

THE CITY OF

HOMESTEAD FLORIDA

2020

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED SEPTEMBER 30, 2020





CITY OF HOMESTEAD, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2020

PREPARED BY

THE FINANCE DEPARTMENT



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CITY OF HOMESTEAD, FLORIDA

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INTRODUCTORY SECTION



May 5th, 2021

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

City Council

Steven D. Losner
Mayor

Patricia D. Fairclough-Staggers, Ed.S
Vice Mayor

Erica G. Ávila
Councilwoman

Jenifer N. Bailey
Councilwoman

Sean L. Fletcher
Councilman

Larry Roth
Councilman

Stephen R. Shelley
Councilman

Cate McCaffrey
City Manager

City Hall

100 Civic Court
Homestead, FL 33030

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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 Comprehensive Annual Financial Report (ACFR) of the City of Homestead for the fiscal year ended September 30, 2020 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 managements' knowledge and belief.

Marcum LLP, 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, 2020, 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, 2020 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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 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 76,300. The City of Homestead is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, with concurrent approval from Miami-Dade County, which occurs periodically when recommended by the City Manager and approved by the City Council.

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

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

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

primary government, the accompanying statements include the Homestead Community Redevelopment Agency (CRA), and the Homestead Station QALICB as blended components.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City of Homestead are required to submit requests for appropriation to the City Manager each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to Council for review. The Council is required to hold two public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund (e.g., general fund), department (e.g., police), and division (e.g., community service). No department may legally expend in excess of amounts appropriated for that department within an individual fund. Department heads may make transfers of appropriations within a department. However, transfers of appropriations between departments require the approval of the City Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund which is at the department level. The City adopts an annual budget for all its funds except the Sundries Grant Fund, the Community Development Block Grant Fund, and its fiduciary funds. Additionally, for FY2020, the City did not adopt budgets for the New City Hall Fund and New Police Building Fund, as these were closed out during the year. 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 132-136 as part of the basic financial statements and on pages 147 and 154-157 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 2020 it was estimated at 76,300.

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

The impact of the economic decline on the real estate market resulted in a decline of the City's property values; between 2009 and 2014, property values had declined by over 51% for a total decline of \$2.0 billion. After years of declining property values, recent values indicate that the bottom of the market may have been reached as values began to show signs of a recovery. For FY 2021 the City's assessed valuation is estimated

at \$3.484 billion, representing a 10.81% increase from the prior year. Despite the multi-year decrease in property values, the City has maintained its commitment to provide a high level of municipal services while maintaining or reducing its property tax operating millage rate. Between 2010 and 2012 the rate was maintained at 6.2917 mills, reducing it in 2013 to 6.2435 mills, and then again to 5.9215 mills for 2014 through 2020. For FY 2021, the millage rate was increased from 5.9215 to 6.2055. The .2840 increase results in no impact to the taxpayers, as this millage was previously paid to the County as a library tax. The increase in property revenues generated from the increased rate will fund the Cybrarium operations. The debt millage rate was reduced from .4800 to .4485 mills in FY 2021. 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. While the road ahead looked promising, FY2020 and the COVID-19 global pandemic, created new and complicated challenges for the City. The City's efforts and response to the pandemic are addressed under *Recent Events Impacting the City*, and under *Major Initiatives*.

Homestead Hospital, built in 2007, remains 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. It includes a medical office building, 150 private patient rooms, an emergency room twice the size of the one at the old facility, ample clinical space for outpatient diagnostic services and minimally invasive surgery.

The City owns the Homestead-Miami Speedway, a world-class motorsports facility featuring a state-of-the-art 1.5-mile variable banked oval and a 2.3-mile road course. The Homestead-Miami Speedway has hosted many of the premier North American motorsport's championships. These major spectator events attract tourists from all over the world and stimulate not only the City economy, but the Miami-Dade County economy as well.

Another integral part of the Homestead community is the Homestead Air Reserve Base which is maintained and operated by the 482nd Fighter Wing, a fully combat-ready unit capable of providing F-16C Fighting Falcon fighter aircraft, along with mission ready pilots and support personnel for short-notice worldwide deployment. The base's economic impact on South Florida for FY2020 is estimated at approximately over \$397 million. In addition, the 482nd Fighter Wing supports several "tenant units" on Homestead Air Reserve Base. A Florida Air National Guard Detachment from the 125th Fighter Wing, Jacksonville, Fla., operates the North American Aerospace Defense Command (NORAD) alert facility providing F-15 fighter jets capable of intercepting, identifying, and if necessary, destroying unknown aircraft that penetrate U.S. airspace. Other tenant units include the U.S. Customs and Border Protection; the U.S. Coast Guard's Maritime Safety and Security Team Miami; the U.S. Army Corps of Engineers; the Florida Army National Guard; and the U.S. Special Operations Command South – a subordinate command of U.S. Southern Command located in the City of Doral, Florida.

In addition to all the public schools operated by the Miami-Dade County School Board, the City has several private parochial schools, charter schools and a Medical Academy for Science and Technology (MAST). Founded in 2010, MAST has established its place by achieving notable national recognition as a Merit School of Excellence from Magnet Schools of America for several years. Miami-Dade College's Homestead Campus provides higher education opportunities to residents in the area. Offering associate in arts degrees, associate in science degrees and vocational and college credit certificates programs, Homestead Campus is home to hundreds of educational options that include in-demand fields, such as nursing, aviation, education and more. 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 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 \$101 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; Gala Grand Opening held in December 2015). Since reopening, it has been the host to many events and performances.
- *Homestead Station*: A Multimodal Transit Station (\$33.3 million for the public facility). In March 2017, the City Council approved a development agreement for the construction of a project that includes a seven-story parking garage with at least 1,038 parking spaces, and 30,500 square feet of street-level retail liner (“the public facility”). The agreement also provided for the simultaneous construction of a 65,000 square foot multilevel structure that houses a 10-screen movie theater, 14 bowling lanes, video arcade, food service and restrooms (“the private facility”). The public facility project is primarily funded with transportation surtax monies (through a bond issue, and currently available surtax monies on hand), while the private facility is privately funded by the developer. During 2018, the City successfully closed on a New Market Tax Credit (“NMTC”) transaction that generated additional funding towards this project. The project will serve not only a public purpose, but it is expected to provide a fiscal and economic benefit to the City. A grand opening celebration was held in October 2019 to mark the opening of the private facility. The parking garage (the public facility) was completed in May 2020.
- *Homestead Cybrarium* (\$18.2 million completed in March 2021) It is an ultra-modern, public library that bridges the gap between literacy and cutting-edge technology located in the downtown area. Primary funding for the project is from a HUD loan, to be repaid from the City’s annual CDBG Entitlement allocation. Additional funding for the project was made available from the CRA, grants, available funds on hand, and other financing sources.

For FY 2021, the City will continue focusing on the following project that represent another \$15 million investment in its downtown:

- *Losner Park Expansion* (currently under construction in FY2021). The current phase of the project is being funded with parks and recreation impact fees; grants and other financing sources will also be sought for a future phase of the project.

Other future projects under consideration could include an Iconic Tourist Attraction (estimated at \$30 million, but with no cost to 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 has expanded its Trolley service to provide transportation and entry to the Everglades and Biscayne National Parks. The initial reaction has surpassed expectations, with hundreds of people participating in the weekend services. Participants include locals as well as out-of-towners, which get an opportunity to visit Homestead.

Long-Term Financial Planning

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

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

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

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 old police building was built in 1910, but was found to be unsafe; the remaining \$5 million was used to renovate the historical Seminole Theatre transforming it into a Community Cultural Arts Center. The New Police Building was completed in 2017, and the Seminole Theatre reopened in 2015. The repayment of the bonds is funded through increased property tax revenues through the implementation of a debt millage rate of 0.4800 mills for FY 2020.

In 2016, the City completed the construction of a New City Hall located in the downtown area. The project's construction cost was \$26.5 million, and the building was completed on time and on budget in April 2016. The project was funded from \$16.6 million available in funds set aside for this project; the funds were realized from the sale of the Park of Commerce parcels several years ago. The gap between the project cost and the available funds was made possible through a \$10 million line of credit that was converted to a bank loan in August 2016. The City has always considered that the sale of the old City Hall site would generate the ultimate gap financing for the project. This loan has an approximately \$8 million balloon payment due in August 2021, ultimately expected to be paid from the sale of the old City Hall site; in the interim, the City will look to refinance the loan to allow for an extended repayment period.

The New City Hall, the New Police Building, and the Seminole Theatre are all located in the City's downtown.

The City approved a development agreement for the construction of a parking garage with a retail liner (Homestead Station: a multimodal transit center), and the simultaneous construction of a family entertainment center at the site of the old police station in the heart of the downtown. The cost of this endeavor is \$33.3 million, and is funded with transportation surtax monies (including a bond issue being repaid primarily with transportation surtax monies). The entertainment complex opened in October 2019, and the parking garage was completed in May 2020.

During FY2020, the Cybrarium was under construction, and opened in March 2021. The City's funding of \$18.2 million includes a \$3.85 million HUD Section 108 Loan (to be repaid from CDBG annual entitlement funds), additional CDBG funds, funds on hand from the sale of an old bowling alley parcel, CRA funding, grants, and other financing sources.

In addition to these projects, the City's 5-year Capital Improvement Plan (CIP) identifies over \$48.9 million in projects to be undertaken in FY 2021- FY 2025, and funded by various sources.

The General Fund's spendable fund balance (including committed, assigned, and unassigned balances) at September 30, 2020 of \$12,047,856 represents 24% of General Fund expenditures. This ensures that the City will have sufficient funds for future unexpected events. At year end, the General Fund was able to recognize \$5 million in obligated funding from the State and FEMA as reimbursements for its funding of expenditures incurred in the aftermath of Hurricane Irma. This is reported as a transfer in from the Disaster Relief Fund where all the hurricane expenditures and public assistance are reported. The City continues to exercise cost stabilization measures, and seeks additional sources of recurring revenues whenever the opportunities arise.

Relevant Financial Policies

Over the past several years, the State of Florida has passed statutory legislation regarding the manner in which local governments may assess ad valorem taxes along with special voting requirements. Among the provisions of the legislation are special tax exemptions and maximum millage rate calculations based on the state's rate of growth. Further impairment of tax proceeds occurred with the housing crisis when the assessed value of property located within the City had declined from a peak of nearly \$4 billion at January 1, 2008 to just \$3.484 billion by the valuation date of January 1, 2020.

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

The City maintains an investment policy with the primary focus of capital protection while seeking investment earnings and providing for daily cash requirements. The City's investment portfolio at September 30, 2020 was \$36.8 million excluding investments of the fiduciary funds, and invested proceeds from a bond issue.

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

Major Initiatives

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

The City-Wide Transportation and Transit Master Plan serves to create a vision for the development of the roadway, pedestrian, bicycle and transit infrastructure in the City of Homestead to provide safe and efficient mobility within the City. The plan establishes parameters that provide guidance for all privately funded development within the City limits. The plan also sets priorities and timeframes for completion of several projects to build and improve roadways and right-of-ways. During 2020, projects completed by the streets division included:

- 5,980 square yards of asphalt repair/replaced
- 7.2 miles of street repaved
- 1,040 pot holes and 17 trash holes filled/repair
- 43,065 square feet of sidewalk repair/installed
- 423 linear feet of curb and gutter were installed
- 7 handicap pedestrian ramps were repaired/installed

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

Homestead has been designated the *Gateway to Everglades & Biscayne National Parks*, and to many it is also known as the gateway to the Florida Keys. The City provides a free guided trolley ride from Historic Downtown Homestead to the Everglades and Biscayne National Parks, allowing residents, neighbors, and visitors to explore the parks. This ground-breaking project is the first of its kind to offer public transportation to two national parks. The City’s successful local trolley service was impacted by the COVID-19 pandemic restrictions on social distancing, and as a result experienced the following ridership in 2020:

- 22,071 riders on its downtown route
- 18,102 riders on its East/West route
- 4,498 riders on the 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 2020, the Parks Department completed the plans and acquired the ROW permit for a portion of the Biscayne Everglades Greenway Trail, renovated/expanded the playground and replaced all picnic tables and nineteen benches at Roscoe Warren Park, renovated the locker room floors at Roby George Pool, and installed a grant-funded soccer mini pitch court at Roby George Park. Additionally, the Losner Park expansion project contract was awarded and construction will begin in FY2021. In response to the COVID-19 pandemic’s park closure requirements, the department conducted virtual recreation programs for the public. It also organized and staffed (with the assistance of other departments) a COVID-19 Hotline to provide critical information to the public at the onset of the pandemic.

During 2020, one of the major projects underway in the CRA is the continued redevelopment of Historic Downtown Homestead. Homestead Historic Downtown is listed on the National Register of Historic Places, and once served as the city center of the Homestead community. The CRA is committed to bringing back the energy, activity, development and prosperity of the downtown’s early life, and is working to bring catalytic projects to the area. The three major projects in the Downtown that the CRA has been heavily involved in are: The Homestead Station, a multimodal transit center (completed during FY2020), the Homestead Cybrarium, a 22nd century library that merges modern technology with traditional library services (opened in early FY2021), and the Losner Park Expansion that will transform a quaint pocket park into a world-class destination (anticipated to open in FY2022). Additionally, in an effort to promote future development, the CRA acquired two parcels located across from Homestead Station. As part of Special Events sponsorship, once again the CRA sponsored the Annual Martin Luther King, Jr. celebrations which included a traditional parade, and it also continued with its annual unique display of Holiday lights and decorations along SW 4th Avenue.

As a response to the COVID-19 pandemic, the CRA created a Small Businesses Recovery Grant providing up to \$5,000 per applicant for COVID relief assistance. The purpose of this one-time grant was to serve as gap funding until the business owner was able to receive Small Business Administration and/or Bridge Loan, or

funding until the business owner was able to receive Small Business Administration and/or Bridge Loan, or Payroll Protection Program funding from other sources. Also, a consultant was hired to assist small businesses to complete applications for federal assistance and to offer workshops and recommendations to recover from COVID-19. In addition, the CRA created the COVID-19 Rent & Utilities Assistance Grant Program designed to provide residents who live within the CRA boundaries with a one-time assistance of up to \$1,500 for one month's rent and/or utilities expenses

Funding for the CRA is expected to continue from the Tax Increment Funds provided by the City and Miami-Dade County.

In FY 2020, the Development Services Department welcomed and supported new development activities, existing businesses and expansions. In response to the COVID-19 pandemic, the Department developed and implemented new processes and procedures to ensure that continuation of services remained ongoing without putting our customers and employees at risk. These processes and procedures included acceptance of electronic application submittals using City email, conducting electronic plan review, and developing new methods of providing inspection services.

Additionally, the Development Services Department welcomed and supported many new and expanding businesses. The Business Services Division licensed over 2,504 businesses including 154 businesses that were new to the City of Homestead. The Division also provided consultation associated to process and procedures for opening a business, to an approximate 2,200 customers. The Planning and Zoning Division guided new businesses and developments through the review and approval process effectively and efficiently. During 2020, it administered 108 public hearing applications and numerous administrative applications, issued 56 zoning letters to customers and completed hundreds of zoning inquiries. The Building Safety Division provided support to residential and commercial customers. In FY 2020, the Division issued 4,490 permits, reviewed 5,739 construction plans, conducted 17,050 inspections, and issued 190 Certificates of Occupancy. The Division also responded to 4,440 public records requests/open permit searches, and processed 40/10-year building recertifications for 43 existing commercial buildings. Since March 18, 2020, the Building Safety Division has developed a system to allow all permit applications to be submitted electronically, utilized virtual inspections and third-party Private Provider services, as well as providing an online payment portal to allow a continuation of services without putting customers and employees at risk of exposure to the virus. The Department continues to review and refine aspects of the City's Land Development Code, and to assure that regulations are responsive to the current development climate of the community.

The Police Department accomplished a number of projects and initiatives during 2020. Highlights of these accomplishments included:

Administrative Division:

- Processed 14,115 incident/offense reports and crash reports
- Purchase and deployment of 80 multiband trunk mounted radios
- Anticipated deployment of ProPhonix as a replacement for the CAD, records management and report writing system
- Continued efforts on court overtime reduction program, and successfully reduced overtime for pre-file affidavits and juvenile court trials.

Community Services Division:

- Impounded 154 guns (e-traces processed for each)
- Impounded 3,416 property items
- Processed 11,896 reports
- Police Athletic League (PAL) continued with various youth programming, although many of these were cut short due to COVID-19 restrictions

- Police Explorers volunteered at several community events
- Police Explorers; the Explorer Academy graduated 29 cadets
- Community Policing Program
 - Participated in 55 community events
 - Attended 56 community meetings
 - Attended 20 presentations
 - Participated in 52 saturation details

Investigative Services Division:

- SIU: the unit's proactive and aggressive policing of the street level narcotics problem has resulted in arrests that have forced street level dealers to move out of the City. During 2020, detectives made 186 drug-related arrests.
- GIU: reviewed 6,500 incident reports, with 2,189 cases assigned to detectives and 274 cases cleared by arrest

Operations Division:

- Responded to approximately 136,070 calls for service
- Special Patrol Division:
 - 1,278 total crash investigations
 - 2,560 citations and made 62 arrests

Code Compliance Division:

- 2,481 new cases were initiated
- 2,629 lien searches were processed
- 71 code liens were recorded

Numerous officers successfully completed various forms of training

Additionally, the Police Department continued to provide needed social services to the community through the Start Off Smart (SOS) Program. Throughout the years, SOS has been successful in obtaining various forms of funding for various programs that serve children and families. During FY2020, the police department received over \$687,500 in grant funding as a result of applications written and submitted by SOS. Some other services provided through SOS on an annual basis (and provided differently than in the past due to COVID-19) include the following:

- SOS annually provides support to over 2,000 families
- Continued support services in order to address family violence, domestic violence, children's exposure to violence in their community, and lack of basic needs and homelessness. During 2020, more families needed resources, such as food distribution, assistance with bills, jobs, how to school their children virtually and how to access healthcare for the virus.
- Provided community education and awareness through various community-based events, many of which were held as drive-thru events to comply with CDC restrictions

Other projects and events undertaken through the Police Department included the following:

- Under the City's new initiative, SOS is assisting the City as part of Team Homestead in an effort to address chronic homelessness and healthcare for residents. The platform continues to grow with other County agencies looking to join.

Reaching a population of 50,000 in 2007 was a milestone that affords the City automatic appointment to the Board of the Metropolitan Planning Organization for the Miami Urbanized Area, (MPO). The MPO is responsible for guiding the transportation planning process and approving transportation projects for Miami-Dade County. The achievement also entitles the City to the Community Development Block Grant (CDBG) Entitlement Program. The CDBG Program is administered under the Finance Department. This funding source has provided the City over \$10.4 million between 2009 and 2020. Funding has provided assistance to

not-for-profit organizations, and funded several City facility improvements that have benefited low-income communities as well as stormwater, and wastewater infrastructure projects. The most significant CDBG project undertaken by the City was the construction of Wittkop Park. The project consisted of the installation of basketball courts, bathrooms, playground equipment, as well as trees and landscaping. The park opened in FY 2012. In 2013, the City was able to expand its assistance to non-for-profit agencies by providing public service grants. To date, 17 non-profit agencies have been funded which have introduced various programs in the community that have benefited low-income families. The projects ranged from emergency preparedness for senior citizens to swimming programs for children with disabilities. In 2014, the City once again expanded its services to the community by providing Housing Rehabilitation grant to low-income families. Grants of up to \$15,000 were made available to eligible low-income homeowners for home improvements. Over \$400,000 has been allocated towards this effort from its inception. The City expects to rehabilitate a total of 24 homes by the end of fiscal year 2022. Recently, the Finance Department successfully obtained a \$3.865 million HUD Section 108 Loan to provide funding for the Cybrarium project. The loan will be repaid from the annual CDBG entitlement funds received and administered by the department. Along with the loan, the City is also providing approximately \$910,000 in CDBG entitlement monies as partial funding for the Cybrarium project which opened in FY2021.

The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes, the goal of the program is being realized. The City used approximately \$2.6 million of the funds awarded through the program to purchase 15 foreclosed/abandoned homes and established financing mechanisms for potential homebuyers. Ten of the fifteen homes were sold to low-income individuals and families. The five remaining homes will be rehabilitated and sold to very low-income families by providing subsidies to eligible applicants. A request for proposals (RFP) will be issued in FY2021 to seek out developers and others who will assist in this project. This program is also administered through the Finance Department.

In addition to the aforementioned programs administered by the Finance Department, the department received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its FY 2020 Budget, and the Certificate of Excellence in Financial Reporting for its FY 2019 Annual Comprehensive Financial Report (ACFR). Throughout the year, the department participates in several seminars and webinars to insure staff are educated on the latest reporting requirements, and that anyone who is certified is able to maintain their required continuing professional education credits. Cross-training of staff is an ongoing process throughout the year, and serves to make the department more efficient. During 2020, the Finance Department was instrumental in the City's ability to respond and adapt to the fiscal impacts brought about by the COVID-19 pandemic where millions of revenue dollars were lost as a result orders and restrictions imposed on the public and on a global-wide level. In conjunction with the Development Services Department, an online payment portal was implemented to allow for the continuation of services without putting customers and employees at risk of exposure to the virus. The department also implemented remote depositing of any city-wide payments received by check.

During the year, the Electric Utility installed service to 401 new residential units, and 18 new commercial businesses. It installed or relocated close to one mile of underground cable, repaired 399 street lights, began engineering and design on a new high voltage grid interconnection with FPL at the Renaissance Substation to provide for additional redundancy of the electrical system, began installation of a new motor control center to upgrade the city's largest engine-generator sets (Unit #20), and completed relocation of several miles of electrical infrastructure facilities to allow for the widening of both Krome Avenue and Campbell Drive. The installation of a new large power transformer on the growing east side of town provides further reliability gains through redundancy of the electrical grid and by providing sufficient capacity for future electrical growth. Installation of the transformer was completed in 2019. Progress began on the installation of the

transformer's auxiliary components in 2020, and the transformer is scheduled to be energized in the second quarter of 2021. The Utility also finalized the purchase of a parcel of land in 2020 with plans for a new electrical substation to be built which will serve new customers on the west side of town. Electrical design work was started in 2020 and the substation is planned to come online in the next 2 to 3 years. In 2018, the Electric Utility monitored the pilot program which installed "smart" meters and a meter data collection system. Following about eight months of successful operation, it was decided to fully implement the communication system necessary to streamline the collection of metering data. Data collection infrastructure installations continued in 2019 and into 2020. The full deployment is planned for 2021.

The Utility continued its commitment to energy efficiency by conducting 451 free residential energy surveys and eight commercial surveys. It processed eight rebates to customers who installed energy efficient systems. It signed up ten customers to its surge blocker program, and it entered into net metering contracts with 62 residential customers who have installed solar power systems that feed back into the electrical grid. The Utility, in a continued effort to help keep prices low, manages day to day purchases of power under several purchase power agreements (PPAs). In 2019, the Utility terminated a higher cost PPA and entered into three new PPAs with significantly lower cost energy products. The Utility also brought extremely cost-effective participation in two large scale utility solar projects to the City. The solar projects are currently in progress and planned to go online in 2023. During the year, the Utility responded to 776 incidents where customers reported electrical concerns.

During this very challenging year, the Electric Utility maintained their RP3 (Reliable Public Power Provider) Diamond designation, the highest level achievable, that was upgraded from Platinum to Diamond in 2017. While the Utility was fortunate in not needing to respond to any hurricanes in 2020, employees were sent to provide mutual aid to the City of Lafayette, LA in the aftermath of Hurricane Delta.

The Water and Wastewater Utility completed many projects during 2020; the most notable included the following:

- Televised 6,340 linear feet of pipe
- Cleaned 25,199 linear feet of sewer main lines
- Changed out 1,753 meters for ten year old meter programs
- Installed 379 new meters for new water service accounts
- Repair/refurbish wells at all water treatment locations
- 25 sewer lines repaired throughout the City
- Treated 1.6 billion gallons of wastewater
- Produced 3.8 billion gallons of water
- Increased wastewater operating permit from 4.5 MGD to 5.0 MGD
- Enhanced security at the plant
- Improvements at the Race Track Water Tower (abrasive blast and interior paint)
- Replaced booster pumps at all well locations (#1-#6)
- Completed FDOT relocation projects at:
 - Krome Ave to US 1 on NE 8 Street
 - SW 296 Street to NE 8 Street on Krome Ave
- Completed several capital improvement projects including:
 - Various improvements at Pump Station 1
 - SCADA Monitoring
 - Two mechanical Bar screens
 - Annual lift station upgrades project

During 2020, the Solid Waste Department's most significant accomplishments included:

- Commercial Garbage – 22,036 tons collected
- Residential Garbage – 22,158 tons collected
- Bulk Trash – 11,867 tons collected
- Industrial Trash/Garbage roll-off and compactor – 8,921 tons collected
- Replaced two trash trucks and one crane truck
- The increase in the bulk trash and garbage collected in FY2020 was unprecedented, as a result of the Stay At Home orders imposed on resident at the height of the COVID-19 pandemic

During FY 2020, the General Services Department's three divisions accomplished several projects. The Procurement Division continues to pursue Certified Public Purchasing Officer (CPPO) and Certified Professional Public Buyer (CPPB) certifications for their staff members. During FY2020, and as a result of the COVID-19 pandemic, while many personal protective equipment supplies were hard to obtain, the division ensured every department had what was needed to continue operating safely and within CDC guidelines. This was not an easy task, as there were product shortages all over the country and many vendors were price gauging and falsely representing manufacturers. The division initiated a vendor rate reduction request for FY2020 purchase orders and other contracts to help reduce costs for the fiscal year to make up for any budget shortfalls. Finally, the Procurement Division, like some other departments, was successful in transitioning to virtual tele-conference meetings for pre-bid meetings, bid openings, and review committee meetings. Additionally, plans to update the procurement administrative policies and procedures are currently underway, as well as plans for electronic bidding and the acquisition of a new contract management software. The Fleet Management Division successfully managed the refurbishing of several solid waste trucks including one crane truck and two trash trucks. In FY 2020, as a response to the COVID-19 pandemic, the Information Technology Services Division (ITS) successfully transitioned City employees to a remote based work environment, while continuing to maintain the protection of our infrastructure and information with the use of cybersecurity tools. To ensure the continuance of public meetings, the division was able to migrate to virtual meetings which allowed residents, staff and elected officials the opportunity to remain involved via streaming services such as YouTube, virtual conferencing platforms and television. Additionally, ITS was able to update and expand its hardware infrastructure, and upgrade the computer network to obtain better features and a more reliable connection to better serve the community.

The City Clerk's office continues to pursue their goal for staff certifications as Certified Municipal Clerks, and, it continues to collaborate with Miami-Dade County Elections to improve citizen participation in the voting process. During the 2020 it also accomplished the following:

- Processed 2,629 lien searches
- Provided responses to 867 public record requests
- Prepared 138 resolutions, ordinances and final orders for execution and recording

The Customer Services Department's initiatives during FY2020, were primarily driven by the COVID-19 pandemic, and included the following:

- Successfully transitioned 80% of office staff to remote work
- Assistance and funds were extended through the Homestead Energy Lend a Hand Program ("HELP") to families who were facing a financial crisis due to the unforeseen event and could not pay their utility bills
- Expanded the payment plan program to assist those impacted by the pandemic to pay past due balances

The Human Resources Department is another department whose FY2020 initiatives were primarily the result of the COVID-19 pandemic as follows:

- Assisted approximately 135 employees and temporary staff members who were tested for COVID-19
- Made regular phone call to each quarantined employee to find out how they were doing
- Sent out citywide employee communication emails and text blasts to notify staff of the latest CDC guidelines, City protocols, and important mental health programs provided by the City
- Kept employees safe by working with all departments to devise alternate work schedules and processes; requiring negative test results before returning to work; and determining the need for quarantine and/or department disinfecting
- Established alternating schedules and allowed for remote work

The Public Information Office continued its pursuit of excellence in video and communication at the 2020 Telly Awards, bringing home recognitions in three different categories. The annual competition has been honoring excellence in video and television internationally for over forty years. This year, the Telly Awards received more than 21,000 entries including some from major media players like Netflix and CNN. Below are the entries for which the City was recognized:

- City of Homestead Staff Tribute is the Gold Telly Winner in Non-Broadcast: Low Budget
- Homestead, Let's Recycle is the Bronze Telly Winner in Social Video: Public Service & Activism
- Discover Downtown Homestead is the Bronze Telly Winner in Local TV: Travel/Tourism

The Public Information Office also launched a new branding initiative for Downtown Homestead that was awarded the top recognition of Grand Winner in the 2020 NYX Marcom Awards. The award recognizes the newly launched branding and marketing for the City of Homestead's revitalized historic district and lands it among other submissions from major global brands.

The Public Information Office took a lead role in communicating important updates to Homestead's residents regarding the COVID-19 pandemic. Strategies implemented included an outreach hotline, direct mailers, social media posts, live video updates, and flyer distributions to at-risk communities.

Recent Events Impacting the City

On September 10, 2017, the City was impacted by Hurricane Irma, a powerful Category 4 hurricane. While the center of the hurricane did not pass through the City, significant wind and rain were experienced. There were downed trees, fences and signage throughout the City including tree debris blocking the roadways. Many residents and businesses lost electricity throughout the City. The City has completed all power restoration efforts debris clearance and removal, and the minor damages to a few facilities have been mostly repaired. The City has filed all pertinent documentation for federal and state funding, and is currently addressing any subsequent requests for information. As of September 30, 2020, hurricane-related costs were approximately \$13.7 million, while funds for reimbursements were \$11.5 million. Staff is confident that most of the costs will be reimbursed from the Federal Emergency Management Agency (FEMA), with any ultimate costs to the City being paid from the City's hurricane fee reserves of over \$3 million.

As a result of the COVID-19 global pandemic, the City issued a declaration of emergency in March 2020. In an effort to combat and respond to this health emergency, the City has incurred certain expenditures that it anticipates getting reimbursed through various grants and public assistance programs.

As the City responds to the situation, it continues to provide uninterrupted essential services to its residents while keeping their safety and well-being, as well as that of its employees as a top priority. Additionally, as stated earlier, the City has implemented several programs to assist its residents and businesses during the pandemic, including but not limited to housing assistance, utility assistance (partially funded through the City's HELP Program), food distributions, and small business grants. Funding for most of these programs is anticipated from grants and public assistance. During FY 2020, revenue losses in the General Fund due to the pandemic approximated \$1.8 million (fuel and sales taxes, state shared revenues, recreation fees, fines and forfeitures, and rentals and other revenues), as a result of the national, state and local Stay at Home orders. The City addressed this by deferring certain operating and capital expenditures to minimize any impacts to the use of fund balance. For FY2021 the City reduced its revenue projections, and budget appropriations accordingly. However, as the pandemic continues, it is too early to determine what the total impact will be, so the City is closely monitoring its revenues and expenditures for any early indications of variances that would require attention.

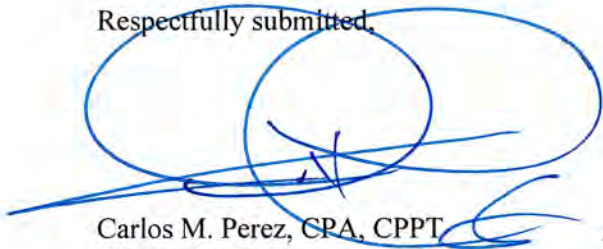
Other Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Homestead for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2019. This was the seventeenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



Carlos M. Perez, CPA, CPPT
Finance Director



CITY OF HOMESTEAD, FLORIDA

CITY OFFICIALS

SEPTEMBER 30, 2020

COUNCIL – MANAGER FORM OF GOVERNMENT

**CITY COUNCIL
2020**

Steven D. Losner, Mayor

Patricia D. Fairclough-Staggers, Vice Mayor

Erica G. Ávila

Jenifer N. Bailey

Sean L. Fletcher

Larry Roth

Stephen R. Shelley

CITY MANAGER

Cate McCaffrey

CITY CLERK

Elizabeth Sewell, MPA, MMC

CITY ATTORNEY

Weiss Serota Helfman Cole & Bierman P.L.

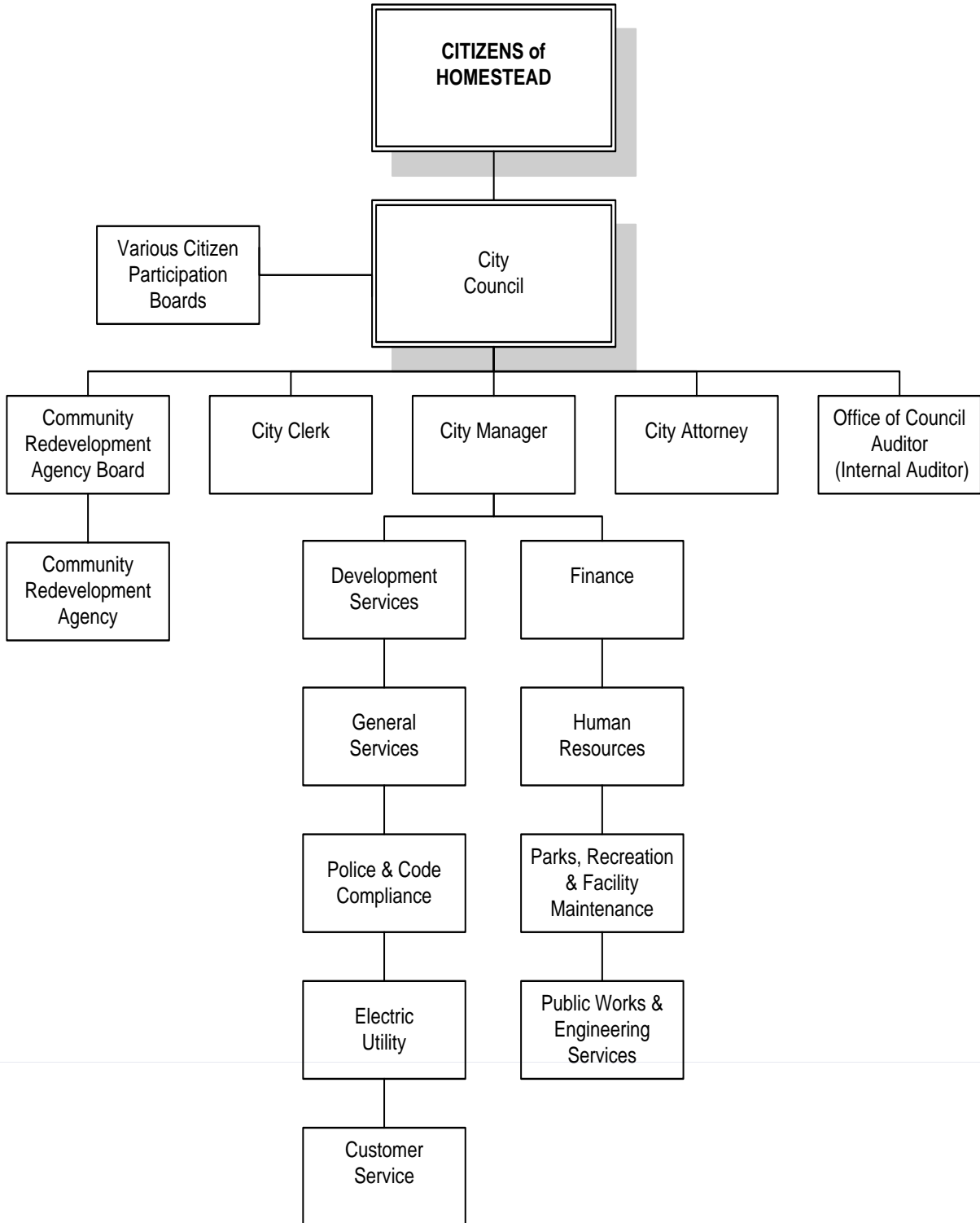
FINANCE DIRECTOR

Carlos M. Perez, CPA, CPPT

INDEPENDENT AUDITORS

Marcum LLP

City of Homestead Organization Chart





Government Finance Officers
Association

**Certificate of
Achievement
for
Excellence in
Financial
Reporting**

Presented to

**City of Homestead
Florida**

For its Comprehensive
Annual Financial Report
for the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

**INDEPENDENT
AUDITORS' REPORT**

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represent 86%, 94% and 40%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Pension Trust Funds are based solely upon the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, 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.

Other Matters

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 total OPEB liability and related ratios, changes in net pension liability and related ratios, schedule of employer contributions and the budgetary comparison schedules on pages 4-24 and 132-146 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other 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 statements and schedules and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the introductory and statistical sections are presented for additional purposes and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the combining and individual fund statements and schedules and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2021 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.

Marcum LLP

Miami, FL
May 5, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Homestead (the City), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. 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

- At September 30, 2020, the government-wide assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$220,131 (*net position*), an increase of \$1,058 or 0.5% from prior year.
- The City's *total assets and deferred outflows of resources* of \$427,570 reflect a net increase of \$19,844 from prior year. Current assets increased by \$9,463 while non-current assets increased by \$10,357. The increase in current assets resulted mostly from the increase in receivables of \$8,187 from FEMA for Hurricane Irma expenses and the increase of \$2,229 in notes receivable relate to the New Market Tax Credit (NMTC) transactions for the construction of the parking garage. The increase in non-current assets resulted from the increase in net pension asset and from cash and investments being spent for the construction of capital projects for governmental activities and purchases of capital assets for business-type activities.
- The City's *total liabilities and deferred inflows of resources* reflect a net increase of \$18,786 from \$188,653 in FY 2019 to \$207,439 in FY 2020. Current liabilities decreased by \$5,842 or 17% mostly from the decrease in construction cost payable for QALICB. Noncurrent liabilities increased by \$14,885 or 10% resulting from the increase of \$9,829 in notes and loan payable for QALICB relating to the NMTC transactions and \$5,697 increase in deferred power cost adjustment for Electric Utility.
- At September 30, 2020, the City's governmental funds reported a combined ending fund balance of \$62,684, an increase of \$4,019 from the prior year. The increase is mainly from the increase in account receivables primarily due to COVID-19 and notes receivable as mentioned earlier. Of the total fund balance, \$6,627 or 11% represents the *unassigned* fund balance, which is available for spending at the City's discretion.
- The City's enterprise funds reported combined ending net position of \$35,539, an increase of \$2,798 from the prior year; \$38,228 was *net investments in capital assets*, \$271 was *restricted* and (\$2,960) was *unrestricted*.
- At fiscal year end, the General Fund total fund balance increased by \$7,814 from \$35,251 in FY 2019 to \$43,065 in FY 2020, which represents approximately 87% of total General Fund expenditures. Of this total fund balance, \$30,611 was *nonspendable* and represents prepaid costs and long-term notes receivable, \$100 has been *restricted* for fiber optic security, \$306 *restricted* for HUD section 108 loan security, \$5,042 has been *committed* for a required reserve, \$379 was *assigned* for subsequent year's budget and \$6,627 was *unassigned*.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

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

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

This report also contains required and other 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 may be obtained from its separately issued financial statements.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, the Homestead Community Redevelopment Agency Fund, the Impact Fees Fund, the Disaster Relief Fund, and the Multimodal Transit Center Fund, all of which are considered to be major funds. Data for the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is presented in the form of *combining* statements elsewhere in this report.

The City adopts an annual budget for its General Fund, the Homestead Community Redevelopment Agency Fund, the Impact Fees Fund, the Disaster Relief Fund, the Multimodal Transit Center Fund and eight of the non-major governmental funds: Confiscated Property, Homestead Miami Speedway, Taxable Transportation System Revenue Bonds, HERO Tax Increment Financing, General Obligation Bonds, People's Transportation Plan, Capital Improvement, and Cybrarium Fund. 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

CITY OF HOMESTEAD, FLORIDA

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pages 132-136 and page 147 and the schedules of revenues, expenditures and changes in fund balance - budget and actual for the eighth non-major governmental funds can be found on pages 154-157 of this report.

The Sundries Grant Fund and the Community Development Block Grant Fund do not have an annual adopted budget. For FY 2020 no budget was adopted for New City Hall Fund or New Police Building Fund. Those two funds were closed out at the end of FY 2020.

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

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

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

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

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.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 37-131 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, the Homestead Community Redevelopment Agency fund, the Impact Fee fund and the Disaster Relief 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 132-146 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 147-165 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 \$220,131 at the close of fiscal year 2020 of which 84% was for governmental activities and 16% was for business-type activities.

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

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Homestead Summary of Net Position September 30, 2020 and 2019

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>Assets and Deferred Outflows of Resources:</u>					
Current assets	\$ 77,385	\$ 73,504	\$ 35,145	\$ 29,563	\$ 112,530	\$ 103,067
Other assets, non current	1,852	807	-	-	1,852	807
Capital assets, net	<u>221,526</u>	<u>221,140</u>	<u>76,314</u>	<u>67,388</u>	<u>297,840</u>	<u>288,528</u>
Total assets	<u>300,763</u>	<u>295,451</u>	<u>111,459</u>	<u>96,951</u>	<u>412,222</u>	<u>392,402</u>
Total deferred outflows of resources	<u>13,261</u>	<u>12,618</u>	<u>2,087</u>	<u>2,706</u>	<u>15,348</u>	<u>15,324</u>
<u>Liabilities and Deferred Inflows of Resources:</u>						
Current and other liabilities	11,094	12,054	16,850	21,732	27,944	33,786
Noncurrent liabilities	<u>108,668</u>	<u>102,658</u>	<u>50,576</u>	<u>41,701</u>	<u>159,244</u>	<u>144,359</u>
Total liabilities	<u>119,762</u>	<u>114,712</u>	<u>67,426</u>	<u>63,433</u>	<u>187,188</u>	<u>178,145</u>
Total deferred inflows of resources	<u>9,670</u>	<u>7,025</u>	<u>10,581</u>	<u>3,483</u>	<u>20,251</u>	<u>10,508</u>
Net position:						
Net investment in capital assets	168,780	171,874	38,354	38,895	207,134	210,769
Restricted	14,727	14,980	271	477	14,998	15,457
Unrestricted	<u>1,085</u>	<u>(522)</u>	<u>(3,086)</u>	<u>(6,631)</u>	<u>(2,001)</u>	<u>(7,153)</u>
Total net position	<u>\$ 184,592</u>	<u>\$ 186,332</u>	<u>\$ 35,539</u>	<u>\$ 32,741</u>	<u>\$ 220,131</u>	<u>\$ 219,073</u>

By far, the largest portion of the City's net position reflects its *net investment in capital assets* (e.g., land, buildings, infrastructure, and utility plant and systems), net of accumulated depreciation, less any outstanding related debt and deferred inflows/outflows used to acquire the assets. The City uses those capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's net investment in capital assets for fiscal year 2020 had a balance of \$207,134 (94% of total net position.)

