

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Prepared by the  
Finance Department

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

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**INDEPENDENT AUDITORS' REPORT**

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## **Independent Auditors' Report**

To the Board of Directors and CRA Director  
**Homestead Community Redevelopment Agency**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund of the Homestead Community Redevelopment Agency (the "CRA"), a component unit of the City of Homestead, Florida, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the CRA, as of September 30, 2024, and the respective changes in financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRA's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, and the budgetary comparison schedule, the police officers' retirement plan related schedules, and the schedule of OPEB cost-sharing allocation on pages 41 through 44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the CRA'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 CRA'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 CRA's internal control over financial reporting and compliance.

*CBIZ CPAs P.C.*

Miami, FL  
June 30, 2025

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(MD&A)**

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**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Homestead, Florida)  
Management Discussion and Analysis  
for the Fiscal Year Ended September 30, 2024  
(Unaudited)

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

The Homestead Community Redevelopment Agency (the "Agency" or "CRA") offers readers of its financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report follows a format consisting of three parts – Management’s Discussion and Analysis (this section), the Financial Statements and Required Supplementary Information. The financial statements include two kinds of statements that present different views of the Agency.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Agency's overall financial status.
- The remaining statements are the general fund financial statements that focus on individual parts of the Agency, reporting the Agency’s financial position and activity with a short-term focus and in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

**FINANCIAL HIGHLIGHTS**

The assets and deferred outflows of the Agency exceeded its liabilities and deferred inflows at the close of the fiscal year by \$13.9 million. The Agency’s total net position increased by \$4.6 million. The increase noted was primarily due to the net effect of following:

- Increase intergovernmental revenues of \$1.4 million
- Decrease in investment earnings of \$.3 million

At the close of the current fiscal year, the Agency's general fund reported ending fund balance of \$6.7 million, representing an increase of \$1.6 million from the previous fiscal year. The increase is primarily due to professional services that had been earmarked for land acquisition and relocation costs, landscaping project, and various CRA Grant programs costs that were not expended at the budgeted levels.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the Agency's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. The statement of activities presents information showing how the Agency'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.

Both government-wide financial statements present functions of the Agency that are principally supported by taxes, intergovernmental revenues and various user fees and charges (governmental activities). The primary governmental activity of the Agency is economic environment.

The government-wide financial statements includes only the financial activities of the Agency. However the Agency is considered a component unit of the City of Homestead, Florida (the "City"), and as such, the financial activities of the Agency is included in the City's Annual Comprehensive Financial Report in each fiscal year.

## **FUND FINANCIAL STATEMENTS**

The general fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Reconciliations of the General Fund Financial Statements to the Government-wide Financial Statements are provided within the Financial Statements to explain the differences between the general fund financial statements and the government-wide financial statements.

## Governmental-wide Financial Analysis

The following table provides a summary of the Agency's net position for the fiscal year ended September 30, 2024.

**Table 1**  
**Summary of Net Position**  
**September 30, 2024 and 2023**

	Governmental Activities	
	2024	2023
Current assets and other assets	\$ 6,930,744	\$ 5,298,473
Capital assets, net	12,222,915	9,335,272
<b>Total Assets</b>	<u>19,153,659</u>	<u>14,633,745</u>
<b>Deferred Outflows of Resources</b>	<u>326,071</u>	<u>406,371</u>
Long-term liabilities	5,014,611	5,221,588
Other liabilities	190,384	159,694
<b>Total Liabilities</b>	<u>5,204,995</u>	<u>5,381,282</u>
<b>Deferred Inflows of Resources</b>	<u>331,638</u>	<u>344,802</u>
Net position:		
Net Investment in capital assets	7,856,915	4,835,272
Restricted	6,086,182	4,478,760
<b>Total Net Position</b>	<u>\$ 13,943,097</u>	<u>\$ 9,314,032</u>

At September 30, 2024, the Agency is able to report positive balances in each category of net position.

**Governmental Activities** - There was an increase of \$1.6 million in current and other assets for governmental activities. The increase is primarily due to unexpended professional services, landscaping and grants.

There was an increase of \$2.8 million in capital assets. The increase noted was due to current year acquisition of land; \$2.1 million with ARPA grant funding as a contribution from the City for the triangle property.

Long-term liabilities decreased by \$.2 million as a result from the payment of debt service principal related to the CRA Tax Increment Revenue Note, Series 2023 and a reduction in compensated absences.

## Analysis of the Agency’s Operations

The following table provides a summary of the Agency’s changes in net position for the fiscal year ended September 30, 2024.

