accrued liabilities	(1,232)	(371,236)	84,202	(288,266)	(319)	(288,585)
Compensated Absences	264	91	20,775	21,130	(34,584)	(13,454)
Net pension liability	(157,835)	(131,194)	(229,570)	(518,599)	(488,087)	(1,006,686)
Total OPEB liability	7,268	14,815	34,775	56,858	224,808	281,666
Claims and judgements	-	107,445	-	107,445	-	107,445
Deferred inflows for pension	-	202,928	144,129	347,057	640,438	987,495
Deferred inflows for OPEB	(17,735)	(36,149)	(67,967)	(121,851)	(227,734)	(349,585)
Total adjustments	(63,653)	(1,058,794)	151,911	(970,536)	(1,467,854)	(2,438,390)
Net cash used in operating activities	$ (68,884)	$ (1,057,977)	$ (24,741)	$ (1,151,602)	$ (1,506,395)	$ (2,657,997)

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FIDUCIARY FUNDS

CITY OF HOMESTEAD, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

SEPTEMBER 30, 2025

	General Employees' Retirement Plan	Police Officers' Retirement Plan	Elected Officials' Retirement Plan (1)	New Elected Officials' and Senior Management Retirement System (1)	Firefighters' Retirement System (1)	Totals
ASSETS						
Cash and cash equivalents	$ 2,769,157	$ 7,921,749	$ 221,981	$ 118,758	$ -	$ 11,031,645
Receivables:						
Contributions	-	33,635	-	-	-	33,635
Due from broker	86,449	-	-	-	-	86,449
Accrued investment income	348,287	40,094	15,220	3,573	38,793	445,967
Total receivables	434,736	73,729	15,220	3,573	38,793	566,051
Other asset	24,219	10,080	-	1,631	-	35,930
Investments:						
U.S. Government securities	11,009,977	-	-	-	961,060	11,971,037
U.S. Government agency obligations	-	-	-	-	2,603,960	2,603,960
Municipal obligations	8,838,315	-	-	-	126,945	8,965,260
Corporate bonds	14,382,131	-	1,315,671	-	1,106,673	16,804,475
Hedge funds	151,605	-	-	-	-	151,605
Preferred stocks	-	-	43,160	-	-	43,160
International stocks	-	-	-	-	354,669	354,669
Mutual funds - fixed income	-	44,045,275	-	831,028	2,091	44,878,394
Mutual funds - equities	25,236,390	-	488,328	4,016,822	-	29,741,540
Common stocks	40,096,560	112,457,286	1,183,742	-	1,115,555	154,853,143
Real estate	-	8,033,019	-	494,520	-	8,527,539
Temporary investment funds	-	-	-	-	950,147	950,147
Other	5,405,571	-	310,510	-	-	5,716,081
Total investments	105,120,549	164,535,580	3,341,411	5,342,370	7,221,100	285,561,010
TOTAL ASSETS	108,348,661	172,541,138	3,578,612	5,466,332	7,259,893	297,194,636
LIABILITIES						
DROP payable	504,272	-	-	-	-	504,272
Accounts payable	131,475	643,559	23,466	9,435	12,203	820,138
Due to broker	124,705	-	-	-	-	124,705
TOTAL LIABILITIES	760,452	643,559	23,466	9,435	12,203	1,449,115
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	$ 107,588,209	$ 171,897,579	$ 3,555,146	$ 5,456,897	$ 7,195,274	$ 295,693,105

(1) Amounts reflected as of December 31, 2024, 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, 2025

	General Employees' Retirement Plan	Police Officers' Retirement Plan	Elected Officials' Retirement Plan (1)	New Elected Officials' and Senior Management Retirement System (1)	Firefighters' Retirement System (1)	Totals
ADDITIONS						
Contributions:						
City	$ 2,163,564	$ 5,761,468	$ 64,982	$ 110,236	$ -	$ 8,100,250
Employees	263,429	938,247	-	-	-	1,201,676
State	-	1,053,198	-	-	748,003	1,801,201
Total contributions	2,426,993	7,752,913	64,982	110,236	748,003	11,103,127
Investment income:						
Investment earnings	3,155,348	1,924,060	167,877	228,068	223,720	5,699,073
Net appreciation in fair value of investments	3,831,025	18,016,121	142,614	424,178	346,483	22,760,421
Less investment expenses	(424,611)	(539,983)	(31,982)	(38,002)	(46,936)	(1,081,514)
Net investment income	6,561,762	19,400,198	278,509	614,244	523,267	27,377,980
Total additions	8,988,755	27,153,111	343,491	724,480	1,271,270	38,481,107
DEDUCTIONS						
Pension benefits	5,522,826	7,229,219	208,301	359,409	1,267,944	14,587,699
DROP payments	886,884	-	-	-	-	886,884
Administrative expenses	140,132	176,319	36,893	64,124	76,242	493,710
Total deductions	6,549,842	7,405,538	245,194	423,533	1,344,186	15,968,293
Change in net position	2,438,913	19,747,573	98,297	300,947	(72,916)	22,512,814
NET POSITION RESTRICTED FOR PENSION BENEFITS						
Beginning of year	105,149,296	152,150,006	3,456,849	5,155,950	7,268,190	273,180,291
End of year	$ 107,588,209	$ 171,897,579	$ 3,555,146	$ 5,456,897	$ 7,195,274	$ 295,693,105

(1) Amounts reflected as of December 31, 2024, the date of the latest plan year.