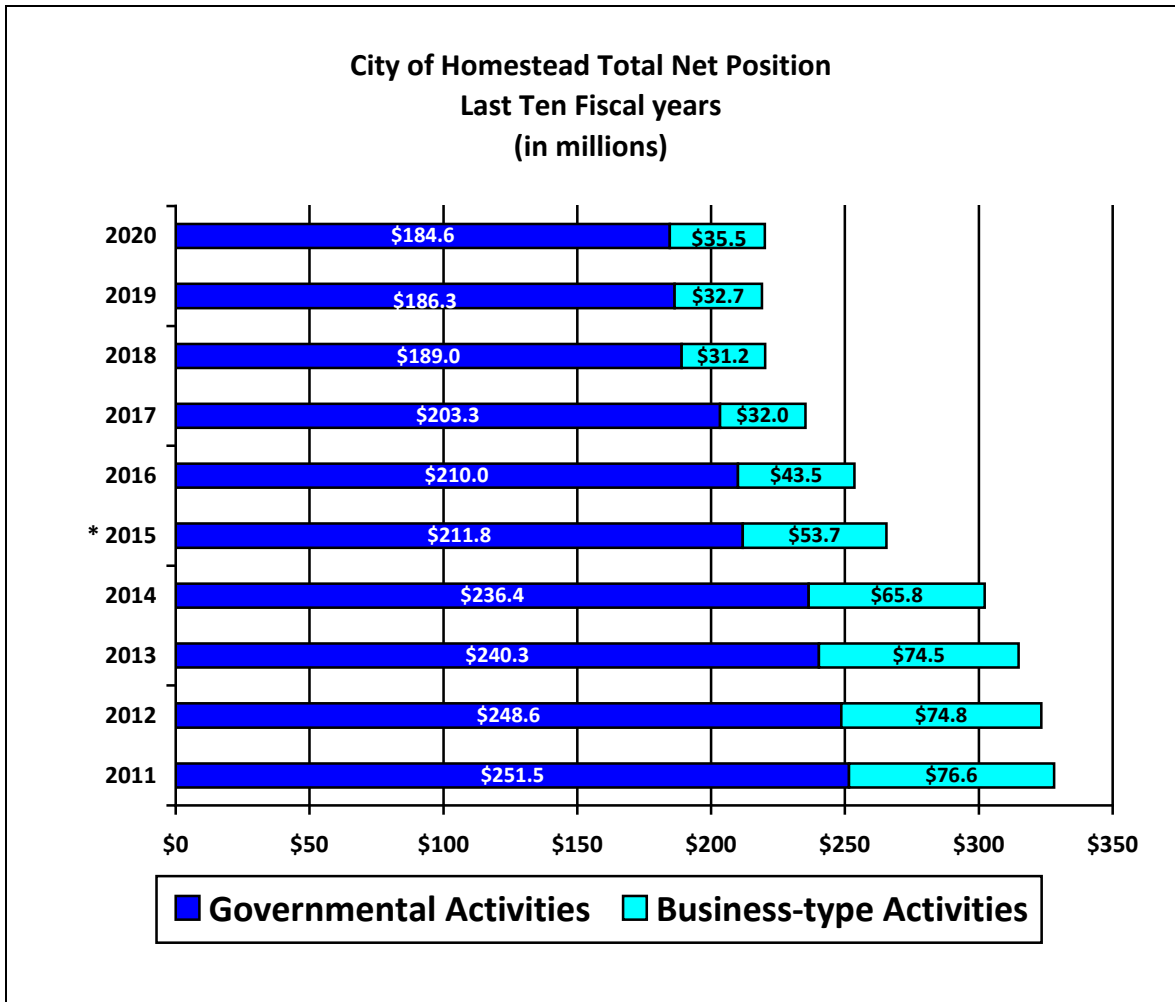
An additional portion of the City's net position is the *restricted net position* which represents resources that are subject to external restrictions on how they may be used. These resources have been set aside for capital projects, debt service payments and other contractual obligations. The City's restricted net position as of the end of fiscal year 2020 had a balance of \$14,998 (7% of total net position).

CITY OF HOMESTEAD, FLORIDA

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Unrestricted net position represents assets that may be used to meet the City’s ongoing obligations to citizens and creditors. For FY 2020 the City reported a total negative unrestricted net position of \$2,001. Unrestricted net position for governmental activities showed a \$1,085 positive and business-type activities showed a (\$3,086) deficit at the end of the fiscal year. This deficit does not mean that the City does not have the resources to pay its obligations next year. Rather, it is the result of having long-term commitments that are greater than the currently available resources. Unfunded long-term commitments include long-term debt (bonds and loans), equipment financing obligations, accrued liabilities for compensated absences, net pension liability, total OPEB liability and an estimated liability for claims and judgements.

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



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

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Summary of Activities

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

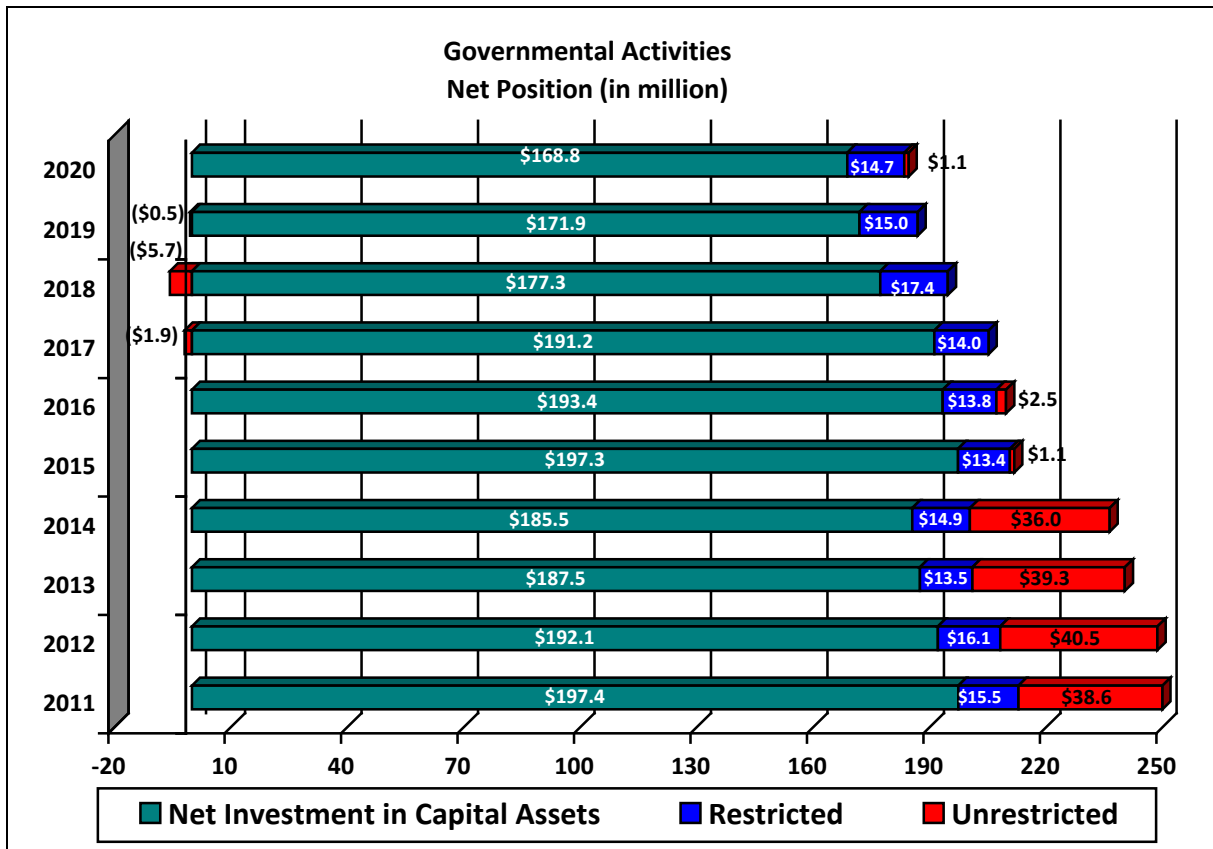
City of Homestead						
Summary of Changes in Net Position						
Fiscal years ended September 30, 2020 and 2019						
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program revenues:						
Charges for services	\$ 13,865	\$ 15,546	\$ 91,889	\$ 94,897	\$ 105,754	\$ 110,443
Operating grants and contributions	12,823	4,266	-	-	12,823	4,266
Capital grants and contributions	3,868	5,779	620	2,428	4,488	8,207
General revenues:						
Property taxes	20,720	18,836	-	-	20,720	18,836
Fuel taxes	1,137	1,305	-	-	1,137	1,305
Franchise fees on gross receipts	4,475	4,383	-	-	4,475	4,383
Utility taxes	1,554	1,558	-	-	1,554	1,558
Communication service taxes	1,383	1,344	-	-	1,383	1,344
Half cent sales taxes	5,025	5,845	-	-	5,025	5,845
Unrestricted intergovernmental	3,037	3,392	-	-	3,037	3,392
Payment in lieu of taxes	2,034	1,849	-	-	2,034	1,849
Other revenues	962	2,549	1,907	2,449	2,869	4,998
Unrestricted investment earnings	773	1,102	105	108	878	1,210
Cares Act	604	-	77	-	681	-
Total revenues	<u>72,260</u>	<u>67,754</u>	<u>94,598</u>	<u>99,882</u>	<u>166,858</u>	<u>167,636</u>
Expenses:						
General government	16,071	19,120	-	-	16,071	19,120
Public safety	36,940	31,313	-	-	36,940	31,313
Public works and services	4,913	4,973	-	-	4,913	4,973
Parks and recreation	8,587	8,605	-	-	8,587	8,605
Disaster relief	1,656	1,495	-	-	1,656	1,495
Interest on long-term debt	2,309	2,566	-	-	2,309	2,566
Unallocated depreciation	2,439	2,538	-	-	2,439	2,538
Water / Sewer utilities	-	-	19,829	18,630	19,829	18,630
Electric utility	-	-	57,350	65,512	57,350	65,512
Solid waste	-	-	13,697	12,444	13,697	12,444
Other enterprise	-	-	1,799	1,590	1,799	1,590
Homestead Station QALICB	-	-	210	50	210	50
Total expenses	<u>72,915</u>	<u>70,610</u>	<u>92,885</u>	<u>98,226</u>	<u>165,800</u>	<u>168,836</u>
Increase/(Decrease) in net position before transfers	(655)	(2,856)	1,713	1,656	1,058	(1,200)
Transfers	(1,085)	138	1,085	(138)	-	-
Increase (Decrease) in net position	(1,740)	(2,718)	2,798	1,518	1,058	(1,200)
Net position – beginning	<u>186,332</u>	<u>189,050</u>	<u>32,741</u>	<u>31,223</u>	<u>219,073</u>	<u>220,273</u>
Net position – ending	<u>\$ 184,592</u>	<u>\$ 186,332</u>	<u>\$ 35,539</u>	<u>\$ 32,741</u>	<u>\$ 220,131</u>	<u>\$ 219,073</u>

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS

Governmental activities

Total net position of the City’s governmental activities decreased by \$1,740 from \$186,332 in FY 2019 to \$184,592 in FY 2020, or 1%. Net investment in capital assets decreased by \$3,094 mostly from depreciation of new facilities. Restricted net position decreased \$253 while unrestricted net position increased \$1,607 mostly from Hurricane Irma related reimbursements.



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

- Sales tax, unrestricted intergovernmental, and other revenues decreased by \$2,762 primarily due to the “stay at home” orders issued during the COVID-19 pandemic that started in May 2020.
- Total charges for services decreased by \$1,681 primarily due to decrease in fines and forfeitures, permit fees and impact fees, somewhat impacted by COVID-19.
- Gross property taxable value for the City increased for a seventh straight year, from \$2.858 billion in 2019 to \$3.144 billion in FY 2020. The City chose to maintain its property tax millage rate at 5.9215 mills which is 0.3974 mills higher than the FY 2020 rolled back rate of 5.5241 mills. Total property tax revenues increased by \$1,884 from the increase in assessed property taxable value.

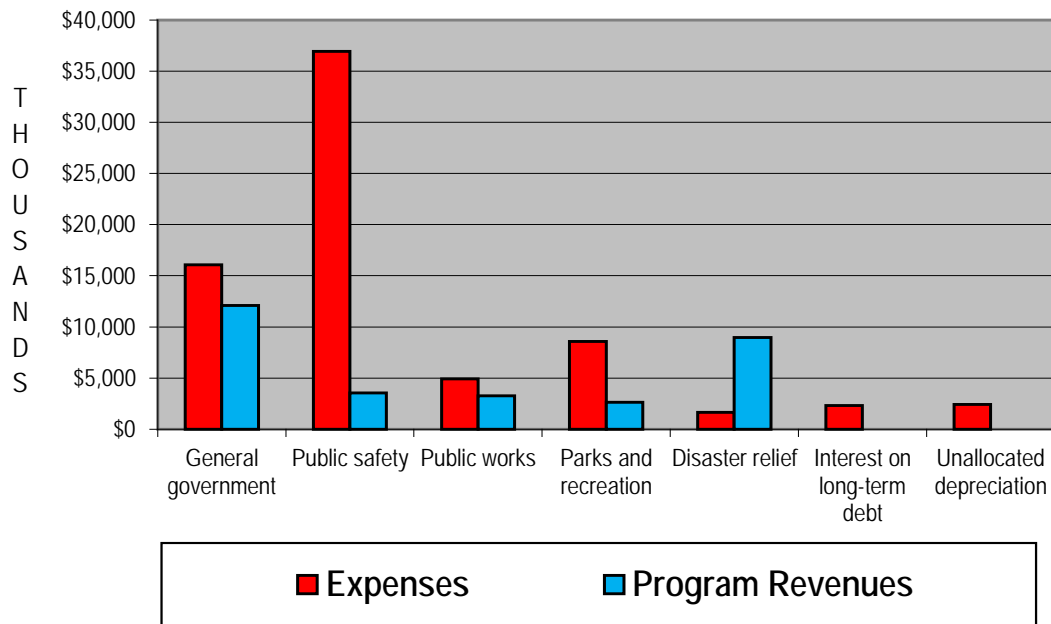
CITY OF HOMESTEAD, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS

- Debt millage rate decreased from 0.5300 mills in FY 2019 to 0.4800 mills in FY 2020 due to increase in assessed property taxable value.
- In FY 2020, the City received \$8,965 from FEMA for the reimbursement for Hurricane Irma related expenditures incurred in previous year; this resulted in the increase in grants and contributions.
- Other taxes decreased by \$861 mostly from decrease in half cent sales taxes as a result of COVID-19.
- Total governmental activities expenses increased by \$2,305 from prior year mostly from the increase in net pension liability and OPEB liability.

The following charts compare expenses and program revenues and revenue by sources for governmental activities for fiscal year 2020:

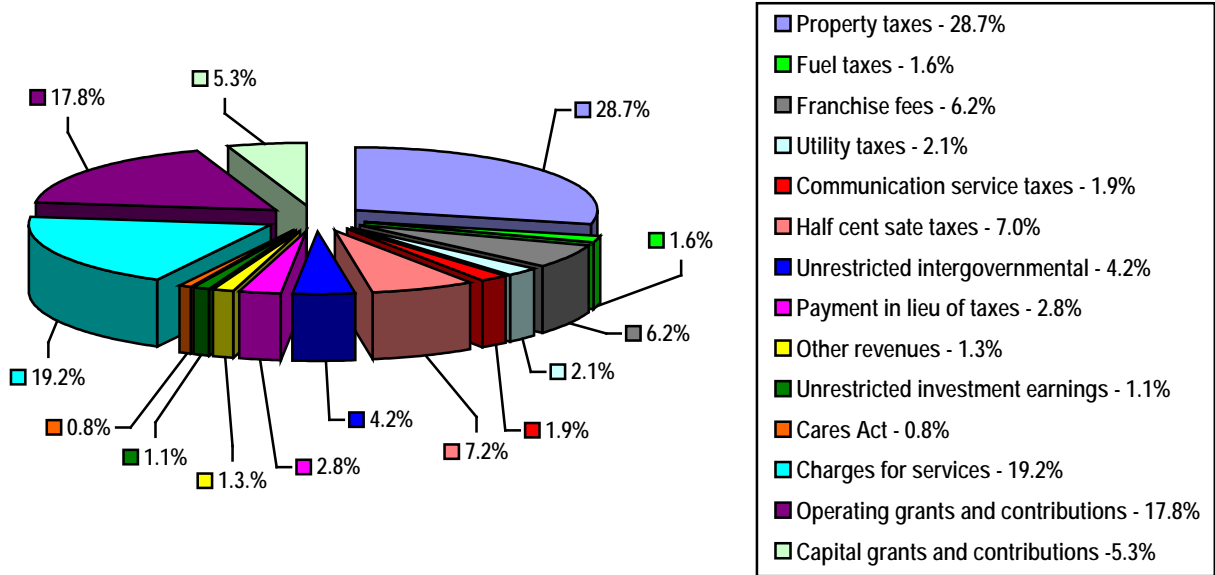
Governmental Activities - Expenses and Program Revenues



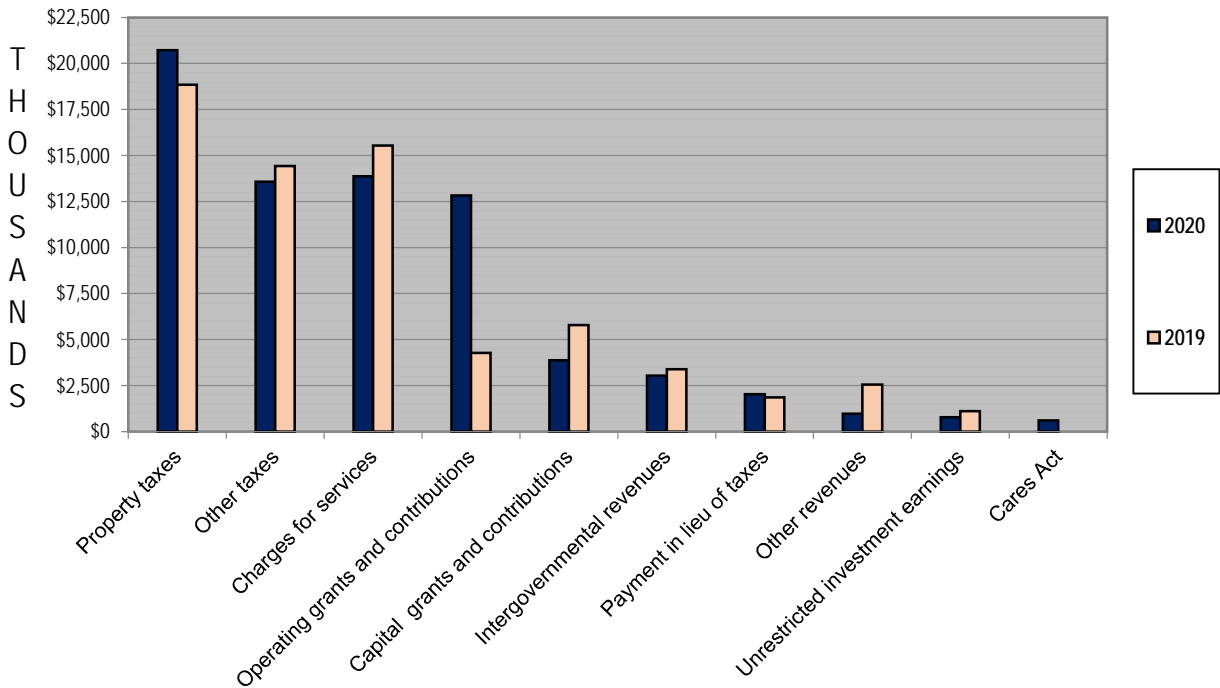
CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities – Revenues by Source



Governmental Activities – Current Year Revenues vs. Prior Year Revenues

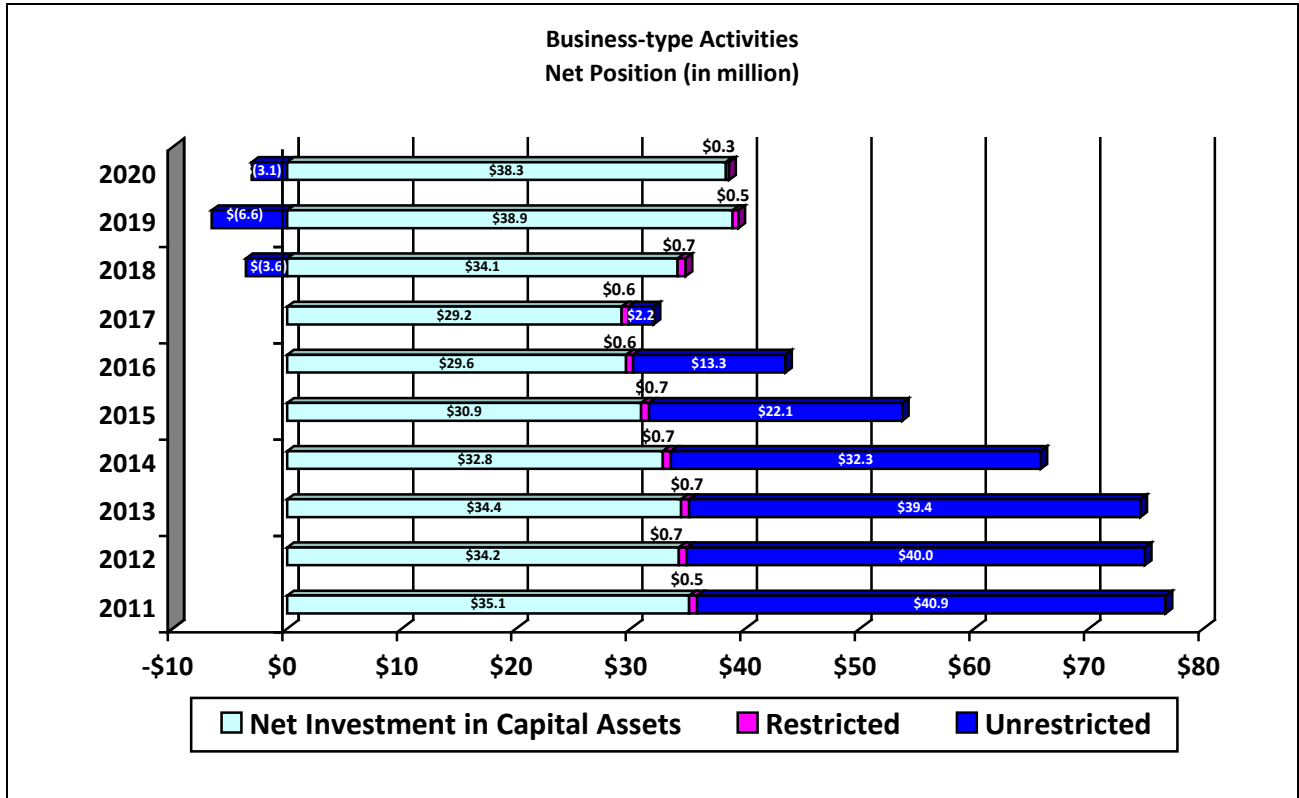


CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$2,798 from \$32,741 to \$35,539, or 9% from the prior year.



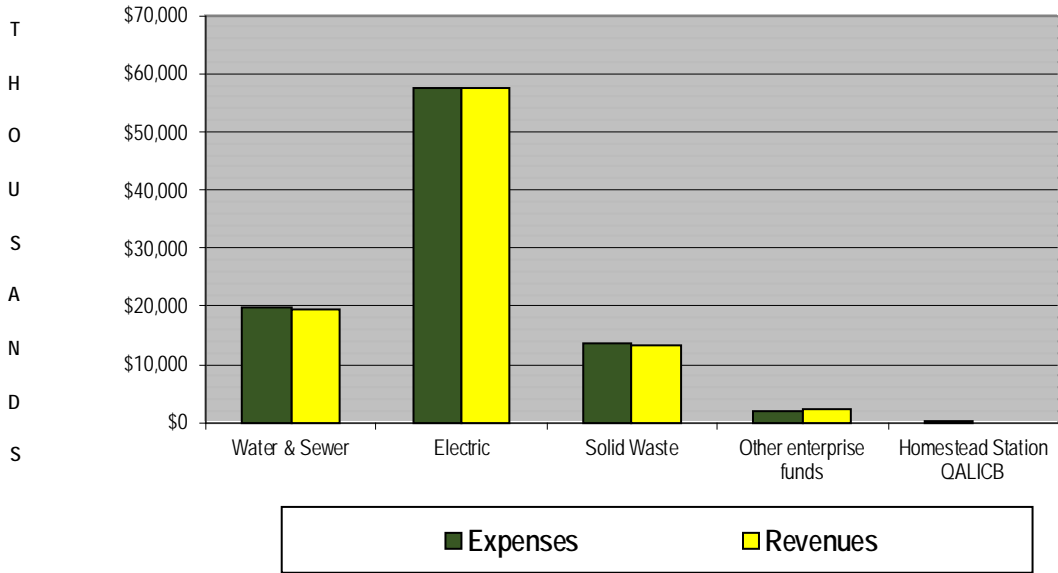
Key elements of the City's business-type activities for fiscal year 2020 are as follows:

- Overall charges for services decreased by \$3,008 or 3% from the prior year. Electric Utility charges for services decreased by \$6,846 mostly from the decrease in power cost adjustments revenue of \$10,763. Water and Sewer had an increase in charge for services of \$2,522 mostly from a CPI rate increase. Stormwater charge for services increased by \$519 and Solid Waste charges for services increased by \$742.
- Capital grants and contributions of \$620 was for capital contributions from governmental activities to Electric Utility.
- Other revenues decreased by \$541 due to the decrease in connection and transfer fees for both Electric Utility and Water & Sewer Utility.
- Electric Utility expenses decreased by \$8,147 primarily from the decrease of \$8,595 in purchased power supply. The expenses for other utilities remained consistently stable.

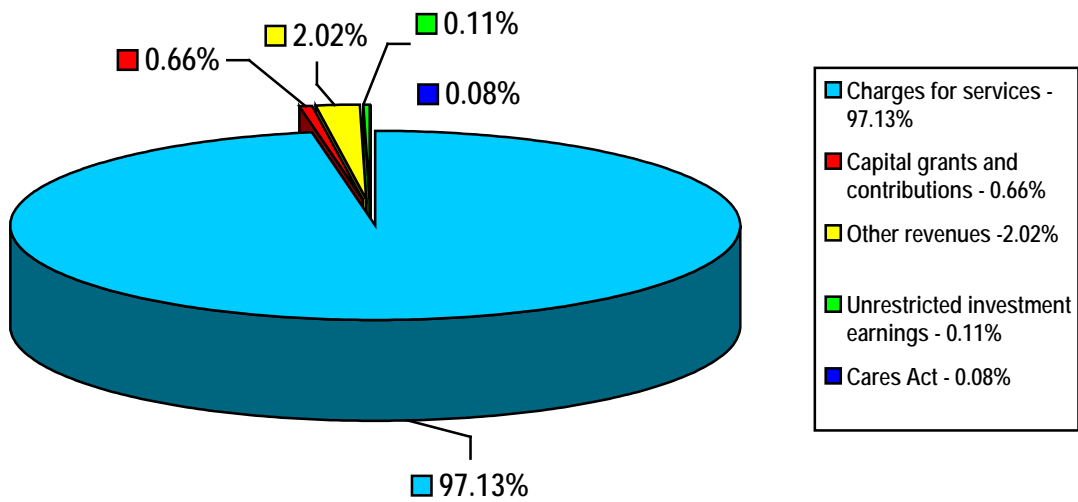
CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities – Expenses and Revenues



Business-type Activities – Revenues by Source



CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the City of Homestead's Funds

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

Governmental funds.

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

As of the end of fiscal year 2020, the City's governmental funds reported a total fund balance of \$62,684, an increase of \$4,019 from prior year. Out of this amount, \$30,611 or 49% was in *nonspendable* which represents prepaid costs and the long-term note receivable. \$13,788 or 22% is *restricted* by third parties such as grantors, creditors, state statute or other governmental entities for specific type of expenditures. The City, through ordinances, has \$6,459, or 10%, 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 \$5,042, and 2) *committed* fund balance to be used for specific purposes such as public art and transportation of \$1,417.

The City also has *assigned* \$5,199 or 8% of the fund balance to be used for parks and recreation, capital projects and expenditures for next fiscal year. *Unassigned* fund balance is the portion of fund balance that is available for spending at the City's discretion. \$6,627 or 11% of the governmental fund balance constitutes *unassigned* fund balance.

The General Fund is the chief operating fund of the City. All revenues, other receipts, expenses, 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 \$43,065, an increase of \$7,814 from prior year, from the increase in the long term note receivable from QALICB, and FEMA reimbursements. The unassigned fund balance of \$6,627 constitutes 15% of the total fund balance which represents an increase of \$5,976 from prior year. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 13% of total General Fund expenditures, while total fund balance represents 87% of that same amount.

Besides the General Fund, major governmental funds include the Homestead Community Redevelopment Agency, the Impact Fee Fund, the Disaster Relief Fund, and the Multimodal Transit Center Fund. The Homestead Community Redevelopment Agency's fund balance decreased \$437, from \$2,127 in 2019 to \$1,690 in 2020 due to money being spent on capital projects. Impact Fees' fund balance decreased by \$779 mostly due to the decrease in impact fees revenues. Disaster Relief's fund balance and Multimodal Transit Center's fund balance remained relatively stable.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As for other non-major governmental funds, People's Transportation Plan's fund balance decreased by \$639, due to the transfer out of \$700 to the Multimodal Transit Center to help fund the parking garage/retail center project. The Cybrarium's fund balance decreased by \$1,825 mainly from the monies being spent on the construction of the Cybrarium.

Blended component unit - Homestead Community Redevelopment Agency (CRA): During fiscal year 2020 the CRA completed projects/activities included partial funding for the construction of the Homestead Cybrarium, held two community events within the CRA area, provided both commercial and residential grants to assist small business and CRA residents during the COVID-19 pandemic.

Activities/projects planned for fiscal year 2021 include continued support of the development of the Homestead Cybrarium, support for Seminole Theatre, land acquisitions, Losner Park community events, down payment assistance program for low to moderate income people, and commercial and residential enhancement grant programs.

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 2020, Water & Sewer Utility is reporting an operating income of \$224 which was an improvement from the operating loss in FY 2019 of \$757. *Total net position* increased by \$187 while *unrestricted net position* has a negative balance of \$5,927, the effect of multiple years of operating losses. 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. While the ultimate goal of the rate increases is to eliminate the operating losses and negative unrestricted net position, the results to net position will not be met in one year, but will instead be expected to take approximately 3-5 years to reach that goal.
- For FY 2020, the Electric Utility reported an operating income of \$860. Revenues went down by \$7,012 resulting from the decrease in purchased power adjustment revenue. Expenses also went down by \$8,146 due to the decrease in purchased power costs. *Total net position* increased by \$2,585 while *unrestricted net position* decreased by \$1,635, from a negative balance of \$841 in FY 2019 to a negative balance of \$2,476 in FY 2020. The negative unrestricted net position is primarily due to the \$5,697 in deferred inflows for power cost adjustment. This is expected to be addressed in FY 2021 with a rebalancing of the electric utility rates that will result in no increases to its customers.
- Solid waste had operating losses of \$227 mostly due to COVID19 expenses for excess trash and overtime while other enterprise funds had an operating income of \$373.
- In summary, total net position for all proprietary funds increased by \$2,798 from \$32,741 in fiscal year 2019 to \$35,539 in fiscal year 2020.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

In FY 2020, the City's proprietary financial statements include the QALICB's financial statements for the period from July 1, 2019 to June 30, 2020. QALICB reported a negative net position as of June 30, 2020 of \$60. More detail information for the Homestead Station QALICB may be obtained from its separately issued financial statements.

General Fund Budgetary Highlights

The General Fund budgetary comparison schedules can be found on pages 132-133 of this report.

Budgeted revenues compared to actual revenues. Actual General Fund revenues before other financing sources were \$1,261 lower than the final budgeted amount.

- Property taxes were \$201 higher than the budgeted amount due to delinquent taxes collected within the current fiscal year.
- Fuel taxes, half cent sales taxes and state revenue sharing were \$116, \$656 and \$222, respectively lower than the budgeted amount as a result of COVID 19 pandemic.
- Other revenues such as licenses and permits, recreation fees, fines and forfeitures and rental and other revenues were also lower than budgeted amount, all as a direct result of COVID-19 pandemic.
- Other financing sources include \$604 in Cares Act reimbursement of some of the costs incurred to respond to the COVID-19 pandemic.

Budgeted expenditures compared to actual expenditures. The General Fund's expenditures before transfers were \$1,582 lower than budgeted.

- General government showed a positive variance of \$1,048. All of the departments in the General Fund reported positive variances. Mayor and Council had an \$519 positive variance mostly from unused internal audit fees and lower than expect pension costs.
- Transfers in had a positive variance of \$7,302 resulting from unbudgeted transfers in of \$5,000 from Disaster Relief Fund into the General Fund for the FEMA reimbursements of Hurricane Irma expenses and \$2,230 from Multimodal Transit Center to the General Fund for NMTC-related transaction.
- In summary, the overall positive variances in general fund expenditures are primarily attributed to the efficiencies of operations, tighter budget constraints and careful management of the City's finances implemented to mitigate the loss of revenues resulting from COVID-19.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2020 amounted to \$297,840 (net of accumulated depreciation). Capital assets include land, buildings, improvements other than buildings, furniture & fixtures & equipment, artworks, intangible assets, machinery and equipment and infrastructures. The City's investment in capital assets for FY 2020 decreased by \$3,635 or 2% from previous year. Major capital asset events that occurred during the fiscal year include the following:

- Purchased 2 parcels of land for future development for \$440, funded by the CRA.
- Installed a new roof for procurement for \$302, funded by the Capital Improvement Fund.
- Street and sidewalk replacements and improvements totaling \$269 were funded by the General Fund, and People's Transportation Plan Fund.
- Purchased 214 new computers for all the departments throughout the City for \$329, funded through a new equipment financing in FY 2020.
- Also funded through new equipment financings in FY 2020 were 6 new vehicles for police, 1 vehicle for development service, a forklift truck for procurement and a new storage area network for IT for a total of \$782.
- Purchased additional 7 more vehicles for the police department for \$231, funded by the General Fund, police impact fee and the Confiscated Property.
- Purchased 75 truck mount radios for the police for \$366, funded by police impact fees.
- Public works finished the construction of a temporary bus shelter for \$157, funded by People's Transportation Plan Fund.
- Parks purchased two Toro Sand Pro and a Toro lawn mower for \$105, funded by parks impact fees.
- Governmental citywide construction-in-progress projects at fiscal year-end 2020 totaled \$16,009. These included projects such as traffic light signal upgrade, new playground at Roscoe Warren park, Losner Park expansion, the downtown Multimodal Transit Center project, Biscayne Everglades Greenway project, and Cybrariam project. Most of the projects are funded by grants, impact fees, CDBG and People's Transportation Plan fund except for the Multimodal Transit Center construction which is funded by the proceeds from the Taxable Transportation System Revenue Bonds, series 2017.
- Electric completed several new underground and overhead projects for \$1,912, upgrade of several generators for \$384, meter replacement project for \$170, purchased land for future substation for \$609, and completed the relocation of infrastructure lines for the total of \$2,442. Major construction-in-progress at year end included various underground constructions for \$1,100, Renaissance power transformer for \$1,126, Renaissance substation expansion for \$1,418, power plant generator improvements of \$1,130 and downtown infrastructure project for \$373.
- Water and Sewer completed the relocation of two water main lines for a total of \$207. Completed telemetry project for \$831 and mechanical bars project for \$400, both were funded through equipment financing,
- Solid waste purchased two Mack side loader garbage trucks for \$212 and a Mack front loader garbage truck for \$184, all were funded by a new equipment financing in FY 2020.
- Capital asset at fiscal year ended June 30, 2020 for Homestead Station QALICB amounted to \$33,171.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Depreciation expense totaled \$10,652 and \$4,854 for governmental activities and business-type activities, respectively.
- During the year, governmental activities contributed \$620 to business-type activities, primarily as part of the funding for relocation of electric infrastructure.

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) September 30, 2020 and 2019

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	Land	\$ 48,198	\$ 47,759	\$ 1,876	\$ 1,267	\$ 50,074
Land improvements	538	491	-	-	538	491
Buildings and improvements	102,078	105,582	32,927	-	135,005	105,582
Other improvements	12,187	14,062	-	-	12,187	14,062
Furniture, fixtures and equipment	6,132	6,347	-	-	6,132	6,347
Artworks	3	3	-	-	3	3
Infrastructure	36,381	38,820	-	-	36,381	38,820
Utility plant and systems	-	-	35,346	32,037	35,346	32,037
Construction in progress	16,009	8,076	6,165	34,084	22,174	42,160
Total capital assets	<u>\$ 221,526</u>	<u>\$ 221,140</u>	<u>\$ 76,314</u>	<u>\$ 67,388</u>	<u>\$ 297,840</u>	<u>\$ 288,528</u>

Additional information on capital assets can be found in Note 8 on pages 63-64 of this report.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt and loans outstanding of \$100,426. The City's bonded debt represents bonds secured by specific revenue sources. Total governmental bonded debt and loans payable amounted to \$63,686. Of this amount \$22,972 was for General Obligation Bonds, Series 2014 and \$29,275 was for Taxable Transportation System Revenue Bonds, Series 2017. Business-type activities bonded debt and loans payable amounted to \$36,740. Electric Utility Bonds Series accounted for \$2,400 and Homestead QALICB Notes payable accounted for \$34,340.

The City's total debt increased \$10,4401 during the current fiscal year:

- Governmental activities debt increased by \$1,158 due to HUD Section 108 Loan of \$3,089 for the Cybrarium capital project. The City paid off the HERO Tax Increment Revenue Refunding Bonds on April 1, 2020. The remaining difference was due to principal payments made during FY 2020 on other debts.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS

- Business-type activities’ debt increased by \$9,282. QALICB notes payable increased from \$24,638 in FY 2019 to \$34,340 in FY 2020; this debt is related to the NMTC transaction involving the parking garage project. The City also paid off the Electric Utility Bond, Series 2004 on January 1, 2020.

Under Florida Statutes, no debt limit margin is placed on local governments. In December 2018, S&P affirmed an A+ rating on the City’s general obligation bonds and increased the rating for the City’s taxable transportation system revenue bonds from A to A+. The City also received an affirmed Aa3 rating on its general obligation bonds and A1 on its taxable transportation system revenue bonds from Moody’s on September 13, 2019.

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, 2020 and 2019

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General Obligation Bonds, Series 2014	\$ 21,580	\$ 22,090	\$ -	\$ -	\$ 21,580	\$ 22,090
Plus: Unamortized Bonds Premium	<u>1,392</u>	<u>1,450</u>	<u>-</u>	<u>-</u>	<u>1,392</u>	<u>1,450</u>
Total General Obligation Bonds	22,972	23,540	-	-	22,972	23,540
Taxable Transportation System Revenue						
Bonds, Series 2017	29,275	29,930	-	-	29,275	29,930
HERO Tax Increment Revenue						
Refunding Bonds, 2003	-	284	-	-	-	284
Derivative instrument - Interest rate swap	-	4	-	-	-	4
HUD Section 108 Loan	3,089	-	-	-	3,089	-
New City Hall \$10M Loan	8,350	8,770	-	-	8,350	8,770
Electric Utility Bond, Series 2004	-	-	-	420	-	420
Electric Utility Bond, Series 2019	-	-	2,400	2,400	2,400	2,400
Homestead Station QALICB Notes payable	<u>-</u>	<u>-</u>	<u>34,340</u>	<u>24,638</u>	<u>34,340</u>	<u>24,638</u>
Total bonds and loans payable	<u>\$ 63,686</u>	<u>\$ 62,528</u>	<u>\$ 36,740</u>	<u>\$ 27,458</u>	<u>\$ 100,426</u>	<u>\$ 89,986</u>

Additional information on long-term debt and long-term liabilities can be found in Note 9 on pages 65-77 of this report.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

- The City's FY 2021 original adopted budget reflects anticipated revenues and expenditures of \$193,199.
- The FY 2021 budget provides funding for all capital improvement projects estimated at \$18,349.
- For FY 2021, the General Fund required reserve is \$5,223 or 10% of the 2021 adopted budgeted amount of General Fund revenues of \$52,226.
- The City's taxable property values increased for an eighth consecutive year after four prior years of decline. Values increased from \$3.144 billion for fiscal year 2020 to \$3.484 billion for fiscal year 2021, an increase of 10.81%; an indication that the housing market is still strong.
- For fiscal year 2021, the City set operating millage rate at 6.2055 mills, which is 0.6358 higher than its 2021 rolled back rate of 5.5697 mills. This was the first millage rate increase since fiscal year 2014. The reason for the increase was the shift of library taxes millage rate of 0.2840 mills which used to be under the County millage and now was included as part of the City millage rate.
- The City lowered its debt millage rate for the general obligation bonds for fiscal 2021 to 0.4485 mills from 0.4800 mills in FY 20209.
- For fiscal year 2021, the General Fund balanced the budget without the use of reserves for the third consecutive year since FY 2009 when the City's property value was at an all-time high at \$3.96 billion.
- The City did not increase the electric, stormwater, or solid waste utility rates for the 2021 fiscal year; it did however adjust its water & sewer rates for inflation base on CPI.
- According to U.S. Department of Labor, Bureau of Labor Statistics, the City's total population increased from 76,236 in 2019 to 76,334 in 2020. The unemployment rate for the City increased from 4.0% in 2019 to 11.9% in 2020 due to COVID-19 pandemic.
- General economic conditions both globally and in our state have required the City to closely monitor revenue and expenditure trends during the current year. Economic conditions can reflect a declining, stable or growing environment and has a substantial impact on property assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption. Like many local governments across the country, the City is working to strike the delicate balance of maintaining service levels to its citizens while keeping taxes and service charges as low as possible. Circumstances are looking more positive than originally anticipated in the beginning of the COVID-19 pandemic, as the City has not experienced revenue shortfalls to the degree of great concern. In addition, there appears to be various revenue sources in the pipeline in the form of COVID-19 Relief from the Federal Government to address any revenue shortfalls the City has experienced.
- Overall, the City's adopted budget is an economical and prudent financial plan that will ensure quality public services and needed capital improvements for all residents, both today and in the future. As preparation begins on the 2022 budget, the City's focus will be on revenue enhancements and expenditure containment as well as carefully monitoring the Florida legislature's initiatives and their future impact on the City's ability to function at its present level.