**Table 2**  
**Summary of Changes in Net Position**  
**For the Fiscal Years Ended September 30, 2024 and 2023**

	Governmental Activities	
	2024	2023
<b>Revenues</b>		
General revenues:		
Intergovernmental	\$ 8,240,277	\$ 6,846,150
Interest income	233,471	261,440
Rental and other revenues	--	22,897
Total Revenues	<u>8,473,748</u>	<u>7,130,487</u>
<b>Expenses</b>		
Economic Environment	2,842,918	2,606,728
Public safety	450,578	574,319
Public works and services	296,027	426,700
Parks and recreation	36,155	374,310
Debt service:		
Interest and fiscal charges	<u>201,000</u>	<u>56,000</u>
Total Expenses	<u>3,826,678</u>	<u>4,038,057</u>
<b>Increase in Net Position Before Contributions</b>	4,647,070	3,092,430
<b>Contribution to City of Homestead</b>	<u>(18,005)</u>	<u>(87,632)</u>
<b>Change in Net Position</b>	4,629,065	3,004,798
<b>Net Position - Beginning</b>	<u>9,314,032</u>	<u>6,309,234</u>
<b>Net Position - Ending</b>	<u>\$ 13,943,097</u>	<u>\$ 9,314,032</u>

**Governmental Activities** – Governmental activities increased the Agency’s net position by \$4.6 million. Intergovernmental revenue increased by \$1.4 million, primarily due to an increase in the property values within the Homestead Community Redevelopment Agency District and ARPA funding received. Inter-governmental revenues is a function of the increase in the assessed values of properties within the CRA District above the base year valuation amount, as well as the operating millage rate of each taxing district that contributes.

Total expenses decreased by \$211,000 due to unexpected professional services related to CRA Projects Division.

## Capital Assets

The Agency's investment in capital assets for its governmental activities as of September 30, 2024, amounts to \$12.2 million, net of accumulated depreciation. This investment in capital assets includes land, furniture, fixtures and equipment.

**Table 3**  
**CAPITAL ASSETS**  
**(NET OF ACCUMULATED DEPRECIATION)**  
**September 30, 2024 and 2023**

	Governmental Activities	
	2024	2023
Land	\$ 12,161,150	\$ 9,313,758
Furniture, fixtures and equipment, net	61,765	21,514
<b>Totals</b>	<u>\$ 12,222,915</u>	<u>\$ 9,335,272</u>

Additional information on the Agency's capital assets can be found in the notes to the financial statements, Note 4.

## Long-term Debt

At year-end, the CRA had \$4.4 million in outstanding of a taxable tax increment revenue note for the purpose of financing the cost of acquisition relocation, clearing, construction and/or rehabilitation of properties and other redevelopment activities permitted under the act, and paying costs of issuance of the note. This issuance was considered a direct borrowing.

	Governmental Activities	
	2024	2023
CRA Tax Increment Revenue Note Payable Series 2023	<u>\$ 4,366,000</u>	<u>\$ 4,500,000</u>

Additional information on the Agency's long-term debt can be found in the notes to the financial statements, Note 5.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES**

- Tax increment for fiscal year 2025 is based on taxable value figures provided by the Miami-Dade County Property Appraiser on July 1, 2024 and contributing authority millage rates (City of Homestead and Miami-Dade County).
- Taxable value increased from \$563 million for fiscal year 2023 to \$629 million for fiscal year 2024, an increase of 11.7%.
- For FY 2025, the contributing authority millage rates remains the same for both the City of Homestead (5.9604 mills) and Miami-Dade County (4.5740 mills).

The Agency's adopted budget for fiscal year 2025 is \$10,424,313. The primary source of revenue for the District is derived of tax increment financing (intergovernmental revenue) received from the City and County.

## **CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the CRA Director, City of Homestead, 212 NW 1<sup>st</sup> Avenue, Homestead, Florida 33030.

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# **FINANCIAL STATEMENTS**

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**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2024**

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 2,331,785
Investments	4,462,615
Interest receivable on investments	20,729
Accounts receivables, net	1,962
Prepaid costs	3,385
Assets available for sale	110,268
Capital assets:	
Capital assets not being depreciated	12,161,150
Capital assets being depreciated, net	61,765
Total capital assets, net	12,222,915
<b>Total Assets</b>	19,153,659
<b>Deferred Outflows of Resources</b>	
Deferred outflows for pension	321,565
Deferred outflows for OPEB	4,506
<b>Total Deferred Outflows of Resources</b>	326,071
<b>Liabilities</b>	
Accounts payable and accrued liabilities	190,384
Noncurrent liabilities:	
Due within one year:	
Compensated absences	22,999
Note payable	147,000
Due in more than one year:	
Compensated absences	53,666
Note payable	4,219,000
Net pension liability	374,641
Total OPEB liability	197,305
<b>Total Liabilities</b>	5,204,995
<b>Deferred Inflows of Resources</b>	
Deferred inflows for pension	140,752
Deferred inflows for OPEB	190,886
<b>Total Deferred Inflows of Resources</b>	331,638
<b>Net Position</b>	
Net Investment in capital assets	7,856,915
Restricted for:	
Community Redevelopment	6,086,182
<b>Total Net Position</b>	\$ 13,943,097

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Functions/Programs	Expenses	Charges for Services	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions			Governmental Activities
<b>Governmental Activities</b>						
Economic environment	\$ 2,842,918	\$ --	\$ --	\$ --	\$ --	\$ (2,842,918)
Public safety	450,578	--	--	--	--	(450,578)
Public works and services	296,027	--	--	--	--	(296,027)
Parks and recreation	36,155	--	--	--	--	(36,155)
Interest on long-term debt	<u>201,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(201,000)</u>
<b>Total Governmental Activities</b>	<b><u>\$ 3,826,678</u></b>	<b><u>\$ --</u></b>	<b><u>\$ --</u></b>	<b><u>\$ --</u></b>	<b><u>\$ --</u></b>	<b><u>(3,826,678)</u></b>
<b>General Revenues</b>						
						8,240,277
						<u>233,471</u>
<b>Total General Revenues and Contributions</b>						<u>8,473,748</u>
<b>Contribution to City of Homestead</b>						<u>(18,005)</u>
<b>Change in Net Position</b>						4,629,065
<b>Net Position - Beginning</b>						<u>9,314,032</u>
<b>Net Position - Ending</b>						<u>\$ 13,943,097</u>