STATISTICAL SECTION

Statistical Section

This part of the City of Homestead's annual cmprehensive 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 **Page**

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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CITY OF HOMESTEAD, FLORIDA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
Net investment in capital assets	$ 190,866,223	$ 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
Restricted	35,601,232	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
Unrestricted	37,557,176	17,904,621	9,952,831	(3,732,770)	(11,947,991)	1,085,299	(521,798)	(5,692,542)	(1,908,807)	2,541,761
Total governmental activities net position	$ 264,024,631	$ 231,047,583	$ 210,964,180	$ 199,055,196	$ 188,796,134	$ 184,592,000	$ 186,332,019	$ 189,050,542	$ 203,257,368	$ 210,023,014
Business-type activities:										
Net investment in capital assets	$ 47,475,547	$ 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
Restricted	1,759,339	1,535,776	1,403,000	3,702,669	510,121	270,752	476,460	715,800	552,719	559,257
Unrestricted	10,410,710	2,150,604	6,255,960	(473,658)	(819,084)	(3,085,589)	(6,630,871)	(3,567,329)	2,242,034	13,332,705
Total business-type activities net position	$ 59,645,596	$ 43,442,322	$ 44,212,313	$ 40,573,086	$ 36,745,748	$ 35,539,399	$ 32,740,674	$ 31,222,681	$ 31,964,118	$ 43,535,224
Primary government:										
Net investment in capital assets	$ 238,341,770	$ 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
Restricted	37,360,571	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
Unrestricted	47,967,886	20,055,225	16,208,791	(4,206,428)	(12,767,075)	(2,000,290)	(7,152,669)	(9,259,871)	333,227	15,874,466
Total primary government net position	$ 323,670,227	$ 274,489,905	$ 255,176,493	$ 239,628,282	$ 225,541,882	$ 220,131,399	$ 219,072,693	$ 220,273,223	$ 235,221,486	$ 253,558,238

Source: City of Homestead ACFR for fiscal years ending September 30, 2016 through September 30, 2025.

CITY OF HOMESTEAD, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental activities:										
General government	$ 23,635,930	$ 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
Public safety	40,619,401	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
Public works	10,955,630	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
Parks and recreation	10,664,720	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
Disaster relief	373	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	2,418,821	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
Unallocated depreciation	2,138,274	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
Total governmental activities expenses	90,433,149	87,284,118	82,787,270	66,675,892	65,830,739	72,914,706	70,610,515	76,230,050	71,821,069	62,543,690
Business-type activities:										
Water & Sewer	26,295,719	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
Electric	70,586,421	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
Solid waste	16,612,968	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
Other enterprise funds	1,905,456	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
Homestead station QALICB	1,422,439	1,417,995	1,416,260	1,403,096	1,363,737	210,525	50,000	949,837	-	-
Total business-type activities expenses	116,823,003	116,373,330	109,405,213	108,382,703	90,531,996	92,885,108	98,226,373	97,174,606	97,232,242	97,423,072
Total primary government expenses	$ 207,256,152	$ 203,657,448	$ 192,192,483	$ 175,058,595	$ 156,362,735	$ 165,799,814	$ 168,836,888	$ 173,404,656	$ 169,053,311	$ 159,966,762
Program revenue:										
Governmental activities:										
Charge for services:										
General government	$ 13,206,143	$ 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
Public safety	2,450,317	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
Public works	213,364	229,266	18,439	64,933	119,768	103,148	106,176	116,645	103,850	132,364
Parks and recreation	3,694,111	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
Operating grants and contributions	12,820,079	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
Capital grants and contributions	11,967,517	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
Total governmental activities programs revenues	44,351,531	38,376,385	35,611,541	27,028,782	25,218,521	30,555,637	25,591,455	25,609,690	22,380,650	21,963,531
Business-type activities:										
Charge for services:										
Water & sewer	26,181,606	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
Electric	71,555,221	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
Solid waste	18,165,080	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
Other enterprise funds	1,774,939	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
Capital grants and contributions	4,351,461	788,486	359,704	-	-	620,368	2,428,044	3,936,372	217,088	-
Total business-type activities programs revenues	122,028,307	110,890,924	106,856,728	108,148,229	87,960,902	92,509,819	97,325,395	93,575,433	88,734,397	87,725,287
Total primary government program revenues	$ 166,379,838	$ 149,267,309	$ 142,468,269	$ 135,177,011	$ 113,179,423	$ 123,065,456	$ 122,916,850	$ 119,185,123	$ 111,115,047	$ 109,688,818
Net (expense) revenue:										
Governmental activities	$ (46,081,618)	$ (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)
Business-type activities	5,205,304	(5,482,406)	(2,548,485)	(234,474)	(2,571,094)	(375,289)	(900,978)	(3,599,173)	(8,497,845)	(9,697,785)
Total primary government net (expense) revenue	$ (40,876,314)	$ (54,390,139)	$ (49,724,214)	$ (39,881,584)	$ (43,183,312)	$ (42,734,358)	$ (45,920,038)	$ (54,219,533)	$ (57,938,264)	$ (50,277,944)