CITY OF HOMESTEAD, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.cityofhomestead.com. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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



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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 3,732,521	\$ 2,298,305	\$ 6,030,826
Investments	22,241,595	2,450,433	24,692,028
Receivables, net	15,432,230	22,280,284	37,712,514
Internal balances	2,700,000	(2,700,000)	-
Prepaid costs	117,636	166,493	284,129
Note receivable	30,493,770	-	30,493,770
Inventories	200,437	3,684,003	3,884,440
Restricted assets:			
Cash and cash equivalents	2,075,097	6,296,802	8,371,899
Investments	392,035	668,689	1,060,724
Total current assets	<u>77,385,321</u>	<u>35,145,009</u>	<u>112,530,330</u>
Non-current Assets:			
Capital assets not being depreciated	64,210,341	8,041,023	72,251,364
Capital assets being depreciated, net	157,315,476	68,272,726	225,588,202
Sub-total capital assets	221,525,817	76,313,749	297,839,566
Asset available for sale	807,346	-	807,346
Net pension asset	1,044,515	-	1,044,515
Total non-current assets	<u>223,377,678</u>	<u>76,313,749</u>	<u>299,691,427</u>
TOTAL ASSETS	<u>300,762,999</u>	<u>111,458,758</u>	<u>412,221,757</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	13,184,502	2,039,232	15,223,734
Deferred outflows for OPEB	76,485	48,225	124,710
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>13,260,987</u>	<u>2,087,457</u>	<u>15,348,444</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	5,003,547	10,837,534	15,841,081
Unearned revenue	4,867,839	649,601	5,517,440
Other liabilities	687,856	-	687,856
Liabilities payable from restricted assets:			
Customer deposits	-	5,257,684	5,257,684
Current accrued interest payable	535,013	105,493	640,506
Total current liabilities	<u>\$ 11,094,255</u>	<u>\$ 16,850,312</u>	<u>\$ 27,944,567</u>

(Continued)

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

(Continued)

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
LIABILITIES (continued):			
Non-current liabilities:			
Due within one year :			
Compensated absences	\$ 904,560	\$ 478,689	\$ 1,383,249
Equipment financing	880,180	450,562	1,330,742
Bonds, notes and loans	9,807,186	543,452	10,350,638
Claims and judgements	1,090,299	-	1,090,299
Due in more than one year:			
Compensated absences	2,110,638	1,116,943	3,227,581
Equipment financing	1,878,410	1,600,887	3,479,297
Bonds, notes and loans	53,878,575	36,196,239	90,074,814
Net pension liability	26,924,315	5,119,161	32,043,476
Total OPEB liability	8,040,829	5,069,924	13,110,753
Claims and judgements	<u>3,153,166</u>	<u>-</u>	<u>3,153,166</u>
Total non-current liabilities	<u>108,668,158</u>	<u>50,575,857</u>	<u>159,244,015</u>
TOTAL LIABILITIES	<u>119,762,413</u>	<u>67,426,169</u>	<u>187,188,582</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for power cost adjustment	-	5,697,309	5,697,309
Deferred inflows for pensions	4,138,517	1,395,883	5,534,400
Deferred inflows for OPEB	<u>5,531,056</u>	<u>3,487,455</u>	<u>9,018,511</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>9,669,573</u>	<u>10,580,647</u>	<u>20,250,220</u>
NET POSITION			
Net investment in capital assets	168,779,914	38,354,236	207,134,150
Restricted :			
Community redevelopment	1,689,568	-	1,689,568
Fiber optic security	100,000	-	100,000
HUD section 108 loan security	306,000	-	306,000
Grants	598,152	-	598,152
Community development	942,279	-	942,279
Diasater relief	7,898	-	7,898
Parks and recreation	6,686,342	-	6,686,342
Law enforcement	1,600,020	-	1,600,020
Road improvements	642,768	-	642,768
Debt service	662,636	270,752	933,388
Transit & Transportation	446,609	-	446,609
Net pension asset	1,044,515	-	1,044,515
Unrestricted	<u>1,085,299</u>	<u>(3,085,589)</u>	<u>(2,000,290)</u>
TOTAL NET POSITION	<u>\$ 184,592,000</u>	<u>\$ 35,539,399</u>	<u>\$ 220,131,399</u>

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 16,070,707	\$ 11,110,086	\$ -	\$ 1,001,423	\$ (3,959,198)	\$ -	\$ (3,959,198)
Public safety	36,940,046	1,141,759	2,416,451	-	(33,381,836)	-	(33,381,836)
Public works and services	4,913,009	103,148	396,408	2,771,584	(1,641,869)	-	(1,641,869)
Parks and recreation	8,586,509	1,509,470	1,045,059	95,000	(5,936,980)	-	(5,936,980)
Disaster relief	1,656,340	-	8,965,249	-	7,308,909	-	7,308,909
Interest on long-term debt	2,309,156	-	-	-	(2,309,156)	-	(2,309,156)
Unallocated depreciation	2,438,939	-	-	-	(2,438,939)	-	(2,438,939)
Total governmental activities	<u>72,914,706</u>	<u>13,864,463</u>	<u>12,823,167</u>	<u>3,868,007</u>	<u>(42,359,069)</u>	<u>-</u>	<u>(42,359,069)</u>
Business-type activities:							
Water & sewer	19,829,160	19,337,106	-	-	-	(492,054)	(492,054)
Electric utility	57,349,765	56,958,932	-	620,368	-	229,535	229,535
Solid waste	13,696,451	13,421,214	-	-	-	(275,237)	(275,237)
Stormwater utility	1,799,207	2,172,199	-	-	-	372,992	372,992
Homestead station QALICB	210,525	-	-	-	-	(210,525)	(210,525)
Total business-type activities	<u>92,885,108</u>	<u>91,889,451</u>	<u>-</u>	<u>620,368</u>	<u>-</u>	<u>(375,289)</u>	<u>(375,289)</u>
Total	<u>\$ 165,799,814</u>	<u>\$ 105,753,914</u>	<u>\$ 12,823,167</u>	<u>\$ 4,488,375</u>	<u>(42,359,069)</u>	<u>(375,289)</u>	<u>(42,734,358)</u>
General revenues:							
Property taxes					20,719,613	-	20,719,613
Fuel taxes					1,136,424	-	1,136,424
Franchise fees					4,475,352	-	4,475,352
Utility taxes					1,554,248	-	1,554,248
Communication service taxes					1,383,144	-	1,383,144
Half cent sales taxes					5,024,707	-	5,024,707
Unrestricted intergovernmental revenue					3,036,391	-	3,036,391
Payment in lieu of taxes					2,034,292	-	2,034,292
Other revenues					962,164	1,907,506	2,869,670
Unrestricted investment earnings					773,526	104,600	878,126
Cares Act					604,000	77,097	681,097
Transfers					(1,084,811)	1,084,811	-
Total general revenues and transfers					<u>40,619,050</u>	<u>3,174,014</u>	<u>43,793,064</u>
Change in net position					(1,740,019)	2,798,725	1,058,706
Net position, beginning					<u>186,332,019</u>	<u>32,740,674</u>	<u>219,072,693</u>
Net position, ending					<u>\$ 184,592,000</u>	<u>\$ 35,539,399</u>	<u>\$ 220,131,399</u>

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	Special Revenue			Capital Project			
	General	Homestead Community Redevelopment Agency	Impact Fees	Disaster Relief	Multimodal Transit Center	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 898,552	\$ 52,220	\$ 1,182,704	\$ 87,595	\$ -	\$ 1,126,662	\$ 3,347,733
Investments	11,688,080	1,876,636	7,758,466	-	-	918,413	22,241,595
Interest receivable on investments	137,517	5,457	27,484	-	-	2,693	173,151
Account receivables, net	2,910,984	462	-	9,917,884	-	2,419,120	15,248,450
Due from other funds	100,000	-	850,000	-	-	5,600,000	6,550,000
Prepaid costs	117,636	-	-	-	-	-	117,636
Notes receivable	30,493,770	-	-	-	-	-	30,493,770
Restricted assets:							
Cash and cash equivalents	43,772	-	-	-	478,165	1,553,160	2,075,097
Investments	100,000	-	-	-	-	292,035	392,035
Asset available for sale	-	-	-	-	-	807,346	807,346
Total Assets	<u>\$ 46,490,311</u>	<u>\$ 1,934,775</u>	<u>\$ 9,818,654</u>	<u>\$ 10,005,479</u>	<u>\$ 478,165</u>	<u>\$ 12,719,429</u>	<u>\$ 81,446,813</u>
LIABILITIES:							
Accounts payable and accrued liabilities	\$ 2,101,723	\$ 145,207	\$ 510,149	\$ 45,313	\$ 380,141	\$ 1,324,344	\$ 4,506,877
Due to other funds	-	100,000	-	7,750,000	-	850,000	8,700,000
Unearned revenue	635,470	-	-	2,202,268	-	2,030,101	4,867,839
Other liabilities	687,856	-	-	-	-	-	687,856
Total liabilities	<u>3,425,049</u>	<u>245,207</u>	<u>510,149</u>	<u>9,997,581</u>	<u>380,141</u>	<u>4,204,445</u>	<u>18,762,572</u>
FUND BALANCES							
<i>Nonspendable :</i>							
Prepaid costs	117,636	-	-	-	-	-	117,636
Deferred charges	-	-	-	-	-	-	-
Long-term notes receivable	30,493,770	-	-	-	-	-	30,493,770
<i>Restricted :</i>							
Community redevelopment	-	1,689,568	-	-	-	-	1,689,568
Fiber optic security	100,000	-	-	-	-	-	100,000
HUD section 108 loan security	306,000	-	-	-	-	-	306,000
Grants	-	-	-	-	-	598,152	598,152
Community development	-	-	-	-	-	942,279	942,279
Disaster relief	-	-	-	7,898	-	-	7,898
Parks and recreation	-	-	6,686,342	-	-	-	6,686,342
Law enforcement	-	-	562,581	-	-	1,037,439	1,600,020
Road improvements	-	-	642,768	-	-	-	642,768
General obligation bonds debt service	-	-	-	-	-	74,783	74,783
HERO tax increment revenue refunding bonds debt service	-	-	-	-	-	134,941	134,941
Taxable transportation system revenue bonds debt service	-	-	-	-	-	452,912	452,912
Special obligation refunding bonds debt service	-	-	-	-	-	-	-
Multimodal transit center construction	-	-	-	-	98,024	-	98,024
New police building construction	-	-	-	-	-	-	-
Cybrarium construction from HUD section 108 loan	-	-	-	-	-	7,261	7,261
Transit and transportation	-	-	-	-	-	446,609	446,609
<i>Committed :</i>							
Required reserve	5,041,946	-	-	-	-	-	5,041,946
Parks and recreation	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public Art	-	-	1,328,412	-	-	-	1,328,412
Transportation	-	-	88,402	-	-	-	88,402
<i>Assigned :</i>							
Parks and recreation	-	-	-	-	-	150,941	150,941
Capital projects	-	-	-	-	-	4,669,667	4,669,667
Appropriation of subsequent year's budget	378,940	-	-	-	-	-	378,940
<i>Unassigned :</i>							
General fund	6,626,970	-	-	-	-	-	6,626,970
Total fund balances	<u>43,065,262</u>	<u>1,689,568</u>	<u>9,308,505</u>	<u>7,898</u>	<u>98,024</u>	<u>8,514,984</u>	<u>62,684,241</u>
Total liabilities and fund balances	<u>\$ 46,490,311</u>	<u>\$ 1,934,775</u>	<u>\$ 9,818,654</u>	<u>\$ 10,005,479</u>	<u>\$ 478,165</u>	<u>\$ 12,719,429</u>	<u>\$ 81,446,813</u>

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Fund balance - total governmental funds (Page 28) \$ 62,684,241

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. 221,376,755

Net pension assets are not available to pay for current period expenditures and, therefore, are not reported in the funds. 1,044,515

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	(535,013)	
Bonds and loan payable	(63,685,761)	
Compensated absences	(2,904,419)	
Equipment financing	(2,746,717)	
Net pension liability	(26,607,658)	
Total OPEB liability	<u>(7,769,573)</u>	
Total long-term liabilities		(104,249,141)

Deferred outflows / inflows of resources related to pensions and OPEB (excluding internal service funds)

Deferred outflows for pensions	13,058,360	
Deferred outflows for OPEB	73,906	
Deferred inflows for pensions	(4,052,170)	
Deferred inflows for OPEB	<u>(5,344,466)</u>	
Total deferred outflows/inflows of resources		<u>3,735,630</u>

Net position of governmental activities (Page 26) \$ 184,592,000

CITY OF HOMESTEAD, FLORIDA

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

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General	Special Revenue			Capital Project	Other Governmental Funds	Total Governmental Funds
		Homestead Community Redevelopment Agency	Impact Fees	Disaster Relief	Multimodal Transit Center		
Revenues:							
Property taxes	\$ 16,128,130	\$ -	\$ -	\$ -	\$ -	\$ 1,449,849	\$ 17,577,979
Fuel taxes	1,136,424	-	-	-	-	-	1,136,424
Franchise fees	4,475,352	-	-	-	-	-	4,475,352
Utility taxes	1,554,248	-	-	-	-	-	1,554,248
Communication service taxes	1,383,144	-	-	-	-	-	1,383,144
Half cent sales taxes	5,024,707	-	-	-	-	-	5,024,707
Licenses and permits	2,347,153	-	-	-	-	-	2,347,153
Intergovernmental	3,919,497	3,141,634	1,141,594	8,965,249	-	5,842,819	23,010,793
Charges for services	1,038,317	-	-	-	-	-	1,038,317
Fines and forfeitures	340,370	-	-	-	-	279,445	619,815
Interest income	416,235	44,036	223,333	-	154	89,768	773,526
Payments in lieu of taxes	2,034,292	-	-	-	-	-	2,034,292
Rentals and other revenues	8,540,881	36,115	-	12,728	-	2,090,024	10,679,748
Total revenues	<u>48,338,750</u>	<u>3,221,785</u>	<u>1,364,927</u>	<u>8,977,977</u>	<u>154</u>	<u>9,751,905</u>	<u>71,655,498</u>
Expenditures:							
Current:							
General government	12,530,340	1,292,225	-	-	-	488,276	14,310,841
Public safety	29,375,300	251,772	162,937	-	-	1,633,374	31,423,383
Public works and services	1,184,889	194,223	-	-	-	1,204,692	2,583,804
Parks and recreation	4,191,513	-	99,819	-	-	748,994	5,040,326
Diaster relief	-	-	-	1,656,340	-	-	1,656,340
Capital outlay	1,336,532	1,420,660	1,881,652	-	-	7,061,116	11,699,960
Debt service:							
Principal	420,071	-	-	-	-	1,643,203	2,063,274
Interest and fiscal charges	218,739	-	-	-	-	2,159,035	2,377,774
Total expenditures	<u>49,257,384</u>	<u>3,158,880</u>	<u>2,144,408</u>	<u>1,656,340</u>	<u>-</u>	<u>14,938,690</u>	<u>71,155,702</u>
Excess (deficiency) of revenues over expenditures	<u>(918,634)</u>	<u>62,905</u>	<u>(779,481)</u>	<u>7,321,637</u>	<u>154</u>	<u>(5,186,785)</u>	<u>499,796</u>
Other financing sources (uses):							
Cares Act	604,000	-	-	-	-	-	604,000
Issuance of debt (HUD section 108 loan)	-	-	-	-	-	3,283,000	3,283,000
Issuance of debt (equipment financing)	717,160	-	-	-	-	-	717,160
Transfers in	8,102,439	-	-	-	2,229,738	2,196,581	12,528,758
Transfers out	(690,392)	(500,000)	-	(7,320,738)	(2,229,737)	(2,872,702)	(13,613,569)
Total other financing sources (uses)	<u>8,733,207</u>	<u>(500,000)</u>	<u>-</u>	<u>(7,320,738)</u>	<u>1</u>	<u>2,606,879</u>	<u>3,519,349</u>
Net change in fund balances	7,814,573	(437,095)	(779,481)	899	155	(2,579,906)	4,019,145
Fund balances, beginning	<u>35,250,689</u>	<u>2,126,663</u>	<u>10,087,986</u>	<u>6,999</u>	<u>97,869</u>	<u>11,094,890</u>	<u>58,665,096</u>
Fund balances, ending	<u>\$ 43,065,262</u>	<u>\$ 1,689,568</u>	<u>\$ 9,308,505</u>	<u>\$ 7,898</u>	<u>\$ 98,024</u>	<u>\$ 8,514,984</u>	<u>\$ 62,684,241</u>

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2020

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

Net change in fund balances - total governmental funds (Page 30) \$ 4,019,145

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. This is the amount by which capital outlay exceeded depreciation in the current period.

The details of the difference are as follows:

Capital outlay	11,658,005	
Depreciation expense (excluding depreciation on internal service funds)	(10,625,677)	
Net adjustment		1,032,328

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

Removal of capital assets		(66,045)
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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.		(620,368)
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The net effect of pension deferred outflows/ inflows and retirement contribution expenses		549,671
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The net effect of OPEB deferred outflows/ inflows		(2,447,808)
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

The details of the differences are as follows:

HUD section 108 loan	(3,283,000)	
Equipment financing obligation	(717,160)	
Principal payments:		
General obligation bonds	510,000	
Taxable transportation system revenue bonds, series 2017	655,000	
HERO Increment revenue bonds	284,203	
HUD section 108 loan	194,000	
\$10M New City Hall loan	420,071	
Equipment financing	933,267	
Amortization of bond premium	58,120	
Total Adjustment		(945,499)

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	(366,123)	
Change in net pension assets	1,044,515	
Changes in net pension liability	(2,609,412)	
Change in total OPEB liability	(1,340,921)	
Effect of accrued interest on long-term debt (difference between amount that would have been accrued in prior year and current year accrual)	10,498	
Total Adjustment		(3,261,443)

Change in net position of governmental activities (Page 27)		<u>\$ (1,740,019)</u>
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CITY OF HOMESTEAD, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2020

	Business-type Activities Enterprise Funds						Internal Service Funds
	Water and Sewer	Electric Utility	Solid Waste	Other Enterprise Funds	Homestead Station QALICB (1)	Total Enterprise Funds	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 140,424	\$ 196,947	\$ 325,680	\$ 90,557	\$ 1,398,214	\$ 2,151,822	\$ 531,271
Investments	33,899	-	257,136	2,159,398	-	2,450,433	-
Interest receivable	87	1,708	657	5,516	-	7,968	-
Account receivables, net	4,130,938	14,366,445	2,697,678	1,077,255	-	22,272,316	10,629
Due from other funds	-	-	1,400,000	2,100,000	-	3,500,000	6,650,000
Prepaid costs	-	163,481	-	-	3,012	166,493	-
Inventories	-	3,684,003	-	-	-	3,684,003	200,437
Restricted Assets:							
Cash and cash equivalents	1,057,009	4,625,261	17,527	-	597,005	6,296,802	-
Investments	-	668,689	-	-	-	668,689	-
Total current assets	<u>5,362,357</u>	<u>23,706,534</u>	<u>4,698,678</u>	<u>5,432,726</u>	<u>1,998,231</u>	<u>41,198,526</u>	<u>7,392,337</u>
Noncurrent assets:							
Capital assets not being depreciated	193,001	7,848,022	-	-	-	8,041,023	-
Capital assets being depreciated, net	13,165,115	20,029,159	1,480,434	255,675	33,170,576	68,100,959	320,829
Total noncurrent assets	<u>13,358,116</u>	<u>27,877,181</u>	<u>1,480,434</u>	<u>255,675</u>	<u>33,170,576</u>	<u>76,141,982</u>	<u>320,829</u>
Total assets	<u>18,720,473</u>	<u>51,583,715</u>	<u>6,179,112</u>	<u>5,688,401</u>	<u>35,168,807</u>	<u>117,340,508</u>	<u>7,713,166</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows for pension	358,210	1,017,474	468,139	49,051	-	1,892,874	272,500
Deferred outflows for OPEB	10,751	15,358	10,444	3,378	-	39,931	10,873
Total deferred outflows of resources	<u>368,961</u>	<u>1,032,832</u>	<u>478,583</u>	<u>52,429</u>	<u>-</u>	<u>1,932,805</u>	<u>283,373</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	2,787,609	6,531,128	531,696	27,960	798,745	10,677,138	657,066
Due to other funds	4,500,000	3,500,000	-	-	-	8,000,000	-
Compensated absences	78,384	242,327	105,751	14,100	-	440,562	71,361
Unearned revenue	-	-	649,601	-	-	649,601	-
Current portion of equipment financing	142,082	167,753	130,232	-	-	440,067	13,194
Claims and judgements	-	-	-	-	-	-	1,090,299
Liabilities payable from restricted assets:							
Customer deposits	1,048,435	4,191,722	17,527	-	-	5,257,684	-
Accrued interest payable	-	14,760	-	-	90,733	105,493	-
Current portion of notes payable	-	-	-	-	328,640	328,640	-
Current portion of bonds payable	-	214,812	-	-	-	214,812	-
Total current liabilities	<u>8,556,510</u>	<u>14,862,502</u>	<u>1,434,807</u>	<u>42,060</u>	<u>1,218,118</u>	<u>26,113,997</u>	<u>1,831,920</u>
Non-current liabilities:							
Compensated absences	182,897	565,429	246,752	32,901	-	1,027,979	166,510
Equipment financing	443,310	448,612	673,288	-	-	1,565,210	44,850
Notes payable	-	-	-	-	34,011,051	34,011,051	-
Bonds payable	-	2,185,188	-	-	-	2,185,188	-
Net pension liability	899,230	2,554,205	1,175,183	123,135	-	4,751,753	684,065
Total OPEB liability	1,130,238	1,614,626	1,097,945	355,217	-	4,198,026	1,143,154
Claims and judgements	-	-	-	-	-	-	3,153,166
Total non-current liabilities	<u>2,655,675</u>	<u>7,368,060</u>	<u>3,193,168</u>	<u>511,253</u>	<u>34,011,051</u>	<u>47,739,207</u>	<u>5,191,745</u>
Total liabilities	<u>11,212,185</u>	<u>22,230,562</u>	<u>4,627,975</u>	<u>553,313</u>	<u>35,229,169</u>	<u>73,853,204</u>	<u>7,023,665</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows for power cost adjustment	-	5,697,309	-	-	-	5,697,309	-
Deferred inflows for pensions	245,200	696,476	320,447	33,576	-	1,295,699	186,531
Deferred inflows for OPEB	777,457	1,110,655	755,245	244,345	-	2,887,702	786,343
Total deferred inflows of resources	<u>1,022,657</u>	<u>7,504,440</u>	<u>1,075,692</u>	<u>277,921</u>	<u>-</u>	<u>9,880,710</u>	<u>972,874</u>
NET POSITION							
Net investment in capital assets	12,781,298	25,086,864	676,914	255,675	(572,110)	38,228,641	262,785
Restricted :							
Debt service	-	270,752	-	-	-	270,752	-
Unrestricted	(5,926,706)	(2,476,071)	277,114	4,653,921	511,748	(2,959,994)	(262,785)
Total Net Position	<u>\$ 6,854,592</u>	<u>\$ 22,881,545</u>	<u>\$ 954,028</u>	<u>\$ 4,909,596</u>	<u>\$ (60,362)</u>	<u>\$ 35,539,399</u>	<u>\$ -</u>
Net position of business-type activities						<u>\$ 35,539,399</u>	

(1) Homestead Station QALICB fiscal year end is June 30, 2020.

CITY OF HOMESTEAD, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities Enterprise Funds					Total Enterprise Funds	Internal Service Funds
	Water and Sewer	Electric Utility	Solid Waste	Other Enterprise Funds	Homestead Station QALICB (1)		
Operating revenues:							
Charges for services	\$ 19,337,106	\$ 56,932,769	\$ 13,421,214	\$ 2,172,199	\$ -	\$ 91,863,288	\$ 19,783,632
Other revenues	691,284	1,181,967	34,255	-	-	1,907,506	65,622
Total operating revenues	<u>20,028,390</u>	<u>58,114,736</u>	<u>13,455,469</u>	<u>2,172,199</u>	<u>-</u>	<u>93,770,794</u>	<u>19,849,254</u>
Operating expenses:							
Personnel services	3,846,124	6,584,569	4,303,611	1,012,378	-	15,746,682	3,518,569
Administration	-	-	-	-	-	-	1,423,772
Purchased power	-	33,788,740	-	-	-	33,788,740	-
Insurance and claims	-	-	-	-	-	-	9,946,328
Other operating expenses	14,886,246	13,847,058	8,929,601	689,718	642	38,353,265	4,865,564
Depreciation	1,072,496	3,034,139	448,891	97,111	160,443	4,813,080	67,838
Total expenses	<u>19,804,866</u>	<u>57,254,506</u>	<u>13,682,103</u>	<u>1,799,207</u>	<u>161,085</u>	<u>92,701,767</u>	<u>19,822,071</u>
Operating income (loss)	<u>223,524</u>	<u>860,230</u>	<u>(226,634)</u>	<u>372,992</u>	<u>(161,085)</u>	<u>1,069,027</u>	<u>27,183</u>
Non-operating revenues (expenses):							
Interest income	704	44,654	10,007	49,235	-	104,600	-
Interest expense	(24,294)	(95,259)	(14,348)	-	(49,440)	(183,341)	(1,020)
Total non-operating revenues (expenses)	<u>(23,590)</u>	<u>(50,605)</u>	<u>(4,341)</u>	<u>49,235</u>	<u>(49,440)</u>	<u>(78,741)</u>	<u>(1,020)</u>
Income (loss) before contributions and transfers	<u>199,934</u>	<u>809,625</u>	<u>(230,975)</u>	<u>422,227</u>	<u>(210,525)</u>	<u>990,286</u>	<u>26,163</u>
Contribution of capital assets	-	620,368	-	-	-	620,368	-
Cares Act	-	-	77,097	-	-	77,097	-
Transfers in	-	1,191,000	-	-	-	1,191,000	-
Transfers out	(13,082)	(36,197)	(24,206)	(6,541)	-	(80,026)	(26,163)
Total contribution and transfers	<u>(13,082)</u>	<u>1,775,171</u>	<u>52,891</u>	<u>(6,541)</u>	<u>-</u>	<u>1,808,439</u>	<u>(26,163)</u>
Change in net position	186,852	2,584,796	(178,084)	415,686	(210,525)	2,798,725	-
Net position, beginning	<u>6,667,740</u>	<u>20,296,749</u>	<u>1,132,112</u>	<u>4,493,910</u>	<u>150,163</u>	<u>-</u>	<u>-</u>
Net position, ending	<u>\$ 6,854,592</u>	<u>\$ 22,881,545</u>	<u>\$ 954,028</u>	<u>\$ 4,909,596</u>	<u>\$ (60,362)</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net position of business-type activities						<u>\$ 2,798,725</u>	

(1) Homestead Station QALICB fiscal year end is June 30, 2020.

CITY OF HOMESTEAD, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities Enterprise Funds						Internal Service Funds
	Water and Sewer	Electric Utility	Solid Waste	Other Enterprise Funds	Homestead Station QALICB (1)	Total Enterprise Funds	
Cash flows from operating activities:							
Cash received from customers	\$ 19,066,170	\$ 64,543,083	\$ 13,077,779	\$ 1,699,969	\$ -	\$ 98,387,001	\$ -
Cash payments to suppliers	(14,308,628)	(47,079,964)	(8,732,124)	(724,178)	(22,386)	(70,867,280)	(15,438,434)
Cash received from/(to) other funds	(163,136)	(7,316,441)	(59,511)	(50,000)	-	(7,589,088)	18,939,254
Cash payments to employees	(3,437,161)	(5,971,814)	(3,964,058)	(867,997)	-	(14,241,030)	(2,886,314)
Net cash provided by (used in) operating activities	<u>1,157,245</u>	<u>4,174,864</u>	<u>322,086</u>	<u>57,794</u>	<u>(22,386)</u>	<u>5,689,603</u>	<u>614,506</u>
Cash flows from noncapital financing activities:							
Cares Act	-	-	77,097	-	-	77,097	-
Transfers from other funds	-	1,191,000	-	-	-	1,191,000	-
Transfers to other funds	(13,082)	(36,197)	(24,206)	(6,541)	-	(80,026)	(26,163)
Net cash provided by (used in) noncapital financing activities	<u>(13,082)</u>	<u>1,154,803</u>	<u>52,891</u>	<u>(6,541)</u>	<u>-</u>	<u>1,188,071</u>	<u>(26,163)</u>
Cash flows from capital and related financing activities:							
Proceeds from equipment financing debt	-	-	-	-	9,701,300	9,701,300	67,760
Acquisition and construction of capital assets	(746,335)	(6,578,184)	(16,599)	-	(9,838,265)	(17,179,383)	(151,557)
Principal paid on long term debt	(627,091)	(580,544)	(74,091)	-	-	(1,281,726)	(9,716)
Interest paid on long term debt	(24,294)	(95,259)	(14,348)	-	(200,466)	(334,367)	(1,020)
Net cash used in capital and related financing activities	<u>(1,397,720)</u>	<u>(7,253,987)</u>	<u>(105,038)</u>	<u>-</u>	<u>(337,431)</u>	<u>(9,094,176)</u>	<u>(94,533)</u>
Cash flows from investing activities:							
Purchases of investments	(1,030)	(69,084)	(7,815)	(69,539)	-	(147,468)	-
Proceeds from sales and maturities of investments	284	3,067,695	2,155	18,221	-	3,088,355	-
Interest received	704	44,654	10,007	49,235	-	104,600	-
Net cash provided by (used in) investing activities	<u>(42)</u>	<u>3,043,265</u>	<u>4,347</u>	<u>(2,083)</u>	<u>-</u>	<u>3,045,487</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(253,599)</u>	<u>1,118,945</u>	<u>274,286</u>	<u>49,170</u>	<u>(359,817)</u>	<u>828,985</u>	<u>493,810</u>
Cash and cash equivalents, beginning	<u>1,451,032</u>	<u>3,703,263</u>	<u>68,921</u>	<u>41,387</u>	<u>2,355,036</u>	<u>7,619,639</u>	<u>37,461</u>
Cash and cash equivalents, ending	<u>\$ 1,197,433</u>	<u>\$ 4,822,208</u>	<u>\$ 343,207</u>	<u>\$ 90,557</u>	<u>\$ 1,995,219</u>	<u>\$ 8,448,624</u>	<u>\$ 531,271</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 223,524	\$ 860,230	\$ (226,634)	\$ 372,992	\$ (161,085)	\$ 1,069,027	\$ 27,183
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	1,072,496	3,034,139	448,891	97,111	160,443	4,813,080	67,838
Change in power cost adjustment	-	7,623,428	-	-	-	7,623,428	-
Net changes in assets, liabilities and deferred inflows/outflows:							
(Increase) decrease in:							
Interest receivable	42	6,736	323	3,281	-	10,382	-
Accounts receivables	(949,280)	(1,229,516)	(690,417)	(475,511)	-	(3,344,724)	(5,383)
Due from other funds	-	-	-	(50,000)	-	(50,000)	(910,000)
Prepaid costs	1,535	(2,757)	-	-	356	(866)	-
Inventories	-	(128,753)	-	-	-	(128,753)	2,257
Deferred outflows for pensions	130,077	267,575	186,787	27,988	-	612,427	33,429
Deferred outflows for OPEB	(3,682)	(5,260)	(3,578)	(1,157)	-	(13,677)	(3,725)
Increase (decrease) in:							
Accounts payable and accrued liabilities	12,947	(589,097)	187,966	(34,460)	(22,100)	(444,744)	136,012
Due to other funds	400,000	(6,040,000)	(50,000)	-	-	(5,690,000)	-
Compensated absences	(4,349)	30,760	18,129	8,424	-	52,964	53,527
Unearned revenue	-	-	315,602	-	-	315,602	-
Customer deposits	(12,982)	27,699	(3,198)	-	-	11,519	-
Net pension liability	(223,476)	(400,460)	(330,666)	(53,999)	-	(1,008,601)	(19,350)
Total OPEB liability	198,935	284,192	193,251	62,522	-	738,900	201,207
Claims and judgements	-	-	-	-	-	-	664,344
Deferred inflows for pensions	(50,006)	(80,430)	(75,505)	(13,000)	-	(218,941)	1,571
Deferred inflows for OPEB	361,464	516,378	351,135	113,603	-	1,342,580	365,596
Total adjustments	<u>933,721</u>	<u>3,314,634</u>	<u>548,720</u>	<u>(315,198)</u>	<u>138,699</u>	<u>4,620,576</u>	<u>587,323</u>
Net cash provided by (used in) operating activities	<u>\$ 1,157,245</u>	<u>\$ 4,174,864</u>	<u>\$ 322,086</u>	<u>\$ 57,794</u>	<u>\$ (22,386)</u>	<u>\$ 5,689,603</u>	<u>\$ 614,506</u>
Non-cash investing, capital and financing activities:							
Borrowing under equipment financing	\$ 13,860	\$ 49,260	\$ 403,063	\$ -	\$ -	\$ 466,183	\$ 67,760
Contribution of capital assets from governmental fund	\$ -	\$ 620,368	\$ -	\$ -	\$ -	\$ 620,368	\$ -
Change in fair value of investments	\$ 84	\$ 7,376	\$ 636	\$ 7,127	\$ -	\$ 15,223	\$ -

(1) Homestead Station QALICB fiscal year end is June 30, 2020.

CITY OF HOMESTEAD, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalent	\$ 9,515,402
Receivables:	
Other receivables	397,328
Contributions	75,502
Accrued investment income	631,231
Total receivables	<u>1,104,061</u>
Other Asset	<u>6,222</u>
Investments:	
U.S. Government Securities	12,604,112
Municipal obligations	5,257,965
Corporate bonds	42,624,146
Mortgage backed securities	12,559,201
Hedge funds	402,199
Mutual funds - fixed income	2,777,602
Mutual funds - equity	12,495,996
Common stocks	112,434,037
Other	2,507,566
Total investments	<u>203,662,824</u>
Total Assets	<u>214,288,509</u>
LIABILITIES	
DROP Payable	1,549,577
Accounts payable	910,539
Total Liabilities	<u>2,460,116</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid City contribution	182,377
Total deferred inflows of resources	<u>182,377</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 211,646,016</u></u>

See notes to basic financial statements.

CITY OF HOMESTEAD, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
City	\$ 7,304,647
Employees	1,154,420
State	<u>866,606</u>
Total contributions	<u>9,325,673</u>
Investment income:	
Investment earnings	6,552,142
Net appreciation in fair value of investments	12,178,459
Less investment expenses	<u>(1,062,770)</u>
Net investment income	<u>17,667,831</u>
Other revenues	<u>4,275</u>
Total additions	26,997,779
DEDUCTIONS	
Pension benefits	13,579,363
Refunds	14,818
Administrative expenses	<u>526,794</u>
Total deductions	<u>14,120,975</u>
Change in net position	12,876,804
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of year	<u>198,769,212</u>
End of year	<u>\$ 211,646,016</u>

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, 2020

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CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. FINANCIAL REPORTING ENTITY

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

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

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Continued)

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

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

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

For FY 2020, the City’s financial statements include Homestead Station QALICB’s financial statements for the period from July 1, 2019 to June 30, 2020.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes, franchise fees, business taxes, and interest income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period since they are measurable and available. Revenues and receivables for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items (licenses and permits, charges for services and miscellaneous revenues) are recorded as revenue when cash is received by the City because they are generally not measurable until actually received.

Proprietary fund financial statements distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

The City reports the following major governmental funds:

General Fund

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Homestead Community Redevelopment Agency (CRA), formerly known as the Homestead Economic and Rebuilding Organization (HERO)

This special revenue 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.

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.

Disaster Relief Fund

This fund was established to account for expenditures and reimbursements related to natural disasters.

Multimodal Transit Center Fund

This capital project fund is used to account for the costs associated with the construction of a parking garage/retail facility (Multimodal Transit Center).

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 insurance funds. The City maintains one internal service fund, Customer Service, which is classified as a business-type activity.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

D. GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applies to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City did not implement any new GASB Pronouncements during the current fiscal year.

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

1. *Cash and Cash Equivalents*

The City's cash and cash equivalents are considered to be cash on hand, and all highly liquid investments with maturities of three months or less when purchased. Resources of all funds, except for the Homestead Station QALICB, proceeds from HUD Section 108 loan for the Cybrarium project, proceeds from Electric Utility bond series 2019 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*

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. *Investments* (continued)

The City's government securities and corporate 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, 2020, the internal balances between governmental activities and business-type activities is \$2,700,000.

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

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

4. *Prepaid Costs*

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

5. *Inventories*

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Restricted Assets / Payables from Restricted Assets*

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

7. *Capital Assets*

Assets, whether tangible or intangible, with an initial, individual cost of \$1,000 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.

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.

Capital assets of the City 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
Infrastructure	40-50

8. *Deferred Power Cost Adjustment*

The City's Electric Utility Fund capitalized its power cost adjustment in accordance with accounting standards which in part state that a rate-regulated utility should capitalize a cost if it is probable that, through the ratemaking process, there will be a corresponding increase or decrease in future revenues.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. 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 position 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.

10. 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 position 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 the deferred power cost adjustment described on the prior page. These amounts are deferred and will be recognized as revenue in the period that the amounts meet the recognition criteria.

11. Unearned Revenues

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

12. Compensated Absences

Employees earn vacation and sick leave in varying amounts based on length of service. Upon separation from service, employees are paid the value of their accumulated vacation and unused sick leave within certain limits. All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental funds, a liability is recorded only for leave that has matured. The fund in which the employee's payroll expense is recorded, is used to liquidate such amounts, or primarily the General Fund when related to governmental activities.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

13. Long-Term Obligations

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount. In the governmental fund financial statements, bond proceeds, premiums, and discounts are recognized during the period in which the bonds are issued. Issue costs are reported as debt service expenditures/expenses in the year incurred.

14. Net Position/Fund Balances

Net Position. Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized as *net investment in capital assets* (capital assets reduced by the accumulated depreciation and any outstanding debt or deferred outflows/inflows incurred to acquire, construct or improve those assets excluding unexpended debt proceeds), *restricted* or *unrestricted*. The first category represents net investments related to property, plant, equipment and infrastructure. The *restricted* category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by enabling legislation in excess of the related liabilities payable from restricted assets. *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 or prepaid costs or long-term notes receivable or (b) legally or contractually required to be maintained intact - such as a trust that must be retained in perpetuity.

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

14. Net Position/Fund Balances (Continued)

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

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

15. Net Position Flow Assumption

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

16. Fund Balance Flow Assumptions

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

17. Fund Balance Policy

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

F. OTHER SIGNIFICANT POLICIES

1. Utility Billings

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. OTHER SIGNIFICANT POLICIES (Continued)

2. *Rebatable Arbitrage*

The City has elected the option of treating rebatable arbitrage as a reduction of investment income. However, for the fiscal year ended September 30, 2020, there was no rebatable arbitrage required to be recorded.

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, 2019, upon which the 2019-2020 levy was based was approximately \$3.14 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 2019-2020 fiscal year is 5.9215 mills (\$5.9215 per \$1,000 of assessed valuation) and 0.4800 mills for the debt service.

4. *Use of Estimates*

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. OTHER SIGNIFICANT POLICIES (Continued)

5. Procurement Authorization Limits

Prior to the execution of any purchase order where the total amount to be expended is greater than \$25,000 but not greater than \$35,000, City Council approval and a minimum of three vendors' quotations must be obtained. Where the sums to be paid for the purchase of such supplies, materials, equipment or improvements or services is in excess of \$35,000, no contract shall be entered into until public invitation to bid shall have been published one (1) 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.

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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

B. INVESTMENTS - CITY (Continued)

Government Agencies and instrumentalities, certificated of deposit, repurchase agreement, corporate notes and bonds, commercial papers and certain money market mutual funds.

