



CITY OF CORAL GABLES, FLORIDA

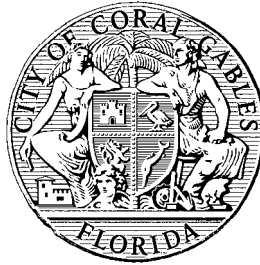


ANNUAL COMPREHENSIVE
FINANCIAL REPORT,
FISCAL YEAR ENDED
SEPTEMBER 30, 2022

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

CITY OF CORAL GABLES, FLORIDA

For the
FISCAL YEAR ENDED
September 30, 2022



"The City Beautiful"

Prepared by
FINANCE DEPARTMENT

CITY OF CORAL GABLES, FLORIDA

COMMISSION - MANAGER FORM OF GOVERNMENT

CITY COMMISSION

VINCE C. LAGO, *MAYOR*

MICHAEL MENA, *Vice Mayor*
RHONDA ANDERSON, *Commissioner*

JIM CASON, *Commissioner*
KIRK R. MENENDEZ, *Commissioner*

CITY MANAGER

PETER J. IGLESIAS, P.E

FINANCE DIRECTOR

DIANA M. GOMEZ, C.P.A.

ASSISTANT FINANCE DIRECTOR FOR REPORTING AND OPERATIONS

SALLY OLA OLA, C.P.A

Introductory Section

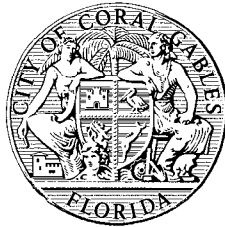
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The City of Coral Gables

Finance Department

405 BILTMORE WAY
CORAL GABLES, FLORIDA 33134

March 31, 2023

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

Mayor, Commissioners and City Manager:

We are pleased to present the Annual Comprehensive Financial Report of the City of Coral Gables, Florida (the "City") for the fiscal year ended September 30, 2022, pursuant to Florida state law. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB") and audited by independent certified public accountants, RSM US LLP, retained by the City and paid from its public funds. The independent auditor has issued an unmodified opinion that the financial statements fairly present the financial position of the City and comply with applicable reporting standards.

Responsibility for the accuracy and fairness of the presentation, including disclosures, rests with management of the City. We believe the data, as presented, is accurate in all material respects, and is in a format designed to fairly set forth the financial position and results of operations of the City, and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included. The City of Coral Gables has established comprehensive internal controls designed to ensure that the City's assets are protected from loss, theft or misuse and adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Since the cost of internal controls should not exceed the benefits likely to be derived, the City's internal controls are designed to provide reasonable assurance that these objectives are met.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City has a residential population of approximately 50,752 and encompasses 12.92 square miles southwest of Miami in Miami-Dade County, Florida. Since its incorporation in 1925, it has been considered one of South Florida's premier residential communities. The City has approximately 11 million square feet of office space and has developed into an international center of commerce serving as divisional headquarters for more than 150 multinational companies and 19 consulates and trade offices. The downtown area of Coral Gables is a vibrant business environment due to its central location, proximity to international travel hubs, quality dining, and exceptional hotels. The University of Miami, the largest private employer in Coral Gables, instructs approximately 19,000 students and employs approximately 16,954 full-time faculty and staff.

The City supports both the residential and business sectors with excellent City services, having attained the highest possible standards in every field. The Coral Gables Police Department and Fire Department are both fully accredited, an honor matched by very few cities in the U.S. The Coral Gables Fire Department is one of only a handful of fire departments in the nation to hold both the distinction of being both a recognized ISO Class 1 as well as accredited through the Commission on Fire Accreditation International. The Coral Gables Police Department embodies this standard with their most recent CALEA reaccreditation, receiving the Gold Standard Accreditation with Excellence. Only one percent of all national law enforcement agencies have been distinguished with this accreditation.

The City is one of only three cities in Florida and the only one in Miami-Dade County with three “AAA” bond ratings. Fitch Ratings has joined Standard & Poor’s and S&P Global Ratings in assigning the City with a “AAA” bond rating. According to Fitch Ratings, Coral Gables' 'AAA' *"reflects the strength of its financial reserves, broad budgetary flexibility and prudent management that support an expectation for stable financial performance through economic cycles. Coral Gables' economic resource base is robust and underpins its credit strengths, particularly the affordability of long-term liabilities and favorable revenue growth prospects."*

According to homesnacks.com., the City of Coral Gables ranks as the 8th best place to live in South Florida in 2022. The factors taken into consideration include ‘median home values, median income, population density, unemployment rate, commute time, crime, education levels, health insurance coverage, and poverty rates.’ The schools in Coral Gables are some of the most sought after “in the region and crime is an afterthought.”

