

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

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Prepared by the
Finance Department

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

CONTENTS

Independent Auditors' Report..... 1-2

Management's Discussion and Analysis (Required Supplementary Information) 3-8

Financial Statements

Government-wide Financial Statements:

Statement of Net Position9
Statement of Activities.....10

Fund Financial Statements:

Balance Sheet – General Fund.....11
Reconciliation of the General Fund Balance Sheet
to the Statement of Net Position12
Statement of Revenues, Expenditures and Changes in Fund Balance of
General Fund to the Statement of Activities.....13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of General Fund to the Statement of Activities14

Notes to Financial Statements..... 15-42

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule.....43
Notes to the Budgetary Comparison Schedule44
General Employees' Retirement Plan
Schedule of the CRA's Proportionate Share of the Net Pension Liability45
Schedule of the CRA's Contributions.....45
Police Officers' Retirement Plan
Schedule of the CRA's Proportionate Share of the Net Pension Liability46
Schedule of the CRA's Contributions.....46
OPEB – Schedule of OPEB Cost-Sharing Allocation47

Reporting Section

Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*..... 48-49
Management Letter in Accordance with the Rules of the Auditor General of the
State of Florida..... 50-52
Independent Accountants' Report on Compliance with Florida Statutes53

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Homestead Community Redevelopment Agency (the "Agency"), a component unit of the City of Homestead, Florida, as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the 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 Agency, as of September 30, 2021, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, and the budgetary comparison schedule, the police officers' retirement plan related schedules, general employees' retirement plan related schedules and the schedule of OPEB cost-sharing allocation on pages 43 through 47 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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 9, 2022 on our consideration of the Agency's internal control over financial reporting and 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 Agency'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 Agency's internal control over financial reporting.

Marcum LLP

Miami, FL
June 9, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

HOMESTEAD COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of Homestead, Florida)
Management Discussion and Analysis
for the Fiscal Year Ended September 30, 2021
(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, 2021. 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 \$5.6 million. The Agency’s total net position increased by \$1.3 million. The decrease noted was primarily due to the net effect of following:

- Increase in cash and investments of \$0.2 million
- Due from the City of Homestead of \$0.9 million
- Elimination of advance from the City of Homestead of \$0.1million
- Increase in deferred outflows for pension and OPEB of \$0.1 million

At the close of the current fiscal year, the Agency's general fund reported ending fund balance of \$3 million, representing an increase of \$1.2 million from the previous fiscal year. The increase is primarily due to the increase in revenue from property taxes, and the decrease in spending, primarily for capital projects.

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 Comprehensive Annual 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, 2021.

Table 1
Summary of Net Position
September 30, 2021 and 2020

	Governmental Activities	
	2021	2020
Current assets and other assets	\$ 3,013,272	\$ 1,934,775
Capital assets, net	3,096,385	3,111,802
Total Assets	<u>6,109,657</u>	<u>5,046,577</u>
Deferred Outflows of Resources	<u>134,795</u>	<u>10,674</u>
Long-term liabilities	465,461	332,194
Other liabilities	128,336	245,207
Total Liabilities	<u>593,797</u>	<u>577,401</u>
Deferred Inflows of Resources	<u>71,693</u>	<u>173,832</u>
Net position:		
Investment in capital assets	3,096,385	3,111,802
Restricted	2,482,577	1,194,216
Total Net Position	<u>\$ 5,578,962</u>	<u>\$ 4,306,018</u>

At September 30, 2021, the Agency is able to report positive balances in each category of net position.

Governmental Activities - There was an increase of \$1 million in current and other assets for governmental activities. The increase is primarily due to the increase in property taxes revenues as mentioned earlier.

There was a decrease of \$0.02 million in capital assets. The decrease noted was due to the recognition of current fiscal year depreciation expense.

Long-term Liabilities increased \$0.1 million mostly from the increase in net pension liabilities, and compensated absences.

Other liabilities decreased \$0.1 million since the CRA paid off the advance from the City of Homestead.

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, 2021.