At fiscal year end, the City had the following deposits and investments:

<u>Pooled Investments</u>	<u>Maturity</u>	<u>Fair Value or</u> <u>Amortized Cost</u>	<u>Rating</u> <u>(Moody's)</u>
Money Market Mutual Funds	Daily	\$ 3,131,770	
U.S. Treasury Securities			
United States Treas Bills	11/19/2020	499,940	Aa+
United States Treas Bills	3/18/2021	2,998,530	Aa+
U.S. Government Agencies:			
Federal Home Loan Bks Step Up T6-2021	5/18/2021	2,023,880	Aaa
Federal Home Loan Bks	7/7/2021	2,026,360	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	10/25/2022	2,610	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	2023	51,630	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	2/25/2024	61,478	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	2026	103,909	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	2027	216,855	Aaa
Small Business Administration Guaranteed Development Participation Debt	11/1/2027	95,640	Aaa
Small Business Administration Guaranteed Development Participation Certificate	9/1/2028	156,427	Aaa
Small Business Administration Guaranteed Development Participation Debt	6/1/2031	275,011	Aaa
Small Business Administration Guaranteed Development Participation Certificate	7/1/2031	285,667	Aaa
Small Business Administration Guaranteed Development Participation Debt	4/1/2033	406,748	Aaa
Municipal Bonds:			
Florida St Brd Ed Pub Es Cap Outlay Ref Bds 2012B	6/1/2022	273,723	Aaa
New York St Environmental Facs Corp Rev St Reveoling Fds	7/15/2022	1,023,980	Aaa
Maryland St Go Bds 2017 A	8/1/2022	424,640	Aaa
New York NY City Transitional Fin Auth Rev Taxable Sub Future Tax Secured	8/1/2022	312,558	Aaa
Corporate Bonds:			
Johnson & Johnson Fixed Rate Note	3/1/2021	1,004,950	Aaa
Bank of Montreal GTD Covered BD Reg S	1/11/2022	2,055,160	Aaa
Microsoft Corp Fixed Rate Note	2/12/2022	2,053,060	Aaa
Commercial Paper:			
Banco De Credito E Inversions Miami	2020	5,399,022	P1
Certificates of Deposit		<u>226,080</u>	
Total Investments		25,109,628	
Deposits		<u>11,749,368</u>	
Sub-total pooled cash & investments :		<u>\$ 36,858,996</u>	

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

B. INVESTMENTS - CITY (Continued)

Proceeds from HUD Section 108 loan for the Cybrarium project, proceeds from Electric Utility bond issuance on 7/29/19 for the acquisition of land and the construction of an expansion to an Electric Utility Substation, 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, 2020 are as follow:

	<u>Maturity</u>	<u>Fair Value or Amortized Cost</u>
Money Market Mutual Funds	Daily	\$ 612,689
Certificates of Deposits		<u>30,435</u>
Total Investments		643,124
Deposits		<u>2,374,963</u>
Sub-total non-pooled cash & investments :		<u>3,018,087</u>
Equipment financing escrow		<u>278,394</u>
Total Cash and Investments for the City		<u>\$ 40,155,477</u>

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, 2020.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

C. RISKS AND UNCERTAINTIES - CITY (Continued)

2. *Custodial Credit Risk*

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

3. *Credit Risk*

Credit risk exists when there is a possibility the issuer or other counter-party 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 investments held at year end are all within the allowable percentages.

The following summarizes the City's policy on the allowable and the actual concentration in each investment type on September 30, 2020:

<u>Investment Type</u>	<u>Policy Maximum</u>	<u>Actual Investment</u>
Money Market Mutual Funds	100%	9.3%
U.S. Treasury Securities	100%	8.7%
U.S. Government Agency Securities (Bonds & ABS)	75%	14.2%
Obligations Issued by any State of the U.S. (Municipal Bonds)	50%	5.1%
Collateralized Variable Bonds (Corporate Bonds)	20%	12.7%
Commercial Papers	20%	13.4%
Certificates of Deposit	100%	0.7%
Deposits (includes equipment financing escrow)	100%	35.9%
		<u>100.0%</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

C. RISKS AND UNCERTAINTIES - CITY (Continued)

4. *Concentration of Credit Risk (Continued)*

GASB Statement 40 requires disclosure when 5% or more of the portfolio is invested in any one issuer. At September 30, 2020, the City held the following concentrations:

<u>Issuer</u>	<u>Percentage of Portfolio</u>
U.S. Treasury Securities	8.7%
Federal Home Loan Banks	10.1%
Bank of Montreal	5.1%
Microsoft Corp Fixed Rate Note	5.1%
Banco De Credito E Inversions Miami	13.5%

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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

D. FAIR VALUE MEASUREMENT- CITY (Continued)

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.

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, 2020:

- U.S. Treasury securities of \$3.5million and U.S. Government bonds of \$4.05 million are valued using observable market prices in active markets (Level 2);
- Asset backed securities of \$1.66 million are valued using multi-dimensional, collateral specific spread/price/prepayment spread tables (Level 2);
- Municipal bonds of \$2.03 million are valued using matrix pricing models (Level 2);
- Corporate bonds of \$5.11 million are valued using quoted market prices of similar assets (Level 2).

As of September 30, 2020, the City did not have any Level 1 or Level 3 investments.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

C. FAIR VALUE MEASUREMENT- CITY (Continued)

	9/30/2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair value level</u>				
<u>Debt Securities:</u>				
U.S. Treasury Securities	\$ 3,498,470	\$ -	\$ 3,498,470	\$ -
U.S. Government Agencies	4,050,240	-	4,050,240	-
Asset Backed Securities	1,655,975	-	1,655,975	-
Municipal bonds	2,034,901	-	2,034,901	-
Corporate bonds	5,113,170	-	5,113,170	-
Total investments measured by fair value level	16,352,756	\$ -	\$ 16,352,756	\$ -
Money markets funds (exempt)	3,744,459			
Commercial paper (exempt)	5,399,022			
Certificates of deposit (exempt)	256,515			
Total investments	\$ 25,752,752			

Recconciliation of Cash and Investments for the City:

	Unrestricted	Restricted	Total
Total demand deposits	\$ 6,030,826	\$ 8,093,505	\$ 14,124,331
Total equipment financing escrow	-	278,394	278,394
Total cash and cash equivalents	6,030,826	8,371,899	14,402,725
Total investments measured at fair value level	16,035,156	317,600	16,352,756
Total money market mutual funds	3,131,770	612,689	3,744,459
Total commercial paper	5,399,022	-	5,399,022
Total certificates of deposits	126,080	130,435	256,515
Total investments	24,692,028	1,060,724	25,752,752
Total cash and investments for the City @ 09/30/20	\$ 30,722,854	\$ 9,432,623	\$ 40,155,477

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

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.

The City had the following restricted assets at September 30, 2020:

Governmental activities:

Forfeiture	\$	1,284,371
Fiber optic ring security		100,000
NRPA Grant proceeds		30,435
Equipment financing escrow		43,772
General obligation bonds debt service		70,216
Taxable transportation system revenue bonds debt service		452,912
Taxable transportation system revenue bonds proceeds		478,165
HUD Section 108 loan proceeds		7,261
Subtotal governmental activities		<u>2,467,132</u>

Business-type activities:

Customer deposits		5,257,684
Electric utility bonds debt service		270,752
QALICB debt service reserve		597,005
Equipment financing escrow		234,622
Electric Bonds Series 2019 proceeds		605,428
Subtotal business-type activities		<u>6,965,491</u>
Total restricted cash, cash equivalents and investments	\$	<u>9,432,623</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. RECEIVABLES

Receivables as of September 30, 2020 for the City's major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

<u>Governmental activities receivables:</u>	Homestead		Impact	Disaster	Other	Internal	<u>Total</u>
	<u>General</u>	<u>CRA</u>	<u>Fees</u>	<u>Relief</u>	<u>Governmental</u>	<u>Service</u>	
Utility Billed	\$ 306,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 306,053
Utility Unbilled	113,485	-	-	-	-	-	113,485
Property taxes receivables	80,545	-	-	-	-	-	80,545
Cares Act receivables	604,000	-	-	-	-	-	604,000
Grant receivables	-	-	-	-	1,771,576	-	1,771,576
Intergovernmental receivables (1)	1,685,542	-	-	9,917,884	641,347	-	12,244,773
Miscellaneous receivables	558,415	462	-	-	6,197	10,629	575,703
Gross receivables	3,348,040	462	-	9,917,884	2,419,120	10,629	15,696,135
Less allowance for uncollectibles	437,056	-	-	-	-	-	437,056
Sub-Total:	2,910,984	462	-	9,917,884	2,419,120	10,629	15,259,079
Interest on investments	137,517	5,457	27,484	-	2,693	-	173,151
Governmental activities receivables, net	<u>\$ 3,048,501</u>	<u>\$ 5,919</u>	<u>\$ 27,484</u>	<u>\$ 9,917,884</u>	<u>\$ 2,421,813</u>	<u>\$ 10,629</u>	<u>\$ 15,432,230</u>

(1) Includes \$9,917,884 in receivables from FEMA for reimbursements of Hurricane Irma related expenditures incurred in previous years; receivables recognized upon funds being obligated by FEMA.

<u>Business-type activities receivables:</u>	Water & Sewer	Electric	Solid	Other	<u>Total</u>
	<u>Utilities</u>	<u>Utility</u>	<u>Waste</u>	<u>Proprietary</u>	
Utility Billed	\$ 4,535,829	\$ 15,284,577	\$ 3,264,685	\$ 1,936,230	\$ 25,021,321
Utility Unbilled	1,023,107	4,466,883	499,589	70,720	6,060,299
Cares Act receivables	-	-	77,097	-	77,097
Miscellaneous receivables	40,328	78,172	734	-	119,234
Gross receivables	5,599,264	19,829,632	3,842,105	2,006,950	31,277,951
Less allowance for uncollectibles	1,468,326	5,463,187	1,144,427	929,695	9,005,635
Sub-Total:	4,130,938	14,366,445	2,697,678	1,077,255	22,272,316
Interest on investments	87	1,708	657	5,516	7,968
Business-type activities receivables, net	<u>\$ 4,131,025</u>	<u>\$ 14,368,153</u>	<u>\$ 2,698,335</u>	<u>\$ 1,082,771</u>	<u>\$ 22,280,284</u>
Total government-wide net receivables					<u>\$ 37,712,514</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 5. NOTES RECEIVABLES

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

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

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

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

As of June 30, 2020, the QALICB reported \$33,170,576 in net capital assets consisting of the Project that was placed in service in May 2020. Accordingly, the QALICB also reports \$34,011,051 in total loans payable, of which \$18,799,691 is owed to the City, and the balance is owed to the various CDEs. At September 30, 2020 the City reported the note receivable related to the NMTC Project of \$30,493,770; \$10,766,000 from the COCFR Investor 129, LLC and \$19,727,770 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 commencing in June 2020. Accrued interest on the loan at September 30, 2020 is \$115,066.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 6. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts and purchase orders issued for good and services. Significant encumbrances as of September 30, 2020 are as follows:

Significant encumbrances:

Major funds:

General Fund	\$	379,000
Impact Fees Fund		1,663,000
Disaster Relief Fund		17,000
Multimodal Transit Center		1,012,000
Homestead Community Redevelopment Agency		<u>280,000</u>
Total major funds		3,351,000

Other governmental funds:

Grant Fund		1,712,000
Cybrarium Fund		4,113,000
Others governmental funds		<u>599,000</u>
Total other governmental funds		<u>6,424,000</u>

Total encumbrances \$ 9,775,000

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 7. INTERFUND TRANSACTIONS

Interfund Transfers

<u>Transfers In</u>	<u>Transfers Out</u>										<u>Total</u>		
	<u>General Fund</u>	<u>Disaster Relief</u>	<u>Multimodal</u>	<u>CRA</u>	<u>Other Governmental Funds</u>	<u>Water & Sewer</u>	<u>Electric Utility</u>	<u>Solid Waste</u>	<u>Other Enterprise Fund</u>	<u>Internal Service Fund</u>			
General Fund	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	(1)
General Fund	-	-	2,229,737	-	-	-	-	-	-	-	-	2,229,737	(2)
General Fund	-	-	-	500,000	300,000	-	-	-	-	-	-	800,000	(3)
General Fund	-	-	-	-	72,702	-	-	-	-	-	-	72,702	(4)
Multimodal Transit Center	-	1,129,738	-	-	1,100,000	-	-	-	-	-	-	2,229,738	(5)
Other Governmental Funds	400,000	-	-	-	1,400,000	-	-	-	-	-	-	1,800,000	(6)
Other Governmental Funds	290,392	-	-	-	-	13,082	36,197	24,206	6,541	26,163	-	396,581	(7)
Electric Utility Fund	-	1,191,000	-	-	-	-	-	-	-	-	-	1,191,000	(8)
Total	<u>\$ 690,392</u>	<u>\$ 7,320,738</u>	<u>\$ 2,229,737</u>	<u>\$ 500,000</u>	<u>\$ 2,872,702</u>	<u>\$ 13,082</u>	<u>\$ 36,197</u>	<u>\$ 24,206</u>	<u>\$ 6,541</u>	<u>\$ 26,163</u>	<u>\$ -</u>	<u>\$ 13,719,758</u>	

- (1) Transfers of \$5,000,000 from Disaster Relief Fund to General Fund was to reimburse the General Fund for Hurricane Irma disaster expenditures incurred in previous years.
- (2) Transfer of \$2,229,737 from Multimodal to General Fund was to cover costs of capital assets transferred to Homestead Station QALICB.
- (3) Transfer totalling \$800,000 from CRA and CDBG to General Fund was to help fund Cybrarium project.
- (4) Transfers totalling \$72,202 from New City Hall Fund and New Police Building Fund to General Fund was to close out the capital project funds.
- (5) Transfer totalling \$2,229,738 from Disaster Relief Fund, People's Transportation Plan Fund and Homestead Miami Speedway Fund into Multimodal Transit Center Fund was to help fund costs of a capital project.
- (6) Transfer of \$1,800,000 from General Fund and People's Transportation Plan into other governmental funds was for debt service payments.
- (7) Transfer of \$396,581 from the General Fund, Water & Sewer, Electric, Solid Waste, other enterprise fund and internal service fund into other governmental funds was to fund the cost of different capital projects.
- (8) Transfers of \$1,191,000 from Disaster Relief Fund to Electric Utility Fund was to reimburse the Electric Utility Fund for Hurricane Irma disaster expenditures incurred in previous years.

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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 7. INTERFUND TRANSACTIONS (Continued)

Interfund Payables and Receivables (Continued)

Individual interfund receivable and payable balances at September 30, 2020 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 100,000	\$ -
Major Governmental Funds:		
Homestead Community Redevelopment Agency	-	100,000
Impact Fees	850,000	-
Disaster Relief	-	7,750,000
Total Major Governmental Funds	<u>850,000</u>	<u>7,850,000</u>
Other Governmental Funds:		
Sundries Grant	-	150,000
Confiscated Property	600,000	
Peoples' Transportation Plan	-	700,000
Capital Improvement	500,000	-
Cybrarium	4,500,000	-
Total Other Governmental Funds	<u>5,600,000</u>	<u>850,000</u>
Total Governmental Funds	<u>6,550,000</u>	<u>8,700,000</u>
Major Proprietary Funds:		
Water and Sewer	-	4,500,000
Electric Utility	-	3,500,000
Solid Waste	1,400,000	-
Total Major Proprietary Funds	<u>1,400,000</u>	<u>8,000,000</u>
Other Proprietary Fund:		
Stormwater	500,000	-
Utilities Repair, Replacement and Improvement	1,600,000	-
Total Other Proprietary Fund	<u>2,100,000</u>	<u>-</u>
Total Proprietary Funds	<u>3,500,000</u>	<u>8,000,000</u>
Internal Service Funds:		
Other Self Insurance	4,400,000	-
Customer Services	1,800,000	-
Fleet Management	450,000	-
Total Internal Service Funds	<u>6,650,000</u>	<u>-</u>
Total Interfund Balances	<u>\$ 16,700,000</u>	<u>\$ 16,700,000</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8. CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2020 was as follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 47,758,825	\$ 439,711	\$ -	\$ 48,198,536
Artworks	2,780	-	-	2,780
Construction in Progress	8,076,298	9,078,848 (a)	1,146,121	16,009,025
Total capital assets not being depreciated	55,837,903	9,518,559	1,146,121	64,210,341
Capital assets being depreciated:				
Land improvements	533,025	73,480	-	606,505
Buildings and improvements	160,752,833 (a)	363,738	-	161,116,571
Other improvements	58,738,757 (a)	434,763	-	59,173,520
Furniture, fixtures and equipment	43,896,282	1,794,323	-	45,690,605
Infrastructure	118,580,871	-	-	118,580,871
Total capital assets being depreciated	382,501,768	2,666,304	-	385,168,072
Less accumulated depreciation for:				
Land improvements	41,675	26,446	-	68,121
Buildings and improvements	55,171,596	3,867,204	-	59,038,800
Other improvements	44,677,451	2,309,441	-	46,986,892
Furniture, fixtures and equipment	37,548,671	2,010,463	-	39,559,134
Infrastructure	79,760,710	2,438,939	-	82,199,649
Total accumulated depreciation	217,200,103	10,652,493	-	227,852,596
Total capital assets being depreciated, net	165,301,665	(7,986,189)	-	157,315,476
Governmental activities capital assets, net	\$ 221,139,568	\$ 1,532,370	\$ 1,146,121	\$ 221,525,817

(a) Of the \$1,146,121 deletions to Construction in Progress, \$302,291 was transferred to Building & Improvements, \$157,417 was transferred to Other Improvements, \$66,045 was removed and \$620,368 was contributed to business-type activities.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 8. CAPITAL ASSETS (Continued)

<u>Business-type activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,266,972	\$ 609,091	\$ -	\$ 1,876,063
Construction in Progress	<u>34,083,937</u>	<u>4,690,288</u>	<u>32,609,265</u>	<u>6,164,960</u>
Total capital assets not being depreciated	<u>35,350,909</u>	<u>5,299,379</u>	<u>32,609,265</u>	<u>8,041,023</u>
Capital assets being depreciated:				
Buildings and improvements	-	33,087,611	-	33,087,611
Utility plant and systems	<u>126,476,332</u>	<u>8,002,073</u>	-	<u>134,478,405</u>
Total capital assets being depreciated	<u>126,476,332</u>	<u>41,089,684</u>	-	<u>167,566,016</u>
Less accumulated depreciation for:				
Buildings and improvements	-	154,648	-	154,648
Utility plant and systems	<u>94,439,188</u>	<u>4,699,454</u>	-	<u>99,138,642</u>
Total accumulated depreciation	<u>94,439,188</u>	<u>4,854,102</u>	-	<u>99,293,290</u>
Total capital assets being depreciated, net	<u>32,037,144</u>	<u>36,235,582</u>	-	<u>68,272,726</u>
Business-type activities capital assets, net	<u>\$ 67,388,053</u>	<u>\$ 41,534,961</u>	<u>\$ 32,609,265</u>	<u>\$ 76,313,749</u>

(a) Addition to Construction in Progress includes asset contributed from governmental activities of \$620,368.

(b) Building and improvements of \$33,087,611 are QALIC B assets, which includes \$28,063,297 transferred from construction-in-progress.

Depreciation expense for the fiscal year ended September 30, 2020 has been recored as follows:

	<u>Depreciation Expense</u>
<u>Governmental activities:</u>	
General government	\$ 1,713,498
Public safety	1,587,124
Public works	1,556,074
Parks and recreation	3,330,042
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	26,816
Unallocated	<u>2,438,939</u>
Total depreciation expense - governmental activities	<u>\$ 10,652,493</u>
<u>Business-type activities:</u>	
Water/Sewer	\$ 1,072,496
Electric	3,034,139
Solid waste	448,891
Other enterprise funds	97,111
QALICB	160,443
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of assets	41,022
Total depreciation expense - business-type activities	<u>\$ 4,854,102</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES

Governmental Activities

The following is a summary of changes in governmental long-term liabilities at September 30, 2020:

	<u>Beginning</u> Balance	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> Balance	<u>Due</u> within <u>One Year</u>
Bonds payable:					
General Obligation Bonds, Series 2014	\$ 22,090,000	\$ -	\$ 510,000	\$ 21,580,000	\$ 535,000
Plus: Unamortized Bond Premium	1,449,815	-	58,120	1,391,695	58,120
Total General Obligation Bonds, Series 2014	23,539,815	-	568,120	22,971,695	593,120
Taxable Transportation System Revenue Bonds, Sereis 2017	29,930,000	-	655,000	29,275,000	670,000
HERO Increment Revenue Refunding Bonds	284,203	-	284,203	-	-
Total bonds payable	<u>53,754,018</u>	<u>-</u>	<u>1,507,323</u>	<u>52,246,695</u>	<u>1,263,120</u>
Loans payable:					
HUD section 108 loan**	-	3,283,000	194,000	3,089,000	194,000
New City Hall \$10M loan**	8,770,137	-	420,071	8,350,066	8,350,066
Total loans payable	<u>8,770,137</u>	<u>3,283,000</u>	<u>614,071</u>	<u>11,439,066</u>	<u>8,544,066</u>
Total bonds and loans payable	62,524,155	3,283,000	2,121,394	63,685,761	9,807,186
Derivative instrument - Interest rate swap	3,592	-	3,592	-	-
Compensated absences	2,623,075	907,341	515,218	3,015,198	904,560
Equipment financing obligation**	2,962,824	731,020	935,254	2,758,590	880,180
Net pension liability	24,312,779	4,890,586	2,279,050	26,924,315	-
Total OPEB liability	6,652,165	1,388,664	-	8,040,829	-
Claims and judgements	3,579,121	2,071,591	1,407,247	4,243,465	1,090,299
Governmental activities long-term liabilities	<u>\$ 102,657,711</u>	<u>\$ 13,272,202</u>	<u>\$ 7,261,755</u>	<u>\$ 108,668,158</u>	<u>\$ 12,682,225</u>

**Direct Borrowings

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

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES

Governmental Activities

A. General Obligation Bonds, Series 2014

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

The GO Bonds were issued on September 11, 2014. General obligation bonds are direct obligations and pledge the full faith and credit of the City as a whole and not its individual funds. In each year the debt is outstanding, an ad valorem tax will be levied equal to principal and interest due. These bonds are issued as 30-year serial bonds, due in annual installments of \$535,000 to \$1,420,000 to 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, 2020.

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2021	\$ 535,000	\$ 947,738	\$ 1,482,738
2022	565,000	920,988	1,485,988
2023	590,000	892,738	1,482,738
2024	620,000	863,238	1,483,238
2025	655,000	832,238	1,487,238
2026-2030	3,640,000	3,780,288	7,420,288
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
	<u>21,580,000</u>	<u>14,041,853</u>	<u>35,621,853</u>
Sub-Total			
Plus: Unamortized Bonds Premium	1,391,695	-	1,391,695
	<u>22,971,695</u>	<u>14,041,853</u>	<u>37,013,548</u>
Total	<u>\$ 22,971,695</u>	<u>\$ 14,041,853</u>	<u>\$ 37,013,548</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. 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 \$670,000 to \$1,725,000. Interest rates on the bonds range from 1.671% to 4.194% and is paid semi-annually on January 1 and July 1. The revenue bond indentures contain significant limitations and restrictions on annual debt service requirements. The City continually monitors compliance with all significant limitations and restrictions. The bonds will be repaid primarily from transportation surtax revenues and other non-ad valorem revenues.

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

Debt Service Requirements to Maturity

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2021	\$ 670,000	\$ 1,128,562	\$ 1,798,562
2022	685,000	1,112,984	1,797,984
2023	700,000	1,095,346	1,795,346
2024	720,000	1,076,012	1,796,012
2025	745,000	1,054,685	1,799,685
2026-2030	4,100,000	4,885,680	8,985,680
2031-2035	4,940,000	4,052,735	8,992,735
2036-2040	6,000,000	2,986,736	8,986,736
2041-2045	7,335,000	1,652,680	8,987,680
2046-2047	3,380,000	214,104	3,594,104
	<u>\$ 29,275,000</u>	<u>\$ 19,259,524</u>	<u>\$ 48,534,524</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

C. Homestead Economic and Rebuilding Organization (HERO) Tax Increment Revenue Refunding Bonds, Taxable Series 2003

On June 18, 2003, the City refunded the balance of the Homestead Economic and Rebuilding Organization (HERO) Increment Revenue Bonds, Taxable Series 1995 which had an outstanding balance of \$4,175,000 at the date of refunding, with the issuance of the Homestead Economic and Rebuilding Organization (HERO) Tax Increment Revenue Refunding Bonds, Series 2003. The resources provided to the City were used to defease the Series 1995 bonds, fund a debt service reserve account, pay costs of issuance and enter into an Interest Rate Swap agreement with respect to the Series 2003 bonds. Homestead Economic and Rebuilding Organization (HERO) Tax Increment Revenue Refinancing Bonds, Taxable Series 2003 at the floating interest rate of LIBOR plus 1%, (pursuant to the terms of the Interest Rate Swap agreement the City paid a fixed interest rate of 4.79%) maturing serially through April 30, 2020 in annual amounts of \$284,203, and were secured by HERO net trust fund revenues and payable from the HERO/Tax Increment Debt Service Fund. The bonds was paid off on April 30, 2020.

D. 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 is the maximum allowable amount based on the City's Community Development Block Grant (CDBG) allocation. The loan is being repaid over 20 years and the payments consist of principal (approximately \$194,000 annually) and interest (approximately \$67,000 annually).

The City began drawing on the loan prior to the commencement of construction, \$194,000 in FY2017, \$194,000 in FY2018, \$194,000 in FY2019 in order to be in compliance with the loan requirements and to keep the loan active subsequent to the fiscal year end. The drawdown period for the loan was extended from September 30, 2019 to March 31, 2020. 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. Interest on the unpaid principal balance is due and payable quarterly on the first day of February, May, August and November. Principal payment is due annually on August 1st and continue through maturity on August 1, 2036. The HUD Section 108 Loan contains a provision 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. The outstanding balance of the Section 108 loan as of September 30, 2020 is \$3,089,000.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

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

Debt Service Requirements to Maturity

		(1)	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2021	\$ 194,000	\$ 11,615	\$ 205,615
2022	193,000	10,879	203,879
2023	193,000	10,145	203,145
2024	193,000	9,412	202,412
2025	193,000	8,679	201,679
2026-2030	965,000	32,392	997,392
2031-2035	965,000	14,057	979,057
2036	193,000	611	193,611
	<u>\$ 3,089,000</u>	<u>\$ 97,790</u>	<u>\$ 3,186,790</u>

(1) Computed at 0.38%, which is 20 basis points above 90 day LIBOR rate of 0.18% times amount outstanding.

E. \$10 million Loan for New City Hall-Direct Borrowing

On June 18, 2014, the City Council adopted a Resolution accepting the proposal from Capital Bank, N.A. to provide a portion of the financing for the New City Hall in the form of a line of credit in an amount not to exceed ten million dollars at a fixed rate of 1.6%.

The line of credit was fully drawn down upon the completion of the New City Hall. On August 7, 2016, the City converted the line of credit to a five-year bank loan at a fixed rate of 2.55% with a balloon payment due on August 1, 2021. The bank loan has the option to be prepaid without penalty. Upon the occurrence of any event of default, the bank may declare all obligations of the City under the loan documents to be immediately due and payable without further action of any kind and upon such declaration the note and the interest accrued thereon shall become immediately due and payable. The City plans to refinance this loan before August, 2021.

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2021	\$ 8,350,066	\$ 191,009	\$ 8,541,075
	<u>\$ 8,350,066</u>	<u>\$ 191,009</u>	<u>\$ 8,541,075</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

F. Compensated Absences

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

The estimated liability is measured using rates in effect at the balance sheet date; benefits are computed at the current salary rates at the time of payment. Upon separation from the City service, vacation leave is paid at 100% up to 360 hours for regular employees and 380 hours for police. Sick leave is paid at 50% to 100% depending on years of service (for years of services greater than 15 years), up to 800 hours for regular employees and 880 hours for police. The General Fund has primarily been used in prior years to liquidate the liability for compensated absences for governmental activities. At September 30, 2020, the liability for compensated absences was as follows:

Governmental Activities	\$	3,015,198
Business-type Activities		1,595,632
	\$	<u>4,610,830</u>

G. Equipment Financing-Direct Borrowing

The City enters into financing agreements periodically to finance the purchase of City vehicles and other equipment such as computers. The value of capital assets acquired under new equipment financing during fiscal year 2020 for governmental activities totaled \$782,269. The capital assets acquired under the equipment financing remain as collateral for repayment of the outstanding principal obligations. In the event of default, the lender may provide a written notice to declare all amounts then due under the financing agreements, and all remaining payments due during the fiscal year in effect when the default occurs to be immediately due and payable, or request the City promptly deliver the equipment to the lessor. In the event of a default the lender, by written notice to the City, may declare all financing agreements payments and other amounts payable by the City thereunder to the end of the then-current budget year of the City to be due, and such amounts shall thereafter bear interest at the rate of 12% per annum, or the maximum rate permitted by applicable law, whichever is less. The lender may also request that the City promptly deliver the equipment to the lessor.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

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

Future minimum payments and the present value of net minimum payments at September 30, 2020 are as follows:

Governmental equipment financing:

Fiscal year ending September 30:

2021	\$	945,168
2022		745,180
2023		615,958
2024		543,696
2025		<u>54,522</u>
Total minimum payments		2,904,524
Less amount representing interest		<u>145,934</u>
Present value of net minimum payments	\$	<u><u>2,758,590</u></u>

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

Furniture, fixtures and equipment	\$	5,138,817
Accumulated depreciation		<u>(2,419,947)</u>
Total	\$	<u><u>2,718,870</u></u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Continued)

Business-type Activities

The following is a summary of changes in business-type long-term liabilities at September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Electric Utility Bond, Series 2004**	\$ 419,602	\$ -	\$ 419,602	\$ -	\$ -
Electric Utility Bond, Series 2019**	2,400,000	-	-	2,400,000	214,812
Total bonds payable	2,819,602	-	419,602	2,400,000	214,812
Notes Payable (1)	24,638,391	9,701,300	-	34,339,691	328,640
Total bonds and notes payable	27,457,993	9,701,300	419,602	36,739,691	543,452
Compensated absences	1,515,144	826,315	745,827	1,595,632	478,689
Equipment financing obligation**	1,911,218	520,083	379,852	2,051,449	450,562
Other long-term liabilities	490,000	-	490,000	-	-
Net pension liability	6,149,236	-	1,030,075	5,119,161	-
Total OPEB obligation	4,177,560	892,364	-	5,069,924	-
 Business-type activities long-term liabilities	 \$ 41,701,151	\$ 11,940,062	\$ 3,065,356	\$ 50,575,857	\$ 1,472,703

**Direct Borrowings

- (1) The \$34,339,691 notes payable is NMTC-related and represents the balance at June 30, 2020 per the QALICB's separately issued financial statements. Please refer to those statements for additional information.

A. *Electric Utility Bonds, Series 2004-Direct Borrowing*

On December 23, 2004, \$8,000,000 of Electric Utility Bonds, Series 2004 were issued for use in the construction of an electric substation. Interest was at 3.85% and the bonds were payable annually through January 1, 2020. Upon the occurrence and continuance of any event of default, the owners of the bonds could have accelerated the payment of the bonds or pursued any other available remedy by suit, at law or in equity to have enforced the payment of the principal of and interest on the bonds then outstanding. The bonds was paid off on January 1, 2020.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Continued)

Business-type Activities (Continued)

B. Electric Utility Bonds, Series 2019-Direct Borrowing

On July 29, 2019, \$2,400,000 of Electric Utility Bonds, Series 2019 were issued for use in the purchase of the land and in the expansion to an electric substation. The bonds are payable annually through January 1, 2030 in principal amounts ranging from approximately \$215,000 to \$267,000. Interest is at 2.44% and is paid semi-annually on January 1 and July 1.

If an event of default occurs the interest rate on the Bond shall immediately be adjusted to a rate equal to three percent (3.00%) above the interest rate immediately preceding the event of default but in no event shall this default rate be in excess of the maximum rate permitted by law. Upon the occurrence and continuance of any event of default, the bond shall bear interest at the default rate and the owners of the bond may accelerate the payment of the bond or pursue any other available remedy to enforce the payment of the principal of and interest on the bond then outstanding. In addition, while the bond is held by the bank, the bank may collect a late charge of five percent (5.00%) of any payment not received by the bank within ten (10) days after the payment is due and upon an event of default, the Bank may recover from the City all expenses incurred.

Debt Service Requirements to Maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2021	\$ 214,812	\$ 55,939	\$ 270,751
2022	220,053	50,634	270,687
2023	225,422	45,199	270,621
2024	230,922	39,632	270,554
2025	236,557	33,929	270,486
2026-2030	<u>1,272,234</u>	<u>79,103</u>	<u>1,351,337</u>
Total	<u>\$ 2,400,000</u>	<u>\$ 304,436</u>	<u>\$ 2,704,436</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Continued)

Business-type Activities (Continued)

C. *Equipment Financing-Direct Borrowing*

The value of capital assets acquired under new equipment financing during fiscal year 2019 for business-type activities totaled \$1,047,434. In the event of default, the lender may provide a written notice to declare all amounts then due under the financing agreements, and all remaining payments due during the fiscal year in effect when the default occurs to be immediately due and payable, or request the City promptly deliver the equipment to the lessor. In the event of a default the lender, by written notice to the City, may declare all payments and other amounts payable by the City thereunder to the end of the then-current budget year of the City to be due, and such amounts shall thereafter bear interest at the rate of 12% per annum, or the maximum rate permitted by applicable law, whichever is less. The lender may also request that the City promptly deliver the equipment to the lessor. Future minimum payments and the present value of net minimum payments at September 30, 2020 are as follows:

Business-type equipment financing:

Fiscal year ending September 30:

2021	\$ 502,380
2022	502,380
2023	502,380
2024	311,616
2025	204,373
2026-2027	<u>171,391</u>
Total minimum payments	2,194,520
Less amount representing interest	<u>143,071</u>
Present value of net minimum payments	<u>\$ 2,051,449</u>

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

Furniture, fixtures and equipment	\$ 2,870,962
Accumulated depreciation	<u>(262,106)</u>
Total	<u>\$ 2,608,856</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Continued)

Business-type Activities (Continued)

D. Other Long-Term Liabilities

Settlement Agreement

On July 26, 2011, the City Council approved a settlement agreement between the City and Michael Latterner, as trustee of the Keys Gate Trust, to terminate the 1993 and 1989 Village of Homestead (VOH) Agreements which imposed certain development obligations on the City and Latterner. Under the settlement agreement, the City agreed to pay Latterner the sum of \$4,900,000 in ten installments of \$490,000 each over a period of ten years with the first installment of \$490,000 due within 60 days after the Council approved the agreement. The payments are then due annually beginning on January 1, 2012 and on January 1 of each succeeding year until the balance is paid in full. The City's Water and Sewer Fund is used to fund these payments. This liability was paid off on January 1, 2020.

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, 2020 are as follows:

Governmental Activities:

HERO Tax Increment Revenue Refunding Bonds, Taxable Sries 2003

Source of Revenue Pledged	TIF revenue
Description of debt	HERO Tax Increment Revenue Refunding Bonds, Series 2003
Purpose of debt	Financing the acquisition, clearing, rehabilitation and/or construction of public improvements in the Homestead Redevelopment area.
Current revenue pledged	\$3,141,634
Total debt service to maturity	\$0
Term of commitment	2003-2020
Current year debt service	\$293,917
Percentage of debt service to pledged revenues (current year)	9%

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Continued)

Pledged Revenues (Continued)

Governmental Activities: (Continued)

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	\$1,484,738
Total debt service to maturity (1)	\$37,013,548
Term of commitment	2015-2044
Current year debt service	\$1,484,008
Percentage of debt service to pledged revenues (current year)	100%

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	\$3,049,744 (Surtax portion only)
Total debt service to maturity (1)	\$48,534,524
Term of commitment	2018-2047
Current year debt service	\$1,797,566
Percentage of debt service to pledged revenues (current year)	65%

(1) Total future principal and interest payments.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 9. LONG-TERM LIABILITIES (Continued)

Pledged Revenues (Continued)

Business-Type Activities:

Electric Utility Bonds, Series 2004

Source of Revenue Pledged	Net Electric Utility Revenues
Description of debt	Electric Utility Bonds, Series 2004
Purpose of debt	Substation Construction
Current revenue pledged	\$3,939,023
Total debt service to maturity (1)	\$0
Term of commitment	2004-2020
Current year debt service	\$422,455
Percentage of debt service to pledged revenues (current year)	10.72%

Electric Utility Bonds, Series 2019

Source of Revenue Pledged	Net Electric Utility Revenues
Description of debt	Electric Utility Bonds, Series 2019
Purpose of debt	Substation Expansion/ Land Acquisition
Current revenue pledged	\$3,939,023
Total debt service to maturity (1)	\$2,704,436
Term of commitment	2020-2030
Current year debt service (2)	\$59,311
Percentage of debt service to pledged revenues (current year)	1.51%

(1) Total future principal and interest payments.

(2) There was no principal payment due in FY 2020.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 10. 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 \$4,244,000 was actuarially determined by an outside actuary at September 30, 2020. Changes in liabilities during the years ended September 30, 2020 and 2019 are presented in the following table:

	Liability at Beginning <u>Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Liability at End <u>of Year</u>
<u>2020</u>				
Worker's compensation	\$ 1,059,326	\$ 1,030,854	\$ 749,863	\$ 1,340,317
General and auto liabilities	<u>2,519,795</u>	<u>1,040,737</u>	<u>657,384</u>	<u>2,903,148</u>
2019 Total	<u>\$ 3,579,121</u>	<u>\$ 2,071,591</u>	<u>\$ 1,407,247</u>	<u>\$ 4,243,465</u>
<u>2019</u>				
Worker's compensation	\$ 1,168,984	\$ 406,232	\$ 515,890	\$ 1,059,326
General and auto liabilities	<u>2,439,363</u>	<u>239,383</u>	<u>158,951</u>	<u>2,519,795</u>
2019 Total	<u>\$ 3,608,347</u>	<u>\$ 645,615</u>	<u>\$ 674,841</u>	<u>\$ 3,579,121</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 10. SELF-INSURANCE PROGRAMS (Continued)

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

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

General and Automobile Liabilities – The City's primary policy for its liability risks has a \$6,000,000 general aggregate with a \$100,000 self-insured retention deductible per occurrence. There have been no judgements 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 11. 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. Expenditures incurred, benefits and refunds owed are recognized when due and payable in accordance with the terms of the Plans rather than when paid.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

Plan Membership Information

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

	General Employees' Retirement <u>Plan*</u>	Police Officers' Retirement <u>Plan</u>	Elected Officials' Retirement <u>Plan*</u>	New Elected Officials' and Senior Management Retirement <u>System</u>	Firefighters' Retirement <u>System*</u>
Inactive plan members or beneficiaries currently receiving benefits	212	98	5	5	9
Inactive plan members entitled to but not yet receiving benefits	45	3	1	3	-
Active plan members	107	97	1	6	-
Total	364	198	7	14	9

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, 2020. The Plan issues a publicly available financial statement that includes fiduciary financial statements and required supplementary information. The financial statements may be obtained by writing to: Board of Trustees – General Employees' Retirement Plan, c/o City of Homestead, Finance Department, 100 Civic Court, Homestead, FL 33030.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. 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.

Investments

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

The investment balances held by the Plan as of September 30, 2020 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
Cash and short-term investments	\$ 5,868,121	\$ 5,868,121	\$ -	\$ -	\$ -
Fixed income: Municipal obligations	5,257,965	346,328	1,896,123	722,767	2,292,747
Fixed income: Corporate bonds	<u>24,513,872</u>	<u>101,472</u>	<u>7,581,633</u>	<u>16,643,546</u>	<u>187,221</u>
Sub-total	35,639,958	<u>\$ 6,315,921</u>	<u>\$ 9,477,756</u>	<u>\$ 17,366,313</u>	<u>\$ 2,479,968</u>
Hedge funds	402,199				
Mutual funds-equity	9,088,971				
Common Stocks	44,667,829				
Limited partnerships	<u>1,811,031</u>				
Total cash and investments	<u>\$ 91,609,988</u>				

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

The Plan’s investment policy currently does not allow for investments in fixed income securities with a maturity in excess of 30 years. As of September 30, 2020, the weighted average maturity of the fixed income portfolio was 6.43 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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

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

<u>S&P</u> <u>Rating</u>	<u>Fair value</u>	Percentage <u>of Fixed</u> <u>Income</u>
AAA	\$ 69,738	0.23%
AA+	196,923	0.66%
AA	3,545,223	11.91%
AA-	462,456	1.55%
A+	162,443	0.55%
A	980,828	3.29%
A-	776,445	2.61%
BBB+	3,508,828	11.79%
BBB	8,325,788	27.97%
BBB-	7,835,255	26.32%
BB+	<u>3,907,910</u>	<u>13.12%</u>
Total	<u>\$ 29,771,837</u>	<u>100.00%</u>

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 net position. 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 bond to no more than 5% and 10% of the Plan's total assets; respectively. However there are no limitations in government securities. As of September 30, 2020, none of the Plan's investments were held with any single issuer that represents 5% or more of the Plan's net position.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

Fair Value measurements – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

- 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.
- Money market funds are valued at amortized cost.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

The Plan has the following recurring fair value measurements as of September 30, 2020:

<u>Investments Type</u>	Value as of 9/30/2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities:				
Common stocks	\$ 44,667,829	\$ 38,249,845	\$ 6,417,984	\$ -
Mutual funds/equity	9,088,971	9,088,971	-	-
Total equity securities	<u>53,756,800</u>	<u>47,338,816</u>	<u>6,417,984</u>	<u>-</u>
Debt securities:				
Municipal obligations	5,257,965	-	5,257,965	-
Corporate bonds	24,513,872	-	24,513,872	-
Total debt securities	<u>29,771,837</u>	<u>-</u>	<u>29,771,837</u>	<u>-</u>
Total fair value	<u>83,528,637</u>	<u>\$ 47,338,816</u>	<u>\$ 29,771,837</u>	<u>\$ -</u>

Investment measured at net asset value (NAV) (a)

Hedge funds	402,199
Limited partnerships	1,811,031
Total investments @NAV	<u>2,213,230</u>
Total investmentst	<u>\$ 85,741,867</u>

(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.

