

City of Coral Gables, Florida

Single Audit Report in Accordance with
Uniform Guidance and Chapter 10.550,
Rules of the Auditor General of the
State of Florida

Fiscal Year Ended September 30, 2022

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RSM US LLP

**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**

Independent Auditor's Report

The Honorable Mayor and Members of the City Commission
City of Coral Gables, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coral Gables, Florida (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2023. Our report includes a reference to other auditors who audited the financial statements of the City of Coral Gables Retirement Fund and the Police Officers' Pension Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the City of Coral Gables Retirement Fund were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the City of Coral Gables Retirement Fund. Our report also included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The adoption of this statement resulted in the restatement of the financial statements as of October 1, 2021.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

RSM US LLP

Miami, Florida
March 31, 2023

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of Federal Awards Required
by the Uniform Guidance and Schedule of State Financial Assistance
Required by Chapter 10.550, Rules of the Auditor General of the State of Florida**

Independent Auditor's Report

To the Honorable Mayor and Members of the City Commission
City of Coral Gables, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Coral Gables, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of State Financial Assistance Required by Chapter 10.550, Rules of the Auditor General of the State of Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated March 31, 2022, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the City of Coral Gables Retirement Fund and Police Officers' Pension Fund. Our report also included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The adoption of this statement resulted in the restatement of the financial statements as of October 1, 2021. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Miami, Florida
April 21, 2023

City of Coral Gables, Florida

Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Contract Number	Pass-Through Entity Identifying Number	Federal Expenditures
Executive Office of the President:				
Direct:				
High Intensity Drug Trafficking Areas (HIDTA)	95.001	G20MI0001A, G21 & G22 HIDTA	not applicable	\$ 442,349
U.S. Department of Justice:				
Direct:				
Equitable Sharing Program	16.922	None	not applicable	1,334,959
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAGC 2021 JAGC-DADE-17-5R-116	not applicable	3,305
Pass-through Florida Department of Law Enforcement:				
COVID-19 – Coronavirus Emergency Supplemental Funding Program	16.034	2020-CESF-DADE-1-C9-034 from DOJ FDLE	591264198	60,012
Total U.S. Department of Justice				<u>1,398,276</u>
U.S. Department of Treasury:				
Direct:				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	none	not applicable	8,518,456
Equitable Sharing Program				
South Florida Money Laundering Strike Force	21.000	None	not applicable	370,058
Pass-through Miami-Dade County, Florida:				
COVID-19 – Coronavirus Relief Fund (CARES ACT)	21.019	None	072238686	177,419
Total U.S. Department of Treasury				<u>9,065,933</u>
U.S. Department of Homeland Security:				
Pass-through Florida Division of Emergency Management:				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	none	072238686	1,471,253
Homeland Security Grant Program	97.067	EMW-2019-SS-00049, EMW-2020-SS-00049	072238686	211,527
Total U.S. Department of Homeland Security				<u>1,682,780</u>
Total Expenditures of Federal Awards				<u>\$ 12,589,338</u>

See notes to schedule of expenditures of federal awards.

City of Coral Gables, Florida

**Schedule of State Financial Assistance
Fiscal Year Ended September 30, 2022**

State Grantor / Pass-Through Grantor / Project or Cluster Title	State CSFA Number	Contract Number	State Expenditures
Florida Department of Transportation:			
Public Transit Service Development Program	55.012	G1Z38, G1Z39	\$ 159,119
Department of State and Secretary of State:			
Specific Cultural Projects	45.062	22.cpr.105.659	50,000
Florida Department of Environmental Protection:			
Statewide Water Quality Restoration Projects	37.039	LPA0156, 15DA2	43,846
Total Expenditures of State Financial Assistance			<u>\$ 252,965</u>

See notes to the schedule of state financial assistance.

City of Coral Gables, Florida

Notes to Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance

Note 1. General and Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the Schedules) presents the activity of all federal awards and state financial assistance of the City of Gables, Florida (the City) for the year ended September 30, 2022. The information in the Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General of the State of Florida. Therefore, some amounts presented in the Schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net positions/fund balances, or cash flows of the City. The City's reporting entity is defined in Note 1 to the City's basic financial statements.

Note 2. Basis of Accounting

The Schedules are presented using the modified accrual basis of accounting for expenditures accounted for in the governmental funds and on the accrual basis of accounting for expenses of the proprietary fund types, which are described in Note 1 to the City's basic financial statements. Such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement.

Note 3. Subrecipient Awards

Of the federal awards and state financial assistance presented in the Schedules, the City did not provide any amounts to subrecipients.

Note 4. Indirect Cost Recovery

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

City of Coral Gables, Florida

**Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2022**

I – Summary of Independent Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? Yes X No
 Significant deficiency(ies) identified? Yes X None Reported
 Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:
 Material weakness(es) identified? Yes X No
 Significant deficiency(ies) identified? Yes X None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

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

Identification of major programs:

Assistance Listing Numbers

16.922
 97.036
 21.027

Name of Federal Program or Cluster

Equitable Sharing Program
 Public Assistance (Presidentially Declared Disasters)
 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? X Yes No

(Continued)

City of Coral Gables, Florida

**Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2022**

Section II – Financial Statements Findings

No matters to report.

Section III – Federal Awards Findings and Questioned Costs

No matters to report.

Section IV – Summary Schedule of Prior Audit Findings

The prior year single audit disclosed no findings in the *Schedule of Findings and Questioned Costs* and no uncorrected or unresolved findings exist from the prior audit's *Summary Schedule of Prior Audit Findings*.