Summary of Changes in Net Position For the Fiscal Years Ended September 30, 2021, and 2020

	Governmental Activities	
	2021	2020
Revenues		
General revenues:		
Intergovernmental	\$ 4,092,285	\$ 3,141,634
Interest income	2,951	44,036
Rental and other revenues	52,088	36,115
Total Revenues	<u>4,147,324</u>	<u>3,221,785</u>
Expenses		
Economic Environment	1,922,805	1,947,950
Public safety	355,858	251,772
Public works and services	194,367	194,223
Parks and recreation	401,350	--
Total Expenses	<u>2,874,380</u>	<u>2,393,945</u>
Increase in Net Position Before Contributions	1,272,944	827,840
Contribution to City of Homestead	--	(927,740)
Change in Net Position	1,272,944	(99,900)
Net Position - Beginning	<u>4,306,018</u>	<u>4,405,918</u>
Net Position - Ending	<u>\$ 5,578,962</u>	<u>\$ 4,306,018</u>

Governmental Activities – Governmental activities increased the Agency's net position by \$1.3 million. Intergovernmental revenue increased by \$0.9 million, primarily due to an increase in the property values within the Homestead Community Redevelopment Agency District. Intergovernmental 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 increased by \$0.5 million primarily due to the CRA's funding of Seminole Theatre operations starting in FY 2021.

Contributions decreased by \$.9 million due to contribution of the Cybrarium construction costs from the CRA to the City in FY 2020, and none in FY 2021.

Capital Assets

The Agency’s investment in capital assets for its governmental activities as of September 30, 2021, amounts to \$3.1 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, 2021 and 2020**

	Governmental Activities	
	2021	2020
Land	\$ 3,048,444	\$ 3,048,444
Furniture, fixtures and equipment	47,941	63,358
Totals	\$ 3,096,385	\$ 3,111,802

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET RATES

- Tax increment for fiscal year 2022 is based on taxable value figures provided by the Miami-Dade County Property Appraiser on July 1, 2021 and contributing authority millage rates (City of Homestead and Miami-Dade County).
- Taxable value increased from \$470 million for fiscal year 2020 to \$507 million for fiscal year 2021, an increase of 8%.
- For FY 2022, the contributing authority millage rates remains the same for both the City of Homestead (6.2055 mills) and Miami-Dade County (4.6669 mills).

The Agency’s adopted budget for fiscal year 2022 is \$6,777,220. 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 1st Avenue, Homestead, Florida 33030.

FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 245,284
Investments	1,877,706
Interest receivable on investments	4,820
Accounts receivables, net	462
Due from City of Homestead	885,000
Capital assets:	
Capital assets not being depreciated	3,048,444
Capital assets being depreciated, net	<u>47,941</u>
Total capital assets, net	<u>3,096,385</u>
Total Assets	<u>6,109,657</u>
Deferred Outflows of Resources	
Deferred outflows for pension	131,777
Deferred outflows for OPEB	<u>3,018</u>
Total Deferred Outflows of Resources	<u>134,795</u>
Liabilities	
Accounts payable and accrued liabilities	128,336
Noncurrent liabilities:	
Due within one year:	
Compensated absences	4,081
Due in more than one year:	
Compensated absences	9,522
Net pension liability	262,925
Total OPEB liability	<u>188,933</u>
Total Liabilities	<u>593,797</u>
Deferred Inflows of Resources	
Deferred inflows for pension	50,563
Deferred inflows for OPEB	<u>21,130</u>
Total Deferred Outflows of Resources	<u>71,693</u>
Net Position	
Investment in capital assets	3,096,385
Restricted for:	
Capital Projects	<u>2,482,577</u>
Total Net Position	<u>\$ 5,578,962</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)

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities					
Economic environment	\$ 1,922,805	\$ --	\$ --	\$ --	\$ (1,922,805)
Public safety	355,858	--	--	--	(355,858)
Public works and services	194,367	--	--	--	(194,367)
Parks and recreation	<u>401,350</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(401,350)</u>
Total Governmental Activities	<u>\$ 2,874,380</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>(2,874,380)</u>
General Revenues					
					4,092,285
					2,951
					<u>52,088</u>
Total General Revenues					<u>4,147,324</u>
Change in Net Position					1,272,944
Net Position - Beginning					<u>4,306,018</u>
Net Position - Ending					<u>\$ 5,578,962</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, 2021

Assets

Cash and cash equivalents	\$ 245,284
Investments	1,877,706
Interest receivable on investments	4,820
Due from City of Homestead	885,000
Accounts receivables, net	<u>462</u>

Total Assets \$ 3,013,272

Liabilities

Accounts payable and accrued liabilities	<u>\$ 128,336</u>
--	-------------------

Total Liabilities 128,336

Fund Balances

Restricted:	
Community redevelopment	<u>2,884,936</u>

Total Fund Balance 2,884,936

Total Liabilities and Fund Balance \$ 3,013,272

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, 2021

Fund Balance - Total General Fund \$ 2,884,936

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	\$ 4,513,239	
Less accumulated depreciation	<u>(1,416,854)</u>	3,096,385