The City is named among Top 100 Best Places to Live by Livability.com, an online resource that defines the best places to live in America. It released its 2018 Top 100 Best Places to Live and the City of Coral Gables has rightfully earned a spot in this year's ranking. More than 2,100 cities with populations between 20,000 and 350,000 were evaluated in this landmark study. The site uses the best data and research available to determine what makes a Best Place to Live and identifies the cities that embody these qualities. In addition to being one of the Best Places to Live, Coral Gables is also among the Top 10 Cities for Book Lovers. Moreover, the City was voted “Favorite Area in the 305” by YELP, an international online guide; and Wall Street named the City as “sixth most walkable suburbs in the US”. The Venetian Pool, Coral Gable’s historic natural freshwater pool was voted one of the world’s coolest pool by Travel and Leisure Magazine and earned the Jeff Ellis Platinum Safety Award (the highest level awarded for open water).

The City received the 2022 Smart City Innovation Excellence Award from the Smart Cities Council, an international organization headquartered in Washington D.C. The Smart Cities Council wrote: “Coral Gables has been a leader in applying technology to improve operational efficiencies, quality of life, public safety and mobility.” The City was named 2022 Smart City by the Institute of Electrical and Electronics Engineers (IEEE). Furthermore, The City continues to expand its public Wi-Fi and fiber optics network. This is part of the Smart Districts Broadband Infrastructure Expansion Project.

City of Coral Gables Chief Innovation Officer / Director of Information Technology was selected as the City Executive of the Year by the 2022 LocalSmart Awards. Per the award organization: *“This program highlights the people and projects making city, county and municipal government better.”*

Coral Gables has been named a "Tree City USA" for 37 consecutive years. To live up to this title, the City joined the Fairchild Tropical Botanic Garden in launching the “Million Orchid Project” with the goal of reintroducing a total of one million orchids across Miami-Dade County; of which 250,000 will be planted throughout the City. The City budgets \$30,000 annually for the next four years towards the project. In addition, to preserve the City’s lush tree canopy, a \$4.5 million Tree Succession Plan has been adopted and implemented with the ongoing goal of replacing diseased trees as well as adding over 3,000 new trees and palms citywide. The City is also in the process of replacing the 1,000 city trees lost in Hurricane Irma. Lastly, the City has five certified arborists on staff who lead in managing the overall health and protection of about 39,000 trees planted on City property and rights-of-way.

The City is proud to own one of only three National Landmarks in Miami-Dade County: The Biltmore Hotel, designated in 1996. There are also eleven properties listed on the National Register of Historic Places, including The Biltmore Hotel, Coral Gables Merrick House, Venetian Pool and Coral Gables City Hall, as well as over 1,450 locally designated properties.

For thirteen consecutive years, Coral Gables has been designated as a Playful City USA community. Playful City USA is a national recognition program that honors cities and towns across the country for taking bold steps that make it easy for all kids to get the balanced and active play they need to thrive. Coral Gables has been recognized for its efforts to create a more playable, family-friendly community.

Coral Gables was recognized as a city where entrepreneurs can thrive and was ranked the third best city in the nation for small businesses by Verizon’s partner company, Go.Verizon.com in its *2019 Best Small Cities to Start a Small Business* report for the National Small Business Week and Economic Development Week. According to Go.Verizon.com, more than 300 small cities were evaluated on their financial climate, demographics, education level of the workforce, in-city commute times, income per capita, broadband access, availability of SBA loans and overall tax friendliness for small businesses.

ECONOMIC CONDITION AND OUTLOOK

For fiscal year 2022, taxable values are the highest in the history of the City at \$19.1 billion (based on January 2021 taxable values) which represents a 10% increase over the previous tax year of \$17.4 billion (based on January 2020 taxable values) generating an increase in property tax revenue of approximately \$10.4 million. For fiscal year 2022, the property tax rate was 5.559 which is the seventh consecutive year the City maintained the same millage rate.

The City Commission adopted an annual budget for fiscal year 2022 and a 3-year city-wide strategic plan that captured the programmatic and budgetary priorities of the City with supporting action plans and performance measurements destined to make Coral Gables “a world-class City with a hometown feel”. The annual budget together with the 3-year strategic plan and 5-year capital plan charted a deliberate and measurable path to world class excellence that supports the steadfast implementation of the City’s sound financial policies. The fiscal year 2022 budget provided for additional funds towards the capital improvement program totaling \$84.7 million. Highlights include replacement of capital equipment of \$4.4 million, facility repairs and improvements of \$2.3 million, historic facility repairs and restorations of \$3.7 million, motor pool equipment replacement of \$3.4 million, parking system repairs and improvements of \$44.3 million, parks and recreation amenity improvements of \$9.6 million, public safety improvements of \$3.4 million, transportation and roadway improvements of \$4.6 million and utility repairs and improvements of \$9.1 million.