CITY OF HOMESTEAD, FLORIDA

CHANGES IN NET POSITION (continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	$ 36,600,980	$ 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
Fuel taxes	1,436,103	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
Franchise fees *	1,503,213	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
Utility taxes	1,728,478	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
Communication service taxes	1,973,102	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
Half cent sales taxes	8,475,907	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
Unrestricted intergovernmental revenue	5,229,691	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
Payment in lieu of taxes *	9,456,924	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
Other revenues	9,789,859	2,598,300	1,701,018	1,290,552	1,248,754	962,164	2,549,135	2,226,906	751,200	844,417
Gain on sale of assets	-	-	-	-	-	-	-	-	-	594,715
Unrestricted investment earnings (loss)	3,696,265	4,361,572	2,647,622	(997,203)	176,916	773,526	1,101,826	628,804	237,216	402,984
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
Total governmental activities	79,890,522	68,991,136	59,084,713	49,906,172	44,816,352	40,619,050	42,300,537	38,494,037	42,674,773	38,834,949
Business-type activities:										
Other revenues	6,625,368	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
Unrestricted investment earnings (loss)	1,328,283	842,146	736,285	100,644	7,236	104,600	108,013	37,928	32,444	218,810
Cares Act **	-	-	-	-	-	77,097	-	-	-	-
Special Item : PFAS Litigation Settlement	3,387,522	-	-	-	-	-	-	-	-	-
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)
Total business-type activities	11,341,173	4,712,415	6,187,712	4,061,812	3,777,443	3,174,014	2,418,971	3,700,073	(3,073,261)	(457,006)
Total primary government	$ 91,231,695	$ 73,703,551	$ 65,272,425	$ 53,967,984	$ 48,593,795	$ 43,793,064	$ 44,719,508	$ 42,194,110	$ 39,601,512	$ 38,377,943
Change in net position:										
Governmental activities	$ 33,808,904	$ 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)
Business-type activities	16,546,477	(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)
Total primary government	$ 50,355,381	$ 19,313,412	$ 15,548,211	$ 14,086,400	$ 5,410,483	$ 1,058,706	$ (1,200,530)	$ (12,025,423)	$ (18,336,752)	$ (11,900,001)

Source: City of Homestead ACFR for fiscal years ending September 30, 2016 through September 30, 2025.

Note : * Starting with FY 2022, certain fees charged to the City's other utility 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 Revenue.

CITY OF HOMESTEAD, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General fund:										
Nonspendable :										
Prepaid costs	$ 804,377	$ 110,789	$ 198,198	$ 74,530	$ 19,298	$ 117,636	$ 7,179	$ 237,950	$ 1,824	$ 198,906
Long-term note receivable	31,506,233	31,506,233	31,506,233	30,691,104	30,536,505	30,493,770	28,264,033	10,841,000	-	-
Long-term leases receivable	4,005,161	-	-	-	-	-	-	-	-	-
Restricted for:										
Community redevelopment										
Fiber optic & rock pit security	1,555,665	1,555,665	1,555,665	1,555,665	1,555,665	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	306,000	-	-
Committed to:										
Required reserve	7,793,655	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
Assigned to:										
Appropriations of subsequent year's budget	8,696,982	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
Unassigned :										
General fund	28,821,344	29,681,963	19,155,564	13,079,726	10,900,633	6,626,970	651,329	9,659,840	8,987,795	18,158,247
Total General fund	$ 83,489,417	$ 72,261,938	$ 61,202,455	$ 53,808,304	$ 49,005,696	$ 43,065,262	$ 35,250,689	$ 27,319,405	$ 19,437,354	$ 24,540,341
All other governmental funds:										
Nonspendable :										
Prepaid costs	$ 646	$ 3,385	$ 2,104	$ 17,585	$ -	$ -	$ 798	$ 811,129	$ 813,680	$ 705
Restricted :										
Community redevelopment	7,356,805	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	3,644,442	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
Disaster relief	961,939	690,913	638,831	640,867	396,326	7,898	6,999	13,803		
Parks and recreation	6,865,244	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
Public safety	4,237,016	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
Public work	1,112,266	864,376	643,072	620,745	666,709	642,768	464,842	636,262	572,283	528,707
Debt service	625,404	599,557	587,534	685,802	678,586	662,636	988,278	2,326,352	1,943,526	2,126,806
Capital projects	-	7,286	7,275	7,266	7,264	105,285	672,340	24,470,390	29,205,881	3,819,621
Transit and transportation	8,078,789	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
Committed :										
Public art	2,116,829	2,074,660	1,149,829	878,696	740,931	1,328,412	1,752,057	1,489,868	1,110,345	734,932
Transportation	88,402	88,402	44,837	88,402	88,402	88,402	290,346	290,346	290,346	290,346
Capital projects	6,700,000	-	-	-	-	-	-	-	-	-
Assigned :										
Parks and recreation	-	-	-	258,829	200,414	150,941	91,482	686,075	920,288	1,163,674
Capital projects	1,458,155	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
Unassigned :										
Capital project	-	-	-	(56,575)	-	-	-	-	-	-
Disaster relief	-	-	-	-	-	-	-	-	(784,058)	-
Total all other governmental funds	$ 43,245,937	$ 30,291,757	$ 23,568,658	$ 16,948,287	$ 17,030,872	$ 19,618,979	$ 23,414,407	$ 46,306,899	$ 47,292,111	$ 20,557,856

Source: City of Homestead ACFR for fiscal years ending September 30, 2016 through September 30, 2025.