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**BALANCE SHEET**  
**GENERAL FUND**

**SEPTEMBER 30, 2024**

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**Assets**

Cash and cash equivalents	\$ 2,331,785
Investments	4,462,615
Interest receivable on investments	20,729
Prepaid costs	3,385
Accounts receivables, net	1,962
Assets available for sale	<u>110,268</u>

**Total Assets**

**\$ 6,930,744**

**Liabilities**

Accounts payable and accrued liabilities	<u>\$ 190,384</u>
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**Total Liabilities**

190,384

**Fund Balances**

Nonspendable:	
Prepaid costs	3,385
Restricted:	
Community redevelopment	<u>6,736,975</u>

**Total Fund Balance**

6,740,360

**Total Liabilities and Fund Balance**

**\$ 6,930,744**

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**RECONCILIATION OF THE GENERAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2024**

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**Fund Balance - Total General Fund** \$ 6,740,360

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the general fund;

Governmental capital assets	\$ 13,684,070	
Less accumulated depreciation	<u>(1,461,155)</u>	12,222,915

Some liabilities are not due and payable in the current period and therefore are not reported in the general fund. Those liabilities consist of:

Compensated absences	(76,665)	
Note payable	(4,366,000)	
Net pension liability	(374,641)	
Total OPEB liability	<u>(197,305)</u>	(5,014,611)

In the general fund, deferred outflows and inflows of resources relating to pensions and other post employment benefit plans are not reported because they are applicable to future periods. In the statement of net position deferred outflows and inflows of resources related to pensions and other post employment benefit plans are reported.

Deferred outflows for resources relating to Pension	321,565	
Deferred outflows for resources relating to OPEB	4,506	
Deferred inflows for resources relating to Pension	(140,752)	
Deferred inflows for resources relating to OPEB	<u>(190,886)</u>	<u>(5,567)</u>

**Net Position of Governmental Activities** \$ 13,943,097

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**OF GENERAL FUND TO THE STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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<b>Revenues</b>	
Intergovernmental	\$ 8,240,277
Investment earnings	<u>233,471</u>
<b>Total Revenues</b>	<u>8,473,748</u>
<b>Expenditures</b>	
Current:	
Economic environment	2,857,966
Public safety	423,497
Public works and services	296,027
Parks and recreation	36,155
Capital outlay	2,923,522
Debt service:	
Principal	134,000
Interest and fiscal charges	<u>201,000</u>
<b>Total Expenditures</b>	<u>6,872,167</u>
<b>Excess of Revenues Over Expenditures</b>	<u>1,601,581</u>
<b>Change in Fund Balance</b>	1,601,581
<b>Fund Balance - Beginning</b>	<u>5,138,779</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 6,740,360</u></u>

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GENERAL FUND TO THE  
STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**Change in Fund Balance - General Fund** \$ 1,601,581

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

The general fund reports capital outlays as expenditures. However in the statement of activities, the cost of those assets are capitalized and depreciated over their estimated useful lives.

Capital Outlay	\$ 2,923,522	
Contributions of capital assets to the City	(18,005)	
Depreciation expense	<u>(17,874)</u>	2,887,643

The net effect of pension deferred outflows/inflows	(99,545)
The net effect of OPEB deferred outflows/inflows	32,409

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 the general fund;

Principal payments	134,000	
Compensated absences	3,052	
Change in net pension liability	72,464	
Change in total OPEB liability	<u>(2,539)</u>	<u>206,977</u>

**Change in Net Position - Governmental Activities** \$ 4,629,065

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

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**NOTES TO FINANCIAL STATEMENTS**

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**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 1 - THE CITY OF HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**

The Homestead Community Redevelopment Agency (the “Agency” or “CRA”) was created jointly by the City of Homestead, Florida (the “City”) and Miami-Dade County (the “County”) in 1994. The Agency was established pursuant to Chapter 163, Part III, of the Florida Statutes, through the passing of County Ordinances 93-07-69, R93-06-66 and City Ordinance 2007-03-07. The purpose of the Agency is to assist the City in the redevelopment of a defined Community Redevelopment Area.

The mission of the Agency is to revitalize the Community Redevelopment Area and to provide an economic stimulus such that the future value of property within the Community Redevelopment Area is optimized. The Agency’s goal is to combat neighborhood deterioration and eliminate economic blight in the designated Community Redevelopment Area. The work program for the Agency is defined in the Community Redevelopment Plan (“CR Plan”). In this CR Plan, comprehensive strategies were formulated to promote community development in various neighborhoods within the Community Redevelopment Area. This strategy provides for a series of activities over the 30-year life span of the Agency that should be catalysts for the revitalization of the area into a prosperous and vital part of the City. The Agency designated area is located within the city limits of Miami-Dade County’s second oldest city, Homestead and encompasses the area’s historic downtown district and Southwest Neighborhood. In 2020, the CR Plan was amended to extend the life span of the Agency for an additional 30 years running through 2051.