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	(13,603)	
Net pension liability	(262,925)	
Total OPEB liability	<u>(188,933)</u>	(465,461)

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 of resources relating to Pension	131,777	
Deferred outflows of resources relating to OPEB	3,018	
Deferred inflows of resources relating to Pension	(50,563)	
Deferred inflows of resources relating to OPEB	<u>(21,130)</u>	<u>63,102</u>

Net Position of Governmental Activities \$ 5,578,962

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, 2021

Revenues	
Intergovernmental	\$ 4,092,285
Investment income	2,951
Rentals and other revenues	<u>52,088</u>
Total Revenues	<u>4,147,324</u>
Expenditures	
Current:	
Economic environment	2,120,417
Public safety	235,822
Public works and services	194,367
Parks and recreation	<u>401,350</u>
Total current	<u>2,951,956</u>
Total Expenditures	<u>2,951,956</u>
Excess of Revenues Over Expenditures	<u>1,195,368</u>
Change in Fund Balance	1,195,368
Fund Balance - Beginning	<u>1,689,568</u>
Fund Balance - Ending	<u><u>\$ 2,884,936</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, 2021

Change in Fund Balance - General Fund \$ 1,195,368

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.

Depreciation expense (15,417)

The net effect of pension deferred outflows/inflows 97,576

The net effect of OPEB deferred outflows/inflows 128,684

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;

Compensated absences	\$ 10,591	
Change in net pension liability	(171,323)	
Change in total OPEB liability	<u>27,465</u>	<u>(133,267)</u>

Change in Net Position - Governmental Activities \$ 1,272,944

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

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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. 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.

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, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL REPORTING ENTITY

The Agency has adopted the GASB Statements related to the financial reporting entity, 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, 2021

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, 2021

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 \$1,000 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the 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
(A Component Unit of the City of Homestead, Florida)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the 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 in varying amounts based on length of service. Upon separation from service, employees are paid the value of their accumulated vacation and unused sick leave within certain limits. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. In the general fund, a liability is recorded only for leave that has matured. The fund in which the employee's payroll expense is recorded, is used to liquidate such amounts, or the General Fund when related to governmental activities.

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.

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

- Investment in Capital Assets – consists of capital assets, net of accumulated depreciation.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND EQUITY/NET POSITION (CONTINUED)

- 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.

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.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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	\$ 73,433	
U.S. Government Agencies:			
Federal Farm Cr Banks Cons Systemeide Bonds	2023	144,661	Aaa
Federal Home Loan Banks	4/15/2024	48,151	Aaa
Federal National Mortgage Association	6/14/2024	240,339	Aaa
Federal Home Loan Bks Cons Bond	8/28/2024	96,278	Aaa
Federal Home Loan Bks Cons Bond Step-up	1/29/2026	47,707	Aaa
Federal Home Loan Banks	6/22/2026	240,011	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	2023	654	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	2/25/2024	1,270	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	2026	3,694	Aaa
Small Business Administration Guaranteed Loan Pool Certificates	2027	6,816	Aaa
Small Business Administration Guaranteed Development Participation Debt	11/1/2027	3,820	AAA
Small Business Administration Guaranteed Development Participation Certificate	9/1/2028	5,481	AAA
Small Business Administration Guaranteed Development Participation Debt	6/1/2031	9,922	AAA
Small Business Administration Guaranteed Development Participation Certificate	7/1/2031	9,497	AAA
Small Business Administration Guaranteed Development Participation Debt	4/1/2033	16,213	AAA
Municipal Bonds:			
Nashua N H Taxable Go Bonds	1/15/2022	7,284	Aaa
Scottsdale Ariz Taxable Go Bonds	7/1/2022	19,692	Aaa
New York St Environmental Facs Corp Rev St Reveoling Fds	7/15/2022	48,760	Aaa
New York St Environmental Facs Corp Rev St Reveoling Fds	11/15/2023	17,367	Aaa
Maryland St Go Bds 2017 A	8/1/2022	19,546	Aaa
New York NY City Transitional Fin Auth Rev Taxable Sub Future Tax Secured	11/1/2023	42,907	Aa1
Pennsylvania St Tpk Common Spl Oblig Spl Oblig Bonds 2014	12/1/2023	7,612	Aaa
Los Angeles County CalifMet transn Auth Sales Tax Rev	6/1/2024	11,527	Aa1
Upper Occoquan Auth VA Regl Sew Rev Rev Ref Bonds	7/1/2024	38,121	Aa1
Lake Cnty Illinois Go Sales tax Alt Rev Source Ref Bonds 2018	11/30/2024	13,801	Aaa
Corporate Bonds:			
Bank of Montreal GTD Covered BD Reg S	1/11/2022	96,975	Aaa
Microsoft Corp Fixed Rate Note	2/12/2022	96,984	Aaa
The Toronto Dominion Bank	4/3/2023	48,980	Aaa
Commercial Paper:			
Banco De Credito E Inversions Miami	10/4/2021	144,559	P1
Mountcliff FDG LLC	5/9/2022	240,682	P1
Certificates of Deposit		74,962	
Total Investments		<u>\$ 1,877,706</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, 2021

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, 2021.