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

<u>Investments Type</u>		Net Asset Value Measurement at Reporting Date			
		Value as of 9/30/2020	Unfunded Commitments	Redemption Frequency	Redemption Notice period
Hedge Funds	(1)	\$ 402,199	\$ -	N/A	N/A
Limited Partnerships	(2)	\$ 1,811,031	\$ 967,252	N/A	N/A

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

(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 Private Equity Fund IX Intermediate, L.P. (the “Intermediate Partnership”), as the context requires. The Fund is sponsored by Portfolio Advisors, LLC (“Portfolio Advisors” or, together with its affiliates, the “Investment Manager”), which may also sponsor and manage certain alternative parallel and/or special purpose feeder vehicles that invest in or alongside the Fund, including, but not limited to a special purpose vehicle organized in Ireland.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability

The City's net pension liability was measured by the actuarial valuation as of October 1, 2018 and rolled forward to the September 30, 2019 (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 increase	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	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2017 actuarial valuation, in compliance with Florida Statutes.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using 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, 2020 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real rate of return</u>
Fixed Income	3.60%
U.S. Large Cap Equity-Growth	5.20%
U.S. Large Cap Equity-Value	6.20%
U.S. Small Cap Equity	6.30%
International Equity	8.20%
Private Real Estate	6.60%
Private Equity	8.40%

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability (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 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.

Changes in Net Pension Liability:

	General Employees' Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Total pension liability - beginning	\$ 93,496,744	\$ 83,827,709	\$ 9,669,035
Changes for the year:			
Service Cost	1,493,602	-	1,493,602
Interest on the total pension liability	6,275,331	-	6,275,331
Difference between expected and actual experience of the total pension liability	282,792	-	282,792
Changes of assumptions	-	-	-
Contributions - employer	-	2,613,899	(2,613,899)
Contributions - employee	-	311,611	(311,611)
Net investment income	-	6,791,312	(6,791,312)
Benefit payments	(4,037,075)	(4,037,075)	-
Refunds	(7,903)	(7,903)	-
Pension plan administrative expense	-	(134,505)	134,505
Net change in total pension liability	<u>4,006,747</u>	<u>5,537,339</u>	<u>(1,530,592)</u>
Total pension liability - ending	<u>\$ 97,503,491</u>	<u>\$ 89,365,048</u>	<u>\$ 8,138,443</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability (Continued)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City calculated using the current discount rates (6.75%) and the liability 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	Current	1% Increase
	5.75%	discount rate 6.75%	7.75%
Net pension liability	\$ 19,362,162	\$ 8,138,443	\$ (1,188,207)

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

For the fiscal year ended September 30, 2020 but based on a measurement date of September 30, 2019, the City recognized a reduction to GERP pension expense of \$890,524. This amount is included as a reduction to personal services expenses within the functional program activities.

At September 30, 2020, the City reports deferred outflows and inflows of resources related to the GERP as follows:

	General Employees' Retirement Plan	
	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 106,047	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,559,707
Total	\$ 106,047	\$ 1,559,707

Net difference between projected and actual earnings on pension plan investments has a deferred outflows of resources of \$659,468 and deferred inflows of resources of \$2,219,175, resulting in the net inflows of resources of \$1,559,707. The City also has contributions subsequent to the measurement date of \$2,476,457, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2021.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

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

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

<u>Year Ending</u> <u>September 30,</u>	<u>Net Deferred</u> <u>Outflows of</u> <u>Resources</u>
2021	\$ (821,763)
2022	(381,616)
2023	(15,229)
2024	(235,051)
	<u>\$ (1,453,659)</u>

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

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, 2020. 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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

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. Benefits are reduced by 2 1/3% for each year by which the early retirement date precedes the normal retirement date.

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.

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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

B. POLICE OFFICERS' RETIREMENT PLAN (PORP) (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, 2020 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than One Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
Cash and cash equivalents	\$ 2,965,118	\$ 2,965,118	\$ -	\$ -	\$ -
Fixed income	<u>40,227,436</u>	<u>756,700</u>	<u>11,618,533</u>	<u>6,937,919</u>	<u>20,914,284</u>
Sub-total	43,192,554	<u>\$ 3,721,818</u>	<u>\$ 11,618,533</u>	<u>\$ 6,937,919</u>	<u>\$ 20,914,284</u>
Common Stocks	<u>62,105,637</u>				
Total cash and investments	<u>\$ 105,298,191</u>				

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

The Plan's investment policy currently does not allow for investments in fixed income securities with a maturity in excess of 30 years. As of September 30, 2020 the weighted average maturity of the fixed income portfolio was 16.56 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 investments in fixed income investments to those rated BBB- or higher.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

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

	Fair value	Percentage of Portfolio
U.S. government guaranteed*	\$ 24,833,830	61.73%
<u>Quality rating of credit risk debt securities:</u>		
<u>S&P Rating</u>		
AAA	891,665	2.22%
AA	540,088	1.34%
AA-	622,431	1.55%
A+	654,031	1.63%
A	1,341,713	3.34%
A-	2,437,629	6.06%
BBB+	2,510,211	6.24%
BBB	3,390,198	8.43%
BBB-	2,189,072	5.44%
BB+	348,635	0.87%
BB-	467,933	1.16%
Total credit risk debt securities	15,393,606	38.27%
Total fixed income securities	\$ 40,227,436	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.

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 net position. 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, 2020, none of the Plan's investments were held with any single issuer that represents 5% or more of the Plan's net position.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

Fair Value measurements – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

The Plan has the following recurring fair value measurements as of September 30, 2020:

<u>Investments Type</u>	<u>Value as of</u> <u>9/30/2020</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in</u> <u>Active Markets</u> <u>for Identical</u> <u>Assets</u> <u>(Level 1)</u>	<u>Significant Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Fixed income	\$ 40,227,436	\$ 11,187,186	\$ 29,040,250	\$ -
Common stocks	62,105,637	62,105,637	-	-
Total investmentst at fair value	<u>\$ 102,333,073</u>	<u>\$ 73,292,823</u>	<u>\$ 29,040,250</u>	<u>\$ -</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability

The City's net pension liability was measured by the actuarial valuation as of October 1, 2018 and rolled forward to the September 30, 2019 (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 increase	5.75% to 9.75% depending on service
Investment rate of return	7.50%
Retirement Age	Upon eligibility
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) the July 1, 2017 actuarial valuation, in compliance with Florida Statutes.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using the long-term nominal building block data less the long-term inflation assumption of 2.5%. 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 September 30, 2020 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real rate of return</u>
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability (Continued)

Discount rate: A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate on pension plan investments of 7.50%. 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability:

	Police Officers' Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Total pension liability - beginning	\$ 116,671,974	\$ 97,644,715	\$ 19,027,259
Changes for the year:			
Service Cost	2,861,165	-	2,861,165
Interest on the total pension liability	8,589,530	-	8,589,530
Difference between expected and actual experience of the total pension liability	1,302,913	-	1,302,913
Changes of assumptions	-	-	-
Contributions - employer	-	3,917,203	(3,917,203)
Contributions - employer (from state)	-	605,683	(605,683)
Contributions - employee	-	740,591	(740,591)
Net investment income	-	2,501,251	(2,501,251)
Benefit payments	(9,997,832)	(9,997,832)	-
Refunds	(14,319)	(14,319)	-
Pension plan administrative expense	-	(161,056)	161,056
Other (Change in State Contribution Reserve)	(272,163)	(1)	(272,162)
Net change in total pension liability	<u>2,469,294</u>	<u>(2,408,480)</u>	<u>4,877,774</u>
Total pension liability - ending	<u>\$ 119,141,268</u>	<u>\$ 95,236,235</u>	<u>\$ 23,905,033</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability (Continued)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City calculated using the current discount rate (7.50%) and the liability using discount rates that are one percentage point lower (6.50%) and one percentage point higher (8.50%) than the current rates:

	Police Officers' Retirement Plan		
	1% Decrease 6.50%	Current discount rate 7.50%	1% Increase 8.50%
Net pension liability	\$ 38,697,211	\$ 23,905,033	\$ 11,855,739

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

For the fiscal year ended September 30, 2020 but based on a measurement date of September 30, 2019, the City recognized the Plan's pension expense of \$1,865,938. This amount is included as an increase to personal services expenses within the functional program activities.

At September 30, 2020, 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	\$ 899,406	\$ 34,244
Change in assumptions	484,984	-
Net difference between projected and actual earnings on pension plan investments	2,782,735	-
Total	\$ 4,167,125	\$ 34,244

Net difference between projected and actual earnings on pension plan investments has a deferred outflows of resources of \$4,180,359 and deferred inflows of resources of \$1,397,624, resulting in the net outflows of resources of \$2,782,735. Contributions from City and State subsequent to the measurement date of \$5,107,840 will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2021.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

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

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

<u>Year Ending</u> <u>September 30,</u>	Net Deferred Outflows of <u>Resources</u>
2021	\$ 1,280,923
2022	840,109
2023	1,084,253
2024	927,596
	<u>\$ 4,132,881</u>

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

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, 2019. 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.

In 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. The assets of the two plans were segregated to reflect the independence of the two plans.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

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.

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, 2019. The actual contribution from the City for active members was actuarially determined using the latest actuarial valuation dated January 1, 2018.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

The Board of Trustees has developed certain investment guidelines and has retained investment managers. The investment managers are 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, 2019 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>0-12 Months</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 years</u>
Fixed income-municipal bonds	\$ 30,445	-	30,445		
Fixed income-corporate bonds	940,667	323,685	616,982	-	-
Sub-total Fixed Income	<u>971,112</u>	<u>\$ 323,685</u>	<u>\$ 647,427</u>	<u>\$ -</u>	<u>\$ -</u>
Common stocks	1,952,502				
Foreign stocks	159,532				
ETF	104,687				
Unit investment trusts	<u>108,746</u>				
Sub-total Equities	<u>2,325,467</u>				
Total Investments	<u>\$ 3,296,579</u>				

Interest Rate Risk – Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a 2a7-like pool. The Plan's investment policy currently does not set a parameter on the duration of its fixed income securities. However, as of December 31, 2019 the weighted average maturity of the fixed income portfolio was 2.53 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 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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

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

<u>S&P Rating</u>	<u>Fair Value</u>	Percentage of Fixed Income
AAA	\$ 99,009	10.20%
AA+	74,875	7.71%
AA	82,132	8.46%
AA-	50,017	5.15%
A	47,124	4.85%
A-	111,285	11.46%
BBB+	424,042	43.66%
BBB	<u>82,628</u>	<u>8.51%</u>
	<u>\$ 971,112</u>	<u>100.00%</u>

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

Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Plan has a third party custodian agreement with a financial institution to accept securities on a delivery vs payment basis for direct purchase agreement. 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 net position. 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 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, 2019 no investment by any one issuer was above the 5% threshold required for disclosure.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

Fair Value measurements – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The 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, exchange traded funds (ETF's) and REIT's.
- 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 and foreign bonds.

The Plan has the following recurring fair value measurements as of December 31, 2019.

<u>Investments Type</u>	Fair Value Measurements Using			
	<u>Value as of 12/31/2019</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Debt securities:				
Corporate and foreign bonds	\$ 971,112	\$ -	\$ 971,112	\$ -
Total debt securities	971,112	-	971,112	-
Equity securities:				
Common stock	1,952,502	1,838,479	114,023	-
Foreign stock	159,532	159,532	-	-
ETF	104,687	104,687	-	-
Unit investment trusts	108,746	108,746	-	-
Total equity securities	2,325,467	2,211,444	114,023	-
Total investments at fair value	\$ 3,296,579	\$ 2,211,444	\$ 1,085,135	\$ -

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability

The City's net pension liability was measured by the actuarial valuation as of January 1, 2018 and rolled forward to the December 31, 2019 (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 increase	7.0%
Investment rate of return	6.75% per year, net investment expenses
Retirement Age	100% when first eligible for retirement
Mortality	RP-2000 Mortality Table with collar adjustments and generational projections using scale BB as used by the Florida Retirement System for the Regular Class members in the July 1, 2016 actuarial valuation.

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 Barclays U.S. Aggregate Bond Index 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, 2019 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real rate of return</u>
Equities	6.05%
Fixed Income	2.68%

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

	Elected Officials Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (a) - (b)
Total pension liability - beginning 12/31/2018	\$ 3,391,534	\$ 2,947,455	\$ 444,079
Changes for the year:			
Service Cost	32,138	-	32,138
Interest on the total pension liability	225,325	-	225,325
Difference between expected and actual experience of the total pension liability	-	-	-
Changes of assumptions	-		-
Contributions - employer	-	259,658	(259,658)
Net investment income	-	484,381	(484,381)
Benefit payments	(171,056)	(171,056)	-
Pension plan administrative expense	-	(31,620)	31,620
Net change in total pension liability (asset)	<u>86,407</u>	<u>541,363</u>	<u>(454,956)</u>
Total pension liability (asset) - ending 12/31/2019	<u>\$ 3,477,941</u>	<u>\$ 3,488,818</u>	<u>\$ (10,877)</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability (Asset) (Continued)

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

	Elected Officials Retirement Plan		
	1% Decrease	Current discount rate	1% Increase
	5.75%	6.75%	7.75%
Net pension liability (asset)	\$ 423,513	\$ (10,877)	\$ (368,409)

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

For the fiscal year ended September 30, 2020 but based on a measurement date of December 31, 2019, the City recognized the Plan's pension expense of \$91,695. This amount is included as an increase to personal services expenses within the functional program activities.

At September 30, 2020, 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
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	62,853
Total	\$ -	\$ 62,853

Net difference between projected and actual earnings on pension plan investments has a deferred outflows of resources of \$171,815 and deferred inflows of resources of \$234,668, resulting in the net inflows of resources of \$62,853. The City also has contributions subsequent to the measurement date of \$78,774, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2021.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

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

<u>Year Ending</u> <u>September 30,</u>	Net Deferred Outflows of <u>Resources</u>
2021	\$ (3,311)
2022	(3,387)
2023	546
2024	(56,701)
	<u>\$ (62,853)</u>

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

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

Plan Description

The City maintains a single-employer defined benefit pension plan established by City Ordinance 2002-02-06 dated February 18, 2002 as amended. The Plan was created to provide retirement benefits to all elected officials of the City of Homestead elected on or after February 18, 2002 and senior management. The Plan is administered by a pension board. The Board has the ability to make recommendations on establishing and amending pension plan provisions which can only be authorized by the City Council. During 2009, a unanimous decision was made to change the Plan year to a calendar year. Therefore, the presentation in these financial statements is as of year ending December 31. A more detailed description of the Plan and its provisions appears in the Ordinances constituting the Plan and in the summary Plan description. The Plan year end is December 31, 2019. The Plan issues a publicly available financial statement that includes fiduciary financial statements and required supplementary information. The financial statements may be obtained by writing to: Board of Trustees – New Elected Officials’ and Senior Management Retirement Plan, c/o City of Homestead, Finance Department, 100 Civic Court, Homestead, FL 33030.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. 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 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, 2019. The actual contribution from the City for active members was actuarially determined using the latest actuarial valuation dated January 1, 2018.

Investments

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. 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, 2019:

<u>Investment Type</u>	<u>Fair Value</u>	<u>0-12 Months</u>	<u>1-5 Years</u>	<u>6-15 Years</u>	<u>More than 10 years</u>
Government Bonds	\$ 176	\$ -	\$ 176	\$ -	\$ -
Sub-total	<u>176</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>\$ -</u>	<u>\$ -</u>
Mutual funds - fixed income	999,874				
Mutual funds - equity	3,303,665				
Real Estate Fund	<u>511,726</u>				
Total Investments at fair value	<u>\$ 4,815,441</u>				

Interest Rate Risk – Interest rate risk refers to the portfolio’s exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a 2a7-like pool. The Plan’s investment policy currently does not set a parameter on the duration of its fixed income securities. As of December 31, 2019 the weighted average maturity of the fixed income portfolio was 1.43 years.

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

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

<u>S&P Rating</u>	<u>Fair Value</u>	<u>Percentage of Fixed Income</u>
AA +	\$ 145	82.39%
A-	<u>31</u>	<u>17.61%</u>
	<u>\$ 176</u>	<u>100.00%</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. 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 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 net position. 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 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, 2019, 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, exchange traded funds (ETF's) and REIT's.
- 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 and foreign bonds.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. 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, 2019:

	Value as of 12/31/2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level:</u>				
Debt securities:				
Mortgage/Asset backed securities	\$ 176	\$ -	\$ 176	\$ -
Total debt securities	176	-	176	-
Equity securities:				
Mutual Funds - fixed income	999,874	999,874	-	-
Mutual Funds - equity	3,303,665	3,303,665	-	-
Total equity securities	4,303,539	4,303,539	-	-
Total investments at fair value	4,303,715	\$ 4,303,539	\$ 176	\$ -
<u>Investments measured at the net asset value ("NAV")</u>				
Real estate fund	511,726			
Total investments	\$ 4,815,441			

Net Pension Liability

The City's net pension liability was measured by the actuarial valuation as of January 1, 2018 and rolled forward to the December 31, 2019 (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 increase	1.0%
Investment rate of return	6.75% per year, net investment expenses
Retirement Age	100% upon eligibility
Mortality	RP-2000 Mortality Table with collar adjustments and generational projections using scale BB as used by the Florida Retirement System for the Regular Class members in the July 1, 2016 actuarial valuation.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

D. NEW ELECTED OFFICIALS' AND SENIOR MANAGEMENT RETIREMENT SYSTEM (NEOSMRS) (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 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, 2019 are summarized in the following table:

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

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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability (Asset) (Continued)

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 - beginning 12/31/2018	\$ 4,790,678	\$ 4,291,949	\$ 498,729
Changes for the year:			
Service Cost	62,683	-	62,683
Interest on the total pension liability	317,262	-	317,262
Difference between expected and actual experience of the total pension liability	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	106,700	(106,700)
Net investment income	-	861,401	(861,401)
Benefit payments	(306,374)	(306,374)	-
Pension plan administrative expense	-	(39,620)	39,620
Net change in total pension liability (asset)	<u>73,571</u>	<u>622,107</u>	<u>(548,536)</u>
Total pension liability (asset) - ending 12/31/2019	<u>\$ 4,864,249</u>	<u>\$ 4,914,056</u>	<u>\$ (49,807)</u>

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

	New Elected Officials' and Senior Management Retirement System		
	Current		
	1% Decrease 5.75%	discount rate 6.75%	1% Increase 7.75%
Net pension liability (asset)	\$ 531,072	\$ (49,807)	\$ (529,573)

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

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

For the fiscal year ended September 30, 2020 but based on a measurement date of December 31, 2019, the City recognized the Plan's pension expense of \$75,331. This amount is included as an addition to personal services expenses within the functional program activities.

At September 30, 2020, 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	\$ 16,994	\$ -
Changes in assumptions	36,551	1,592
Net difference between projected and actual earnings on pension plan investments	-	286,579
Total	\$ 53,545	\$ 288,171

Net difference between projected and actual earnings on pension plan investments has a deferred outflows of resources of \$328,191 and deferred inflows of resources of \$614,770, resulting in the net inflows of resources of \$286,579. The City also has contributions subsequent to the measurement date of \$93,505, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2021.

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

<u>Year Ending</u> <u>September 30,</u>	<u>Net Deferred</u> <u>Outflows of</u> <u>Resources</u>
2021	\$ (43,500)
2022	(68,595)
2023	(6,576)
2024	(115,955)
	\$ (234,626)

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

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, 2019. 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.

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 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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Termination Benefits

If a vested participant is terminated, the participant is entitled to receive 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.

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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

The Plan had investment balances as of December 31, 2019:

<u>Investment Type</u>	<u>Fair Value</u>	<u>0-12 Months</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 years</u>
Government securities	\$ 1,035,957	\$ 1,900	\$ 65,324	\$ 269,930	\$ 698,803
Corporate bonds	966,518	50,445	564,719	147,760	203,594
Municipal obligations	<u>72,388</u>	<u>-</u>	<u>31,420</u>	<u>20,914</u>	<u>20,054</u>
Sub-total : fixed income	2,074,863	<u>\$ 52,345</u>	<u>\$ 661,463</u>	<u>\$ 438,604</u>	<u>\$ 922,451</u>
Common stocks	3,548,537				
Mutual Funds equity	1,776,401				
Other	<u>76,063</u>				
Total Investments at fair value	<u>\$ 7,475,864</u>				

Interest Rate Risk – Interest rate risk refers to the portfolio’s exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a 2a7-like pool. The Plan 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, 2019, the Plan’s corporate bonds were rated between A1 and Baa3 by Moody’s Investor Services.

<u>Moody's Rating</u>	<u>Corporate Bonds Fair Value</u>	<u>Percentage of Fixed Income</u>
Between A1 and Baa3	<u>\$ 966,518</u>	<u>46.58%</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

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.

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 net position. 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, 2019, investments in the Templeton Global Bond Fund of \$390,683 and Vanguard 500 Index Fund of \$1,385,718 exceeded 5% of the Plan's fiduciary net position.

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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Investments (Continued)

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.

The Plan has the following fair value measurements as of December 31, 2019:

<u>Investments Type</u>	Value as of <u>12/31/2019</u>	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Equity securities	\$ 3,548,537	\$ 3,548,537	\$ -	\$ -
Mutual Funds	1,776,401	1,776,401		-
Corporate bonds	966,518	-	966,518	-
Government securities	1,035,957	-	1,035,957	-
Municipal obligations	76,063		76,063	-
Other	72,388	-	72,388	-
Total fair value	<u>\$ 7,475,864</u>	<u>\$ 5,324,938</u>	<u>\$ 2,150,926</u>	<u>\$ -</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability

The City's net pension liability was measured by the actuarial valuation as of January 1, 2019 and rolled forward to the December 31, 2019 (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	2.5%
Salary increase	N/A
Investment rate of return	6.00% net of investment expenses
Retirement Age	N/A
Mortality	RP-2000 Mortality Table for annuitants (for healthy post-retirement mortality), with mortality improvements projected to all future years after 2000 using scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. For disabled retirees, the mortality table used was 60% of the RP-2000 Mortality Table for Disabled Annuitants with ages set back 4 years for males and set forward 2 years for females, and 40% of the RP-2000 Mortality Table for healthy annuitants with a 100% white collar adjustment, with no provision being made for future mortality improvements. These are the same rates used for Special Risk Class members of the Florida Retirement System (FRS) in their July 1, 2018 actuarial valuation, in compliance with Chapter 112.63(1)(f), which requires use of the same mortality tables from either of the two most recently published actuarial valuation reports of FRS.

Discount rate: A single discount rate of 6.00% was used to measure the total pension liability. This single discount rate was based on the expected rate on pension plan investments of 6.00%. 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 benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.00%) was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

E. FIREFIGHTERS' RETIREMENT SYSTEM (HFRS) (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 2.5%. The building block long-term real return projections were developed through a evaluation process overseen by the AndCo Investment Policy Committee. The Committee considered many factors, including but not limited to, the intellectual capital of tenured professionals, long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. The projection of long-term real returns for the plan's target allocation as of December 31, 2019 are summarized in the following table:

<u>Asset Group</u>	<u>Long-Term Expected Real rate of return</u>
Domestic Equity	7.5%
International Equity	8.5%
Domestic Bonds	2.5%
International Bonds	3.5%

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 12/31/2018	\$ 7,751,438	\$ 6,928,525	\$ 822,913
Changes for the year:			
Interest on the total pension liability	447,154	-	447,154
Difference between expected and actual experience of the total pension liability	(860,624)	-	(860,624)
Change of assumptions	-	-	-
Contributions - employer	-	19,311	(19,311)
Contributions - employer (from state)	-	201,287	(201,287)
Net investment income	-	1,386,147	(1,386,147)
Benefit payments	(735,220)	(735,220)	-
Pension plan administrative expense	-	(76,003)	76,003
Other (change in share plan reserve)	137,468	-	137,468
Net change in total pension liability (asset)	<u>(1,011,222)</u>	<u>795,522</u>	<u>(1,806,744)</u>
Total pension liability (asset) - ending 12/31/2019	<u>\$ 6,740,216</u>	<u>\$ 7,724,047</u>	<u>\$ (983,831)</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

Net Pension Liability (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 (6.00%) and the liability (asset) using discount rates that are one percentage point lower (5.00%) and one percentage point higher (7.00%) than the current rates:

	Firefighters Retirement System		
	1% Decrease	Current	1% Increase
	5.00%	discount rate 6.00%	7.00%
Net pension liability (asset) \$	(372,030)	\$ (983,831)	\$ (1,503,007)

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pension
 For the fiscal year ended September 30, 2020 but based on a measurement date of December 31, 2019, the City recognized a decrease in the Plan's pension expense of \$726,678. This amount is included as a decrease to personal services expenses within the functional program activities.

At September 30, 2020, 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 expected and actual experience	\$ -	\$ -
Difference between projected and actual earnings on pension plan investments	-	518,884
Total	\$ -	\$ 518,884

Net difference between projected and actual earnings on pension plan investments has a deferred outflows of resources of \$513,443 and deferred inflows of resources of \$1,032,327, resulting in the net inflows of resources of \$518,884. The City also has contributions from the State and City subsequent to the measurement date of \$69,900, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2021.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

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

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

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

<u>Year Ending</u> <u>September 30,</u>	<u>Net Deferred</u> <u>Outflows of</u> <u>Resources</u>
2021	\$ (149,014)
2022	(145,758)
2023	(26,482)
2024	(197,630)
	<u>\$ (518,884)</u>

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

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

	Measurement Date	Net Pension Asset	Net Pension (liability)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources	Pension Expense (income)
General Employees' Retirement Plan	9/30/2019	\$ -	\$ (8,138,443)	\$ 765,515	\$ (2,219,175)	\$ (1,453,660)	\$ (890,524)
Police Officers' Retirement Plan	9/30/2019	-	(23,905,033)	5,564,749	(1,431,868)	4,132,881	1,865,938
Elected Officials' Retirement Plan	12/31/2019	10,877	-	171,815	(234,668)	(62,853)	91,695
New Elected Officials and Senior Management Retirement System	12/31/2019	49,807	-	381,736	(616,362)	(234,626)	75,331
Firefighters' Retirement System	12/31/2019	983,831	-	513,443	(1,032,327)	(518,884)	(726,678)
		<u>\$ 1,044,515</u>	<u>\$ (32,043,476)</u>	<u>\$ 7,397,258</u>	<u>\$ (5,534,400)</u>	<u>\$ 1,862,858</u>	<u>\$ 415,762</u>

By Activities type:

Governmental Activities	\$ 1,044,515	\$ (26,924,315)	\$ 6,915,742	\$ (4,138,517)	\$ 2,777,225	\$ 1,031,645
Business-type Activities	-	(5,119,161)	481,516	(1,395,883)	(914,367)	(615,883)
Total:	<u>\$ 1,044,515</u>	<u>\$ (32,043,476)</u>	<u>\$ 7,397,258</u>	<u>\$ (5,534,400)</u>	<u>\$ 1,862,858</u>	<u>\$ 415,762</u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

Reconciliation of Deferred Outflows of Resources to Statement of Net Position

	Measurement Date	Per GASB 68	Contributions made after measurement date	Total Deferred Outflows Statement of Net Position
General Employees' Retirement Plan	9/30/2019	\$ 765,515	\$ 2,476,457	\$ 3,241,972
Police Officers' Retirement Plan	9/30/2019	5,564,749	5,107,840	10,672,589
Elected Officials' Retirement Plan	12/31/2019	171,815	78,774	250,589
New Elected Officials and Senior Management Retirement System	12/31/2019	381,736	93,505	475,241
Firefighters' Retirement System	12/31/2019	513,443	69,900	583,343
		<u>\$ 7,397,258</u>	<u>\$ 7,826,476</u>	<u>\$ 15,223,734</u>
<u>By Activities type:</u>				
Governmental Activities		\$ 6,915,742	\$ 6,268,760	\$ 13,184,502
Business-type Activities		481,516	1,557,716	2,039,232
Total:		<u>\$ 7,397,258</u>	<u>\$ 7,826,476</u>	<u>\$ 15,223,734</u>

F. DEFINED CONTRIBUTION PLAN

City Managers' Defined Contribution Plan

The City offers a defined contribution plan for the City Manager created in accordance with Internal Revenue Service Code Section 401(a) and Ordinance Number 97-01-06 dated January 21, 1997. The Plan covers only the City Manager. The City contributes 18% of salary. Plan provisions may be amended by the City Council. The Plan is held in a trust for the exclusive benefit of the participant and the participants' beneficiaries by a third party administrator. Consequently, the City has no fiduciary responsibility, and therefore, the assets of the Plan are not included in the City's financial statements. The City made contributions totaling \$1,585 to the Plan for the fiscal year ended September 30, 2020.

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, 2020 there were 10 Plan members. Plan members are required to contribute 5% to the Plan and are fully vested after one year of service. The City is required to contribute 13% of the participants' earnings. Plan provisions may be amended by the City Council. The Plan is held in a trust for the exclusive benefit of the participants and the participants' beneficiaries by a third party administrator. Consequently, the City has no fiduciary responsibility, and therefore, the assets of the Plan are not included in the City's financial statements. The City contributed totaling \$191,054 to the Plan for the fiscal year ended September 30, 2020.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. MUNICIPAL EMPLOYEES RETIREMENT PLANS (Continued)

F. DEFINED CONTRIBUTION PLAN (Continued)

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 \$439,278 to the Plan for the fiscal year ended September 30, 2020.

NOTE 12. 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, 2020, the OPEB Plan covered 365 active employees and 40 retirees for health insurance.

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

Funding Policy

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

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability

Valuation Date: 10/01/2018
 Measurement Date: 10/01/2019
 Reporting date: 09/30/2020

At September 30, 2020, the City reported the following:

Total OPEB liability: \$13,110,753
 Total covered payroll: \$26,751,423
 OPEB liability as a percentage of covered payroll: 49%.

Methods and assumption used to determine Total OPEB liability:

Actuarial Cost Method	Entry Age Normal
Discount Rate	2.66%
Healthcare Cost Trend Rates	5.5% for 2020, decreasing 0.5% per year to an ultimate rate of 4.0% in 2023 and later years.
Mortality Rate	RF-2014 mortality table (combined healthy lives)

Changes in Total OPEB Liability:

	<u>OPEB Liability</u>
Total OPEB liability- beginning 9/30/2019	\$ 10,829,725
Changes for the year:	
Service cost	1,183,074
Interest cost	357,805
Changes of benefit terms	5,045,956
Change of assumptions	(4,181,097)
Benefit payments	(124,710)
Net change in OPEB liability	2,281,028
Total OPEB liability- ending 9/30/2020	\$ 13,110,753
By Activities type:	
Governmental Activities	\$ 8,040,829
Business-type Activities	5,069,924
Total:	\$ 13,110,753

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Total OPEB Liability (Continued)

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 (1.66%) or 1-percentage-point higher (3.66%) than the current discount rate:

	Sensitivity Testing to change in interest discount assumption		
	1% Decrease	Selected discount rate	1% Increase
Discount rate assumption	1.66%	2.66%	3.66%
Total OPEB liability	\$ 14,975,059	\$ 13,110,753	\$ 11,612,671

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 (7.0%) or 1-percentage-point higher (9.0%) than the current medical costs trend rate rate:

	Sensitivity Testing to change in medical costs trend assumption		
	1% Decrease	Selected Trend rate	1% Increase
Medical costs trend assumption	starts at 4.5%	starts at 5.5%	starts at 6.5%
Total OPEB liability	\$ 11,634,221	\$ 13,110,753	\$ 14,905,663

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

For the fiscal year ended September 30, 2020 but based on a measurement date of October 1, 2019, the City recognized the Plan’s OPEB expense of \$6,419,608. This amount is included as an increase to personal services expenses within the functional program activities.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 12. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

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

At September 30, 2020, the City reports deferred outflows and inflows of resources related to the Plan as follows:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 4,625,083
Changes in assumptions	-	4,393,428
Expected benefit payments subsequent to the measurement date of 10/1/2019	124,710	-
Total	\$ 124,710	\$ 9,018,511

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

<u>Year Ending</u> <u>September 30,</u>	<u>Net Deferred</u> <u>Inflows of</u> <u>Resources</u>
2021	\$ (783,709)
2022	(783,709)
2023	(783,709)
2024	(783,709)
2025	(783,709)
2026+	(5,099,966)
	\$ (9,018,511)

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.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. COMMITMENTS AND CONTINGENCIES

a. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is in the opinion of the City management and counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

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. Monitoring of the plume occurs only once every three years and the next monitoring will be in fiscal year 2021.

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 2040, total approximately \$236 million plus interest imputed at annual rate at 5%. The City intends to meet its obligations under these agreements. Purchased power during fiscal 2020 was sufficient to meet the City's commitment under the power sales contracts.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 13. COMMITMENTS AND CONTINGENCIES (Continued)

d. Power Sales Contracts (Continued)

Recently, the City was able to enter into new purchase power contracts that have resulted in lower costs to the City. Purchase 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). Although the Electric Utility began the year with an under-recovery of \$1,926,119, it ended the year with an over-recovery of \$5,697,309. In an effort to address this, the Electric Utility reduced the PCA rate in September 2020, and during FY2021 it plans to realign the base rate without increasing the fees paid by its customers.

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

<u>Fiscal year ending September 30:</u>	
2021	\$ 15,067,000
2022	15,062,000
2023	15,363,000
2024	15,670,000
2025	15,984,000
2026 - 2030	63,236,000
2031 - 2035	45,624,000
2036 - 2040	<u>50,372,000</u>
Total	236,378,000
Less amount representing interest	<u>74,849,000</u>
Total present value	<u><u>\$ 161,529,000</u></u>

e. Motorsports Complex

The City of Homestead is a party in a long-term lease agreement with Homestead Motorsports Joint Venture to manage and operate the Motorsports Complex. The lease provides for the City to receive annual rental income through its expiration on December 31, 2032. Future lease income is as follows:

<u>Fiscal year ending September 30:</u>	
2021	\$ 1,000,000
2022	1,000,000
2023	1,000,000
2024	1,000,000
2025	1,000,000
2026 - 2030	5,000,000
2031 - 2032	<u>2,000,000</u>
Total	<u><u>\$ 12,000,000</u></u>

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 14. HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY

For fiscal year 2020 total property tax revenues for the CRA amounted to \$3,141,634. Of the total amount, \$1,383,820 was from property taxes levied by Miami-Dade County and \$1,757,814 was from property taxes levied by the City.

Projects completed in fiscal year 2020:

- Two (2) Community Events were held and sponsored by CRA.
- Two (2) properties were purchase for future development.
- One (1) unsafe building was demolished.
- CRA funded part of the construction of the Homestead Cybrarium.
- A Commercial Grant Program of \$5,000 was created to assist Small Business to recover from COVID-19 closures.
- A Residential Grant program was created to assist CRA residents to pay one month of rent and utilities, up to \$1,500 per household, during the COVID-19 pandemic.
- The CRA Code Enforcement Officer issued 344 citations to residents.
- The Community Policing Officer participated in 1 community events and, contacted 75 businesses. Also, they executed 3 arrests, completed 4 incident reports and 10 field reports and, responded to a total of 122 primary and backup calls.

Projects planned for fiscal year 2021:

- Partial support for administration, buildout and construction of the Homestead Cybrarium.
- Support for Seminole Theatre administration.
- Demolition of unsafe structures.
- Land acquisition.
- Krome Avenue lighting improvements.
- Southwest senior housing development.
- Cameras to address illegal dumping.
- Clean-Up of the arsenic contaminated Flagler Avenue lot for future development.
- Losner Park community events.
- New down payment assistance program for low to moderate income people.
- Commercial incentive program to increase economic development.
- Commercial & residential enhancement grant programs.

Expenditures incurred during fiscal year 2020 related to these projects are as follows:

	<u>Expenditures</u>
General government	\$ 1,292,225
Public safety	251,772
Public works	194,223
Capital outlay	<u>1,420,660</u>
Total Expenditures	<u>\$ 3,158,880</u>

For FY 2020 the CRA issued separate independently published financial statements. These statements may be obtained by contacting: CRA Director, 212 NW, 1st Avenue, Homestead, Florida 33030.

CITY OF HOMESTEAD, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 15. HURRICANE IRMA

On September 10, 2017, the City was impacted by Hurricane Irma, a powerful Category 4 hurricane. The City has completed all power restoration efforts debris clearance and removal, and repairs to the few damaged facilities. The City has filed all pertinent documentation for federal and state funding, and is currently addressing any subsequent requests for information. As of September 30, 2020, hurricane-related costs were approximately \$13.7 million, while funds for reimbursements were \$11.5 million. Staff is confident that most of the costs will be reimbursed from the Federal Emergency Management Agency (FEMA), with any ultimate costs to the City being paid from the City's hurricane fee reserves of over \$3 million.

NOTE 16. CARES ACT/COVID-19

As a result of the COVID-19 global pandemic, the City issued a declaration of emergency in March 2020. In an effort to combat and respond to this health emergency, the City has incurred unbudgeted costs that it anticipates getting reimbursed through various grants and public assistance programs. As part of the CARES Act, Miami-Dade County and the City had entered into an interlocal agreement for the City as a sub-recipient of the Coronavirus Relief Fund; as of September 30, 2020 the City recognized \$681,097 in approved funding through this agreement, and additional funding for \$1.4 million was approved in FY2021. The City is also seeking public assistance funding through FEMA, however as of yearend, no funds had yet been obligated to the City. Additional funding of approximately \$183,194 and \$484,742 was also obtained from the U.S. Department of Justice ("DOJ") and U.S. Department of Housing and Urban Development ("HUD"), respectively.

As the City responds to the situation, it continues to provide uninterrupted essential services to its residents while keeping their safety and well-being, as well as that of its employees as a top priority. The extent to which COVID-19 will impact the City's results of operations will depend on future developments, which are highly uncertain and unpredictable.

NOTE 17. SUBSEQUENT EVENT

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. The City's allocation is estimated at approximately \$20.5 million. The City has yet to determine the financial impacts this funding will have on the City's COVID-19 recovery efforts, or what infrastructure projects will be prioritized for the use of these funds.



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HOMESTEAD, FLORIDA

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

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 15,926,889	\$ 15,926,889	\$ 16,128,130	201,241
Fuel taxes	1,252,129	1,252,129	1,136,424	(115,705)
Franchise fees	4,475,352	4,475,352	4,475,352	-
Utility taxes	1,464,923	1,464,923	1,554,248	89,325
Communication service taxes	1,338,931	1,338,931	1,383,144	44,213
Half cent sales taxes	5,680,663	5,680,663	5,024,707	(655,956)
Total taxes	<u>30,138,887</u>	<u>30,138,887</u>	<u>29,702,005</u>	<u>(436,882)</u>
Licenses and permits	<u>2,757,500</u>	<u>2,757,500</u>	<u>2,347,153</u>	<u>(410,347)</u>
Intergovernmental:				
State revenue sharing	3,151,201	3,151,201	2,928,867	(222,334)
State insurance premium taxes	806,970	806,970	883,106	76,136
County revenue sharing	75,000	75,000	107,524	32,524
Total intergovernmental	<u>4,033,171</u>	<u>4,033,171</u>	<u>3,919,497</u>	<u>(113,674)</u>
Charges for services:				
Recreation fees	293,825	293,825	116,050	(177,775)
Other fees	840,895	840,895	922,267	81,372
Total charges for services	<u>1,134,720</u>	<u>1,134,720</u>	<u>1,038,317</u>	<u>(96,403)</u>
Fines and forfeitures	415,000	415,000	340,370	(74,630)
Investment income	316,000	316,000	416,235	100,235
Payments in lieu of taxes	2,034,292	2,034,292	2,034,292	-
Rentals and other revenues	8,770,040	8,770,040	8,540,881	(229,159)
Total other revenues	<u>11,535,332</u>	<u>11,535,332</u>	<u>11,331,778</u>	<u>(203,554)</u>
Total revenues	<u>\$ 49,599,610</u>	<u>\$ 49,599,610</u>	<u>\$ 48,338,750</u>	<u>\$ (1,260,860)</u>

(Continued)

CITY OF HOMESTEAD, FLORIDA

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

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Mayor and Council	\$ 1,511,165	\$ 1,511,165	\$ 995,210	\$ 515,955
City Attorney	1,000,000	1,500,000	1,493,933	6,067
City Manager	1,099,255	1,099,255	1,025,975	73,280
City Clerk	886,925	885,307	807,004	78,303
Planning & Zoning	1,546,694	1,518,894	1,405,202	113,692
Finance	1,661,602	1,659,605	1,597,237	62,368
General Services	1,812,569	1,811,883	1,746,699	65,184
General Administration	3,485,828	2,935,828	2,836,656	99,172
Human resources	656,559	656,559	622,424	34,135
Total general government	<u>13,660,597</u>	<u>13,578,496</u>	<u>12,530,340</u>	<u>1,048,156</u>
Public safety:				
Police	27,483,351	27,858,665	27,681,127	177,538
Building department	1,827,331	1,827,331	1,694,173	133,158
Total public safety	<u>29,310,682</u>	<u>29,685,996</u>	<u>29,375,300</u>	<u>310,696</u>
Public works and services:				
Streets	1,345,140	1,281,907	1,184,889	97,018
Total public works	<u>1,345,140</u>	<u>1,281,907</u>	<u>1,184,889</u>	<u>97,018</u>
Parks, recreation and facility maintenance	4,590,763	4,315,763	4,191,513	124,250
Total parks and recreation	<u>4,590,763</u>	<u>4,315,763</u>	<u>4,191,513</u>	<u>124,250</u>
Capital outlay	1,293,516	1,338,536	1,336,532	2,004
Debt service:				
Principal	420,060	420,060	420,071	(11)
Interest and fiscal charges	218,760	218,760	218,739	21
Total expenditures	<u>50,839,518</u>	<u>50,839,518</u>	<u>49,257,384</u>	<u>1,582,134</u>
Excess (deficiency) of revenues over expenditures	<u>(1,239,908)</u>	<u>(1,239,908)</u>	<u>(918,634)</u>	<u>321,274</u>
Other financing sources (uses):				
Cares Act	-	-	604,000	604,000
Issuance of debt (equipment financing)	-	-	717,160	717,160
Transfers in	800,000	800,000	8,102,439	7,302,439
Transfers out	(690,392)	(690,392)	(690,392)	-
Appropriation of prior years' fund balance	1,130,300	1,130,300	-	(1,130,300)
Total other financing sources (uses)	<u>1,239,908</u>	<u>1,239,908</u>	<u>8,733,207</u>	<u>7,493,299</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>7,814,573</u>	<u>\$ 7,814,573</u>
Fund balance - beginning			<u>35,250,689</u>	
Fund balance - ending			<u>\$ 43,065,262</u>	

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,141,634	\$ 3,141,634	\$ 3,141,634	\$ -
Investment income	24,000	24,000	44,036	20,036
Other revenue	-	-	36,115	36,115
Total revenues	3,165,634	3,165,634	3,221,785	56,151
Expenditures:				
Current:				
General government	2,053,987	1,668,606	1,292,225	376,381
Public safety	267,293	267,293	251,772	15,521
Public works and services	298,915	250,355	194,223	56,132
Capital outlays	1,586,896	1,420,837	1,420,660	177
Total expenditures	4,207,091	3,607,091	3,158,880	448,211
Excess (deficiency) of revenues over expenditures	(1,041,457)	(441,457)	62,905	504,362
Other financing sources:				
Transfers out	(500,000)	(1,100,000)	(500,000)	600,000
Appropriation of prior years' fund balance	1,541,457	1,541,457	-	(1,541,457)
Total other financing sources (uses)	1,041,457	441,457	(500,000)	(941,457)
Change in fund balance	\$ -	\$ -	(437,095)	\$ (437,095)
Fund balance - beginning			2,126,663	
Fund balance - ending			\$ 1,689,568	

See note to budgetary comparison schedule.