The City and the Agency are separate legal entities which share the mutual goal of redeveloping the Agency’s areas. The City provides administrative support services in the same manner as provided by the City in the conduct of its own affairs or as otherwise provided by the Agency’s Plan or By-Laws. The Agency is charged by the City for the provision of these administrative support services in accordance with the Interlocal Agreement between the City and the Agency.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. This summary of the Agency’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other information in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements. The more significant of the Agency’s governmental accounting policies are described below.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***FINANCIAL REPORTING ENTITY***

The Agency has adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- an amendment of GASB Statements No. 14 and No. 34*, for the purpose of evaluating whether it has any component units. Based on the criteria therein, the Agency has determined that there are no component units that meet criteria for inclusion in the Agency's financial statements.

The Agency's governing body is the same as the governing body of the City. Management of the City has operational responsibility for the Agency. The City is considered to be financially accountable for the Agency; the Agency is considered to be a blended component unit in the City's annual comprehensive financial report.

***GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

The financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements report information on all of the activities of the Agency, using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position reports all financial and capital resources of the Agency. The statement of activities represents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Program revenues derive directly from a program itself. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Agency reports donated assets held for resale and redevelopment as program revenue-operating contributions. Incremental property taxes and other items, not properly included as program revenue are reported instead as general revenue. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Incremental property taxes are recognized as revenue in the year for which they are levied. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)***

The general fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Its operating statements present sources (revenue and other financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Incremental property taxes, when levied. Rental revenue, proceeds from the sale of property and investment earnings associated with the current fiscal periods are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue is considered to be measurable and available only when cash is received by the Agency or property has legally transferred to the Agency. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Since the general fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are necessary to explain the adjustments needed to transform the fund-based financial statements into the governmental activities column of the government-wide presentation.

***CASH AND CASH EQUIVALENTS***

The Agency'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. 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. The Agency participates in the City's pooled cash and investments system to maximize earnings.

***INVESTMENTS***

State statutes authorize the Agency 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. CRA 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.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***INVESTMENTS (CONTINUED)***

The Agency'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.

***CAPITAL ASSETS***

Capital assets, which include land and furniture, fixtures and equipment, are reported in the government-wide financial statements. The Agency did not retroactively report infrastructure assets. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

The Agency records impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired. No impairment losses have been recorded.

Capital assets of the Agency are depreciated using the straight line method over the following estimated useful lives:

Furniture, fixtures and equipment	3-10 years
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***DEFERRED INFLOWS/OUTFLOWS OF RESOURCES***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Agency 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 represents actuarial losses.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***DEFERRED INFLOWS/OUTFLOWS OF RESOURCES (CONTINUED)***

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the Agency has two 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 and OPEB inflows which represents actuarial gains. These amounts are deferred and will be recognized as revenue in the period that the amounts meet the recognition criteria.

***COMPENSATED ABSENCES***

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

***FUND EQUITY/NET POSITION***

In the general fund financial statements, fund balance classifications are as follows:

- Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***FUND EQUITY/NET POSITION (CONTINUED)***

The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation and related debt.
- Restricted Net Position – amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. These amounts are reduced by liabilities and deferred inflows of resources related to those assets.

***USE OF ESTIMATES***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

***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. The Agency participates in the City's pooled cash and investments system to maximize earnings. 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.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

***INVESTMENTS***

The Agency has adopted an investment policy to establish guidelines for the efficient management of its cash reserves based on the City's adopted investment policy. The Agency is authorized to invest in those instruments authorized by Florida Statutes, and the Agency's investment policy, including obligations of the U.S. Treasury, U.S. Government Agencies and instrumentalities, certificates of deposit, repurchase agreements, corporate notes and bonds, commercial papers and certain money market mutual funds.

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

<u>Investments</u>	<u>Maturity</u>	<u>Fair Value or Amortized Cost</u>	<u>Rating (Moody's)</u>
Money Market Mutual Funds	Daily	\$ 8,111	N/A
U.S. Treasury Securities:			
United States Treasury Bills	2024	1,253,767	Aaa
United States Treasury Notes	2025	816,377	Aaa
U.S. Government Agencies:			
Federal Farm Cr Banks Cons Systemwide Bonds	9/22/2025	151,786	Aaa
Federal Home Loan Bks Cons Bond Step-up	1/29/2026	72,674	Aaa
Federal Home Loan Banks	6/22/2026	360,569	Aaa
Federal Home Loan Bks Cons Bond	2027	454,358	Aaa
Federal National Mortgage Association	8/5/2027	150,377	Aaa
Federal Home Mortgage Corp Medium Term Notes	6/6/2028	75,899	Aaa
Federal Home Loan Bks Cons Bond	6/15/2028	152,453	Aaa
Federal Farm Cr Banks Cons Systemwide Bonds	7/3/2028	151,812	Aaa
Federal Home Loan Bks Cons Bond	2029	228,528	Aaa
Federal Home Mortgage Corp Medium Term Notes	3/7/2029	151,425	Aaa
Small Business Administration Guaranteed Development Participation Debt	11/1/2027	1,837	Aaa
Small Business Administration Guaranteed Development Participation Certificate	9/1/2028	3,116	Aaa
Small Business Administration Guaranteed Development Participation Debt	6/1/2031	7,034	Aaa
Small Business Administration Guaranteed Development Participation Certificate	7/1/2031	5,686	Aaa
Small Business Administration Guaranteed Development Participation Debt	4/1/2033	11,891	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	8/25/2026	196	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	2027	702	Aaa
Municipal Bonds:			
Lake Cnty Illinois Go Sales tax Alt Rev Source Ref Bonds 2018		18,915	Aaa
Corporate Bonds:			
Federation Ded Caisses Desiardinas Du Quebec	10/14/2025	113,850	Aa1
Royal Bank of Canada 144A	12/14/2026	153,852	Aa1
Certificates of Deposits	varies	117,400	N/A
Total Investments		<u>\$ 4,462,615</u>	