City of Homestead, Florida

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Taxes	$ 45,702,513	$ 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
Licenses and permits	4,688,263	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
Intergovernmental	40,911,758	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
Charges for services	970,538	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
Fines and forfeitures	1,466,136	874,174	1,007,475	901,281	882,852	619,815	1,024,382	2,162,753	1,411,095	1,029,146
Investment income (loss)	3,696,265	4,361,572	2,647,622	(997,203)	176,916	773,526	1,101,826	628,804	237,216	402,984
Payment in lieu of taxes	9,456,924	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
Other revenues	17,530,726	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
Total revenues	124,423,123	107,076,332	95,940,065	78,028,765	71,837,684	71,655,498	66,669,135	64,819,722	56,998,719	57,353,044
Expenditures:										
General government	21,445,700	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
Public safety	42,772,092	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
Public works and services	4,080,372	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
Parks and recreation	6,467,633	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
Disaster relief	373	4,128	2,036	216,809	230,593	1,656,340	1,494,954	4,774,725	5,784,058	-
Capital outlay *	21,378,347	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
Debt service: ***										
Principal	2,828,477	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
Interest and fiscal charges	2,498,002	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
Total expenditures	101,470,996	89,642,519	87,257,767	90,469,998	75,918,185	71,155,702	82,609,807	69,681,920	77,970,140	77,718,729
Excess of revenues over (under) expenditures	22,952,127	17,433,813	8,682,298	(12,441,233)	(4,080,501)	499,796	(15,940,672)	(4,862,198)	(20,971,421)	(20,365,685)
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)	1,037,500	-	987,742	508,631	1,171,716	717,160	647,275	226,008	2,895,000	765,000
Lease (right-to-use asset) acquired	-	-	-	17,746,436	-	-	-	-	-	-
Taxable transportation system revenue bonds issued	-	-	-	-	-	-	-	-	31,440,000	-
Proceed from subscription-based arrangements liability	192,032	242,580	1,088,293	-	-	-	-	-	-	-
Issuance of other long-term debt	-	-	-	-	8,063,923	-	-	12,829,100	-	4,570,000
Transfer in	2,595,449	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
Transfer out	(2,595,449)	(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)
Transfer to Homestead Station QALICB (NMTC)	-	-	-	-	-	-	-	(1,150,000)	-	-
Total other financing sources (uses)	1,229,532	348,769	5,332,224	17,161,256	7,432,828	3,519,349	979,464	12,503,608	42,602,689	10,367,872
Net change in fund balances	$ 24,181,659	$ 17,782,582	$ 14,014,522	$ 4,720,023	$ 3,352,327	$ 4,019,145	$ (14,961,208)	$ 7,641,410	$ 21,631,268	$ (9,997,813)
Debt services as a percentage of noncapital expenditures *	6.62%	7.65%	6.60%	6.81%	17.93%	7.46%	25.36%	8.01%	6.19%	5.90%
Capital oulay P. 31	21,061,781	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

Source: City of Homestead ACFR for fiscal years ending September 30, 2016 through September 30, 2025.

Note * For FY 2022 capital outlay includes $17.7 million ritght-to-use asset expenditure as a reslut 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 milllion New Market Tax Credit Bridge Loan debt and FY 2021 refleted the refinancing of $8 million New City Hall Loan debt..

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Revenue Capacity Information

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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	(1) Valuation Adjustments / Corrections	Total Direct Tax Rate	Estimated Actual Taxable Value	(2) Estimated Value as a Percentage of Assessed Value
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%
2025	5,838,236 (1)	223,214 (1)	6,061,450	(456,821) (1)	6.2376	5,604,629 (2)	99.3% (2)

Note:

(1) For FY 2025, the Valuation Adjustments/Corrections reflect a $418,952 correction of values and $37,869 normal value adjustments. On July 1st, 2024, the Miami-Dade Property Appraiser's Office ("MDCPA") released the certified preliminary property values. On July 18th, 2024, the MDCPA offices contacted the City to advise us that they had made a mistake on the certified property values for the City and that the correction to the values will occur in October 2024 through the DR-422 Certification of Final Taxable Value form. Where the current year gross taxable value of $6,061,450 from Line 4, Form DR-420 was corrected to the Final current year gross taxable value of $5,642,498 from Form DR-403 Series. This represented a correction in values of $418,952; the balance of adjustments of $37,869 is deemed normal value adjustments. For purposes of finalizing the City's budget, MDCPA provided what they believed to be the "current" property values. Based on this information the City finalized its budget reconciling property tax revenues to the certified values, but consciously set aside the amount of property taxes that would not be realized as a contingency in order to adopt a balanced budget. Once the corrected values were certified in October 2024, the City amended its budget to reduce the property tax revenues and the contingency expenditure from the budget.

(2) For FY 2025, the estimated actual taxable value of $5,604,629 needs to be compared to the "corrected" total assessed value of $5,642,498 ($6,061,450 certified value at 7/1/24 less the correction for MDCPA error of $418,952 = $5,642,498 revised certification on 10/7/24)

Source: Miami-Dade County Property Appraiser's Office.