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, 2021

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, 2021:

<u>Investment Type</u>	<u>Policy Maximum</u>	<u>Actual Investment</u>
Money Market Mutual Funds	100%	3.9%
U.S. Government Agency Securities (Bonds and ABS)	75%	46.6%
Obligations Issued by any State of the U.S. (Municipal Bo	50%	12.1%
Collateralized Variable Bonds (Corporate Bonds)	20%	12.9%
Commercial Papers	20%	20.5%
Certificates of Deposit	100%	<u>4.0%</u>
		<u>100.00%</u>

GASB Statement 40 requires disclosure when 5% or more of the portfolio is invested in any one issuer. At September 30, 2021, the Agency held the following concentrations:

<u>Issuer</u>	<u>Actual Investment</u>
Federal Home Loan Banks	12.8%
Federal National Mortgage Association	7.1%
Mountcliff FDG LLC	7.1%

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, 2021

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.

The following summarizes the fair value hierarchy of the fair value investments for the Agency as of September 30, 2021:

- U.S. Government bonds are valued using observable market prices in active markets (Level 2);

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE MEASUREMENT (CONTINUED)

- Asset backed securities are valued using multi-dimensional, collateral specific spread/price/prepayment spread tables (Level 2);
- Municipal bonds are valued using matrix pricing models (Level 2);
- Corporate bonds are valued using quoted market prices of similar assets (Level 2)

As of September 30, 2021, the Agency did not have any Level 1 or Level 3 investments.

<u>Investment by Fair Value</u>	September 30, 2021	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. Government bonds	\$ 874,514	\$ --	\$ 874,514	\$ --
Municipal bonds	226,617	--	226,617	--
Corporate bonds	242,939	--	242,939	--
Total investments measured by fair value level	1,344,070	<u>\$ --</u>	<u>\$ 1,344,070</u>	<u>\$ --</u>
Money market funds (exempt)	73,433			
Commercial paper (exempt)	385,241			
Certificates of deposit (exempt)	74,962			
Total Investments	<u>\$ 1,877,706</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, 2021

NOTE 4 - CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 3,048,444	\$ --	\$ --	\$ 3,048,444
Capital assets, being depreciated:				
Furniture, fixtures and equipment	1,464,795	--	--	1,464,795
Total capital assets being depreciated	1,464,795	--	--	1,464,795
Less: accumulated depreciation for:				
Furniture, fixtures and equipment	(1,401,437)	(15,417)	--	(1,416,854)
Total accumulated depreciation	(1,401,437)	(15,417)	--	(1,416,854)
Total Capital Assets Being Depreciated, Net	<u>63,358</u>	<u>(15,417)</u>	<u>--</u>	<u>47,941</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,111,802</u>	<u>\$ (15,417)</u>	<u>\$ --</u>	<u>\$ 3,096,385</u>

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

Governmental Activities	
Economic environment	\$ 15,417
Total depreciation expense	<u>\$ 15,417</u>

NOTE 5 - COMPENSATED ABSENCES

Compensated Absences activity for the fiscal year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	\$ 24,194	\$ 7,258	\$ 17,849	\$13,603	\$ 4,081

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Intergovernmental	\$ 4,092,285	\$ --
Investment income	2,951	--
Rentals and other revenues	52,088	--
Purpose of withdrawals:		
Salaries and benefits	--	731,017
Administrative and overhead	--	682,364
Professional services	--	615,083
Infrastructure and rehabilitation	--	248,872
Operating services	--	111,315
Insurance	--	107,157
Aid and assistance	--	57,183
Advertising	--	37,881
Office supplies and equipment	--	8,085
Total	<u>\$ 4,147,324</u>	<u>\$ 2,598,957</u>

NOTE 7 - GENERAL EMPLOYEES RETIREMENT PLAN (GERP)

PLAN DESCRIPTION

The City maintains a single-employer defined benefit pension system established by City Ordinance No. 85-11-107 dated December 3, 1985, as amended, which covers substantially all of the City employees except for elected officials, senior management, and police officers.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 7 - GENERAL EMPLOYEES RETIREMENT PLAN (GERP) (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

One Agency employee participates in the Plan. Membership begins on the date of hire. GERP provides retirement, disability and death benefits to members and beneficiaries. A more detailed description of the Plan and its provisions appear in ordinances constituting the Plan and in the summary Plan description. The Plan year end is September 30, 2021. The Plan issues a publicly available financial statement that includes fiduciary financial statements and required supplementary information. The financial statements may be obtained by writing to: Board of Trustees – General Employees’ Retirement Plan, c/o City of Homestead, Finance Department, 100 Civic Court, Homestead, FL 33030.