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

***RISKS AND UNCERTAINTIES***

The Agency 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 Agency, through its investment advisor, monitors the investments and the risks associated therewith on a regular basis, which the Agency believes minimizes these risks.

***Interest Rate***

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

***Credit Risk***

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

***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 Agency'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.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

*RISKS AND UNCERTAINTIES (CONTINUED)*

***Concentration of Credit Risk (continued)***

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

<u>Investment Type</u>	<u>Policy Maximum</u>	<u>Actual Investment</u>
Money Market Mutual Funds	100%	0.2%
U.S. Treasury Securities	100%	46.4%
U.S. Government Agency Securities (Bonds and ABS)	75%	44.4%
Obligations Issued by any State of the U.S. (Municipal Bonds)	50%	6.4%
Certificates of Deposit	100%	2.6%
		<u>100.0%</u>

GASB Statement 40 requires disclosure when 5% or more of the portfolio is invested in any one issuer. At September 30, 2024, the Agency held the following concentrations:

<u>Issuer</u>	<u>Actual Investment</u>
U.S. Treasury Securities	37.8%
Federal Home Loan Bks Cons Bond	9.2%

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

***FAIR VALUE MEASUREMENT***

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 Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

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

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

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

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

***FAIR VALUE MEASUREMENT (CONTINUED)***

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

- U.S. Treasury securities are valued using quoted prices in active markets (Level 1);
- U.S. Government bonds are valued using observable market prices in action markets (Level 2);
- Municipal bonds are valued using matrix pricing models (Level 2);

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

<u>Investment by Fair Value</u>	September 30, 2024	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities:				
U.S. Treasury Securities	\$ 2,070,144	\$ 2,070,144	\$ --	\$ --
U.S. Government bonds	1,949,881	--	1,949,881	--
Asset Backed Securities	30,462	--	30,462	--
Municipal bonds	18,915	--	18,915	--
Corporate bonds	<u>267,702</u>	<u>--</u>	<u>267,702</u>	<u>--</u>
Total investments measured by fair value level	4,337,104	<u>\$ 2,070,144</u>	<u>\$ 2,266,960</u>	<u>\$ --</u>
Money market funds (exempt)	8,111			
Certificates of deposit (exempt)	<u>117,400</u>			
<b>Total Investments</b>	<u>\$ 4,462,615</u>			

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 4 - CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 9,313,758	\$ 2,847,392	\$ --	\$ 12,161,150
Capital assets, being depreciated:				
Furniture, fixtures and equipment	1,464,795	58,125	--	1,522,920
Total capital assets being depreciated	1,464,795	58,125	--	1,522,920
Less: accumulated depreciation for:				
Furniture, fixtures and equipment	(1,443,281)	(17,874)	--	(1,461,155)
Total accumulated depreciation	(1,443,281)	(17,874)	--	(1,461,155)
<b>Total Capital Assets Being Depreciated, Net</b>	21,514	40,251	--	61,765
<b>Governmental Activities Capital Assets, Net</b>	\$ 9,335,272	\$ 2,887,643	\$ --	\$ 12,222,915

Depreciation expense was charged as functions/programs of the Agency as follows:

<b>Governmental Activities</b>	
Economic environment	\$ 17,874
<b>Total Depreciation Expense</b>	\$ 17,874

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 5 – LONG-TERM LIABILITIES**

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

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
<b>Governmental Activities</b>					
CRA Tax Increment Revenue					
Note, Taxable Series 2023	\$ 4,500,000	\$ --	\$ 134,000	\$ 4,366,000	\$ 147,000
Compensated absences	<u>79,717</u>	<u>76,665</u>	<u>79,717</u>	<u>76,665</u>	<u>22,999</u>
Governmental Activities long-term liabilities	<u>\$ 4,579,717</u>	<u>\$ 76,665</u>	<u>\$ 213,717</u>	<u>\$ 4,442,665</u>	<u>\$ 169,999</u>

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

Principal is payable through April 1, 2043 in the amounts ranging from \$134,000 to \$337,000. The interest rate is fixed at 4.70% for a 20-year term and a maturity date of April 01, 2043. Principal and interest are payable semi-annually on April 1 and October 1, commencing on October 1, 2023 until maturity.