CITY OF HOMESTEAD, FLORIDA

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	Direct Rates			Overlapping Rates									
	City of Homestead			Miami-Dade County			Miami-Dade County School Board				Other Taxing Authorities and Special Districts		Total
City's Fiscal Year	Operating Millage (1)	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Voted Operating Millage	Total School Millage	State Millage	Special District Millage	Direct and Overlapping Millage
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
2025	5.9604	0.2772	6.2376	4.5740	0.4271	5.0011	5.4680	0.1340	1.0000	6.6020	0.2589	2.8965	20.9961

Source: Miami-Dade County Property Appraiser's Office

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, Libray 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)

Taxpayer	Type of Business	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total City Taxable Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total City Taxable Assessed Value
WRG Homestead LLC	Commercial Shopping Center	$ 63,291	1	1.04%	$ -		0.00%
D R Horton Imc	Residential Real Estate	58,585	2	0.97%	-		0.00%
Royal Center LLC	Residential Real Estate	53,233	3	0.88%	-		0.00%
City Of Homestead	Municipal*	46,147	4	0.76%	26,443	3	1.24%
Florida Power & Light Company	Electric Utility	43,355	5	0.72%	20,602	4	0.96%
AG Essential Housing Multi	Residential Real Estate	36,962	6	0.61%	-		0.00%
SB Palm Breeze LLC	Residential Real Estate	33,893	7	0.56%	-		0.00%
Kimco Realty Corp	Commercial Real Estate	31,460	8	0.52%	16,706	5	0.78%
Campbell South Rentals LLC	Residential Real Estate	29,433	9	0.49%	-		0.00%
Michael Latterner Trs	Residential Real Estate	29,345	10	0.48%	-		0.00%
Fifteen Homestead COA Townhome	Residential Real Estate				36,206	1	1.69%
DDR Homestead LLC	Retail Outlet / Vacant Land				35,867	2	1.68%
Lowes Home Centers Inc	Retail Outlet				12,803	6	0.60%
Lennar Homes LLC	Residential Real Estate				12,352	7	0.58%
Yates Homestead LLC	Residential Real Estate				11,880	8	0.56%
Sarria Holdings IV INC	Commercial Shopping Center				11,868	9	0.56%
AT&T Bellsouth	Retail Outlet				11,556	10	0.54%
Total		$ 425,704		7.03%	$ 196,283		9.19%
Total assessed valuation of taxable property:		$ 6,061,450			$ 2,138,310		

*Homestead Miami Speedway
2025 Data Source: Source: Miami-Dade County Property Appraiser's Office, for the FY 2025 (Tax Roll Year 2024)
2016 Data Source: City of Homestead, FY 2016 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	Ratio of Delinquent Taxes to Total Taxes Levied
			Amount	% of Levy	Amount	% of Levy	Amount	% of Levy	Amount	
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%
2025	2024	37,809	32,883	87.0%	1,294	3.4%	34,177	90.4%	1,594	4.2%

Source: Miami-Dade County Property Appraiser's Office
N/A - Not available

CITY OF HOMESTEAD, FLORIDA

ELECTRIC UTILITY REVENUES

LAST TEN FISCAL YEARS

Fiscal Year	Residential	Commercial	Industrial	Inter-Departmental	Other Sales	Power Cost Adjustment	Total Sales Revenue	Bad Debt Expense	Net Sales Revenue
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
2025	30,997,980	3,728,277	12,388,442	2,706,027	516,080	22,220,890	72,557,696	963,919	71,593,777

Source: City of Homestead ACFR for fiscal years ending September 30, 2016 through September 30, 2025.

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CITY OF HOMESTEAD, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(DOLLARS IN THOUSANDS)

	Governmental Activities[1]							Business-type Activities[1]						Personal			
Fiscal Year Ended September 30,	General Obligation Bonds	Revenue Bonds	Special Obligation Bonds	Long-Term Notes and Loans	Equipment Financing	Lease Obligations (Right-to-use asset)	SBITA Obligations (Right-to-use asset)	Electric Bonds	Long-Term Notes and Loans*	Equipment Financing	SBITA Obligations (Right-to-use asset)	Other Debts**	Total Oustanding Debt	Income (Thousands of Dollars)[2]	Percentage of debt to Personal Income	Population[2]	Debt Per Capita****
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	17,614	940		50,326	2,826	-	-	136,518	1,867,039	7.31%	83,750	1,630
2024	20,429	26,500	-	12,448	1,377	17,570	937	-	54,864	2,767	-	-	136,892	2,036,919	6.72%	84,014	1,629
2025	19,716	25,755		11,570	1,779	17,311	838		53,870	4,907	126	-	135,872	2,196,752	6.19%	85,630	1,587

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.

* Refletcs 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.