CITY OF HOMESTEAD, FLORIDA

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

IMPACT FEES

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,325,000	\$ 2,325,000	\$ 1,141,594	\$ (1,183,406)
Investment income	157,000	157,000	223,333	66,333
Total revenues	<u>2,482,000</u>	<u>2,482,000</u>	<u>1,364,927</u>	<u>(1,117,073)</u>
Expenditures:				
Current:				
General government	1,941,890	241,890	-	241,890
Public safety	308,713	284,666	162,937	121,729
Public works and services	134,632	134,632	-	134,632
Parks & recreation	7,900,921	7,638,949	99,819	7,539,130
Capital outlays	1,900,959	3,886,978	1,881,652	2,005,326
Total expenditures	<u>12,187,115</u>	<u>12,187,115</u>	<u>2,144,408</u>	<u>10,042,707</u>
Excess (deficiency) of revenues over expenditures	<u>(9,705,115)</u>	<u>(9,705,115)</u>	<u>(779,481)</u>	<u>8,925,634</u>
Other financing sources:				
Appropriation of prior years' fund balance	9,705,115	9,705,115	-	(9,705,115)
Total other financing sources (uses)	<u>9,705,115</u>	<u>9,705,115</u>	<u>-</u>	<u>(9,705,115)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(779,481)	<u>\$ (779,481)</u>
Fund balance - beginning			<u>10,087,986</u>	
Fund balance - ending			<u>\$ 9,308,505</u>	

See note to budgetary comparison schedule.

CITY OF HOMESTEAD, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DISASTER RELIEF

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Disaster Relief</u>			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 8,087,619	\$ 8,965,249	\$ 877,630
Rentals and other revenues	-	-	12,728	12,728
Total revenues	-	8,087,619	8,977,977	890,358
Expenditures:				
Current:				
Disaster relief	890,357	1,657,238	1,656,340	898
Total expenditures	890,357	1,657,238	1,656,340	898
Excess (deficiency) of revenues over expenditures	(890,357)	6,430,381	7,321,637	891,256
Other financing sources (uses):				
Transfers out	-	(7,320,738)	(7,320,738)	-
Appropriation of prior years' fund balance	890,357	890,357	-	(890,357)
Total other financing sources	890,357	(6,430,381)	(7,320,738)	(890,357)
Change in fund balance	\$ -	\$ -	899	\$ 899
Fund balance - beginning			6,999	
Fund balance - ending			\$ 7,898	

See note to budgetary comparison schedule.

CITY OF HOMESTEAD, FLORIDA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FISCAL YEAR ENDED SEPTEMBER 30, 2020

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. Any revisions that alter the total expenditures of a department or fund must be approved by the City Council. 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 fiscal year end.
5. The City budgets revenues and expenditures for the General Fund, the Homestead Community Redevelopment Agency Fund, Impact Fees Fund, and the Disaster Relief Fund on the basis consistent with accounting principles generally accepted in the United States.

Encumbrances represent commitments related to unperformed contracts and purchase orders issued for goods and services. Encumbrances, primarily for capital projects, outstanding at year end for the General Fund are reported as assigned fund balance as appropriations for subsequent year's budget and do not constitute expenditures or liabilities under accounting principles generally accepted in the United States.

6. The General Fund had no supplemental appropriations in fiscal year 2020.

CITY OF HOMESTEAD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT PLAN

Measurement date September 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A. Total pension liability						
Service Cost	\$ 1,493,602	\$ 1,643,498	\$ 1,667,916	\$ 1,653,360	\$ 1,693,876	\$ 1,749,000
Interest on the total pension liability	6,275,331	6,090,423	5,674,844	5,618,813	5,415,394	5,207,957
Difference between expected and actual experience of the total pension liability	282,792	(740,698)	557,519	(807,532)	57,471	(588,885)
Changes of assumptions	-	-	1,956,133	-	-	-
Benefit payments	(4,037,075)	(4,128,538)	(3,157,304)	(3,721,862)	(2,900,572)	(3,626,962)
Refunds	(7,903)	(34,398)	(30,307)	(57,959)	(30,096)	(256,423)
Net change in total pension liability	4,006,747	2,830,287	6,668,801	2,684,820	4,236,073	2,484,687
Total pension liability - beginning	<u>93,496,744</u>	<u>90,666,457</u>	<u>83,997,656</u>	<u>81,312,836</u>	<u>77,076,763</u>	<u>74,592,076</u>
Total pension liability - ending	<u>\$ 97,503,491</u>	<u>\$ 93,496,744</u>	<u>\$ 90,666,457</u>	<u>\$ 83,997,656</u>	<u>\$ 81,312,836</u>	<u>\$ 77,076,763</u>
B. Plan fiduciary net position						
Contributions - employer	\$ 2,613,899	\$ 2,794,643	\$ 2,505,891	\$ 2,725,022	\$ 2,834,656	\$ 2,874,430
Contributions - employee	311,611	336,745	360,501	353,824	360,333	368,500
Net investment income	6,791,312	4,307,216	6,830,581	7,438,130	1,652,437	5,985,552
Benefit payments	(4,037,075)	(4,128,538)	(3,157,304)	(3,721,862)	(2,900,572)	(3,626,962)
Refunds	(7,903)	(34,398)	(30,307)	(57,959)	(30,096)	(256,423)
Pension plan administrative expense	(134,505)	(114,953)	(114,280)	(121,737)	(94,114)	(115,419)
Net change in plan fiduciary net position	5,537,339	3,160,715	6,395,082	6,615,418	1,822,644	5,229,678
Plan fiduciary net position - beginning	<u>83,827,709</u>	<u>80,666,994</u>	<u>74,271,912</u>	<u>67,656,494</u>	<u>65,833,850</u>	<u>60,604,172</u>
Plan fiduciary net position - ending	<u>\$ 89,365,048</u>	<u>\$ 83,827,709</u>	<u>\$ 80,666,994</u>	<u>\$ 74,271,912</u>	<u>\$ 67,656,494</u>	<u>\$ 65,833,850</u>
C. Net pension liability (A-B)	<u>\$ 8,138,443</u>	<u>\$ 9,669,035</u>	<u>\$ 9,999,463</u>	<u>\$ 9,725,744</u>	<u>\$ 13,656,342</u>	<u>\$ 11,242,913</u>
D. Plan fiduciary net position as a percentage of the total pension liability	91.65%	89.66%	88.97%	88.42%	83.21%	85.41%
E. Covered payroll *	\$ 7,790,275	\$ 8,403,325	\$ 9,012,525	\$ 8,845,600	\$ 9,008,325	\$ 11,891,551
F. Net pension liability as a percentage of covered payroll	104.47%	115.06%	110.95%	109.95%	151.60%	94.55%

Note: This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

* 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

Measurement date September 30,	2019	2018	2017	2016	2015	2014
A. Total pension liability						
Service Cost	\$ 2,861,164	\$ 2,555,719	\$ 2,457,445	\$ 2,303,862	\$ 2,038,250	\$ 1,867,237
Interest on the total pension liability	8,589,530	8,362,811	7,779,407	7,467,998	6,996,689	6,697,302
Changes of benefit terms	-	-	-	-	-	(636,892)
Difference between expected and actual experience of the total pension liability	1,302,913	147,491	(1,061,534)	2,137,361	9,760	868,752
Changes of assumptions	-	1,221,370	3,284,117	994,053	909,574	-
Benefit payments	(9,997,832)	(6,176,595)	(3,546,301)	(5,950,632)	(5,450,397)	(5,292,181)
Refunds	(14,319)	(16,764)	(23,031)	-	-	(27,559)
Other: Change in state contribution received	(272,163)	-	-	208,166	204,003	136,996
Net change in total pension liability	2,469,293	6,094,032	8,890,103	7,160,808	4,707,879	3,613,655
Total pension liability - beginning	116,671,974	110,577,942	101,687,839	94,527,031	89,819,152	86,205,497
Total pension liability - ending	<u>\$ 119,141,267</u>	<u>\$ 116,671,974</u>	<u>\$ 110,577,942</u>	<u>\$ 101,687,839</u>	<u>\$ 94,527,031</u>	<u>\$ 89,819,152</u>
B. Plan fiduciary net position						
Contributions - employer	\$ 3,917,203	\$ 3,233,825	\$ 3,996,869	\$ 3,726,793	\$ 3,816,076	\$ 4,057,242
Contributions - employer (from state)	605,683	652,393	577,817	532,808	528,645	461,638
Contributions - employee	740,591	723,982	663,039	665,451	580,028	680,063
Net investment income	2,501,251	6,130,868	9,517,349	6,354,619	498,007	10,520,035
Benefit payments	(9,997,832)	(6,176,595)	(3,546,301)	(5,950,632)	(5,450,397)	(5,292,181)
Refunds	(14,319)	(16,764)	(23,031)	-	-	(27,559)
Pension plan administrative expense	(161,057)	(113,859)	(103,626)	(108,083)	(84,733)	(82,376)
Other	(1)	347,365	-	-	-	-
Net change in plan fiduciary net position	(2,408,481)	4,781,215	11,082,116	5,220,956	(112,374)	10,316,862
Plan fiduciary net position - beginning	97,644,715	92,863,500	81,781,384	76,560,428	76,672,802	66,355,940
Plan fiduciary net position - ending	<u>\$ 95,236,234</u>	<u>\$ 97,644,715</u>	<u>\$ 92,863,500</u>	<u>\$ 81,781,384</u>	<u>\$ 76,560,428</u>	<u>\$ 76,672,802</u>
C. Net pension liability (A-B)	<u>\$ 23,905,033</u>	<u>\$ 19,027,259</u>	<u>\$ 17,714,442</u>	<u>\$ 19,906,455</u>	<u>\$ 17,966,603</u>	<u>\$ 13,146,350</u>
D. Plan fiduciary net position as a percentage of the total pension liability	79.94%	83.69%	83.98%	80.42%	80.99%	85.36%
E. Covered payroll *	\$ 8,821,373	\$ 8,151,843	\$ 7,858,654	\$ 7,394,222	\$ 7,145,922	\$ 6,411,046
F. Net pension liability as a percentage of covered payroll	270.99%	233.41%	225.41%	269.22%	251.42%	205.06%

Note: This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

* 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 SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ELECTED OFFICIALS RETIREMENT PLAN

Measurement date December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A. Total pension liability						
Service Cost	\$ 32,138	\$ 32,016	\$ 33,062	\$ 30,899	\$ 28,777	\$ 28,777
Interest on the total pension liability	225,325	229,217	221,813	213,296	205,503	196,249
Difference between expected and actual experience of the total pension liability	-	(150,347)	-	(147,132)	-	-
Changes of assumptions	-	20	-	127,575	-	-
Benefit payments	<u>(171,056)</u>	<u>(166,320)</u>	<u>(121,962)</u>	<u>(118,409)</u>	<u>(84,381)</u>	<u>(91,469)</u>
Net change in total pension liability	86,407	(55,414)	132,913	106,229	149,899	133,557
Total pension liability - beginning	<u>3,391,534</u>	<u>3,446,948</u>	<u>3,314,035</u>	<u>3,207,806</u>	<u>3,057,907</u>	<u>2,924,350</u>
Total pension liability - ending	<u>\$ 3,477,941</u>	<u>\$ 3,391,534</u>	<u>\$ 3,446,948</u>	<u>\$ 3,314,035</u>	<u>\$ 3,207,806</u>	<u>\$ 3,057,907</u>
B. Plan fiduciary net position						
Contributions - employer (from City)	\$ 259,658	\$ 259,658	\$ 297,864	\$ 297,864	\$ 136,611	\$ 221,576
Net investment income	484,381	(82,743)	203,238	162,124	(254,296)	3,474
Benefit payments	(171,056)	(166,320)	(121,962)	(118,409)	(84,381)	(91,469)
Pension plan administrative expense	<u>(31,620)</u>	<u>(62,218)</u>	<u>(23,577)</u>	<u>(31,711)</u>	<u>(19,095)</u>	<u>(33,313)</u>
Net change in plan fiduciary net position	541,363	(51,623)	355,563	309,868	(221,161)	100,268
Plan fiduciary net position - beginning	<u>2,947,455</u>	<u>2,999,078</u>	<u>2,643,515</u>	<u>2,333,647</u>	<u>2,554,808</u>	<u>2,454,540</u>
Plan fiduciary net position - ending	<u>\$ 3,488,818</u>	<u>\$ 2,947,455</u>	<u>\$ 2,999,078</u>	<u>\$ 2,643,515</u>	<u>\$ 2,333,647</u>	<u>\$ 2,554,808</u>
C. Net pension liability (asset) (A-B)	<u>\$ (10,877)</u>	<u>\$ 444,079</u>	<u>\$ 447,870</u>	<u>\$ 670,520</u>	<u>\$ 874,159</u>	<u>\$ 503,099</u>
D. Plan fiduciary net position as a percentage of the total pension liability	100.31%	86.91%	87.01%	79.77%	72.75%	83.55%
E. Covered payroll	\$ 33,200	\$ 33,200	\$ 33,200	\$ 34,363	\$ 56,167	\$ 32,100
F. Net pension liability (asset) as a percentage of covered payroll	-32.76%	1337.59%	1349.01%	1951.28%	1556.36%	1567.29%

Note: This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
NEW ELECTED OFFICIALS AND SENIOR MANAGEMENT RETIREMENT SYSTEM

Measurement date December 31,	2019	2018	2017	2016	2015	2014
A. Total pension liability						
Service Cost	\$ 62,683	\$ 62,110	\$ 58,646	\$ 58,065	\$ 44,342	\$ 43,903
Interest on the total pension liability	317,262	311,494	306,336	301,228	288,559	284,923
Difference between expected and actual experience of the total pension liability	-	15,577	-	20,951	-	-
Changes of assumptions	-	(2,652)	-	100,119	-	-
Benefit payments	(306,374)	(296,941)	(287,120)	(281,288)	(278,718)	(272,069)
Net change in total pension liability	73,571	89,588	77,862	199,075	54,183	56,757
Total pension liability - beginning	4,790,678	4,701,090	4,623,228	4,424,153	4,369,970	4,313,213
Total pension liability - ending	\$ 4,864,249	\$ 4,790,678	\$ 4,701,090	\$ 4,623,228	\$ 4,424,153	\$ 4,369,970
B. Plan fiduciary net position						
Contributions - employer	\$ 106,700	\$ 105,641	\$ 108,151	\$ 107,073	\$ 54,580	\$ 108,622
Net investment income	861,401	(194,291)	660,067	162,088	(64,059)	390,121
Benefit payments	(306,374)	(296,941)	(287,120)	(281,288)	(278,718)	(272,069)
Pension plan administrative expense	(39,620)	(47,118)	(66,113)	(47,988)	(29,472)	(31,358)
Other	-	-	(1,527)	-	-	-
Net change in plan fiduciary net position	622,107	(432,709)	413,458	(60,115)	(317,669)	195,316
Plan fiduciary net position - beginning	4,291,949	4,724,658	4,311,200	4,371,315	4,688,984	4,493,668
Plan fiduciary net position - ending	\$ 4,914,056	\$ 4,291,949	\$ 4,724,658	\$ 4,311,200	\$ 4,371,315	\$ 4,688,984
C. Net pension liability (asset) (A-B)	\$ (49,807)	\$ 498,729	\$ (23,568)	\$ 312,028	\$ 52,838	\$ (319,014)
D. Plan fiduciary net position as a percentage of the total pension liability	101.02%	89.59%	100.50%	93.25%	98.81%	107.30%
E. Covered payroll	\$ 202,427	\$ 180,000	\$ 175,611	\$ 181,800	\$ 154,744	\$ 151,500
F. Net pension liability (asset) as a percentage of covered payroll	-24.60%	277.07%	-13.42%	171.63%	34.15%	-210.57%

Note: This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

CITY OF HOMESTEAD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS RETIREMENT SYSTEM

Measurement date December 31,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A. Total pension liability						
Interest on the total pension liability	\$ 447,154	\$ 468,435	\$ 477,065	\$ 520,113	\$ 511,447	\$ 500,515
Difference between expected and actual experience of the total pension liability	(860,624)	109,911	113,721	(314,459)	-	87,812
Changes of assumptions	-	307,181	-	(61,905)	433,681	-
Benefit payments	(735,220)	(808,468)	(888,166)	(993,410)	(1,031,456)	(1,000,057)
Other: Change in share plan reserve	137,468	126,894	122,635	146,910	254,332	302,968
Net change in total pension liability	(1,011,222)	203,953	(174,745)	(702,751)	168,004	(108,762)
Total pension liability - beginning	7,751,438	7,547,485	7,722,230	8,424,981	8,256,977	8,365,739
Total pension liability - ending	<u>\$ 6,740,216</u>	<u>\$ 7,751,438</u>	<u>\$ 7,547,485</u>	<u>\$ 7,722,230</u>	<u>\$ 8,424,981</u>	<u>\$ 8,256,977</u>
B. Plan fiduciary net position						
Contributions - employer	\$ 19,311	\$ 302,000	\$ 188,587	\$ 181,617	\$ 289,941	\$ 195,529
Contributions - employer (from state)	201,287	180,355	215,060	239,335	346,757	395,393
Net investment income	1,386,147	(367,995)	1,047,585	475,187	3,173	381,316
Benefit payments	(735,220)	(808,468)	(888,166)	(993,410)	(1,031,456)	(1,000,057)
Pension plan administrative expense	(76,003)	(88,289)	(72,089)	(58,793)	(61,629)	(54,920)
Net change in plan fiduciary net position	795,522	(782,397)	490,977	(156,064)	(453,214)	(82,739)
Plan fiduciary net position - beginning	6,928,525	7,710,922	7,219,945	7,376,009	7,829,223	7,911,962
Plan fiduciary net position - ending	<u>\$ 7,724,047</u>	<u>\$ 6,928,525</u>	<u>\$ 7,710,922</u>	<u>\$ 7,219,945</u>	<u>\$ 7,376,009</u>	<u>\$ 7,829,223</u>
C. Net pension liability (asset) (A-B)	<u>\$ (983,831)</u>	<u>\$ 822,913</u>	<u>\$ (163,437)</u>	<u>\$ 502,285</u>	<u>\$ 1,048,972</u>	<u>\$ 427,754</u>
D. Plan fiduciary net position as a percentage of the total pension liability	114.60%	89.38%	102.17%	93.50%	87.55%	94.82%
E. Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F. Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

Note: This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement date October 1,		2019	2018	2017
		<hr/>	<hr/>	<hr/>
Total OPEB Liability:				
A.	Service cost	\$ 1,183,074	\$ 764,962	\$ 1,040,917
B.	Interest cost	357,805	524,308	421,901
C.	Difference due to changes in benefit terms	5,045,956	-	-
D.	Difference between actual and expected experience	-	(5,045,546)	-
E.	Total difference due to changes in assumptions to:	(4,181,097)	561,410	(850,170)
	Discount rate	\$983,587		
	Trend rate	(\$1,851,335)		
	PMR Subsidy	(\$3,313,349)		
	Mortality	\$0		
	Age-sex Factor	\$0		
	Adj for Surv. Benefits	\$0		
	Total increase/(decrease)	(\$4,181,097)		
F.	Benefit payments	<hr/> (124,710)	<hr/> (73,317)	<hr/> (52,936)
G.	Net change in Total OPEB liability	2,281,028	(3,268,183)	559,712
H.	Total OPEB liability - beginning	<hr/> 10,829,725	<hr/> 14,097,908	<hr/> 13,538,196
I.	Total OPEB liability - ending	\$ 13,110,753	\$ 10,829,725	\$ 14,097,908
J.	Assets *	<hr/> -	<hr/> -	<hr/> -
K.	Total OPEB liability - ending	<hr/> \$ 13,110,753	<hr/> \$ 10,829,725	<hr/> \$ 14,097,908
 Covered payroll		 \$ 26,751,423	 \$ 25,697,804	 \$ 24,961,866
 Total OPEB liability as a percentage of covered payroll		 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.
* Zero for an unfunded plan.

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST SEVEN 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							
09/30/20	\$ 2,476,457	\$ 2,476,457	\$ -	\$ 7,365,050	33.62%	Valuation date	10/1/2018
09/30/19	2,613,899	2,613,899	-	7,790,275	33.55%	Actuarial cost method	Entry age normal
09/30/18	2,794,643	2,794,643	-	8,403,325	33.26%	Amortization method	level dollar amount, closed
09/30/17	2,505,891	2,505,891	-	9,012,525	27.80%	Remaining amortization period	13 years
09/30/16	2,725,022	2,725,022	-	8,845,600	30.81%	Asset valuation method	4-year smoothed market
09/30/15	2,834,656	2,834,656	-	9,008,325	31.47%	Salary increases	5.0% including inflation
09/30/14	2,874,430	2,874,430	-	9,212,500	31.20%	Investment rate of return	6.75%
						Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
						Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2018 actuarial valuation, as mandated by Florida Statutes.
Police Officers' Retirement Plan							
09/30/20	\$ 5,107,840	\$ 5,107,840	\$ -	\$ 9,917,948	51.50%	Valuation date	10/1/2018
09/30/19	4,776,061	4,522,886	253,175 **	8,821,373	51.27%	Actuarial cost method	Entry age normal
09/30/18	4,648,788	3,886,218	762,570 **	8,151,843	47.67%	Amortization method	level dollar, closed
09/30/17	4,321,511	4,574,686 ***	(253,175)	7,858,654	58.21%	Remaining amortization period	21 years
09/30/16	4,051,435	4,259,601 ***	(208,166)	7,394,222	57.61%	Asset valuation method	4-year smoothed market
09/30/15	4,076,435	4,344,721 ***	(268,286)	7,145,922	60.80%	Salary increases	5.75% to 9.75% depending on service
09/30/14	4,381,884	4,518,880 ***	(136,996)	6,411,046	70.49%	Investment rate of return	7.50%
						Retirement age	Upon eligibility
						Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), in the July 1, 2017 actuarial valuation, as mandated by Florida Statutes.

Notes to the schedule of contributions:

Note 1 Actuarially determined contribution amounts are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported. This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

* Covered employee payroll was calculated by dividing total member contributions (excluding buyback contributions) for the fiscal year by the member contribution rate of 4% for 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 SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST SEVEN YEARS

Pension Plan	City's Fiscal Year Ended	Actuarially Determined Contribution	Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll **	Actual contribution as a % of covered payroll			
Elected Officials Retirement Plan									
12/31/19	09/30/20	\$ 259,658	\$ 259,658	\$ -	\$ 33,200	782.10%	Valuation date	1/1/2018	
12/31/18	09/30/19	259,658	259,658	-	33,200	782.10%	Actuarial cost method	Entry age, normal	
12/31/17	09/30/18	297,864	297,864	-	33,200	897.18%	Amortization method	level dollar, closed	
12/31/16	09/30/17	297,864	297,864	-	34,363	866.82%	Remaining amortization period	4 years	
12/31/15	09/30/16	136,611	136,611	-	56,167 *	243.22%	Asset valuation method	Market value of assets	
12/31/14	09/30/15	136,611	221,576	(84,965)	32,100	690.27%	Salary increases	7.00%	
12/31/13	09/30/14	221,576	221,576	-	94,267	235.05%	Investment rate of return	6.75%	
							Retirement age	100% upon eligibility to retire	
							Mortality	The RP-2000 mortality table with collar adjustments and generational projections using scale BB as used by the Florida Retirement System for the Regular Class members in the July 1, 2017 actuarial valuation.	
New Elected Officials and Senior Management Retirement System									
12/31/19	09/30/20	\$ 106,700	\$ 106,700	\$ -	\$ 202,427	52.71%	Valuation date	1/1/2018	
12/31/18	09/30/19	105,641	105,641	-	180,000	58.69%	Actuarial cost method	Aggregate	
12/31/17	09/30/18	108,151	108,151	-	175,611	61.59%	Amortization method	N/A	
12/31/16	09/30/17	107,073	107,073	-	181,800	58.90%	Remaining amortization period	N/A	
12/31/15	09/30/16	54,580	54,580	-	154,744	35.27%	Asset valuation method	Market value of assets	
12/31/14	09/30/15	54,042	108,622	(54,580)	151,500	71.70%	Salary increases	1% per year	
12/31/13	09/30/14	129,129	196,245	(67,116)	151,500	129.53%	Investment rate of return	6.75%	
							Retirement age	100% when first eligible for normal retirement	
							Mortality	The RP-2000 mortality table with collar adjustments and generational projections using scale BB as used by the Florida Retirement System for the Regular Class members in the July 1, 2017 actuarial valuation.	

Notes to the schedule of contributions:

Notes : Actuarially determined contribution amounts are calculated as of January 1, which is two years prior to the end of the plan year in which contributions are reported. Valuations are performed every other year. This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

* Reflects total pay for a rehired active member and an active member who retired during the plan year.

** Covered payroll is estimated to be the covered payroll in the actuarial valuation except where otherwise noted.

CITY OF HOMESTEAD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST SEVEN 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								
12/31/19	09/30/20	\$ 83,130	\$ 83,130	\$ -	\$ -	N/A	Valuation date	1/1/2019
12/31/18	09/30/19	354,322	354,322	-	-	N/A	Actuarial cost method	Entry age normal actuarial cost method
12/31/17	09/30/18	281,012	281,012	-	-	N/A	Amortization method	level dollar, closed
12/31/16	09/30/17	274,042	274,042	-	-	N/A	Remaining amortization period	5 years
12/31/15	09/30/16	382,366	382,366	-	-	N/A	Asset valuation method	5-year smoothed market
12/31/14	09/30/15	287,954	287,954	-	-	N/A	Inflation	2.50%
12/31/13	09/30/14	329,195	329,195	-	-	N/A	Salary increases	N/A
							Investment rate of return	6.00%
							Retirement age	N/A
							Mortality	RP-2000 Mortality Table for Annuitants (for healthy post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. For disabled retirees, the mortality table used was 60% of the RP-2000 Mortality Table for disabled annuitants with ages set back 4 years for males and set forward 2 years for females, and 40% of the RP2000 Mortality Table for healthy annuitants with a 100% white collar adjustment, with no provision being made for future mortality improvements. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63(1)(f), which requires use of the same mortality tables from either of the two most recently published actuarial valuation reports of FRS.

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. This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

Capital Project Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

Multimodal Transit Center Fund – This fund is used to account for the cost associated with the construction of a parking garage/retail facility (Multimodal Transit Center) financed through Taxable Transportation System Revenue Bonds, Series 2017.



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CITY OF HOMESTEAD, FLORIDA

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

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Capital Project Funds			
	<u>Multimodal Transit Center</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget - (Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 3,242,200	\$ -	\$ (3,242,200)
Investment income	-	-	154	154
Total revenues	<u>-</u>	<u>3,242,200</u>	<u>154</u>	<u>(3,242,046)</u>
Expenditures:				
Capital outlay	3,242,200	3,242,200	-	3,242,200
Total expenditures	<u>3,242,200</u>	<u>3,242,200</u>	<u>-</u>	<u>3,242,200</u>
Excess (deficiency) of revenues over expenditures	<u>(3,242,200)</u>	<u>-</u>	<u>154</u>	<u>154</u>
Other financing sources: (uses):				
Transfer in	-	-	2,229,738	2,229,738
Transfer out	-	-	(2,229,737)	(2,229,737)
Appropriation of prior years' fund balance	3,242,200	-	-	-
Total other financing sources (uses)	<u>3,242,200</u>	<u>-</u>	<u>1</u>	<u>1</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	155	<u>\$ 155</u>
Fund balance - beginning			<u>97,869</u>	
Fund balance - ending			<u>\$ 98,024</u>	



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NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sundries Grants – This fund is used to account for expenditures and revenues derived from various grants.

Community Development Block Grants – This fund was established to account for expenditures and revenues derived from Community Development Block Grants obtained from the Department of Housing and Urban Development (HUD), and other local agencies.

Confiscated Property Law Enforcement Fund – This fund is used to account for monies received from federal and state confiscated and forfeited property and from county surcharges of traffic violations. The federal and state equitable shared property are to be used in accordance with State of Florida Statutes, Chapter 932, the United States Department of Justice publication, *A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies*, and the United States Treasury Department publication, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies*, which govern the use of confiscated and forfeited funds. The county funds are restricted to use on police training activities.

Homestead Miami Speedway – This fund is used to account for the lease rental income and the payments of property taxes.

Debt Service Funds

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

HERO/Tax Increment Financing 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 Homestead Economic and Rebuilding Organization (HERO) Increment Revenue Bonds. The bonds matured in April 2020.

GOB Debt Service – This fund is used to account for the accumulation of resources for, and the payment of principal, interest, and related costs of the General Obligation Bonds, Series 2014.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

People's Transportation Plan – This fund is used to account for surtax revenues received from Miami-Dade County based on a one-half of one percent discretionary sales surtax on all transactions occurring in Miami-Dade County per an Interlocal agreement. At least 20% of the surtax revenue must be used for transit purposes such as buses, bus shelters and other transit-related infrastructure and the remainder be used for transportation.

Capital Improvement Fund – This fund is used to account for various capital improvement projects for the General Fund, funded mostly from the capital leases.

New City Hall Fund – This fund was used to account for the cost associated with the construction of the New City Hall Building. This fund was closed at the end of FY 2020.

New Police Building Fund – This fund was used to account for the cost associated with the construction of the New Police Building financed through General Obligation Bonds. This fund was closed at the end of FY 2020.

Cybrarium Fund – This fund is used to account for most of the costs associated with the construction of a new Cybrarium building, and the various sources of funding, including a HUD Section 108 Loan.

CITY OF HOMESTEAD, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds				<u>Total</u>
	<u>Sundries</u> <u>Grants</u>	Community Development Block <u>Grants</u>	Confiscated Property	Homestead Miami <u>Speedway</u>	
ASSETS					
Cash and cash equivalents	\$ 60,652	\$ 247,160	\$ -	\$ 24,861	\$ 332,673
Investments	-	-	-	126,080	126,080
Interest receivable on investments	-	-	650	-	650
Account receivables, net	1,478,561	293,015	501	-	1,772,077
Due from other funds	-	-	600,000	-	600,000
Restricted assets:					
Cash and cash equivalents	-	-	1,030,032	-	1,030,032
Investments	30,435	-	254,339	-	284,774
Asset available for sale	-	807,346	-	-	807,346
Total Assets	\$ 1,569,648	\$ 1,347,521	\$ 1,885,522	\$ 150,941	\$ 4,953,632
LIABILITIES					
Accounts payable and accrued liabilities	\$ 176,153	\$ 74,279	\$ 82,614	\$ -	\$ 333,046
Due to other funds	150,000	-	-	-	150,000
Unearned revenue	645,343	330,963	765,469	-	1,741,775
Total Liabilities	971,496	405,242	848,083	-	2,224,821
FUND BALANCES					
<i>Restricted :</i>					
Grants	598,152	-	-	-	598,152
Community development	-	942,279	-	-	942,279
Disaster relief	-	-	-	-	-
Law enforcement	-	-	1,037,439	-	1,037,439
<i>Assigned :</i>					
Parks and recreation	-	-	-	150,941	150,941
Total fund balances	598,152	942,279	1,037,439	150,941	2,728,811
Total liabilities and fund balances	\$ 1,569,648	\$ 1,347,521	\$ 1,885,522	\$ 150,941	\$ 4,953,632

(Continued)

CITY OF HOMESTEAD, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 (Continued)

SEPTEMBER 30, 2020

	Debt Service Funds			<u>Total</u>
	Taxable Transportation System Revenue <u>Bonds</u>	HERO/Tax Increment <u>Financing</u>	General Obligation <u>Bonds</u>	
ASSETS				
Cash and cash equivalents	\$ -	\$ 134,941	\$ -	\$ 134,941
Account receivables, net	-	-	4,952	4,952
Restricted assets:				
Cash and cash equivalents	452,912	-	70,216	523,128
Total Assets	<u>\$ 452,912</u>	<u>\$ 134,941</u>	<u>\$ 75,168</u>	<u>\$ 663,021</u>
LIABILITIES				
Accounts payable and accrued liabilities	-	-	385	385
Total Liabilities	<u>-</u>	<u>-</u>	<u>385</u>	<u>385</u>
FUND BALANCES				
<i>Restricted :</i>				
Debt service	452,912	134,941	74,783	662,636
Total fund balances	<u>452,912</u>	<u>134,941</u>	<u>74,783</u>	<u>662,636</u>
Total liabilities and fund balances	<u>\$ 452,912</u>	<u>\$ 134,941</u>	<u>\$ 75,168</u>	<u>\$ 663,021</u>

(Continued)

CITY OF HOMESTEAD, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)

SEPTEMBER 30, 2020

	Capital Projects Funds				Total Other Governmental Funds
	People's Transportation		Capital	Total	
	<u>Plan</u>	<u>Improvement</u>	<u>Cybrarium</u>		
ASSETS					
Cash and cash equivalents	\$ 152,277	\$ 68,898	\$ 437,873	\$ 659,048	\$ 1,126,662
Investments	722,144	-	70,189	792,333	918,413
Interest receivable on investments	1,845	-	198	2,043	2,693
Account receivables, net	642,091	-	-	642,091	2,419,120
Due from other funds	-	500,000	4,500,000	5,000,000	5,600,000
Restricted assets:					
Cash and cash equivalents	-	-	-	-	1,553,160
Investments	-	-	7,261	7,261	292,035
Asset available for sale	-	-	-	-	807,346
Total Assets	<u>\$ 1,518,357</u>	<u>\$ 568,898</u>	<u>\$ 5,015,521</u>	<u>\$ 7,102,776</u>	<u>\$ 12,719,429</u>
LIABILITIES					
Accounts payable and accrued liabilities	83,422	-	907,491	990,913	1,324,344
Due to other funds	700,000	-	-	700,000	850,000
Unearned revenue	288,326	-	-	288,326	2,030,101
Total Liabilities	<u>1,071,748</u>	<u>-</u>	<u>907,491</u>	<u>1,979,239</u>	<u>4,204,445</u>
FUND BALANCES					
<i>Restricted :</i>					
Grants	-	-	-	-	598,152
Community development	-	-	-	-	942,279
Disaster relief	-	-	-	-	-
Law enforcement	-	-	-	-	1,037,439
Debt service	-	-	-	-	662,636
Capital projects	-	-	7,261	7,261	7,261
Transit and transportation	446,609	-	-	446,609	446,609
<i>Assigned :</i>					
Parks and recreation	-	-	-	-	150,941
Capital Project	-	568,898	4,100,769	4,669,667	4,669,667
Total fund balances	<u>446,609</u>	<u>568,898</u>	<u>4,108,030</u>	<u>5,123,537</u>	<u>8,514,984</u>
Total liabilities and fund balances	<u>\$ 1,518,357</u>	<u>\$ 568,898</u>	<u>\$ 5,015,521</u>	<u>\$ 7,102,776</u>	<u>\$ 12,719,429</u>

CITY OF HOMESTEAD, FLORIDA

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

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds				
	Sundries	Community Development	Confiscated	Homestead	
	<u>Grants</u>	Block <u>Grants</u>	Property	Miami <u>Speedway</u>	<u>Total</u>
Revenues:					
Intergovernmental	\$ 2,069,812	\$ 1,001,423	\$ -	\$ -	\$ 3,071,235
Fines and forfeitures	33,920	-	245,525	-	279,445
Investment income	-	-	8,804	577	9,381
Rentals and other revenues	<u>255</u>	<u>-</u>	<u>7,095</u>	<u>1,077,186</u>	<u>1,084,536</u>
Total revenues	<u>2,103,987</u>	<u>1,001,423</u>	<u>261,424</u>	<u>1,077,763</u>	<u>4,444,597</u>
Expenditures:					
Current:					
General government	-	224,078	-	-	224,078
Public safety	1,506,030	-	127,344	-	1,633,374
Parks and recreation	45,059	-	-	618,304	663,363
Disaster relief	-	-	-	-	-
Capital outlay	518,723	100,865	62,059	-	681,647
Debt service:					
Principal	-	194,000	-	-	194,000
Interest and fiscal charges	<u>-</u>	<u>32,747</u>	<u>-</u>	<u>-</u>	<u>32,747</u>
Total expenditures	<u>2,069,812</u>	<u>551,690</u>	<u>189,403</u>	<u>618,304</u>	<u>3,429,209</u>
Excess (deficiency) of revenues over expenditures	<u>34,175</u>	<u>449,733</u>	<u>72,021</u>	<u>459,459</u>	<u>1,015,388</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>(400,000)</u>	<u>(700,000)</u>
Total other financing sources	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>(400,000)</u>	<u>(700,000)</u>
Change in fund balances	34,175	149,733	72,021	59,459	315,388
Fund balances, beginning	<u>563,977</u>	<u>792,546</u>	<u>965,418</u>	<u>91,482</u>	<u>2,413,423</u>
Fund balances, ending	<u>\$ 598,152</u>	<u>\$ 942,279</u>	<u>\$ 1,037,439</u>	<u>\$ 150,941</u>	<u>\$ 2,728,811</u>

(Continued)

CITY OF HOMESTEAD, FLORIDA

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

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Debt Service Funds			
	Taxable Transportation System Revenue <u>Bonds</u>	HERO/Tax Increment <u>Financing</u>	General Obligation <u>Bonds</u>	<u>Total</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ 1,449,849	\$ 1,449,849
Total revenues	<u>-</u>	<u>-</u>	<u>1,449,849</u>	<u>1,449,849</u>
Expenditures:				
Debt service:				
Principal	655,000	284,203	510,000	1,449,203
Interest and fiscal charges	<u>1,142,566</u>	<u>9,714</u>	<u>974,008</u>	<u>2,126,288</u>
Total expenditures	<u>1,797,566</u>	<u>293,917</u>	<u>1,484,008</u>	<u>3,575,491</u>
Excess (deficiency) of revenues over expenditures	<u>(1,797,566)</u>	<u>(293,917)</u>	<u>(34,159)</u>	<u>(2,125,642)</u>
Other financing sources:				
Transfers in	<u>1,800,000</u>	<u>-</u>	<u>-</u>	<u>1,800,000</u>
Total other financing sources	<u>1,800,000</u>	<u>-</u>	<u>-</u>	<u>1,800,000</u>
Change in fund balances	2,434	(293,917)	(34,159)	(325,642)
Fund balances, beginning	<u>450,478</u>	<u>428,858</u>	<u>108,942</u>	<u>988,278</u>
Fund balances, ending	<u>\$ 452,912</u>	<u>\$ 134,941</u>	<u>\$ 74,783</u>	<u>\$ 662,636</u>

(Continued)

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

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Capital Projects Funds					Total	Total Other Governmental Funds
	People's Transportation Plan	Capital Improvement	New City Hall	New Police Building	Cybrarium		
Revenues:							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,449,849
Intergovernmental	2,771,584	-	-	-	-	2,771,584	5,842,819
Fines and forfeitures	-	-	-	-	-	-	279,445
Investment income	15,249	-	-	-	65,138	80,387	89,768
Rentals and other revenues	5,488	-	-	-	1,000,000	1,005,488	2,090,024
Total revenues	<u>2,792,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065,138</u>	<u>3,857,459</u>	<u>9,751,905</u>
Expenditures:							
Current:							
General government	-	264,198	-	-	-	264,198	488,276
Public safety	-	-	-	-	-	-	1,633,374
Public works	1,204,692	-	-	-	-	1,204,692	1,204,692
Parks and recreation	-	-	-	-	85,631	85,631	748,994
Disaster relief	-	-	-	-	-	-	-
Capital outlay	126,622	165,241	-	-	6,087,606	6,379,469	7,061,116
Debt service:							
Principal	-	-	-	-	-	-	1,643,203
Interest and fiscal charges	-	-	-	-	-	-	2,159,035
Total expenditures	<u>1,331,314</u>	<u>429,439</u>	<u>-</u>	<u>-</u>	<u>6,173,237</u>	<u>7,933,990</u>	<u>14,938,690</u>
Excess (deficiency) of revenues over expenditures	<u>1,461,007</u>	<u>(429,439)</u>	<u>-</u>	<u>-</u>	<u>(5,108,099)</u>	<u>(4,076,531)</u>	<u>(5,186,785)</u>
Other financing sources (uses):							
Issuance of debt (HUD section 108 loan)	-	-	-	-	3,283,000	3,283,000	3,283,000
Issuance of debt (equipment financing)	-	-	-	-	-	-	-
Issuance of other long-term debts	-	-	-	-	-	-	-
Transfers in	-	396,581	-	-	-	396,581	2,196,581
Transfers out	(2,100,000)	-	(71,994)	(708)	-	(2,172,702)	(2,872,702)
Total other financing sources	<u>(2,100,000)</u>	<u>396,581</u>	<u>(71,994)</u>	<u>(708)</u>	<u>3,283,000</u>	<u>1,506,879</u>	<u>2,606,879</u>
Change in fund balances	(638,993)	(32,858)	(71,994)	(708)	(1,825,099)	(2,569,652)	(2,579,906)
Fund balances, beginning	1,085,602	601,756	71,994	708	5,933,129	7,693,189	11,094,890
Fund balances, ending	<u>\$ 446,609</u>	<u>\$ 568,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,108,030</u>	<u>\$ 5,123,537</u>	<u>\$ 8,514,984</u>