Debt Service Requirements to Maturity:

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 6 - SOURCE OF DEPOSITS AND PURPOSE OF WITHDRAWALS FOR THE AGENCY**

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Agency for the fiscal year ended September 30, 2024:

	<u>Deposits</u>	<u>Withdrawals</u>
<b>Source of deposits:</b>		
Intergovernmental	\$ 8,240,277	
Investment earnings	233,471	
<b>Purpose of withdrawals:</b>		
Infrastructure and rehabilitation	--	\$ 3,355,805
Salaries and benefits	--	1,045,961
Administrative and overhead	--	937,918
Professional services	--	649,621
Aid and assistance	--	382,236
Debt service costs	--	335,000
Insurance	--	75,317
Advertising	--	34,778
Operating services	--	33,414
Office supplies and equipment	--	22,117
<b>Total</b>	<b>\$ 8,473,748</b>	<b>\$ 6,872,167</b>

**NOTE 7 - POLICE OFFICERS' RETIREMENT PLAN (PORP)**

***PLAN DESCRIPTION***

The City maintains a single-employer defined benefit pension Plan established by City Ordinance No. 87-06-38 as amended for the police officers of the City. Membership begins on the date of hire. PORP provides retirement, disability and death benefits to police officers of the City. A more detailed description of the Plan and its provisions appear in ordinances constituting the Plan and in the summary Plan description. The Plan year end is September 30, 2024. The Plan issues a publicly available financial statement, that is audited by other auditors, 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.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 7 - POLICE OFFICERS' RETIREMENT PLAN (PORP) (CONTINUED)**

***ELIGIBILITY***

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

***SERVICE RETIREMENT BENEFITS***

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

***EARLY RETIREMENT***

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

***DISABILITY BENEFITS***

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

***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. The Agency has two employees participating in the Plan. As such, the Agency has presented their proportionate share of the City's Net Pension Liability as of September 30, 2024.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 7 - POLICE OFFICERS' RETIREMENT PLAN (PORP) (CONTINUED)**

***NET PENSION LIABILITY***

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

Methods and assumption used to determine net pension liability:

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

*Long-term expected rate of return:* The long-term expected rate of return on pension plan investments was determined using the long-term nominal building block data less the long-term inflation assumption of 2.50%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2024 are summarized in the following table:

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 7 - POLICE OFFICERS' RETIREMENT PLAN (PORP) (CONTINUED)**

***NET PENSION LIABILITY (CONTINUED)***

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

*Sensitivity of the net pension liability to changes in the discount rate:* The following presents the Agency's proportionate share of the City's net pension liability calculated using the current discount rate (7.00%) and the liability using discount rates that are one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rates:

	Police Officers' Retirement Plan		
		Current	
	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net pension liability (asset)	\$ 630,088	\$ 374,641	\$ 165,700

***PENSION EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSION***

For the fiscal year ended September 30, 2024 but based on a measurement date of September 30, 2023, the Agency recognized an increase to PORP pension expense of \$27,081. This amount is included as an increase to personal services expenses within the functional program activities.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 7 – POLICE OFFICERS’ RETIREMENT PLAN (PORP) (CONTINUED)**

***PENSION EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES  
RELATED TO PENSION (CONTINUED)***

At September 30, 2024, the Agency 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	\$ 7,229	\$ --
Change in assumptions	21,654	--
Net difference between projected and actual earnings on pension plan investments	201,604	140,752
City contributions subsequent to measurement date	91,078	--
<b>Total</b>	<b>\$ 321,565</b>	<b>\$ 140,752</b>

The City contribution subsequent to the measurement date in the amount of \$91,078, reported as a deferred outflow of resources, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to PROP will be recognized as pension expense as follows:

For the Fiscal Year Ended September 30,	Net Deferred Inflows/Outflows of Resources
2025	\$ 26,026
2026	27,850
2027	52,330
2028	(16,471)
<b>Total</b>	<b>\$ 89,735</b>

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 7 – POLICE OFFICERS’ RETIREMENT PLAN (PORP) (CONTINUED)**

*PENSION EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES  
RELATED TO PENSION (CONTINUED)*

The schedule of changes in the Agency’s proportionate share of 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 and provides additional information about the net pension liability, plan assets and contribution.

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

*PLAN DESCRIPTION*

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

At September 30, 2024, the OPEB Plan covered 195 active employees and 40 retirees for health insurance, which includes all 5 Agency employees. As such, the Agency has presented their proportionate share of the City’s total OPEB liability as of September 30, 2024.