**** This coulum has been revised to include other debts in the calculation.

CITY OF HOMESTEAD, FLORIDA

RATIO OF GENERAL OBLIGATION BONDS DEBT OUTSTANDING

LAST NINE FISCAL YEARS

(DOLLARS IN THOUSANDS)

Fiscal Year Ended September 30,	Total General Obligation Bonds	Amount Externally Restricted	Net General Obligation Bonds	Assessed Value of Taxable Property	Percentage of Assessed Value of Taxable Property		Population	Per Capita*
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
2025	19,716	126	19,590	6,061,450	0.33%		85,630	229

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note: 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, 2025

Governmental Unit		Debt Outstanding	Estimated Percentage Applicable to City of Homestead			Estimated share of Overlapping Debt
OVERLAPPING:						
School Board of Miami-Dade County (1)	$	1,054,121	3.04%	(3)	$	32,045
Miami-Dade County (2)		2,310,220	3.04%	(3)		70,231
Subtotal	$	3,364,341			$	102,276
DIRECT DEBT: (4)						
General obligation bonds	$	19,716	100.00%		$	19,716
Revenue bonds		25,755	100.00%			25,755
Other long-term debt		11,570	100.00%			11,570
Lease obligations (Right-to-use assets)		17,311	100.00%			17,311
SBITA obligations (Right-to-use assets)		838	100.00%			838
Equipment financing obligation		1,779	100.00%			1,779
Subtotal	$	76,969			$	76,969
TOTAL DIRECT AND OVERLAPPING DEBT					$	179,245

(1) Information obtained from Miami-Dade County School Board Annual Financial Report for the Fiscal Year Ended June 30, 2024.

(2) Information obtained from Miami-Dade County Clerk of the Court and Comptroller, Comptroller Finance Operations Department.

(3) The percentage of overlapping debt applicable is estimated by dividing:

City of Homestead's population (April 1, 2025 estimate) **	85,630
by Miami-Dade County's population (April 1, 2025 estimate) **	2,814,927
Source : ** Office of Economic and Demographic Research	

(4) City of Homestead ACFR for fiscal year ending September 30, 2025.

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 Millage revenue + fund balance	Debt Service Requirement Principal	Interest	Total	Coverage
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
2025	1,512	655	833	1,488	1.02

Taxable Transportation System Revenue Bonds, Series 2017

Fiscal Year Ended September 30,	Transportation System Surtax & Covenant to Budget Appropriation revenue*	Debt Service Requirement Principal	Interest	Total	Coverage
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
2025	5,535	745	1,055	1,800	3.08

CRA Increment Revenue Note, Series 2023

Fiscal Year Ended September 30,	CRA Voted Millage revenue*	Debt Service Requirement Principal	Interest	Total	Coverage
2023	$ 4,800	$ -	$ 95	$ 95	50.53
2024	5,393	134	209	343	15.72
2025	6,010	147	202	349	17.22

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 September 30,	Gross Revenue (1)	Less: Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement Principal	Interest	Total	Coverage by Net Revenue Available for Debt Service
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
2025	75,407	65,226	10,181	996	408	1,404	7.25

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 September 30,	Gross Revenue (1)	Less: Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement Principal	Interest	Total	Coverage by Net Revenue Available for Debt Service
2024	$ 68,744	$ 65,259	$ 3,485	$ -	$ 8	$ 8	435.63
2025	75,407	65,226	10,181	-	215	215	47.35

(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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City of Homestead, Florida

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Year		(1) Population	(2) General Fund Budget *	Per Capita Budget	(2), (5) General Fund Actual *	Per Capita Actual	(1) Personal Income (Thousands of Dollars)	(4) Per Capita Personal Income	(3) Unemployment Rate
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	2.5%
2025		85,630	78,392,506	915	70,132,598	819	2,196,752	25,654	3.0%

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, 2016 through September 30, 2025.
(3) US. Bureau of Labor Statistics (as of September 30, 2025).
(4) U.S. Census Bureau
(5) FY 2022 excludes a $17.7 million capital outlay 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

	2025			2016		
Employer		Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Homestead Hospital	1,191	1	6.46%	1,310	1	4.44%
Publix Supermarkets	570	2	3.09%	469	3	1.59%
City of Homestead	549	3	2.98%	476	2	1.61%
Miami-Dade Public Schools	493	4	2.67%			
Miami Dade College	325	5	1.76%			
Walmart Supercenter	290	6	1.57%			
Signature Health Care	170	7	0.92%			
Brooks Tropical	160	8	0.87%			
U.S. Postal Service	150	9	0.81%			
Home Depot	125	10	0.68%			
Keys Gate Charter School				260	4	0.88%
Somerset Academy SoHo				207	5	0.70%
Contender Boats				201	6	0.68%
Signature Home Health				170	7	0.58%
Homestead Manor				128	8	0.43%
Sedano's Supermarket				125	9	0.42%
Lowe's Home Center				118	10	0.40%
	4,023		21.81%	3,464		13.53%

Note: Total number of local jobs as of 6/14/2024 = 18,447

Source: City of Homestead Community Redevelopment Agency (2025)
BusinessFlare® and Street Economics®
City of Homestead Annual Comprehensive Financial Report (2016)
Bureau of Labor Statistics: Total number of local jobs