CITY OF HOMESTEAD, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds							
	<u>Confiscated Property</u>				<u>Homestead Miami Speedway</u>			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
<u>Original</u>	<u>Final</u>	<u>Original</u>			<u>Final</u>			
Revenues:								
Fines and forfeitures	\$ -	\$ -	\$ 245,525	\$ 245,525	\$ -	\$ -	\$ -	\$ -
Investment income	10,000	10,000	8,804	(1,196)	-	-	577	577
Rentals and other revenues	-	-	7,095	7,095	1,075,009	1,075,009	1,077,186	2,177
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>261,424</u>	<u>251,424</u>	<u>1,075,009</u>	<u>1,075,009</u>	<u>1,077,763</u>	<u>2,754</u>
Expenditures:								
Current:								
Public safety	803,652	798,416	127,344	671,072	-	-	-	-
Parks and recreation	-	-	-	-	1,075,009	675,009	618,304	56,705
Capital outlay	<u>121,361</u>	<u>126,597</u>	<u>62,059</u>	<u>64,538</u>	-	-	-	-
Total expenditures	<u>925,013</u>	<u>925,013</u>	<u>189,403</u>	<u>735,610</u>	<u>1,075,009</u>	<u>675,009</u>	<u>618,304</u>	<u>56,705</u>
Excess (deficiency) of revenues over expenditures	<u>(915,013)</u>	<u>(915,013)</u>	<u>72,021</u>	<u>987,034</u>	-	400,000	459,459	59,459
Other financing sources (uses):								
Transfers out	-	-	-	-	-	(400,000)	(400,000)	-
Appropriation of prior years' fund balance	<u>915,013</u>	<u>915,013</u>	-	(915,013)	-	-	-	-
Total other financing sources	<u>915,013</u>	<u>915,013</u>	-	(915,013)	-	(400,000)	(400,000)	-
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>72,021</u>	<u>\$ 72,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>59,459</u>	<u>\$ 59,459</u>
Fund balance - beginning			965,418				91,482	
Fund balance - ending			<u>\$ 1,037,439</u>				<u>\$ 150,941</u>	

(Continued)

CITY OF HOMESTEAD, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 NONMAJOR GOVERNMENTAL FUNDS
 (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Debt Service Funds							
	<u>Taxable Transportation System Revenue Bonds</u>				<u>HERO/Tax Increment Financing</u>			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
<u>Original</u>	<u>Final</u>	<u>Original</u>			<u>Final</u>			
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Current:								
General government	2,434	2,434	-	2,434	-	-	-	-
Debt service:								
Principal	655,000	655,000	655,000	-	284,203	284,203	284,203	-
Interest and fiscal charges	<u>1,142,566</u>	<u>1,142,566</u>	<u>1,142,566</u>	<u>-</u>	<u>10,797</u>	<u>10,797</u>	<u>9,714</u>	<u>1,083</u>
Total expenditures	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,797,566</u>	<u>2,434</u>	<u>295,000</u>	<u>295,000</u>	<u>293,917</u>	<u>1,083</u>
Excess (deficiency) of revenues over expenditures	(1,800,000)	(1,800,000)	(1,797,566)	2,434	(295,000)	(295,000)	(293,917)	1,083
Other financing sources (uses):								
Transfers in	1,800,000	1,800,000	1,800,000	-	-	-	-	-
Appropriation of prior years' fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,000</u>	<u>295,000</u>	<u>-</u>	<u>(295,000)</u>
Total other financing sources	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>-</u>	<u>295,000</u>	<u>295,000</u>	<u>-</u>	<u>(295,000)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,434</u>	<u>\$ 2,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (293,917)</u>	<u>(293,917)</u>
Fund balance - beginning			<u>450,478</u>				<u>428,858</u>	
Fund balance - ending			<u>\$ 452,912</u>				<u>\$ 134,941</u>	

(Continued)

CITY OF HOMESTEAD, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 NONMAJOR GOVERNMENTAL FUNDS
 (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Debt Service Fund				Capital Project Fund			
	General Obligation Bonds				People's Transportation Plan			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Property taxes	\$ 1,433,532	\$ 1,433,532	\$ 1,449,849	\$ 16,317	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	3,049,744	3,049,744	2,771,584	(278,160)
Investment income	-	-	-	-	15,000	15,000	15,249	249
Rentals and other revenues	-	-	-	-	-	-	5,488	5,488
Total revenues	<u>1,433,532</u>	<u>1,433,532</u>	<u>1,449,849</u>	<u>16,317</u>	<u>3,064,744</u>	<u>3,064,744</u>	<u>2,792,321</u>	<u>(272,423)</u>
Expenditures:								
Current:								
Public works	-	-	-	-	1,687,180	1,257,877	1,204,692	53,185
Capital outlay	-	-	-	-	778,754	508,057	126,622	381,435
Debt service:								
Principal	510,000	510,000	510,000	-	-	-	-	-
Interest and fiscal charges	974,738	974,738	974,008	730	-	-	-	-
Total expenditures	<u>1,484,738</u>	<u>1,484,738</u>	<u>1,484,008</u>	<u>730</u>	<u>2,465,934</u>	<u>1,765,934</u>	<u>1,331,314</u>	<u>434,620</u>
Excess (deficiency) of revenues over expenditures	<u>(51,206)</u>	<u>(51,206)</u>	<u>(34,159)</u>	<u>17,047</u>	<u>598,810</u>	<u>1,298,810</u>	<u>1,461,007</u>	<u>162,197</u>
Other financing sources::								
Transfers out	-	-	-	-	(1,400,000)	(2,100,000)	(2,100,000)	-
Appropriation of prior years' fund balance	51,206	51,206	-	(51,206)	801,190	801,190	-	(801,190)
Total other financing sources	<u>51,206</u>	<u>51,206</u>	<u>-</u>	<u>(51,206)</u>	<u>(598,810)</u>	<u>(1,298,810)</u>	<u>(2,100,000)</u>	<u>(801,190)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(34,159)</u>	<u>\$ (34,159)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(638,993)</u>	<u>\$ (638,993)</u>
Fund balance - beginning			108,942				1,085,602	
Fund balance - ending			<u>\$ 74,783</u>				<u>\$ 446,609</u>	

(Continued)

CITY OF HOMESTEAD, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 NONMAJOR GOVERNMENTAL FUNDS
 (Continued)
 FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Capital Project Funds							
	<u>Capital Improvement</u>				<u>Cybrarium</u>			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
Original	Final	Original			Final			
Revenues:								
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,138	\$ 65,138
Rentals and other revenues	-	-	-	-	-	1,000,000	1,000,000	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,065,138</u>	<u>65,138</u>
Expenditures:								
Current:								
General government	735,945	735,945	264,198	471,747	-	-	-	-
Parks and recreation	-	-	-	-	557,679	502,169	85,631	416,538
Capital outlay	234,035	234,035	165,241	68,794	9,700,342	9,756,052	6,087,606	3,668,446
Total expenditures	<u>969,980</u>	<u>969,980</u>	<u>429,439</u>	<u>540,541</u>	<u>10,258,021</u>	<u>10,258,221</u>	<u>6,173,237</u>	<u>4,084,984</u>
Excess (deficiency) of revenues over expenditures	<u>(969,980)</u>	<u>(969,980)</u>	<u>(429,439)</u>	<u>540,541</u>	<u>(10,258,021)</u>	<u>(9,258,221)</u>	<u>(5,108,099)</u>	<u>4,150,122</u>
Other financing sources (uses):								
Issuance of debt (HUD section 108 loan)	-	-	-	-	-	3,283,000	3,283,000	-
Transfers in	396,581	396,581	396,581	-	-	-	-	-
Appropriation of prior years' fund balance	573,399	573,399	-	(573,399)	10,258,021	5,975,221	-	(5,975,221)
Total other financing sources	<u>969,980</u>	<u>969,980</u>	<u>396,581</u>	<u>(573,399)</u>	<u>10,258,021</u>	<u>9,258,221</u>	<u>3,283,000</u>	<u>(5,975,221)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(32,858)</u>	<u>\$ (32,858)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,825,099)</u>	<u>\$ (1,825,099)</u>
Fund balance - beginning			601,756				5,933,129	
Fund balance - ending			<u>\$ 568,898</u>				<u>\$ 4,108,030</u>	



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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, 2020

	<u>Stormwater</u>	<u>Utilities Repair Replacement and Improvements</u>	<u>Total Other Enterprise Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 85,213	\$ 5,344	\$ 90,557
Investments	2,159,398	-	2,159,398
Interest receivable on investments	5,516	-	5,516
Account receivables, net	1,077,255	-	1,077,255
Due from other funds	500,000	1,600,000	2,100,000
Total current assets	<u>3,827,382</u>	<u>1,605,344</u>	<u>5,432,726</u>
Noncurrent assets:			
Capital assets being depreciated, net	255,675	-	255,675
Total noncurrent assets	<u>255,675</u>	<u>-</u>	<u>255,675</u>
Total assets	<u>4,083,057</u>	<u>1,605,344</u>	<u>5,688,401</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pension	49,051	-	49,051
Deferred outflows for OPEB	3,378	-	3,378
Total deferred outflows of resources	<u>52,429</u>	<u>-</u>	<u>52,429</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	27,960	-	27,960
Compensated absences	14,100	-	14,100
Total current liabilities	<u>42,060</u>	<u>-</u>	<u>42,060</u>
Noncurrent liabilities:			
Compensated absences	32,901	-	32,901
Net pension liability	123,135	-	123,135
Total OPEB liability	<u>355,217</u>	<u>-</u>	<u>355,217</u>
Total noncurrent liabilities	<u>511,253</u>	<u>-</u>	<u>511,253</u>
Total liabilities	<u>553,313</u>	<u>-</u>	<u>553,313</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for pension	33,576	-	33,576
Deferred inflows for OPEB	244,345	-	244,345
Total deferred inflows of resources	<u>277,921</u>	<u>-</u>	<u>277,921</u>
NET POSITION			
Net investment in capital assets	255,675	-	255,675
Unrestricted	3,048,577	1,605,344	4,653,921
Total net position	<u>\$ 3,304,252</u>	<u>\$ 1,605,344</u>	<u>\$ 4,909,596</u>

CITY OF HOMESTEAD, FLORIDA

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

FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Stormwater</u>	Utilities Repair Replacement and <u>Improvements</u>	Total Other Enterprise <u>Funds</u>
Operating revenues:			
Charges for services	\$ 2,172,199	\$ -	\$ 2,172,199
Total operating revenues	<u>2,172,199</u>	<u>-</u>	<u>2,172,199</u>
Operating expenses:			
Personnel services	1,012,378	-	1,012,378
Other operating expenses	689,718	-	689,718
Depreciation	<u>97,111</u>	<u>-</u>	<u>97,111</u>
Total expenditures	<u>1,799,207</u>	<u>-</u>	<u>1,799,207</u>
Operating income	<u>372,992</u>	<u>-</u>	<u>372,992</u>
Non-operating income:			
Interest income	<u>49,235</u>	<u>-</u>	<u>49,235</u>
Total non-operating income	<u>49,235</u>	<u>-</u>	<u>49,235</u>
Income before transfers	<u>422,227</u>	<u>-</u>	<u>422,227</u>
Transfers out	<u>(6,541)</u>	<u>-</u>	<u>(6,541)</u>
Total transfers	<u>(6,541)</u>	<u>-</u>	<u>(6,541)</u>
Change in net position	415,686	-	415,686
Net position, beginning	<u>2,888,566</u>	<u>1,605,344</u>	<u>4,493,910</u>
Net position, ending	<u>\$ 3,304,252</u>	<u>\$ 1,605,344</u>	<u>\$ 4,909,596</u>

CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Stormwater</u>	<u>Utilities Repair Replacement and Improvements</u>	<u>Total Other Enterprise Funds</u>
Cash flows from operating activities:			
Cash received from customers	\$ 1,699,969	\$ -	\$ 1,699,969
Cash payments to suppliers	(724,178)	-	(724,178)
Cash paid to other funds	(50,000)	-	(50,000)
Cash payments to employees	(867,997)	-	(867,997)
Net cash provided by operating activities	<u>57,794</u>	<u>-</u>	<u>57,794</u>
Cash flows from noncapital financing activities:			
Transfers to other funds	<u>(6,541)</u>	<u>-</u>	<u>(6,541)</u>
Net cash used in noncapital financing activities	<u>(6,541)</u>	<u>-</u>	<u>(6,541)</u>
Cash flows from investing activities:			
Purchases of investments	(69,539)	-	(69,539)
Proceeds from sale of investments	18,221	-	18,221
Interest received on investments	49,235	-	49,235
Net cash used in investing activities	<u>(2,083)</u>	<u>-</u>	<u>(2,083)</u>
Net increase in cash and cash equivalents	49,170	-	49,170
Cash and cash equivalents, beginning	<u>36,043</u>	<u>5,344</u>	<u>41,387</u>
Cash and cash equivalents, ending	<u>\$ 85,213</u>	<u>\$ 5,344</u>	<u>\$ 90,557</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	<u>\$ 372,992</u>	<u>\$ -</u>	<u>\$ 372,992</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	97,111	-	97,111
Net changes in assets, liabilities, deferred outflows and deferred inflows:			
(Increase) decrease in:			
Interest receivable	3,281	-	3,281
Accounts receivables	(475,511)	-	(475,511)
Due from other funds	(50,000)	-	(50,000)
Deferred outflows for pensions	27,988	-	27,988
Deferred outflows for OPEB	(1,157)	-	(1,157)
Increase (decrease) in:			
Accounts payable and accrued liabilities	(34,460)	-	(34,460)
Compensated Absences	8,424	-	8,424
Net pension liability	(53,999)	-	(53,999)
Total OPEB liability	62,522	-	62,522
Deferred inflows for pensions	(13,000)	-	(13,000)
Deferred inflows for OPEB	113,603	-	113,603
Total adjustments	<u>(315,198)</u>	<u>-</u>	<u>(315,198)</u>
Net cash provided by operating activities	<u>\$ 57,794</u>	<u>\$ -</u>	<u>\$ 57,794</u>
Non-cash investing, capital and financing activities:			
Change in fair value of investments	<u>\$ 7,127</u>	<u>\$ -</u>	<u>\$ 7,127</u>



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INTERNAL SERVICE FUNDS

CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	Governmental Activities			Total Governmental Activities	Business- type Activities	Total Internal Service
	Health Self- Insurance	Other Self- Insurance	Fleet Management		Customer Service	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 70,162	\$ 244,936	\$ 69,690	\$ 384,788	\$ 146,483	\$ 531,271
Account receivables, net	-	-	10,629	10,629	-	10,629
Due from other funds	-	4,400,000	450,000	4,850,000	1,800,000	6,650,000
Inventories	-	-	200,437	200,437	-	200,437
Total current assets	70,162	4,644,936	730,756	5,445,854	1,946,483	7,392,337
Noncurrent assets:						
Capital assets being depreciated, net	-	3,511	145,551	149,062	171,767	320,829
Total assets	70,162	4,648,447	876,307	5,594,916	2,118,250	7,713,166
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows for pension	11,404	28,924	85,814	126,142	146,358	272,500
Deferred outflows for OPEB	123	306	2,150	2,579	8,294	10,873
Total deferred outflows of resources	11,527	29,230	87,964	128,721	154,652	283,373
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	17,285	269,173	210,212	496,670	160,396	657,066
Compensated absences	1,850	4,647	26,737	33,234	38,127	71,361
Equipment financing	-	600	2,099	2,699	10,495	13,194
Claims and judgements	-	1,090,299	-	1,090,299	-	1,090,299
Total current liabilities	19,135	1,364,719	239,048	1,622,902	209,018	1,831,920
Noncurrent liabilities:						
Compensated absences	4,317	10,842	62,387	77,546	88,964	166,510
Equipment financing	-	2,038	7,135	9,173	35,677	44,850
Net pension liability	28,627	72,608	215,422	316,657	367,408	684,065
Net OPEB liability	12,917	32,293	226,046	271,256	871,898	1,143,154
Claims and judgements	-	3,153,166	-	3,153,166	-	3,153,166
Total noncurrent liabilities	45,861	3,270,947	510,990	3,827,798	1,363,947	5,191,745
Total liabilities	64,996	4,635,666	750,038	5,450,700	1,572,965	7,023,665
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows for pension	7,808	19,798	58,741	86,347	100,184	186,531
Deferred inflows for OPEB	8,885	22,213	155,492	186,590	599,753	786,343
Total deferred inflows of resources	16,693	42,011	214,233	272,937	699,937	972,874
NET POSITION						
Net investment in capital assets	-	873	136,317	137,190	125,595	262,785
Unrestricted	-	(873)	(136,317)	(137,190)	(125,595)	(262,785)
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, 2020

	Governmental Activities			Total Governmental Activities	Business- type Activities	Total Internal Service
	Health Self- Insurance	Other Self- Insurance	Fleet Management		Customer Service	
Operating revenues:						
Charges for services	\$ 6,812,576	\$ 4,790,631	\$ 3,700,768	\$ 15,303,975	\$ 4,479,657	\$ 19,783,632
Other revenues	-	-	65,622	65,622	-	65,622
Total operating revenues	<u>6,812,576</u>	<u>4,790,631</u>	<u>3,766,390</u>	<u>15,369,597</u>	<u>4,479,657</u>	<u>19,849,254</u>
Operating expenses:						
Personnel services	61,965	170,809	873,181	1,105,955	2,412,614	3,518,569
Administration	52,897	1,370,875	-	1,423,772	-	1,423,772
Insurance and claims	6,697,714	3,248,614	-	9,946,328	-	9,946,328
Other operating expenses	-	-	2,866,518	2,866,518	1,999,046	4,865,564
Depreciation	-	287	26,529	26,816	41,022	67,838
Total operating expenses	<u>6,812,576</u>	<u>4,790,585</u>	<u>3,766,228</u>	<u>15,369,389</u>	<u>4,452,682</u>	<u>19,822,071</u>
Operating loss	<u>-</u>	<u>46</u>	<u>162</u>	<u>208</u>	<u>26,975</u>	<u>27,183</u>
Non-operating expenses:						
Interest expense	-	(46)	(162)	(208)	(812)	(1,020)
Total non-operating expenses	<u>-</u>	<u>(46)</u>	<u>(162)</u>	<u>(208)</u>	<u>(812)</u>	<u>(1,020)</u>
Other financing uses:						
Transfer out	-	-	-	-	(26,163)	(26,163)
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,163)</u>	<u>(26,163)</u>
Change in net position	-	-	-	-	-	-
Net position, beginning	-	-	-	-	-	-
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Governmental Activities			Total Governmental Activities	Business- type Activities	Total Internal Service
	Health Self- Insurance	Other Self- Insurance	Fleet Management		Customer Service	
Cash flows from operating activities:						
Cash received from other funds	\$ 6,862,576	\$ 4,230,631	\$ 3,636,390	\$ 14,729,597	\$ 4,209,657	\$ 18,939,254
Cash payments to suppliers	(6,752,464)	(3,843,004)	(2,801,012)	(13,396,480)	(2,041,954)	(15,438,434)
Cash payments to employees	(52,654)	(161,370)	(715,900)	(929,924)	(1,956,390)	(2,886,314)
Net cash provided by operating activities	57,458	226,257	119,478	403,193	211,313	614,506
Cash flows from noncapital financing activities:						
Transfers to other funds	-	-	-	-	(26,163)	(26,163)
Net cash used in noncapital financing activities	-	-	-	-	(26,163)	(26,163)
Cash flows from capital and related financing activities:						
Proceeds from equipment financing debt	-	3,080	10,780	13,860	53,900	67,760
Acquisition and construction of capital assets	-	(3,080)	(64,070)	(67,150)	(84,407)	(151,557)
Principal paid on long term debt	-	(442)	(1,546)	(1,988)	(7,728)	(9,716)
Interest paid on long term debt	-	(46)	(162)	(208)	(812)	(1,020)
Net cash used in capital and related financing activities	-	(488)	(54,998)	(55,486)	(39,047)	(94,533)
Net increase in cash and cash equivalents	57,458	225,769	64,480	347,707	146,103	493,810
Cash and cash equivalents, beginning	12,704	19,167	5,210	37,081	380	37,461
Cash and cash equivalents, ending	\$ 70,162	\$ 244,936	\$ 69,690	\$ 384,788	\$ 146,483	\$ 531,271
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	\$ -	\$ 46	\$ 162	\$ 208	\$ 26,975	\$ 27,183
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	-	287	26,529	26,816	41,022	67,838
Net changes in assets, liabilities, deferred outflows and deferred inflows:						
(Increase) decrease in:						
Account receivables	-	-	(5,383)	(5,383)	-	(5,383)
Due from other funds	50,000	(560,000)	(130,000)	(640,000)	(270,000)	(910,000)
Inventories	-	-	2,257	2,257	-	2,257
Deferred outflows for pension	763	7,303	2,588	10,654	22,775	33,429
Deferred outflows for OPEB	(42)	(105)	(737)	(884)	(2,841)	(3,725)
Increase (decrease) in:						
Accounts payable and accrued liabilities	(1,853)	112,141	68,632	178,920	(42,908)	136,012
Compensated Absences	1,084	(977)	25,896	26,003	27,524	53,527
Net pension liability	651	(10,688)	12,161	2,124	(21,474)	(19,350)
Total OPEB liability	2,274	5,684	39,785	47,743	153,464	201,207
Claims and judgements	-	664,344	-	664,344	-	664,344
Deferred inflows for pension	450	(2,105)	5,295	3,640	(2,069)	1,571
Deferred inflows for OPEB	4,131	10,327	72,293	86,751	278,845	365,596
Total adjustments	57,458	226,211	119,316	402,985	184,338	587,323
Net cash provided by operating activities	\$ 57,458	\$ 226,257	\$ 119,478	\$ 403,193	\$ 211,313	\$ 614,506
Non-cash investing, capital and financing activities:						
Borrowing under equipment financing	\$ -	\$ 3,080	\$ 10,780	\$ 13,860	\$ 53,900	\$ 67,760



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FIDUCIARY FUNDS

CITY OF HOMESTEAD, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2020

	General Employees' Retirement <u>Plan</u>	Police Officers' Retirement <u>Plan</u>	Elected Officials' Retirement Plan (1)	New Elected Officials' and Senior Management Retirement System (1)	Firefighters' Retirement System (1)	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ 5,868,121	\$ 2,965,131	\$ 188,265	\$ 108,841	\$ 385,044	\$ 9,515,402
Receivables:						
Other receivables	197,328	200,000	-	-	-	397,328
Contributions	46,364	29,138	-	-	-	75,502
Accrued investment income	365,434	229,160	17,347	280	19,010	631,231
Total receivables	<u>609,126</u>	<u>458,298</u>	<u>17,347</u>	<u>280</u>	<u>19,010</u>	<u>1,104,061</u>
Other asset	-	6,222	-	-	-	6,222
Investments:						
U.S. Government Securities	-	11,465,146	30,445	176	1,108,345	12,604,112
Municipal obligations	5,257,965	-	-	-	-	5,257,965
Corporate bonds	24,513,872	16,203,089	940,667	-	966,518	42,624,146
Mortgage backed securities	-	12,559,201	-	-	-	12,559,201
Hedge funds	402,199	-	-	-	-	402,199
Mutual funds - fixed income	-	-	1,327	999,874	1,776,401	2,777,602
Mutual funds - equity	9,088,971	-	103,360	3,303,665	-	12,495,996
Common stocks	44,667,829	62,105,637	2,112,034	-	3,548,537	112,434,037
Other	1,811,031	-	108,746	511,726	76,063	2,507,566
Total investments	<u>85,741,867</u>	<u>102,333,073</u>	<u>3,296,579</u>	<u>4,815,441</u>	<u>7,475,864</u>	<u>203,662,824</u>
TOTAL ASSETS	<u>92,219,114</u>	<u>105,762,724</u>	<u>3,502,191</u>	<u>4,924,562</u>	<u>7,879,918</u>	<u>214,288,509</u>
LIABILITIES						
DROP payable	470,080	1,079,497	-	-	-	1,549,577
Accounts payable	606,192	247,341	13,370	10,506	33,130	910,539
TOTAL LIABILITIES	<u>1,076,272</u>	<u>1,326,838</u>	<u>13,370</u>	<u>10,506</u>	<u>33,130</u>	<u>2,460,116</u>
DEFERRED INFLOWS OF RESOURCES						
Advance City contributions	-	59,636	-	-	122,741	182,377
Total deferred inflows of resources	-	59,636	-	-	122,741	182,377
NET POSITION RESTRICTED FOR PENSION BENEFITS						
	<u>\$ 91,142,842</u>	<u>\$ 104,376,250</u>	<u>\$ 3,488,821</u>	<u>\$ 4,914,056</u>	<u>\$ 7,724,047</u>	<u>\$ 211,646,016</u>

(1) Amounts reflected as of December 31, 2019, 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, 2020

	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	\$ 2,476,457	\$ 4,442,521	\$ 259,658	\$ 106,700	\$ 19,311	\$ 7,304,647
Employees	294,602	859,818	-	-	-	1,154,420
State	-	665,319	-	-	201,287	866,606
Total contributions	<u>2,771,059</u>	<u>5,967,658</u>	<u>259,658</u>	<u>106,700</u>	<u>220,598</u>	<u>9,325,673</u>
Investment income:						
Investment earnings	3,510,712	2,223,835	141,362	226,196	450,037	6,552,142
Net appreciation (depreciation) in fair value of investments	820,474	9,328,434	372,386	662,751	994,414	12,178,459
Less investment expenses	<u>(628,489)</u>	<u>(336,566)</u>	<u>(29,365)</u>	<u>(27,546)</u>	<u>(40,804)</u>	<u>(1,062,770)</u>
Net investment income	<u>3,702,697</u>	<u>11,215,703</u>	<u>484,383</u>	<u>861,401</u>	<u>1,403,647</u>	<u>17,667,831</u>
Other revenues	<u>4,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,275</u>
Total additions	<u>6,478,031</u>	<u>17,183,361</u>	<u>744,041</u>	<u>968,101</u>	<u>1,624,245</u>	<u>26,997,779</u>
DEDUCTIONS						
Pension benefits	4,544,982	7,821,731	171,056	306,374	735,220	13,579,363
Refunds	14,818	-	-	-	-	14,818
Administrative expenses	<u>140,437</u>	<u>221,615</u>	<u>31,619</u>	<u>39,620</u>	<u>93,503</u>	<u>526,794</u>
Total deductions	<u>4,700,237</u>	<u>8,043,346</u>	<u>202,675</u>	<u>345,994</u>	<u>828,723</u>	<u>14,120,975</u>
Change in net position	1,777,794	9,140,015	541,366	622,107	795,522	12,876,804
NET POSITION RESTRICTED FOR PENSION BENEFITS						
Beginning of year	<u>89,365,048</u>	<u>95,236,235</u>	<u>2,947,455</u>	<u>4,291,949</u>	<u>6,928,525</u>	<u>198,769,212</u>
End of year	\$ <u>91,142,842</u>	\$ <u>104,376,250</u>	\$ <u>3,488,821</u>	\$ <u>4,914,056</u>	\$ <u>7,724,047</u>	\$ <u>211,646,016</u>

(1) Amounts reflected as of December 31, 2019, the date of the latest plan year.

STATISTICAL SECTION

Statistical Section

This part of the City of Homestead’s comprehensive annual 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.

<u>Contents</u>	<u>Page</u>
Financial Trends	166-170
The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.	
Revenue Capacity	171-175
These information presented in this section is intended to assist users in understanding and assessing the City’s two most significant local revenue sources, the property tax and the electric utility revenues.	
Debt Capacity	176-180
The information presented in this section is intended to assist users in understanding and assessing the City’s current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	181-182
The information presented in this section is intended to assist users in understanding the socioeconomic environment within which the City operates.	
Operating Information	183-185
The information presented in this section contains service and infrastructure data and is intended to help the reader understand how the information in the City’s financial reports relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant years.



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Financial Trends Information

Page

The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

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CITY OF HOMESTEAD, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities:										
Net investment in capital assets	\$ 168,779,914	\$ 171,873,549	\$ 177,339,023	\$ 191,173,910	\$ 193,677,481	\$ 197,273,126	\$ 185,490,033	\$ 187,470,989	\$ 192,050,485	\$ 197,431,927
Restricted	14,726,787	14,980,268	17,404,061	13,992,265	13,803,772	13,390,211	14,940,715	13,458,908	16,119,168	15,502,010
Unrestricted	1,085,299	(521,798)	(5,692,542)	(1,908,807)	2,541,761	1,104,887	35,954,594	39,334,231	40,458,833	38,567,081
Total governmental activities net position	<u>\$ 184,592,000</u>	<u>\$ 186,332,019</u>	<u>\$ 189,050,542</u>	<u>\$ 203,257,368</u>	<u>\$ 210,023,014</u>	<u>\$ 211,768,224</u>	<u>\$ 236,385,342</u>	<u>\$ 240,264,128</u>	<u>\$ 248,628,486</u>	<u>\$ 251,501,018</u>
Business-type activities:										
Net investment in capital assets	\$ 38,354,236	\$ 38,895,085	\$ 34,074,210	\$ 29,169,365	\$ 29,643,262	\$ 30,874,752	\$ 32,798,643	\$ 34,386,325	\$ 34,166,191	\$ 35,113,091
Restricted	270,752	476,460	715,800	552,719	559,257	716,527	716,755	717,861	718,177	717,401
Unrestricted	(3,085,589)	(6,630,871)	(3,567,329)	2,242,034	13,332,705	22,098,736	32,275,597	39,356,664	39,927,556	40,818,398
Total business-type activities net position	<u>\$ 35,539,399</u>	<u>\$ 32,740,674</u>	<u>\$ 31,222,681</u>	<u>\$ 31,964,118</u>	<u>\$ 43,535,224</u>	<u>\$ 53,690,015</u>	<u>\$ 65,790,995</u>	<u>\$ 74,460,850</u>	<u>\$ 74,811,924</u>	<u>\$ 76,648,890</u>
Primary government:										
Net investment in capital assets	\$ 207,134,150	\$ 210,768,634	\$ 211,413,233	\$ 220,343,275	\$ 223,320,743	\$ 228,147,878	\$ 218,288,676	\$ 221,857,314	\$ 226,216,676	\$ 232,545,018
Restricted	14,997,539	15,456,728	18,119,861	14,544,984	14,363,029	14,106,738	15,657,470	14,176,769	16,837,345	16,219,411
Unrestricted	(2,000,290)	(7,152,669)	(9,259,871)	333,227	15,874,466	23,203,623	68,230,191	78,690,895	80,386,389	79,385,479
Total primary government net position	<u>\$ 220,131,399</u>	<u>\$ 219,072,693</u>	<u>\$ 220,273,223</u>	<u>\$ 235,221,486</u>	<u>\$ 253,558,238</u>	<u>\$ 265,458,239</u>	<u>\$ 302,176,337</u>	<u>\$ 314,724,978</u>	<u>\$ 323,440,410</u>	<u>\$ 328,149,908</u>

Source: City of Homestead CAFR for fiscal years ending September 30, 2011 through September 30, 2020.

CITY OF HOMESTEAD, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses:										
Governmental activities:										
General government	\$ 16,070,707	\$ 19,120,054	\$ 21,003,043	\$ 16,344,478	\$ 17,246,402	\$ 17,351,952	\$ 14,561,575	\$ 14,686,466	\$ 14,858,739	\$ 11,465,598
Public safety	36,940,046	31,313,525	31,399,222	31,277,616	29,168,711	29,690,875	29,019,865	27,353,700	26,979,350	26,885,452
Public works	4,913,009	4,972,723	5,082,373	5,259,020	4,189,826	4,119,974	5,584,695	3,759,122	4,432,773	3,754,854
Parks and recreation	8,586,509	8,605,167	8,831,440	8,626,647	7,931,471	7,594,640	7,559,260	7,572,711	6,052,374	5,931,708
Disaster relief	1,656,340	1,494,954	4,774,725	5,784,058	-	-	-	-	-	-
Interest on long-term debt	2,309,156	2,566,298	2,533,914	1,914,467	1,278,725	1,315,178	655,807	396,082	453,302	546,756
Unallocated depreciation	2,438,939	2,537,794	2,605,333	2,614,783	2,728,555	2,663,535	2,708,565	2,755,105	2,754,564	2,848,017
Total governmental activities expenses	<u>72,914,706</u>	<u>70,610,515</u>	<u>76,230,050</u>	<u>71,821,069</u>	<u>62,543,690</u>	<u>62,736,154</u>	<u>60,089,767</u>	<u>56,523,186</u>	<u>55,531,102</u>	<u>51,432,385</u>
Business-type activities:										
Water & Sewer	19,829,160	18,630,219	18,327,873	19,568,630	20,517,653	16,957,507	17,081,653	15,602,707	13,708,238	19,529,746
Electric	57,349,765	65,511,531	63,631,753	63,978,883	62,909,804	60,464,609	60,900,056	57,702,125	56,466,721	56,905,865
Solid waste	13,696,451	12,444,373	12,618,609	12,151,517	12,433,778	10,933,920	10,656,568	10,216,304	9,360,903	8,960,113
Other enterprise funds	1,799,207	1,590,250	1,646,534	1,533,212	1,561,837	1,525,438	1,623,594	1,418,544	1,394,837	1,606,007
Homestead station QALICB	210,525	50,000	949,837	-	-	-	-	-	-	-
Total business-type activities expenses	<u>92,885,108</u>	<u>98,226,373</u>	<u>97,174,606</u>	<u>97,232,242</u>	<u>97,423,072</u>	<u>89,881,474</u>	<u>90,261,871</u>	<u>84,939,680</u>	<u>80,930,699</u>	<u>87,001,731</u>
Total primary government expenses	<u>\$ 165,799,814</u>	<u>\$ 168,836,888</u>	<u>\$ 173,404,656</u>	<u>\$ 169,053,311</u>	<u>\$ 159,966,762</u>	<u>\$ 152,617,628</u>	<u>\$ 150,351,638</u>	<u>\$ 141,462,866</u>	<u>\$ 136,461,801</u>	<u>\$ 138,434,116</u>
Program revenue:										
Governmental activities:										
Charge for services:										
General government	\$ 11,110,086	\$ 11,129,438	\$ 11,114,484	\$ 10,116,159	\$ 10,605,142	\$ 9,730,932	\$ 9,154,625	\$ 8,234,156	\$ 7,316,643	\$ 6,955,466
Public safety	1,141,759	1,544,241	2,725,547	1,935,293	1,680,681	1,420,610	1,626,143	1,917,550	4,586,848	1,691,579
Public works	103,148	106,176	116,645	103,850	132,364	95,848	63,091	813,609	774,454	485,950
Parks and recreation	1,509,470	2,765,675	3,127,406	3,393,329	4,163,420	4,090,198	3,740,144	4,267,842	3,230,639	2,821,191
Operating grants and contributions	12,823,167	4,266,401	3,850,681	2,231,928	1,999,080	3,822,973	4,253,120	2,155,406	2,239,710	3,095,570
Capital grants and contributions	3,868,007	5,779,524	4,674,927	4,600,091	3,382,844	4,240,088	3,612,918	3,004,766	4,044,701	6,871,319
Total governmental activities programs revenues	<u>30,555,637</u>	<u>25,591,455</u>	<u>25,609,690</u>	<u>22,380,650</u>	<u>21,963,531</u>	<u>23,400,649</u>	<u>22,450,041</u>	<u>20,393,329</u>	<u>22,192,995</u>	<u>21,921,075</u>
Business-type activities:										
Charge for services:										
Water & sewer	19,337,106	16,815,050	14,001,983	13,574,254	13,139,628	12,869,453	12,125,905	12,098,206	10,950,319	11,187,740
Electric	56,958,932	63,749,905	62,652,734	61,077,521	61,272,008	61,307,335	58,534,274	58,494,058	55,455,597	56,707,781
Solid waste	13,421,214	12,679,156	12,082,839	12,198,899	11,673,675	11,690,965	11,017,194	11,304,868	10,589,790	10,799,353
Other enterprise funds	2,172,199	1,653,240	901,505	1,666,635	1,639,976	1,693,618	1,572,786	1,619,194	1,592,855	1,630,102
Capital grants and contributions	620,368	2,428,044	3,936,372	217,088	-	-	-	-	7,650	33,799
Total business-type activities programs revenues	<u>92,509,819</u>	<u>97,325,395</u>	<u>93,575,433</u>	<u>88,734,397</u>	<u>87,725,287</u>	<u>87,561,371</u>	<u>83,250,159</u>	<u>83,516,326</u>	<u>78,596,211</u>	<u>80,358,775</u>
Total primary government program revenues	<u>\$ 123,065,456</u>	<u>\$ 122,916,850</u>	<u>\$ 119,185,123</u>	<u>\$ 111,115,047</u>	<u>\$ 109,688,818</u>	<u>\$ 110,962,020</u>	<u>\$ 105,700,200</u>	<u>\$ 103,909,655</u>	<u>\$ 100,789,206</u>	<u>\$ 102,279,850</u>
Net (expense) revenue:										
Governmental activities	\$ (42,359,069)	\$ (45,019,060)	\$ (50,620,360)	\$ (49,440,419)	\$ (40,580,159)	\$ (39,335,505)	\$ (37,639,726)	\$ (36,129,857)	\$ (33,338,107)	\$ (29,511,310)
Business-type activities	(375,289)	(900,978)	(3,599,173)	(8,497,845)	(9,697,785)	(2,320,103)	(7,011,712)	(1,423,354)	(2,334,488)	(6,642,956)
Total primary government net (expense) revenue	<u>\$ (42,734,358)</u>	<u>\$ (45,920,038)</u>	<u>\$ (54,219,533)</u>	<u>\$ (57,938,264)</u>	<u>\$ (50,277,944)</u>	<u>\$ (41,655,608)</u>	<u>\$ (44,651,438)</u>	<u>\$ (37,553,211)</u>	<u>\$ (35,672,595)</u>	<u>\$ (36,154,266)</u>

(continued)

CITY OF HOMESTEAD, FLORIDA
 CHANGES IN NET POSITION (continued)
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	\$ 20,719,613	\$ 18,835,686	\$ 17,284,317	\$ 15,571,327	\$ 14,044,980	\$ 13,507,112	\$ 11,057,882	\$ 11,533,264	\$ 12,420,367	\$ 13,666,796
Fuel taxes	1,136,424	1,304,847	1,309,021	1,222,652	1,178,768	1,188,363	1,123,787	1,101,153	1,065,918	1,172,661
Franchise fees based on gross receipts	4,475,352	4,383,291	4,115,956	4,011,858	3,767,938	3,662,823	3,516,008	3,526,787	3,480,840	3,368,545
Utility taxes	1,554,248	1,558,004	1,491,902	1,532,625	1,614,804	1,608,427	1,593,944	1,455,868	1,539,638	1,520,922
Communication service taxes	1,383,144	1,343,577	1,518,228	1,525,106	2,069,644	1,590,006	1,902,060	1,703,597	1,849,965	1,931,106
Half cent sales taxes	5,024,707	5,845,264	5,631,661	5,280,732	5,143,347	4,853,152	4,556,584	4,245,767	3,940,166	3,861,421
Unrestricted intergovernmental revenue	3,036,391	3,391,630	3,328,071	3,024,983	2,727,254	2,556,091	2,177,574	1,861,245	1,442,294	1,290,724
Payment in lieu of taxes	2,034,292	1,849,088	1,704,671	1,512,374	1,414,284	1,193,843	1,193,843	1,189,468	738,800	738,800
Other revenues	962,164	2,549,135	2,226,906	751,200	844,417	665,798	713,289	752,749	573,881	797,564
Gain on sale of assets	-	-	-	-	594,715	-	-	-	-	-
Unrestricted investment earnings	773,526	1,101,826	628,804	237,216	402,984	883,602	1,451,380	(154,744)	1,108,830	1,426,095
Cares Act	604,000	-	-	-	-	-	-	-	-	-
Transfers	(1,084,811)	138,189	(745,500)	8,004,700	5,031,814	5,133,771	4,474,589	782,784	2,304,876	80,493
Total governmental activities	40,619,050	42,300,537	38,494,037	42,674,773	38,834,949	36,842,988	33,760,940	27,997,938	30,465,575	29,855,127
Business-type activities:										
Other revenues	1,907,506	2,449,147	2,916,645	4,898,995	4,355,998	2,067,761	2,074,862	2,674,964	2,164,072	2,148,522
Unrestricted investment earnings	104,600	108,013	37,928	32,444	218,810	470,857	741,584	(819,900)	638,326	748,507
Cares Act	77,097	-	-	-	-	-	-	-	-	-
Transfers	1,084,811	(138,189)	745,500	(8,004,700)	(5,031,814)	(5,133,771)	(4,474,589)	(782,784)	(2,304,876)	(80,493)
Total business-type activities	3,174,014	2,418,971	3,700,073	(3,073,261)	(457,006)	(2,595,153)	(1,658,143)	1,072,280	497,522	2,816,536
Total primary government	\$ 43,793,064	\$ 44,719,508	\$ 42,194,110	\$ 39,601,512	\$ 38,377,943	\$ 34,247,835	\$ 32,102,797	\$ 29,070,218	\$ 30,963,097	\$ 32,671,663
Change in net position:										
Governmental activities	\$ (1,740,019)	\$ (2,718,523)	\$ (12,126,323)	\$ (6,765,646)	\$ (1,745,210)	\$ (2,492,517)	\$ (3,878,786)	\$ (8,131,919)	\$ (2,872,532)	\$ 343,817
Business-type activities	2,798,725	1,517,993	100,900	(11,571,106)	(10,154,791)	(4,915,256)	(8,669,855)	(351,074)	(1,836,966)	(3,826,420)
Total primary government	\$ 1,058,706	\$ (1,200,530)	\$ (12,025,423)	\$ (18,336,752)	\$ (11,900,001)	\$ (7,407,773)	\$ (12,548,641)	\$ (8,482,993)	\$ (4,709,498)	\$ (3,482,603)