ELIGIBILITY

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

SERVICE RETIREMENT BENEFITS

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

EARLY RETIREMENT

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

DISABILITY BENEFITS

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

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 7 - GENERAL EMPLOYEES RETIREMENT PLAN (GERP) (CONTINUED)

FUNDING POLICY

The City is required to contribute an actuarially determined amount that, when combined with participants' contributions, will fully provide for all benefits as they become payable. The funding policy can only be amended by authorization of the City Council. Participants are required to contribute 4% of annual earnings. The City's required contribution is based on the actuarial report using the percentage of covered payroll. The Agency has one employee participating in the Plan. As such, the Agency has presented their proportionate share of the City's Net Pension liability as of September 30, 2021.

NET PENSION LIABILITY

The net pension liability was measured by the actuarial valuation as of October 1, 2019 and rolled forward to the September 30, 2020 (measurement date). The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Methods and assumption used to determine net pension liability:

Actuarial Cost Method	Entry Age Normal
Salary Increase	5.0%
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2018 actuarial valuation, in compliance with Florida Statutes.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using estimates of forward-looking average annual returns across all asset classes. These projections were developed using a 10 year forward-looking time horizon, interest rates, inflation, the equity risk premium, and the relative out performance of certain asset classes. Based on the Monte Carlo simulations, the best estimates of real return for each asset class included in the pension plan's target allocation as of September 30, 2021 are summarized in the following table:

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 7 - GENERAL EMPLOYEES RETIREMENT PLAN (GERP) (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

<u>Asset Group</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	3.30%
U.S. Large Cap Equity-Growth	6.70%
U.S. Large Cap Equity-Value	7.10%
U.S. Small Cap Equity	7.10%
International Equity	7.40%
Private Real Estate	5.80%
Private Equity	9.70%

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

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 7 - GENERAL EMPLOYEES RETIREMENT PLAN (GERP) (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Changes in Agency's proportionate share of City's Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability
	(a)	(b)	(a) - (b)
Total pension liability - Beginning	\$ 1,097,444	\$ 1,005,842	\$ 91,602
Changes for the year:			
Service cost	13,028	--	13,028
Interest on the total pension liability	71,442	--	71,442
Difference between expected and actual experience of the total pension liability	(11,894)	--	(11,894)
Contributions - employer	--	27,123	(27,123)
Contributions - employee	--	3,227	(3,227)
Net investment income	--	40,599	(40,599)
Benefit payments	(49,778)	(49,778)	--
Refunds	(162)	(162)	--
Pension plan administrative expense	--	(1,538)	1,538
Net change in total pension liability	<u>22,637</u>	<u>19,471</u>	<u>3,166</u>
Total pension liability - Ending	<u>\$ 1,120,081</u>	<u>\$ 1,025,313</u>	<u>\$ 94,768</u>

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 rates (6.75%) and the liability using discount rates that are one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rates:

	General Employees' Retirement Plan		
	Current		
	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Net pension liability (asset)	\$ 220,040	\$ 94,768	\$ (9,336)

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 7 - GENERAL EMPLOYEES RETIREMENT PLAN (GERP) (CONTINUED)

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

For the fiscal year ended September 30, 2021 but based on a measurement date of September 30, 2020, the Agency recognized a reduction to GERP pension expense of \$38,404. This amount is included as a reduction to personal services expenses within the functional program activities.

At September 30, 2021, the Agency reports deferred outflows and inflows of resources related to the GERP as follows:

	General Employees' Retirement Plan	
	Deferred Outflows of Resources	Deferred Inflows/Outflows of Resources
Difference between expected and actual experience	\$ --	\$ 3,398
Net difference between projected and actual earnings on pension plan investments	24,617	11,736
Contributions subsequent to measurement date	23,610	--
Total	\$ 48,227	\$ 15,134

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

For the Fiscal Year Ended September 30,	Net Deferred Inflows/Outflows of Resources
2022	\$ (2,627)
2023	4,784
2024	2,376
2025	4,951
Total	\$ 9,483

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, provide additional information about the net pension liability, plan assets and contribution.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 - 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, 2021. The Plan issues a publicly available financial statement that includes fiduciary financial statements and required supplementary information. The financial statements may be obtained by writing to: Board of Trustees – Police Officers' Retirement Plan, c/o City of Homestead, Finance Department, 100 Civic Court, Homestead, FL 33030.