Operating Information

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City of Homestead, Florida

CITY GOVERNMENT FULL-TIME EMPLOYEES BY DEPARTMENT/DIVISION

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City Council	9	10	10	10	10	11	11	11	11	11
City Clerk	4	4	4	4	4	4	4	4	4	4
City Managers' Office	11	7	7	7	8	9	8	7	7	7
Code Compliance	16	-	-	-	-	-	-	-	-	-
Community Redevelopment Agency	7	5	5	5	4	4	4	4	4	3
Development Services	16	16	15	15	12	12	12	11	11	11
Finance	15	14	13	13	13	11	11	11	11	11
General Services	14	-	-	22	20	18	18	19	19	19
Customer Service	33	29	29	28	28	28	27	27	27	27
Human Resources	8	7	7	7	6	5	5	5	5	5
Information Technology Services	8	7	6	-	-	-	-	-	-	-
Parks, Recreation & Maint Svcs.	22	26	21	20	19	17	16	16	16	17
Police	175	184	176	168	162	155	155	155	153	153
Procurement (Fleet)	8	17	17	-	-	-	-	-	-	-
Public Works (Streets, Water&Sewer, Stormwater)	50	50	51	49	49	50	52	52	52	51
Solid Waste	44	44	34	34	34	34	34	34	34	34
Electric Utilities	62	53	51	51	51	50	50	50	49	49
Total Full-Time Employees	502	473	446	433	420	408	407	406	403	402

Note: Effective Fiscal Year 2023, the General Services Department disolved, leaving ITS as a separate department while Procurement & Fleet were instead combined into one department.

Note: Effective Fiscal Year 2025, the General Services Department was revived, and the Code Division was extracted from Police and became it's own separate Department, and Fleet was removed from Procurement.

Source: City of Homestead Human Resources Department

CITY OF HOMESTEAD, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police:										
Adult arrest (1)	2,089	1,645	1,950	1,959	1,631	2,050	2,648	3,073	3,467	3,431
Juvenile arrest	188	170	211	121	163	256	245	234	359	431
Calls for service	41,305	37,987	39,223	33,028	30,549	31,897	34,149	36,374	37,281	37,379
Water:										
Number of service connections	29,087	24,059	24,059	26,637	26,037	25,330	24,987	25,465	23,969	23,177
Average daily billed consumption (millions of gallons)	11.41	10.07	10.07	6.44	6.20	6.20	5.70	5.80	6.00	5.50
Sewer:										
Number of service connections	25,549	22,669	22,669	23,460	22,857	22,203	21,837	22,313	20,656	20,137
Average daily billed consumption (millions of gallons)	4.15	5.30	5.30	5.00	5.00	5.00	4.70	4.70	4.30	4.40
Electric distribution system:										
Number of customers	27,317	26,996	26,480	26,480	26,124	25,853	25,606	25,115	25,031	23,863
Facilities and services not included in the primary government:										
Education:										
Number of schools	21	24	29	29	29	27	25	25	24	24
Number of instructors	875	744	1,311	1,311	1,311	1,464	1,229	1,229	1,040	1,040
Hospitals:										
Number of hospitals	1	1	1	1	1	1	1	1	1	1
Number of patient beds	169	147	147	147	147	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
National Center for Education Statistics (NCES) - New Source as of FY 2025
American Hospital Directory - Baptist Health Homestead Hospital - New Source as of FY 2025

City of Homestead, Florida

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units/Sworn police officers	136	130	127	123	119	113	113	113	113	113
Other public works:										
Streets (miles)	160	160	160	164	164	161	157	142	136	133
Parks and recreation:										
Acreage	277	277	277	277	275	275	275	275	275	275
Playgrounds	14	14	14	14	13	13	13	13	13	13
Tennis courts	8	8	10	10	10	10	10	10	10	10
Pickleball Courts (Blended Lined)	8	6	6	-	-	-	-	-	-	-
Pickleball Courts (Dedicated)	6	-	-	-	-	-	-	-	-	-
Community centers	2	2	2	2	2	2	2	2	2	2
Baseball/Softball fields	17	17	17	17	17	17	17	17	19	19
Basketball courts	10	10	10	10	10	10	11	11	11	11
Soccer court	1	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	6	4	4
Indoor Volleyball Courts	4	4	4	4	-	-	-	-	-	-
Indoor Basketball Courts	2	2	2	2	-	-	-	-	-	-
Water:										
Water mains (miles)	259	290	290	287	286.45	286	285	284	282	281
Fire hydrants	1,913	1,989	1,989	1,972	1,967	1,958	1,944	1932	1907	1,898
Daily capacity (millions of gallons)	12.79	12.79	12.79	17	17	17	17	17	17	17
Sewer:										
Sanitary sewer (miles)	185.18	179	179	176.7	176.5	176	174	173	171	170
Daily capacity (millions of gallons)	5	5	5	6	6	6	6	6	6	6
Electric distribution system:										
Miles of service	325	326	230	223	222	219	211	209	203	197
Number of distribution feeders	23	20	20	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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2026. 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.

Coral Gables, Florida
June 30, 2026

CBIZ CPAs P.C.

2811 Ponce De Leon Blvd., Suite 1100
Coral Gables, FL 33134

P: 305.995.9600

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 program and state project for the fiscal year ended September 30, 2025. The City's major federal program 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 program and state project for the fiscal year ended September 30, 2025.

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 the 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, 2025, 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, 2026, 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.