Source: City of Homestead CAFR for fiscal years ending September 30, 2011 through September 30, 2020.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General fund:										
<i>Nonspendable :</i>										
Prepaid costs	\$ 117,636	\$ 7,179	\$ 237,950	\$ 1,824	\$ 198,906	\$ 371,951	\$ 243,657	\$ 251,961	\$ 5,153	\$ 1,605
Long-term note receivable	30,493,770	28,264,033	10,841,000	-	-	1,704,572	1,704,572	1,704,572	1,704,572	1,704,572
Long-term interest on notes receivable	-	-	-	-	-	614,910	562,766	469,014	375,263	281,511
<i>Restricted for:</i>										
Fiber optic security	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
HUD section 108 loan security	306,000	306,000	306,000	-	-	-	-	-	-	-
<i>Committed to:</i>										
Required reserve	5,041,946	4,791,848	4,958,948	4,807,159	4,576,236	4,472,930	4,043,243	3,885,681	3,678,189	3,491,434
<i>Assigned to:</i>										
Appropriations of subsequent year's budget	378,940	1,130,300	1,215,667	5,540,576	1,506,952	1,345,841	1,773,765	882,599	363,432	379,382
<i>Unassigned :</i>										
General fund	<u>6,626,970</u>	<u>651,329</u>	<u>9,659,840</u>	<u>8,987,795</u>	<u>18,158,247</u>	<u>14,327,306</u>	<u>14,036,703</u>	<u>13,729,048</u>	<u>13,342,637</u>	<u>12,016,353</u>
Total General fund	<u>\$ 43,065,262</u>	<u>\$ 35,250,689</u>	<u>\$ 27,319,405</u>	<u>\$ 19,437,354</u>	<u>\$ 24,540,341</u>	<u>\$ 22,937,510</u>	<u>\$ 22,464,706</u>	<u>\$ 21,022,875</u>	<u>\$ 19,569,246</u>	<u>\$ 17,974,857</u>
All other governmental funds:										
<i>Nonspendable :</i>										
Prepaid costs	\$ -	\$ 798	\$ 811,129	\$ 813,680	\$ 705	\$ -	\$ -	\$ -	\$ 17,379	\$ 1,673
<i>Restricted :</i>										
Community redevelopment	1,689,568	2,126,663	1,617,889	1,232,375	1,514,383	-	454,815	828,044	3,508,305	4,687,494
Grants	1,540,431	1,356,523	1,299,069	1,502,578	1,334,221	1,343,737	541,078	312,397	188,444	203,344
Disaster relief	7,898	6,999	13,803	-	-	-	-	-	-	-
Parks and recreation	6,686,342	6,743,389	7,334,454	6,210,608	5,337,151	2,927,388	3,455,413	2,546,385	1,325,705	1,107,090
Public safety	1,600,020	1,801,972	1,816,323	1,391,817	952,647	1,493,258	3,285,707	4,704,393	5,722,480	4,060,735
Public work	642,768	464,842	636,262	572,283	528,707	389,159	588,519	1,262,214	1,175,830	1,097,719
Debt service	662,636	988,278	2,326,352	1,943,526	2,126,806	3,001,657	2,365,573	2,387,738	2,425,897	2,445,226
Capital projects	105,285	672,340	24,470,390	29,205,881	3,819,621	17,089,440	24,026,258	-	-	-
Transit and transportation	446,609	1,085,602	1,953,909	1,039,078	1,909,857	4,135,012	4,149,610	3,087,461	3,465,047	3,648,817
<i>Committed :</i>										
Public art	1,328,412	1,752,057	1,489,868	1,110,345	734,932	204,000	184,416	184,416	155,666	151,037
Transportation	88,402	290,346	290,346	290,346	290,346	290,346	290,346	290,346	290,346	290,346
<i>Assigned :</i>										
Parks and recreation	150,941	91,482	686,075	920,288	1,163,674	1,021,878	619,963	252,788	1,140,118	895,002
Capital projects	4,669,667	6,033,116	1,561,030	1,843,364	844,806	734,178	14,715,076	17,041,770	17,955,005	17,955,005
<i>Unassigned :</i>										
Community redevelopment	-	-	-	-	-	(471,553)	-	-	-	-
Disaster relief	-	-	-	(784,058)	-	-	-	-	-	(14,025)
Total all other governmental funds	<u>\$ 19,618,979</u>	<u>\$ 23,414,407</u>	<u>\$ 46,306,899</u>	<u>\$ 47,292,111</u>	<u>\$ 20,557,856</u>	<u>\$ 32,158,500</u>	<u>\$ 54,676,774</u>	<u>\$ 32,897,952</u>	<u>\$ 37,370,222</u>	<u>\$ 36,529,463</u>

Note The City implemented GASB Satement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in Fiscal year 2011.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:										
Taxes	\$ 31,151,854	\$ 30,529,687	\$ 28,871,775	\$ 26,866,132	\$ 25,743,387	\$ 24,591,361	\$ 21,958,595	\$ 21,240,980	\$ 21,897,052	\$ 22,503,983
Licenses and permits	2,347,153	2,670,656	2,975,987	2,290,641	2,642,967	2,438,791	2,159,702	2,267,429	1,522,584	1,485,419
Intergovernmental	23,010,793	17,259,315	17,108,962	15,066,338	13,913,307	13,670,286	13,423,399	11,606,248	11,088,150	15,060,007
Charges for services	1,038,317	1,195,603	1,281,639	1,191,516	1,257,738	1,395,902	1,275,963	1,079,626	989,571	687,718
Fines and forfeitures	619,815	1,024,382	2,162,753	1,411,095	1,029,146	943,665	1,290,872	1,472,295	4,352,858	1,241,605
Investment income	773,526	1,101,826	628,804	237,216	402,984	883,602	1,451,380	(154,744)	1,108,830	1,426,095
Payment in lieu of taxes	2,034,292	1,849,088	1,704,671	1,512,374	1,414,284	1,193,843	1,193,843	1,189,468	738,800	738,800
Other revenues	10,679,748	11,038,578	10,085,131	8,423,407	10,949,231	9,959,984	8,851,988	8,762,347	8,445,600	8,552,087
Total revenues	71,655,498	66,669,135	64,819,722	56,998,719	57,353,044	55,077,434	51,605,742	47,463,649	50,143,445	51,695,714
Expenditures:										
General government	14,310,841	14,672,993	15,340,125	14,679,512	14,486,390	13,763,016	12,991,103	12,166,688	11,425,621	11,093,243
Public safety	31,423,383	28,936,300	29,707,966	29,256,336	28,488,480	29,049,243	27,081,896	25,702,013	25,618,812	25,593,407
Public works and services	2,583,804	2,655,675	3,217,709	2,635,509	2,245,038	2,482,943	4,370,948	2,271,098	2,996,406	2,383,529
Parks and recreation	5,040,326	5,167,095	5,208,629	5,029,756	4,662,815	4,410,229	4,370,531	4,278,914	3,279,983	3,271,795
Disaster relief	1,656,340	1,494,954	4,774,725	5,784,058	-	-	-	-	-	-
Capital outlay	11,699,960	11,574,716	6,336,098	16,792,046	24,661,517	35,589,749	10,494,941	5,993,674	4,866,556	10,624,788
Debt service:										
Principal	2,063,274	15,446,822	2,757,403	1,862,363	1,856,187	1,734,203	1,394,203	1,394,203	1,394,203	1,444,203
Interest and fiscal charges	2,377,774	2,661,252	2,339,265	1,930,560	1,318,302	1,104,292	599,773	396,082	453,302	546,756
Total expenditures	71,155,702	82,609,807	69,681,920	77,970,140	77,718,729	88,133,675	61,303,395	52,202,672	50,034,883	54,957,721
Excess of revenues over (under) expenditures	499,796	(15,940,672)	(4,862,198)	(20,971,421)	(20,365,685)	(33,056,241)	(9,697,653)	(4,739,023)	108,562	(3,262,007)
Other financing sources (uses):										
Cares Act	604,000	-	-	-	-	-	-	-	-	-
Issuance of debt (HUD section 108 loan)	3,283,000	194,000	194,000	194,000	-	-	-	-	-	-
Issuance of debt (equipment financing)	717,160	647,275	226,008	2,895,000	765,000	447,000	2,361,115	-	-	-
General obligation bonds issued	-	-	-	-	-	-	25,998,600	-	-	-
Taxable transportation system revenue bonds issued	-	-	-	31,440,000	-	-	-	-	-	-
Issuance of other long-term debt	-	-	12,829,100	-	4,570,000	5,430,000	-	-	-	-
Transfer in	12,528,758	39,462,051	13,006,895	13,472,571	8,499,473	7,406,773	5,683,086	3,859,747	2,746,587	664,680
Transfer out	(13,613,569)	(39,323,862)	(12,602,395)	(5,398,882)	(3,466,601)	(2,273,002)	(1,124,495)	(1,906,926)	(420,000)	(584,187)
Transfer to Homestead Station QALICB (NMTC)	-	-	(1,150,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	3,519,349	979,464	12,503,608	42,602,689	10,367,872	11,010,771	32,918,306	1,952,821	2,326,587	80,493
Net change in fund balances	\$ 4,019,145	\$ (14,961,208)	\$ 7,641,410	\$ 21,631,268	\$ (9,997,813)	\$ (22,045,470)	\$ 23,220,653	\$ (2,786,202)	\$ 2,435,149	\$ (3,181,514)
Debt services as a percentage of noncapital expenditures										
	7.46%	25.36%	8.01%	6.19%	5.90%	5.30%	3.91%	3.84%	4.06%	4.45%
Capital outlay P. 31	11,658,005	11,218,365	6,086,927	16,681,586	23,902,747	34,608,361	10,257,164	5,640,948	4,539,155	10,208,308

Source: City of Homestead CAFR for fiscal years ending September 30, 2011 through September 30, 2020.
Note: FY 2012 expenditures for general government have been restated due to prior year adjustment for grants.



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Revenue Capacity Information

Page

The information presented in this section is intended to assist users in understanding and assessing the City's two most significant local revenue sources, the property tax and the electric utility revenues.

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CITY OF HOMESTEAD, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

City's Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Taxable Assessed Value	Valuation Adjustments	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Value as a Percentage of Assessed Value
2011	\$ 1,949,572	\$ 104,273	\$ 2,053,845	\$ (126,949)	6.2917	\$ 1,926,896	93.8%
2012	1,764,888	109,630	1,874,518	(77,170)	6.2917	1,797,348	95.9%
2013	1,703,374	99,520	1,802,894	(63,028)	6.2435	1,739,866	96.5%
2014	1,705,252	99,762	1,805,014	(34,245)	5.9215	1,770,769	98.1%
2015	1,847,542	101,259	1,948,801	(40,766)	6.9315	1,908,035	97.9%
2016	2,035,141	103,169	2,138,310	(35,122)	6.5149	2,103,188	98.4%
2017	2,214,915	101,599	2,316,514	(13,593)	6.5149	2,302,921	99.4%
2018	2,500,479	108,154	2,608,633	(19,462)	6.4790	2,589,171	99.3%
2019	2,737,081	120,420	2,857,501	(38,654)	6.4515	2,818,847	98.6%
2020	3,022,973	120,737	3,143,710	(29,435)	6.4015	3,114,275	99.1%

Source: Miami-Dade County Department of Property Appraiser.

CITY OF HOMESTEAD, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

City's Fiscal Year	Direct Rates			Overlapping Rates								Total Direct and Overlapping Millage
	City of Homestead			Miami-Dade County			Miami-Dade County School Board			Other Taxing Authorities and Special Districts		
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	State Millage	Special District Millage	
2011	6.2917	N/A	6.2917	5.4275	0.4450	5.8725	7.8640	0.3850	8.2490	0.6585	3.3793	24.4510
2012	6.2917	N/A	6.2917	4.8050	0.2850	5.0900	7.7650	0.2400	8.0050	0.4708	3.1422	22.9997
2013	6.2435	N/A	6.2435	4.7035	0.2850	4.9885	7.7650	0.2330	7.9980	0.4634	3.1352	22.8286
2014	5.9215	N/A	5.9215	4.7035	0.4220	5.1255	7.6440	0.3330	7.9770	0.4455	3.1348	22.6043
2015	5.9215	1.0100	6.9315	4.6669	0.4500	5.1169	7.7750	0.1990	7.9740	0.4187	3.2161	23.6572
2016	5.9215	0.5934	6.5149	4.6669	0.4500	5.1169	7.4130	0.1990	7.6120	0.3871	3.2133	22.8442
2017	5.9215	0.5934	6.5149	4.6669	0.4000	5.0669	7.1380	0.1840	7.3220	0.3627	3.2122	22.4787
2018	5.9215	0.5575	6.4790	4.6669	0.4000	5.0669	6.7740	0.2200	6.9940	0.3420	3.1795	22.0614
2019	5.9215	0.5300	6.4515	4.6669	0.4644	5.1313	6.5040	0.2290	6.7330	0.3256	3.1462	21.7876
2020	5.9215	0.4800	6.4015	4.6669	0.4780	5.1449	7.0250	0.1230	7.1480	0.3115	3.1727	22.1786

Source: Miami-Dade County Department of Property Appraiser

Note: All millage rates are based on \$1 for every \$1,000 of assessed value.

State millage includes Florida Inland Navigation District, South Florida Water Management District, Okeechobee Basin and Everglades Construction Project.

Special Districts millage includes Children Trust Authority, Library District, Fire and Rescue.

N/A - Not applicable

CITY OF HOMESTEAD, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

(DOLLARS IN THOUSANDS)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2020</u>			<u>2011</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Homestead Pavilion Acquisition, LLC	Commercial Shopping Center	\$ 45,840	1	1.46%			
Fifteen Homestead COA Townhome	Residential Real Estate	39,000	2	1.24%			
Cerberus SFR holdings LP	Property Management Services	33,986	3	1.08%			
City of Homestead	Municipal*	28,956	4	0.92%	26,842	2	1.31%
Florida Power & Light Company	Electric Utility	24,980	5	0.79%	18,552	3	0.90%
Fifteen Homestead HOA	Townhome Owners	22,865	6	0.73%			
Kimco Realty Corp	Commercial Real Estate	19,500	7	0.62%	16,100	4	0.78%
Venice By Garco LLC	Residential Real Estate	13,974	8	0.44%			
Sarria Holdings IV Inc	Commercial Real Estate	13,064	9	0.42%	12,506	6	0.61%
Lowe's Home Centers Inc	Retail Outlet	12,633	10	0.40%	15,223	5	0.74%
Yates Homestead LLC	Retail Outlet				11,200	7	0.55%
AT&T Bellsouth	Telecommunications				9,157	9	0.45%
DDR Homestead LLC	Retail Outlet / Vacant Land				42,206	1	2.05%
Monterey Pointe Association	Residential Real Estate				9,480	8	0.46%
Campbell East Reph LLC	Retail Outlet				9,061	10	0.44%
Total		\$ 254,798		8.10%	\$ 170,327		8.29%
Total assessed valuation of taxable property:		<u>\$ 3,143,710</u>			<u>\$ 2,053,845</u>		

*Homestead Miami Speedway

Source: Miami-Dade County Department of Property Appraiser

CITY OF HOMESTEAD, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

City's Fiscal Year	Tax Year	Total Taxes Levied for the fiscal year	Current Tax Collections		Delinquent Tax Collections		Total Tax Collections		Outstanding Delinquent Amount	Ratio of Delinquent Taxes to Total Taxes Levied
			Amount	% of Levy	Amount	% of Levy	Amount	% of Levy		
2011	2010	\$ 12,922	\$ 11,873	91.9%	\$ 310	2.4%	\$ 12,183	94.3%	\$ 558	4.3%
2012	2011	11,794	11,365	96.4%	35	0.3%	11,400	96.7%	163	1.4%
2013	2012	11,256	10,568	93.9%	3	0.0%	10,571	93.9%	680	6.0%
2014	2013	10,688	10,216	95.6%	40	0.4%	10,256	96.0%	139	1.3%
2015	2014	13,508	12,668	93.8%	49	0.4%	12,717	94.1%	233	1.7%
2016	2015	13,931	13,097	94.0%	33	0.2%	13,130	94.3%	756	5.4%
2017	2016	15,092	14,522	96.2%	47	0.3%	14,569	96.5%	N/A	N/A
2018	2017	16,901	15,528	91.9%	667	3.9%	16,195	95.8%	1,256	7.4%
2019	2018	18,435	17,036	92.4%	599	3.2%	17,635	95.7%	2,786	15.1%
2020	2019	20,124	18,514	92.0%	822	4.1%	19,336	96.1%	3,533	17.6%

Source: Miami-Dade County Department of Property Appraiser

Note: Starting in fiscal year 2015, total tax levied also included tax levied on debt services.

N/A - Not available

CITY OF HOMESTEAD, FLORIDA

ELECTRIC UTILITY REVENUES

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Inter-Departmental</u>	<u>Other Sales</u>	<u>Power Cost Adjustment</u>	<u>Total Sales Revenue</u>	<u>Bad Debt Expense</u>	<u>Net Sales Revenue</u>
2011	\$ 19,172,844	\$ 3,132,429	\$ 13,781,527	\$ 2,763,021	\$ 442,525	\$ 18,105,273	\$ 57,397,619	\$ 689,838	\$ 56,707,781
2012	19,242,947	3,418,843	11,112,865	2,757,915	449,325	19,389,358	56,371,253	952,720	55,418,533
2013	19,456,060	3,114,385	11,499,816	2,725,817	428,270	18,883,692	56,108,040	(472,547)	56,580,587
2014	21,086,195	2,945,868	12,101,655	2,807,666	461,406	19,971,059	59,373,849	860,026	58,513,823
2015	22,165,199	3,058,967	12,225,119	2,763,561	477,347	20,229,047	60,919,240	(314,916)	61,234,156
2016	23,427,301	3,090,886	12,320,252	2,907,270	455,513	19,183,647	61,384,869	795,484	60,589,385
2017	23,465,509	3,120,780	11,901,987	2,690,980	465,902	19,822,634	61,467,792	427,700	61,040,092
2018	23,830,578	3,106,131	11,919,665	2,911,566	477,011	19,242,248	61,487,199	(1,006,801)	62,494,000
2019	25,301,625	3,442,461	12,025,673	3,016,914	483,986	20,608,491	64,879,150	1,100,278	63,778,872
2020	26,731,468	3,396,554	11,770,156	2,947,813	514,542	9,845,711	55,206,244	(1,726,525)	56,932,769

Sources: City of Homestead ACFR for fiscal years ending September 30, 2011 through September 30, 2020.



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Debt Capacity Information

Page

The information presented in this section is intended to assist users in understanding and assessing the City’s current levels of outstanding debt and the City's ability to issue additional debt in the future.

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CITY OF HOMESTEAD, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)

Fiscal Year Ended September 30,	Governmental Activities ¹					Business-type Activities ¹					Total Outstanding Debt	Personal Income (Thousands of Dollars) ²	Percentage of debt to Personal Income	Population ²	Debt Per Capita ^{***}
	General Obligation Bonds	Revenue Bonds	Special Obligation Bonds	Long-Term Notes and Loans	Equipment Financing	Electric Bonds	Long-Term Notes and Loans*	Equipment Financing	Other Debts**						
2011	\$ -	\$ 2,558	\$ 7,250	\$ -	\$ 676	\$ 5,218	\$ -	\$ -	\$ 4,410	\$ 20,112	\$ 988,353	2.03%	61,503	\$ 327	
2012	-	2,274	6,140	-	1,053	4,726	-	-	3,920	18,113	890,490	2.03%	63,290	286	
2013	-	1,989	5,030	-	1,517	4,178	-	-	3,430	16,144	1,128,414	1.43%	64,444	251	
2014	25,995	1,705	3,920	-	3,059	3,608	-	115	2,940	41,342	1,014,305	4.08%	66,586	621	
2015	25,597	1,421	2,810	5,430	2,560	3,016	-	90	2,450	43,374	1,198,123	3.62%	69,533	624	
2016	25,109	1,137	1,700	9,968	2,317	2,243	-	65	1,960	44,499	1,225,709	3.63%	70,209	634	
2017	24,606	32,293	1,150	9,579	4,158	1,597	-	39	1,470	74,892	1,285,086	5.83%	73,627	1,017	
2018	24,083	31,143	600	22,009	3,193	1,102	15,615	1,655	980	100,380	1,285,586	7.81%	73,863	1,359	
2019	23,540	30,214	-	8,770	2,963	2,820	24,638	1,911	490	95,346	1,402,285	6.80%	76,236	1,251	
2020	22,972	29,275	-	11,439	2,759	2,400	34,340	2,051	-	105,236	1,473,170	7.14%	76,334	1,379	

Note: ¹ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

² Office of Economic and Demographic Research.

* Reflects the QALICB notes payable to the City and CDE's as part of the NMTC transaction.

** This column was added in FY2019 to reflect other long-term liabilities for the business-type activities.

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

CITY OF HOMESTEAD, FLORIDA

RATIO OF GENERAL OBLIGATION BONDS DEBT OUTSTANDING

LAST SEVEN FISCAL YEARS

(DOLLARS IN THOUSANDS)

<u>Fiscal Year</u> <u>Ended</u> <u>September 30,</u>	<u>Total</u> <u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Amount</u> <u>Externally</u> <u>Restricted</u>	<u>Net</u> <u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Assessed Value</u> <u>of Taxable</u> <u>Property</u>	<u>Percentage of</u> <u>Assessed Value</u> <u>of Taxable</u> <u>Property</u>	<u>Population</u>	<u>Per</u> <u>Capita*</u>
2014	\$ 25,995	\$ -	\$ 25,995	\$ 1,805,014	1.44%	66,586	\$ 390
2015	25,597	688	24,909	1,948,801	1.31%	69,533	358
2016	25,109	392	24,717	2,138,310	1.17%	70,209	352
2017	24,606	235	24,371	2,316,514	1.06%	73,627	331
2018	24,083	143	23,940	2,608,633	0.92%	73,863	324
2019	23,540	109	23,431	2,857,501	0.82%	76,236	307
2020	22,972	75	22,897	3,143,710	0.73%	76,334	300

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
The City issued General Obligation Bonds in FY 2014.

* Per capital amount have been revised to reflect net bonded debt instead of total bonded debt.

CITY OF HOMESTEAD, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

(DOLLARS IN THOUSANDS)

SEPTEMBER 30, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	Estimated Percentage Applicable to City of <u>Homestead</u>	Estimated share of Overlapping <u>Debt</u>
OVERLAPPING:			
School Board of Miami-Dade County (1)	\$ 935,644	2.69%	(3)
Miami-Dade County (2)	<u>2,260,964</u>	2.69%	(3)
Subtotal	<u>\$ 3,196,608</u>		<u>\$ 85,989</u>
DIRECT DEBT: (4)			
General obligation bonds	\$ 22,972	100.00%	22,972
Revenue bonds	29,275	100.00%	29,275
Other long-term debt	11,439	100.00%	11,439
Equipment financing obligation	<u>2,759</u>	100.00%	<u>2,759</u>
Subtotal	<u>\$ 66,445</u>		<u>\$ 66,445</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 152,434</u></u>

(1) Information obtained from Miami-Dade County School Board Annual Financial Report for the Fiscal Year Ended June 30, 2020.

(2) Information obtained from Miami-Dade County, Finance Department.

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

City of Homestead's population (April 1, 2020 estimate) **	76,334
by Miami-Dade County's population (April 1, 2020 estimate) **	2,832,794

Source : ** Office of Economic and Demographic Research

(4) City of Homestead ACFR for fiscal year ending September 30, 2020.

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 BOND COVERAGE FOR GOVERNMENTAL ACTIVITIES

LAST TEN FISCAL YEARS

(DOLLARS IN THOUSANDS)

HERO Tax Increment Revenue Bonds, Series 2003						
Fiscal Year Ended <u>September 30,</u>	TIF <u>revenue</u>	Debt Service Requirement			<u>Total</u>	<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>			
2011	\$ 3,018	\$ 284	\$ 132	\$ 416		7.25
2012	2,400	284	119	403		5.96
2013	2,325	284	105	389		5.98
2014	1,792	284	89	373		4.80
2015	1,819	284	78	362		5.02
2016	2,076	284	53	337		6.16
2017	2,278	284	52	336		6.78
2018	2,479	284	37	321		7.72
2019	2,741	284	24	308		8.90
2020	3,142	284	9	293		10.72

General Obligation Bonds, Series 2014						
Fiscal Year Ended <u>September 30,</u>	Voted Debt Millage revenue + fund balance	Debt Service Requirement			<u>Total</u>	<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>			
2015	\$ 1,887	\$ 340	\$ 859	\$ 1,199		1.57
2016	1,472	430	1,056	1,486		0.99
2017	1,506	445	1,039	1,484		1.01
2018	1,499	465	1,021	1,486		1.01
2019	1,494	485	997	1,482		1.01
2020	1,501	510	973	1,483		1.01

Taxable Transportation System Revenue Bonds, Series 2017						
Fiscal Year Ended <u>September 30,</u>	Transportation System Surtax & Covenant to Budget Appropriation revenue*	Debt Service Requirement			<u>Total</u>	<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>			
2018	\$ 2,929	\$ 865	\$ 932	\$ 1,797		1.63
2019	3,343	645	1,154	1,799		1.86
2020	2,772	655	1,143	1,798		1.54

Note : This schedule is intended to have ten years of data.

Additional data to be compiled as information becomes available.

* Only the surtax portion of the pledged revenue is shown above

CITY OF HOMESTEAD, FLORIDA

PLEGGED-REVENUE BOND COVERAGE FOR BUSINESS-TYPE ACTIVITIES

ELECTRIC UTILTY BONDS, SERIES 2004 AND 2019

LAST TEN FISCAL YEARS

(DOLLARS IN THOUSANDS)

Fiscal Year	Gross Revenue (1)	Less: Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service			Coverage by Net Revenue Available for Debt Service
				Principal	Interest	Total	
2011	\$ 58,189	\$ 53,545	\$ 4,644	\$ 505	\$ 212	\$ 717	6.48
2012	56,838	53,293	3,545	525	193	718	4.94
2013	60,032	54,669	5,363	548	169	717	7.48
2014	59,808	57,826	1,982	570	147	717	2.76
2015	62,616	57,116	5,500	592	124	716	7.68
2016	63,892	58,951	4,941	773	101	874	5.65
2017	62,092	60,601	1,491	645	77	722	2.07
2018	64,079	60,608	3,471	495	60	555	6.25
2019	65,142	62,496	2,646	683	42	725	3.65
2020	58,160	54,221	3,939	420	62	482	8.17

(1) Gross revenue - all operating and non-operating revenue sources

(2) Operating expenses - total operating expenses exclusive of depreciation, amortization and operating transfers



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Demographic and Economic Information

Page

The information presented in this section is intended to assist users in understanding the socioeconomic environment within which the City operates.

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CITY OF HOMESTEAD, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>(1)</u> <u>Population</u>	<u>(2)</u> <u>General</u> <u>Fund</u> <u>Budget *</u>	<u>Per</u> <u>Capita</u> <u>Budget</u>	<u>(2)</u> <u>General</u> <u>Fund</u> <u>Actual *</u>	<u>Per</u> <u>Capita</u> <u>Actual</u>	<u>(1)</u> <u>Personal</u> <u>Income</u> <u>(Thousands</u> <u>of</u> <u>Dollars)</u>	<u>(4)</u> <u>Per</u> <u>Capita</u> <u>Personal</u> <u>Income **</u>	<u>(3)</u> <u>Unemployment</u> <u>Rate</u>
2011	61,503	\$ 35,095,321	\$ 571	\$ 34,443,325	\$ 560	\$ 988,353	\$ 16,070	8.9%
2012	63,290	37,161,276	587	35,615,503	563	890,490	14,070	8.0%
2013	64,444	39,237,145	609	37,346,134	580	1,128,414	17,510	7.5%
2014	66,586	41,593,600	625	40,890,733	614	1,014,305	15,233	6.5%
2015	69,533	45,153,064	628	44,290,837	616	1,198,123	17,231	6.5%
2016	70,209	49,427,679	704	47,827,570	681	1,225,709	17,458	5.8%
2017	73,627	52,844,703	718	54,622,724	742	1,285,086	17,454	6.1%
2018	73,863	68,706,210	930	54,678,618	740	1,285,586	17,405	4.1%
2019	76,236	69,742,910	915	68,990,256	905	1,402,285	18,394	4.0%
2020	76,334	51,549,760	675	49,947,776	654	1,473,170	19,299	11.9%

Sources: (1) Office of Economic and Demographic Research
(2) City of Homestead ACFR for fiscal years ending September 30, 2011 through September 30, 2020.
(3) US. Bureau of Labor Statistics (as of September 30, 2019).
(4) U.S. Census Bureau

Note : * Numbers have been corrected to include transfers.
** Per capita income in past 12 months (in 2019 Dollars), 2015-2019.

CITY OF HOMESTEAD, FLORIDA

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

<u>Employer</u>	<u>2020*</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Homestead Hospital	1,310	1	4.08%	1,226	1	40.48%
Publix Supermarkets	482	2	1.50%	397	3	13.11%
Homestead, City of	481	3	1.50%	444	2	14.66%
Homestead Manor	268	4	0.84%	0	N/A	0.00%
Keys Gate Charter	260	5	0.81%	0	N/A	0.00%
Somerset Academy SoHo	232	6	0.72%	0	N/A	0.00%
Contender Boats	201	7	0.63%	0	N/A	0.00%
Signature Health Care	170	8	0.53%	170	5	5.60%
BJ's Wholesale Club	126	9	0.39%	180	4	5.94%
Sedano's Supermarket	125	10	0.39%	140	7	4.62%
Kohl's Department Store	112	11	0.35%	112	8	3.70%
Waterstone Charter School	112	12	0.35%	108	9	3.57%
Walgreens	109	13	0.34%	0	N/A	0.00%
Lowe's Homes Center, Inc	96	14	0.30%	102	10	3.37%
Olive Garden Restaurant	91	15	0.28%	150	6	4.95%
	<u>4,175</u>		<u>13.01%</u>	<u>3,029</u>		<u>100.00%</u>

* Except for City of Homestead employees, all others reflect 2019 information as FY2020 information was not available.

N/A - Not available

Source: City of Homestead Development Services Department
Bureau of Labor Statistics

Note: Total labor force as of 9/2020 = 32,076

Operating Information

Page

The information presented in this section contains service and infrastructure data and is intended to help the reader understand how the information in the City's financial reports relates to the services the City provides and the activities it performs.

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CITY OF HOMESTEAD, FLORIDA

CITY GOVERNMENT FULL-TIME EMPLOYEES BY DEPARTMENT/DIVISION

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
City Council	11	11	11	11	11	11	11	11	10	11
City Clerk	4	4	4	4	4	4	4	3	3	3
City Managers' Office	8	8	7	7	7	7	7	7	7	7
Community Redevelopment Agency	4	4	4	4	3	3	3	4	4	4
Development Services	12	12	11	11	11	11	11	10	10	9
Finance	11	11	11	11	11	11	11	11	11	10
General Services	18	18	19	19	19	19	19	19	19	20
Customer Service	28	27	27	27	27	26	26	26	26	22
Human Resources	5	5	5	5	5	5	5	5	5	5
Parks, Recreation & Maint Svcs.	17	16	16	16	17	17	17	17	15	15
Police	155	155	155	153	153	153	148	142	144	144
Public Works (Streets, Water&Sewer, Stormwater)	50	52	52	52	51	51	50	50	50	49
Solid Waste	34	34	34	34	34	34	34	34	29	28
Electric Utilities	50	50	50	49	49	49	49	49	49	50
Total Full-Time Employees	<u>407</u>	<u>407</u>	<u>406</u>	<u>403</u>	<u>402</u>	<u>401</u>	<u>395</u>	<u>388</u>	<u>382</u>	<u>377</u>

Source: City of Homestead Human Resources Department

CITY OF HOMESTEAD, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Police:										
Adult arrest	2,050	2,648	3,073	3,467	3,431	2,680	3,661	2,929	3,221	3,024
Juvenile arrest	256	245	234	359	431	407	535	358	434	393
Calls for service	31,897	34,149	36,374	37,281	37,379	37,401	41,245	37,824	38,228	36,897
Water:										
Number of service connections	25,330	24,987	25,465	23,969	23,177	23,597	21,962	21,000	19,377	19,356
Average daily billed consumption (millions of gallons)	6.20	5.70	5.80	6.00	5.50	5.10	7.14	4.76	N/A	8.44
Sewer:										
Number of service connections	22,203	21,837	22,313	20,656	20,137	20,488	18,905	18,012	16,489	16,494
Average daily billed consumption (millions of gallons)	5.00	4.70	4.70	4.30	4.40	4.20	7.30	3.87	N/A	9.91
Electric distribution system:										
Number of customers	25,853	25,606	25,115	25,031	23,863	23,086	22,701	22,000	21,798	22,281
Facilities and services not included in the primary government:										
Education:										
Number of schools	27	25	25	24	24	24	24	22	21	15
Number of instructors	1,464	1,229	1,229	1,040	1,040	1,040	1,040	1,085	1,074	804
Hospitals:										
Number of hospitals	1	1	1	1	1	1	1	1	1	1
Number of patient beds	143	143	143	143	143	143	143	143	143	142

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
www.greatschools.org/florida/homestead/schools

CITY OF HOMESTEAD, FLORIDA
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Patrol units/Sworn police officers	113	113	113	113	113	113	108	102	102	102
Other public works:										
Streets (miles)	161	157	142	136	133	124	124	124	124	124
Parks and recreation:										
Acreage	275	275	275	275	275	275	275	275	275	275
Playgrounds	13	13	13	13	13	13	13	13	13	7
Tennis court	10	10	10	10	10	10	10	10	10	10
Community centers	2	2	2	2	2	2	2	2	2	2
Baseball/Softball fields	17	17	17	19	19	19	19	19	19	19
Basketball courts	10	11	11	11	11	11	11	11	7	7
Soccer court	1	-	-	-	-	-	-	-	-	-
Racketball	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	4	4	4	4	4	4	4
Water:										
Water mains (miles)	286	285	284	282	281	277	276	274	273	272
Fire hydrants	1,958	1,944	1,932	1,907	1,898	1,878	1,863	1,860	1,857	1,854
Daily capacity (millions of gallons)	17	17	17	17	17	17	17	17	17	17
Sewer:										
Sanitary sewer (miles)	176	174	173	171	170	160	159	156	155	154
Daily capacity (millions of gallons)	6	6	6	6	6	6	6	6	6	6
Electric distribution system:										
Miles of service	219	211	209	203	197	195	191	191	191	191
Number of distribution feeders	19	19	19	19	19	19	19	19	19	19
Number of substations	5	5	5	5	5	5	5	5	5	5

N/A - Not Available

Sources: City of Homestead Police Department
 City of Homestead Public Works Department
 City of Homestead Electric Utilities Department
 City of Homestead Parks and Recreation Department



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REPORTING SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 5, 2021. Our report includes a reference to other auditors who audited the financial statements of the Pension Trust Funds, 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.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Marcum LLP

Miami, FL
May 5, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for the Major Federal Program

We have audited the City of Homestead's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the fiscal year ended September 30, 2020. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes and state statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and, the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the major federal programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Programs

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Miami, FL
May 5, 2021

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

<u>Federal Agency, Pass Through Entity Federal Program Project</u>	<u>CFDA Number</u>	<u>Grant Identifying Number</u>	<u>Transfers to Sub recipients</u>	<u>Expenditures</u>
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	\$ -	\$ 28,869
Community Development Block Grant 2012 Entitlement	14.218	B-12-MC-12-0055	-	-
Community Development Block Grant 2013 Entitlement	14.218	B-13-MC-12-0055	-	-
Community Development Block Grant 2014 Entitlement	14.218	B-14-MC-12-0055	-	-
Community Development Block Grant 2015 Entitlement	14.218	B-15-MC-12-0055	-	1,750
Community Development Block Grant 2016 Entitlement	14.218	B-16-MC-12-0055	-	-
Community Development Block Grant 2017 Entitlement	14.218	B-17-MC-12-0055	-	20,797
Community Development Block Grant 2018 Entitlement	14.218	B-18-MC-12-0055	-	80,068
Community Development Block Grant 2019 Entitlement	14.218	B-19-MC-12-0055	98,862	711,372
Community Development Block Grant 2020 Entitlement	14.218	B-20-MC-12-0055	-	8,834
Total CDBG Entitlement Grants Cluster			<u>98,862</u>	<u>851,690</u>
CDBG Section 108 Loan Fund	14.248	B-15-MC-12-0055	-	3,283,000
Total Department of Housing and Urban Development			<u>98,862</u>	<u>4,134,690</u>
U.S. Department of Justice				
Direct programs:				
Edward Byrne Memorial Justice Assistance Grant Program 2016	16.738	2016-DJ-BX-1004	-	18,625
Edward Byrne Memorial Justice Assistance Grant Program 2017	16.738	2017-DJ-BX-0734	-	38,757
Edward Byrne Memorial Justice Assistance Grant Program 2018	16.738	2018-DJ-BX-0580	-	61,969
Edward Byrne Memorial Justice Assistance Grant Program 2019	16.738	2019-DJ-BX-0732	-	55,558
Subtotal Edward Byrne Memorial Justice Assistance Grant Programs			-	174,909
Office of Violence Against Women	16.590	2018-WE-AX-0014	-	184,733
Office of Community Oriented Policing Services	16.710	2018-SV-WX-0007	-	1,812
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0190	-	183,194
Federal Equitable Sharing	16.922	N/A	-	30,896
Subtotal Direct Programs			-	575,544
Passed Through Florida Department of Law Enforcement:				
Project Safe Neighborhoods - Southern District of Florida (PSNS) Program	16.609	2020-PSNS-DADE-2-U5-006	-	61,279
Passed Through Florida Coalition Against Domestic Violence:				
STOP Violence Against Women Formula Grant	16.590	20-8017-LE-ENH	-	77,303
Subtotal Violence Against Women pass through			-	77,303
Passed Through State of Florida, Office of Attorney General:				
Victims of Crime Act (VOCA)	16.575	2019-00376	-	149,691
Total Department of Justice			<u>-</u>	<u>863,817</u>
U.S. Department of Transportation				
Passed Through Florida Department of Transportation:				
Highway Safety Cluster				
National Priority Safety Program (NHTSA 405 Funds)	20.616	M1HVE-20-20-07	-	10,601
Total Highway Safety Cluster			-	10,601
Total Department of Transportation			<u>-</u>	<u>10,601</u>
U.S. Department of Treasury				
Direct Programs:				
Federal Equitable Sharing	21.016	N/A	-	15,870
Subtotal Direct Programs			-	15,870
Passed Through Miami Dade County, Florida:				
Coronavirus Relief Fund	21.019	N/A	-	681,097
Total Department of Treasury			<u>-</u>	<u>696,967</u>
U.S. Department of Homeland Security				
Passed Through State of Florida, Division of Emergency Management -				
Disaster Relief Funding, Hurricane Irma	97.036	N/A	-	8,403,656
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 98,862</u>	<u>\$ 14,109,731</u>

See accompanying notes to schedule of expenditures of federal awards

CITY OF HOMESTEAD, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal activity of the City of Homestead, Florida (the City) under programs of the federal government for the fiscal year ended September 30, 2020. 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). 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 or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – OUTSTANDING LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

In accordance with Uniform Guidance requirements, loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule. The U.S. Department of Housing and Urban Development Community Development Block Grant – Section 108 Loan Guarantee for the cybrary project funded \$3,283,000 during the year. Principal payment of \$194,000 was paid during the fiscal year 2020 and the outstanding loan balance was \$3,089,000 as of September 30, 2020.

CITY OF HOMESTEAD, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

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, 2020

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: ***Unmodified Opinion***

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Non-compliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditors’ report issued on compliance for major federal programs: ***Unmodified Opinion***

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>Federal Program/Cluster</u>	<u>CFDA No.</u>
Community Development Block Grants Section 108 Loan Guarantees	14.248
Coronavirus Relief Fund	21.019

Dollar threshold used to distinguish between Type A and Type B Federal programs: \$750,000

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

CITY OF HOMESTEAD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

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

To the Honorable Mayor, 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, 2020, and have issued our report thereon dated May 5, 2021. We did not audit the financial statements of the Pension Trust Funds, which represent 86%, 94%, and 40%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information.

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; the audit requirements of Title 2 U.S. *Code of Federal Requirements 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 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 Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings 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 May 5, 2021, 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 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 to 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. Our 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.

Special District Component Unit

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, 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 abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Marcum LLP

Miami, FL
May 5, 2021

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO
SECTION 218.415 FLORIDA STATUTES**

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

We have examined the City of Homestead's (the City) compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2020. 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 judgement, 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.

Our examination does not provide a legal determination on the City's compliance with the 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, 2020.

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.

Marcum LLP

Miami, FL
May 5, 2021



IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Carlos M. Perez, who being duly sworn, deposes and says on oath that:

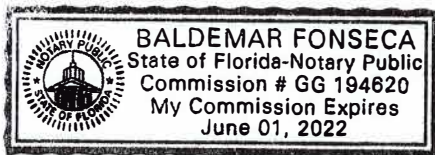
1. I am the Chief Financial Officer of the City of Homestead which is a local governmental entity of the State of Florida;
2. The governing body of the City of Homestead adopted Ordinances 2001-09-31 and 2001-10-69 implementing impact fees, and Ordinances 2005-11-159 and 2011-10-19 amending the impact 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, Finance Director
 City of Homestead

STATE OF FLORIDA
COUNTY OF MIAMI DADE

SWORN TO AND SUBSCRIBED before me this 5 day of May, 2021.



 NOTARY PUBLIC
 Print Name Baldemar Fonseca

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

June 01, 2022



THE CITY OF
HOMESTEAD FLORIDA
2020
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2020

www.cityofhomestead.com