ELIGIBILITY

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

SERVICE RETIREMENT BENEFITS

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

EARLY RETIREMENT

A member may retire early after attaining age 50 and completing 10 years of service. Benefits are reduced by 2 1/3% for each year by which the early retirement date precedes the normal retirement date.

DISABILITY BENEFITS

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

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 - POLICE OFFICERS' RETIREMENT PLAN (PORP) (CONTINUED)

FUNDING POLICY

The City is required to contribute an actuarially determined amount that, when combined with participants' contributions and contributions from the State of Florida, will fully provide for all benefits as they become payable. The State of Florida contributions are recorded as revenues and expenditures in the City of Homestead's General Fund. Members of the Plan are required to contribute 7.65% of their base salary and overtime of up to two hundred fifty-four (254) hours. The Agency has three 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, 2021

NET PENSION LIABILITY

The net pension liability was measured by the actuarial valuation as of October 1, 2019 and rolled forward to the September 30, 2020 (measurement date). The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Methods and assumption used to determine net pension liability:

Actuarial Cost Method	Entry Age Normal
Salary Increase	5.75% to 10.50% depending on service
Investment rate of return	7.25%
Retirement age	Upon eligibility
Mortality	Pre-retirement: PUB-2010 Headcount Weighted Safety Below Median Employee Male Table, set forward one year, and the PUB-2010 Headcount Weighted Safety Employee Female Table, set forward one year. Post-retirement: PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward one year, and the PUB-2010 Headcount Weighted Safety Healthy Retiree Female Table, set forward one year. Mortality improvements are being made for each year after 2010 using gender-specific MP-2018 projection scales. The mortality assumption is the same as used for Special Risk Members of the Florida Retirement System (FRS) in the July 1, 2019 actuarial valuation, in compliance with Florida Statutes.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 - POLICE OFFICERS' RETIREMENT PLAN (PORP) (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using the long-term nominal building block data less the long-term inflation assumption of 2.50%. The building block long-term real return projections were developed considering the long-term historic capital market returns, 10-15 year expected capital market return assumptions, as well as, historical, current, and expected inflation data. Best estimates of arithmetic real return for each asset class included in the pension plan's target allocation as of September 30, 2021 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%

Discount rate: A single discount rate of 7.25% was used to measure the total pension liability. This single discount rate was based on the expected rate on pension plan investments of 7.25%. 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 (7.25%) was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 - POLICE OFFICERS' RETIREMENT PLAN (PORP) (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Changes in Agency's proportionate share of City's Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability
	(a)	(b)	(a) - (b)
Total pension liability - Beginning	\$ 1,015,263	\$ 811,556	\$ 203,707
Changes for the year:			
Service cost	26,471	--	26,471
Interest on the total pension liability	75,631	--	75,631
Difference between expected and actual experience of the total pension liability	1,758	--	1,758
Change of assumptions	5,130	--	5,130
Contributions - employer	--	37,857	(37,857)
Contributions - employer (from state)	--	5,670	(5,670)
Contributions - employee	--	7,327	(7,327)
Net investment income	--	95,575	(95,575)
Benefit payments	(66,653)	(66,653)	--
Pension plan administrative expense	--	(1,888)	1,888
Other	--	--	--
Net change in total pension liability	42,337	77,887	(35,550)
Total pension liability - Ending	<u>\$ 1,057,599</u>	<u>\$ 889,443</u>	<u>\$ 168,157</u>

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 (7.25%) and the liability using discount rates that are one percentage point lower (6.25%) and one percentage point higher (8.25%) than the current rates:

	Police Officers' Retirement Plan		
	Current		
	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Net pension liability (asset)	\$ 299,715	\$ 168,157	\$ 60,304

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 - POLICE OFFICERS' RETIREMENT PLAN (PORP) (CONTINUED)

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

For the fiscal year ended September 30, 2021 but based on a measurement date of September 30, 2020, the Agency recognized an increase to PORP pension expense of \$120,036. This amount is included as an increase to personal services expenses within the functional program activities.