Coral Gables, Florida
June 30, 2026

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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	$ 16,295	$ --
Community Development Block Grant 2018 Entitlement	14.218	B-18-MC-12-0055	145,739	--
Community Development Block Grant 2022 Entitlement	14.218	B-23-MC-12-0055	95,654	71,373
Community Development Block Grant 2023 Entitlement	14.218	B-24-MC-12-0055	409,218	--
Total CDBG Entitlement Grants Cluster			666,906	71,373
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	4,122,224	--
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	I0128	220	
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	I0127	50,010	--
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			4,172,454	--
Total U.S. Department of Housing and Urban Development			4,839,360	--
U.S. Department of Justice				
Direct programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-02972-MUMU	10,555	--
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03288-JAGX	15,547	--
Total Edward Byrne Memorial Justice Assistance Grant Programs			26,102	--
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-23-GG-02060-PPSE	115,594	--
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-22-GG-03420-UHPX	330,029	--
Total Public Safety Partnership and Community Policing Grants			445,623	--
Rural Violent Crime Initiative	16.039	15PBJA-23-GG-05321-RURA	54,030	--
Byrne Criminal Justice Innovation Program	16.817	15PBJA-21-GG-04115-BCJI	75,956	--
Congressionally Recommended Awards	16.753	15PBJA-22-GG-200110-BRND	92,363	--
Federal Equitable Sharing	16.922	N/A	26,890	--
Body Worn Camera Policy and Implementation	16.835	15PBJA-21-GG-04475-BWCX	32,177	--
Passed Through State of Florida, Office of Attorney General:				
Victims of Crime Act (VOCA)	16.575	VOCA-C-2024-City of Homestead-00108	96,431	--
Passed Through Florida Department of Children and Families:				
Violence Against Women Formula Grants	16.588	LN263	109,900	--
Total U.S. Department of Justice			959,472	--
U.S. Department of Treasury				
Direct programs:				
Federal Equitable Sharing	21.016	N/A	82,679	--
Coronavirus State and Local Fiscal Recovery Funds - COVID 19	21.027	N/A	8,977,228	--
Total U.S. Department of Treasury			9,059,907	--
U.S. Department of Homeland Security				
Direct programs:				
Hazard Mitigation Grant	97.039	4337-004-PAK	130,997	--
Passed Through Florida Division of Emergency Management:				
Disaster Relief Funding, Public Assistance, Hurricane Irma	97.036	Z0379	271,399	--
Total Disaster Relief Funding, Public Assistance			271,399	--
Total U.S. Department of Homeland Security			402,396	--

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
(CONTINUED)**

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 Agriculture				
Passed Through Hispanic Access Foundation, a District of Columbia Nonprofit Corp:				
Inflation Reduction Act Urban and Community Forestry Program	10.727	FR-00109	17,038	--
Total U.S. Department of Treasury			17,038	--
U.S. Department of the Interior				
Passed Through State of Florida Department of Environmental Protection:				
Outdoor Recreation Acquisition, Development and Planning	15.916	LW712	131,878	--
Total U.S. Department of Treasury			131,878	--
U.S. Environmental Protection Agency				
Direct programs:				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	4B03D21024	4,394	--
Total U.S. Department of Treasury			4,394	--
U.S. Department of Transportation				
Direct programs:				
Federal Transit Cluster:				
Federal Transit Formula Grants	20.507	FL 2019-094-00	28,000	--
Total Federal Transit Cluster			28,000	--
Passed Through Florida Department of Transportation:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600		81,146	--
Total Highway Safety Cluster			81,146	--
Total U.S. Department of Transportation			109,146	--
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 15,523,591	$ 71,373
Florida Department of State and Secretary of State				
Direct programs:				
Historic Preservation Grants	45.031	25.H.SM.200.026	25,000	--
Total Florida Department of State and Secretary of State			25,000	--
Florida Department of Environmental Protection				
Direct programs:				
Statewide Water Quality Restoration Projects	37.039	LPA0542	484,643	--
Total Statewide Water Quality Restoration Projects			484,643	--
Total Florida Department of Environmental Protection			484,643	--
Florida Division of Emergency Management				
Direct programs				
Hurricane Loss Mitigation Program	31.066	B0185	156,905	--
Total Florida Department of Health			156,905	--
Florida Department of Transportation				
Direct programs				
Public Transit Service Development Program	55.012	G3516	85,038	--
Total Florida Department of Health			85,038	--
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			$ 751,586	$ --
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			$ 16,275,177	$ 71,373

N/A - None available

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

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, 2025. 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 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, 2025

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, 2025

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*

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*

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.
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228

State Project	CSFA No.
Statewide Water Quality Restoration Projects	37.039

Dollar threshold used to distinguish between Type A and Type B Federal program:	$1,000,000
Dollar threshold used to distinguish between Type A and Type B – State project:	$300,000

Auditee qualified as low risk auditee for Federal awards?	X	Yes	____	No

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III– FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None.

CBIZ CPAs P.C.

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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, 2025, and have issued our report thereon dated June 30, 2026. 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, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding 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, 2025.

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.

Coral Gables, Florida
June 30, 2026

CBIZ CPAs P.C.

2811 Ponce De Leon Blvd., Suite 1100
Coral Gables, FL 33134

P: 305.995.9600

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, 2025. 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, 2025.

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.

Coral Gables, Florida
June 30, 2026

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 9th day of January 2026.

Kristie Walker
NOTARY PUBLIC
Print Name Kristie Walker

Personally known X or produced identification ______

Type of identification produced: ________________

My Commission Expires:
7/28/27

KRISTIE C. WALKER
Commission # HH 413026
Expires July 28, 2027

THE CITY OF
HOMESTEAD FLORIDA

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