Except for elected officials in the Elected Officials’ Retirement Plan (EORP), 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 Agency currently funds this benefit on a pay-as-you-go basis and intends to continue this practice.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

***TOTAL OPEB LIABILITY***

Valuation Date:	October 1, 2022
Measurement Date:	October 1, 2023
Reporting Date:	September 30, 2024

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

Total OPEB liability	\$ 197,305
Total covered employee payroll	\$ 633,375
Total OPEB liability as a percentage of covered payroll:	31.15%

Methods and assumption used to determine the Total OPEB liability:

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

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

***TOTAL OPEB LIABILITY (CONTINUED)***

Changes in Agency's proportionate share of the Total OPEB Liability:

	OPEB Liability
<b>Total OPEB liability - Beginning September 30, 2023</b>	\$ 194,766
Changes for the year:	
Service cost	3,830
Interest cost	6,716
Changes of benefit terms	--
Difference between expected and actual experience	--
Change of assumptions	(4,261)
Benefit payments	(3,747)
Net change in OPEB liability	2,539
<b>Total OPEB liability - Ending September 30, 2024</b>	<b>\$ 197,305</b>

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

	Sensitivity Testing to Change in Interest Discount Assumption		
		Selected discount rate	
Discount rate assumption	1% Decrease 3.09%	4.09%	1% Increase 5.09%
Total OPEB liability	\$ 222,232	\$ 197,305	\$ 176,858

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

***TOTAL OPEB LIABILITY (CONTINUED)***

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

	Sensitivity Testing to Change in Medical Costs Trend Assumption		
	1% Increase	Selected Trend rate	1% Increase
Medical costs trend assumption	starts at 5.5%	starts at 6.5%	starts at 7.5%
Total OPEB liability	\$ 176,928	\$ 197,305	\$ 221,686

***OPEB EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB***

For the fiscal year ended September 30, 2024 based on a measurement date of October 1, 2023, the Agency recognized a decrease in the Plan's OPEB expense of \$29,870. This amount is included as a decrease to personal services expenses within the functional program activities.

At September 30, 2024, the Agency 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	\$ --	\$ 107,723
Changes in assumptions	--	83,163
Benefit payments subsequent to the measurement date of October 1, 2023	4,506	--
<b>Total</b>	<b>\$ 4,506</b>	<b>\$ 190,886</b>

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

***OPEB EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)***

Benefit payments subsequent to the measurement date in the amount of \$4,506, reported as a deferred outflow of resources, will be recognized as a reduction of the total OPEB liability in the subsequent fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ended September 30,	Net Deferred Inflows of Resources
2025	\$ (41,580)
2026	(41,580)
2027	(30,801)
2028	(31,084)
2029	(18,771)
Thereafter	(27,070)
<b>Total</b>	<b>\$ (190,886)</b>

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

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS**  
**GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 5,392,884	\$ 5,392,884	\$ 8,240,277	\$ 2,847,393
Investment income	<u>117,000</u>	<u>117,000</u>	<u>233,471</u>	<u>116,471</u>
<b>Total Revenues</b>	<u>5,509,884</u>	<u>5,509,884</u>	<u>8,473,748</u>	<u>2,963,864</u>
<b>Expenditures</b>				
Current:				
Economic environment	5,882,111	5,287,003	2,857,966	2,429,037
Public safety	478,607	478,607	423,497	55,110
Public works and services	1,560,536	1,386,406	296,027	1,090,379
Parks and recreation	53,821	36,156	36,155	1
Capital outlay	2,199,261	2,986,164	2,923,522	62,642
Debt Services:				
Principal	134,000	134,000	134,000	--
Interest and fiscal charges	<u>201,000</u>	<u>201,000</u>	<u>201,000</u>	<u>--</u>
<b>Total Expenditures</b>	<u>10,509,336</u>	<u>10,509,336</u>	<u>6,872,167</u>	<u>3,637,169</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(4,999,452)</u>	<u>(4,999,452)</u>	<u>1,601,581</u>	<u>6,601,033</u>
<b>Other Financing Sources (Uses)</b>				
Appropriation of prior years' fund balance	<u>4,999,452</u>	<u>4,999,452</u>	<u>--</u>	<u>(4,999,452)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>4,999,452</u>	<u>4,999,452</u>	<u>--</u>	<u>(4,999,452)</u>
<b>Net Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>1,601,581</u>	<u>\$ 1,601,581</u>
Fund balance - beginning			<u>5,138,779</u>	
Fund balance - ending			<u>\$ 6,740,360</u>	

*The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget.*

*See notes to required supplementary information.*

**FLORIDA CITY COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Homestead, Florida)**

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
(UNAUDITED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

An annual appropriated budget is adopted on a basis consistent with U.S. GAAP for the Agency.

The Agency follows these procedures in establishing the budgetary data reflected in the accompanying financial statements:

- a. Management submits to the Agency Board of Directors a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regrading each expenditure that is not of a routine nature;
- b. Public hearings are conducted to obtain taxpayer comments;
- c. Prior to October 1<sup>st</sup>, the budget is legally enacted through passage of a ordinance;
- d. The Agency's Board, by motion, may make supplemental appropriations for the year up to the amount of revenue in excess of those estimated appropriations. There were no supplemental appropriations in the Agency for the fiscal year ended September 30, 2024.
- e. Formal budgetary integration is employed as a management control device during the year for all funds;
- f. Any amendments must be approved by the Agency's Board;
- g. Unencumbered appropriations lapse at year end.