At September 30, 2021, 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	\$ 4,618	\$ --
Change in assumptions	3,420	--
Net difference between projected and actual earnings on pension plan investments	26,383	35,429
City contributions subsequent to measurement date	49,129	--
Total	\$ 83,550	\$ 35,429

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
2022	\$ 1,979
2023	4,060
2024	429
2025	(7,476)
Total	\$ (1,008)

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 - 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, provide additional information about the net pension liability, plan assets and contribution.

For the year ended September 30, 2021, the Agency recognized Pension expense of \$73,747 as the result of GASB Statement No. 68. Deferred outflows and inflows of resources and Net Pension Liability related to pensions are as follows:

	Police Pension	GE Pension	Total
Deferred outflows	\$ 83,550	\$ 48,227	\$ 131,777
Deferred inflows	35,429	15,134	50,563
Net pension liability	168,157	94,768	262,925
Pension expense (income)	120,036	(46,289)	73,747

NOTE 9 - 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, 2021, the OPEB Plan covered 206 active employees and 41 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, 2021.

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

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

FUNDING POLICY

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

TOTAL OPEB LIABILITY

Valuation Date:	October 1, 2020
Measurement Date:	October 1, 2020
Reporting Date:	September 30, 2021

At September 30, 2021, the Agency reported the following:

Total OPEB liability	\$ 188,933
Total covered employee payroll	\$ 462,165
Total OPEB liability as a percentage of covered payroll:	41%

Methods and assumption used to determine the Total OPEB liability:

Actual Cost Method	Entry Age Normal
Discount Rate	2.26%
Healthcare Cost Trend Rates	5.0% for 2021 to later years
Mortality Rate	RF-2014 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, 2021

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

TOTAL OPEB LIABILITY (CONTINUED)

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

	OPEB Liability
Total OPEB liability - Beginning September 30, 2020	\$ 216,398
Changes for the year:	
Service cost	12,671
Interest cost	6,259
Changes of benefit terms	(64,694)
change of assumptions	20,968
Benefit payments	(2,669)
Net change in OPEB liability	(27,465)
Total OPEB liability - Ending September 30, 2021	\$ 188,933

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 (1.26%) or 1-percentage-point higher (3.26%) than the current discount rate:

	Sensitivity Testing to Change in Interest Discount Assumption		
		Selected Trend rate	1% Increase
Discount rate assumption	1% Decrease starts at 1.26%	starts at 2.26%	starts at 3.26%
Total OPEB liability	\$ 216,938	\$ 188,933	\$ 166,695

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - 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 starts at 5.5%	Selected Trend rate starts at 6.5%	1% Increase starts at 7.5%
Total OPEB liability	\$ 167,073	\$ 188,933	\$ 215,774

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

For the fiscal year ended September 30, 2021 based on a measurement date of October 1, 2020, the Agency recognized a reduction in the Plan's OPEB expense of \$156,149. This amount is included as a decrease to personal services expenses within the functional program activities.

At September 30, 2021, 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	\$ --	\$ 18,362
Changes in assumptions	--	2,768
Expected benefit payments subsequent to the measurement date of October 1, 2020	3,018	--
Total	\$ 3,018	\$ 21,130

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

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

For the Fiscal Year Ended September 30,	Net Deferred Inflows of Resources
2022	\$ (3,522)
2023	(3,522)
2024	(3,522)
2025	(3,522)
2026	(3,522)
Thereafter	(3,520)
Total	\$ (21,130)

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, provides additional information about the total OPEB liability.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,917,053	\$ 3,917,053	\$ 4,002,329	\$ 85,276
Investment income	21,000	21,000	2,951	(18,049)
Rentals and other revenues	--	--	52,088	52,088
Total Revenues	<u>3,938,053</u>	<u>3,938,053</u>	<u>4,057,368</u>	<u>119,315</u>
Expenditures				
Current:				
Economic environment	2,752,986	2,752,986	1,767,417	985,569
Public safety	252,484	252,484	235,822	16,662
Public works and services	298,988	298,988	194,367	104,621
Parks and recreation	467,443	467,443	401,350	66,093
Capital outlay	241,313	241,313	--	241,313
Total Expenditures	<u>4,013,214</u>	<u>4,013,214</u>	<u>2,598,956</u>	<u>1,414,258</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(75,161)</u>	<u>(75,161)</u>	<u>1,458,412</u>	<u>1,533,573</u>
Other Financing Sources (Uses)				
Transfers in	--	--	89,956	89,956
Transfers out	(653,000)	(653,000)	(353,000)	300,000
Appropriation of prior years' fund balance	695,703	695,703	--	(695,703)
Total Other Financing Sources (Uses)	<u>42,703</u>	<u>42,703</u>	<u>(263,044)</u>	<u>(305,747)</u>
Net Change in Fund Balance	<u>\$ (32,458)</u>	<u>\$ (32,458)</u>	1,195,368	<u>\$ 1,227,826</u>
Fund balance - beginning			<u>1,689,568</u>	
Fund balance - ending			<u>\$ 2,884,936</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 Florida City, Florida)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
(UNAUDITED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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 1st, the budget is legally enacted through passage of a resolution;
- 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, 2021.
- 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.

Adjustments necessary to convert the Agency’s results of operations and change in fund balances at September 30, 2021 from the accounting principles generally accepted in the United States of America basis of accounting to the budget basis are as follows:

	Expenditures	Other Financing Uses	Total Expenditure/ Other Financing Uses
GAAP Basis	\$ 2,951,956	\$ --	\$ 2,951,956
Transfers Out	<u>(353,000)</u>	<u>353,000</u>	<u>--</u>
Budgetary Basis	<u><u>\$ 2,598,956</u></u>	<u><u>\$ 353,000</u></u>	<u><u>\$ 2,951,956</u></u>

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
GENERAL EMPLOYEES' RETIREMENT PLAN**

Measurement Date September 30,	2020	2019
CRA's proportionate share of the net pension liability*	1.10%	1.13%
CRA's proportionate share of the net pension liability	\$ 94,768	\$ 91,602
CRA's covered payroll	\$ 80,663	\$ 128,713
CRA's proportionate share of the net pension liability as a percentage of its covered payroll	117.49%	71.2%
Plan fiduciary net position as a percentage of the total pension liability	9.24%	9.11%

*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.*

**SCHEDULE OF THE CRA'S CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT PLAN**

September 30,	2021	2020
Contractually required contribution	\$ 23,610	\$ 27,874
Contribution in relation to the contractually required contribution	<u>23,610</u>	<u>27,874</u>
Contribution deficiency (excess)	\$ --	\$ --
City's covered payroll	\$ 73,270	\$ 82,897
Contribution as a percentage of covered payroll	32.22%	33.62%

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

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,	2020
CRA's proportionate share of the net pension liability*	0.85%
CRA's proportionate share of the net pension liability	\$ 168,157
CRA's covered payroll	\$ 84,516
CRA's proportionate share of the net pension liability as a percentage of its covered payroll	198.96%
Plan fiduciary net position as a percentage of the total pension liability	18.91%

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.*

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

September 30,	2021
Contractually required contribution	\$ 49,129
Contribution in relation to the contractually required contribution	49,129
Contribution deficiency (excess)	\$ --
City's covered payroll	\$ 81,922
Contribution as a percentage of covered payroll	59.97%

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 is available.

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,	2020	2019
CRA's proportionate share of the total OPEB liability	1.76%	1.65%
CRA's proportionate share of the total OPEB liability	\$ 188,933	\$ 216,398
CRA's covered payroll	\$ 462,165	\$ 352,953
CRA's proportionate share of the total OPEB liability as a percentage of its covered payroll	40.88%	61.3%
OPEB Plan fiduciary net position as a percentage of the total OPEB liability	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, 2021

REPORTING SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Homestead Community Redevelopment Agency (the "Agency"), a component unit of the City of Homestead, Florida, as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated June 9, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Miami, FL
June 9, 2022

**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
Homestead, Florida

Report on the Financial Statements

We have audited the financial statements of the Homestead Community Redevelopment Agency (the “Agency”), a component unit of the City of Homestead, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 9, 2022.

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 Compliance and Other Matters Based on an Audit of the 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 9, 2022, 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 financial audit report of the City of Homestead, Florida, as it relates to the Agency.

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. The information is disclosed in Note 1 to the financial statements.

Financial Condition and Management

Section 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 Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Agency 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 Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was performed as of the fiscal year end.

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

Special District Component 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)6, Rules of the Auditor General, the Agency reported:

- a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as 6.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as 26.

- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$719,680
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$1,081,141.
- e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as 0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes, as noted on page 26.

Additional Matters

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

Purpose of this Letter

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

Marcum LLP

Miami, FL
June 9, 2022

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
FLORIDA STATUTES**

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

We have examined the Homestead Community Redevelopment Agency (the “Agency”), 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, 2021. 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, 2021. Management of the Agency is responsible for the Agency’s compliance with the specified requirements. Our responsibility is to express an opinion on the Agency’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 Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Agency complied, in all material respects, with Section 218.415, 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2021.

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.

Marcum LLP

Miami, FL
June 9, 2022