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CRA'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
POLICE OFFICERS' RETIREMENT PLAN**

Measurement Date September 30,	2023	2022	2021	2020
CRA's proportionate share of the net pension liability*	1.30%	1.34%	0.49%	0.85%
CRA's proportionate share of the net pension liability	\$ 374,641	\$ 447,105	\$ 31,138	\$ 168,157
CRA's covered payroll	\$ 206,208	\$ 203,224	\$ 201,446	\$ 113,042
CRA's proportionate share of the net pension liability as a percentage of its covered payroll	181.68%	220.01%	15.46%	148.76%
Plan fiduciary net position as a percentage of the total pension liability	70.98%	76.59%	95.17%	84.10%

*Note: The amounts presented above were determined as of September 30th.*

*\* The CRA net pension liability is an allocation of the City's net pension liability based on the contributions made for the CRA employee. Changes have been made to prior year amounts to be consistent with current year presentation.*

**SCHEDULE OF THE CRA'S CONTRIBUTIONS  
POLICE OFFICERS' RETIREMENT PLAN**

September 30,	2023	2022	2021	2020
Contractually required contribution	\$ 87,011	\$ 82,679	\$ 80,744	\$ 49,129
Contribution in relation to the contractually required contribution	<u>87,011</u>	<u>82,679</u>	<u>80,744</u>	<u>49,129</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
City's covered payroll	\$ 206,208	\$ 203,224	\$ 201,446	\$ 113,042
Contribution as a percentage of covered payroll	42.20%	40.68%	40.08%	43.46%

*Note: The amounts presented above were determined as of September 30th.*

*The schedules presented above illustrate the requirements of GASB Statement No. 68. Currently, only data from fiscal year 2021 - 2023 is available. Changes have been made to prior year amounts to be consistent with current year presentation.*

**HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of Homestead, Florida)**

**REQUIRED SUPPLEMENTARY INFORMATION**

**OPEB - SCHEDULE OF OPEB COST-SHARING ALLOCATION**

Measurement Date September 30,	2023	2022	2021	2020	2019
CRA's proportionate share of the total OPEB liability	2.00%	2.00%	2.10%	1.76%	1.65%
CRA's proportionate share of the total OPEB liability	\$ 197,305	\$ 194,766	\$ 244,596	\$ 188,933	\$ 216,398
CRA's covered payroll	\$ 633,375	\$ 622,551	\$ 599,873	\$ 445,218	\$ 438,877
CRA's proportionate share of the total OPEB liability as a percentage of its covered payroll	31.15%	31.29%	40.77%	42.44%	49.31%
OPEB Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%

*Note: The amounts presented above were determined as of September 30th. The OPEB Plan is funded on a pay-as-you-go basis and has no assets as of September 30, 2023. Changes have been made to prior year amounts to be consistent with current year presentation.*

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## **REPORTING SECTION**

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**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 Board of Directors and CRA Director  
**Homestead Community Redevelopment Agency**

We have audited, in accordance with the auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities and the major fund of the Homestead Community Redevelopment Agency (the “CRA”), a component unit of the City of Homestead, Florida, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA’s basic financial statements, and have issued our report thereon dated June 30, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the CRA’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 CRA’s internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA’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 CRA’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CRA'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 CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CBIZ CPAs P.C.*

Miami, FL  
June 30, 2025

**Management Letter in Accordance with the Rules of the  
Auditor General of the State of Florida**

To the Board of Directors and CRA Director  
**Homestead Community Redevelopment Agency**

***Report on the Financial Statements***

We have audited the financial statements of the Homestead Community Redevelopment Agency (the “CRA”), a component unit of the City of Homestead, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 30, 2025.

***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; and Chapter 10.550, Rules of the Auditor General.

***Other Reporting Requirements***

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; 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, which are dated June 30, 2025, should be considered in conjunction with this management letter.

***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

***Official Title and Legal Authority***

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

### ***Financial Condition and Management***

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA 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 CRA 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 CRA. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The financial condition assessment was performed as of the fiscal year end.

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

### ***Property Assessed Clean Energy (PACE) Program***

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the CRA's geographical boundaries during the fiscal year under audit. During the fiscal year ended September 30, 2024, the PACE program did not operate within the CRA's geographical boundaries.

### ***Special District Component Units***

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 units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### ***Specific Information***

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the CRA reported:

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year as 6.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 27.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$1,045,961.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$2,131,652.

- e. There were 0 construction projects with a total cost of at least \$65,000 approved by the CRA that was scheduled to begin on or after October 1 of the fiscal year being reported at a total cost of \$0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as noted on page 39.

***Additional Matters***

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

***Purpose of this Letter***

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

***CBIZ CPAs P.C.***

Miami, FL  
June 30, 2025

**Independent Accountant’s Report on Compliance Pursuant to  
Section 218.415, 163.387(6) and 163.387(7), Florida Statutes**

To the Board of Directors and CRA Director  
**Homestead Community Redevelopment Agency**

We have examined the Homestead Community Redevelopment Agency’s (the “CRA”), a component unit of the City of Homestead, Florida, compliance with Section 218.415, Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2024. We also examined the CRA’s compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2024. Management of the CRA is responsible for the CRA’s compliance with the specified requirements. Our responsibility is to express an opinion on the CRA’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 CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the CRA complied, in all material respects, with Sections 218.415, 163.387(6) and 163.387(7), Florida Statutes, for the fiscal year ended September 30, 2024.

This report is intended solely to describe our testing of compliance with aforementioned sections of the Florida Statutes, and it is not suitable for any other purpose.

*CBIZ CPAs P.C.*

Miami, FL  
June 30, 2025