The City remains steadfast in its commitment to maintain the gold standard in services and infrastructure its residents and businesses expect.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City has a formal policy to keep in reserve 25% of the City’s operating budget plus debt service requirement for fiscal year 2022. The City has met the reserve requirement of \$50.70 million as of September 30, 2022. The fund balance reserve requirement was established as the City’s “rainy day” fund.

Under the oversight of the City Manager’s Office, the City launched a new state-of-the-art website offering an updated look, greater ease of use, and improved search and navigation capabilities. In fiscal year 2022, the City opened the Development Services Center at 427 Biltmore Way. This facility serves as a one-stop shop for all permitting, code enforcement, planning, and zoning needs. It provides a streamlined permitting process. Furthermore, the Building Department has transitioned to on-line permitting and digital plan reviews. The City

expanded the hours of trolley operations from 6:30 a.m. to 8 p. m. to 6:30 a. m. to 10 p. m. Monday through Saturday. In addition, it added QR code signage at trolley stops providing real time information for customers and upgraded three surface parking lots.

The City installed 15 traffic calming devices and 56 ADA-detectable warning mats. It also replaced more than 2.5 miles of sidewalks and pedestrian ramps, milled, and resurfaced nearly four lane miles of roadways, and planted 60 trees to increase tree canopy. The City also continued to advance LED street light conversions increasing visibility, reducing glare, and improving overall safety. In fiscal year 2022, The City began operating the historic Coral Gables Golf & Country Club. Moreover, two new neighborhood parks were inaugurated: Maggiore Park and Lamar Louise Curry Park.

The City implemented a piloted drone technology which enhances the Police Department’s ability to protect and respond during emergencies and/or large scale events. Plans were also put in place to add a new Police unit dedicated to patrolling Downtown Coral Gables. This in turn will expand the City’s presence in the Central Business District. The City named the Fire Department as one of the Top Five Emergency Medical Services’ agencies with the highest Patient Satisfaction and Engagement. The City also implemented the Lifenet program in all of its rescue vehicles to better assist heart attack victims by providing critical patient information to hospitals prior to their arrival. Everbridge, a text emergency notification system, was launched to alert residents about possible life safety issues. The City also premiered a new Mobile Command Center providing satellite capabilities for emergencies and/or special events. Installation of new security cameras and traffic sensors took place at four key intersections.

The City received LEED for Cities Gold certification, the world’s most widely used green building rating system and was recognized for implementing practical and measurable strategies and solutions to improve sustainability. Earned the Keep Florida Beautiful 2022 Outstanding Project Award for a mangrove cultivation project, in partnership with the Coral Gables Garden Club. The City installed the first reverse vending machine at the War Memorial Youth Center to encourage recycling of plastic bottles and aluminum cans.

The City passed a resolution in 2015 authorizing the implementation of the unfunded pension liability accelerated pay down policy. The policy was adopted to reduce the amount of time to fully fund the current unfunded liability amount and where funds are available, eliminate any future pension unfunded liabilities as they may arise. This resolution allows for budgeting additional payments above the annual required contribution in order to more quickly fund the unfunded liability. As part of the implementation of the policy, the City contributed an additional \$6.75 million to the Coral Gables Retirement System in October 2021 which was applied towards the unfunded liability. The City has contributed a total of \$28.86 million in additional funds towards the unfunded liability since fiscal year 2016.

The City is maintaining financial stability with fiscal management controls by constantly reviewing and monitoring staff levels, and by comparing budget appropriations to actual expenditures, and estimated revenues to actual revenues. The City maintains a level of revenue sufficient to meet operating expenditures. User fees are monitored and adjusted to match increased costs while at the same time being competitive in the market place. By strictly adhering to these controls, the City was able to maintain the fund balance reserve to a responsible level of at least 25% of the operating budget plus debt service payment requirements of the following year.

The City Commission adopted an annual budget for fiscal year 2022-2023 and a new 3-year strategic Management Plan that captures the programmatic and budgetary priorities of the City Commission while continuing its path to world class excellence that support the steadfast implementation of the City’s sound financial policies.

The fiscal year 2023 budget provides for additional funds towards the capital improvement program totaling \$43.9 million. Highlights include replacement of capital equipment of \$2.9 million, facility repairs and improvements of \$1.8 million, historic facility repairs and restorations of \$8.1 million, motor pool equipment replacement of \$3.6 million, parking system repairs and improvements of \$1.3 million, parks and recreation amenity improvements of

\$3.9 million, public safety improvements of \$9.6 million, transportation and roadway improvements of \$3.8 million and utility repairs and improvements of \$9.0 million.

The 2020-2022 Strategic Plan was implemented at the start of fiscal year 2020. The new three-year strategic plan is a city-wide work program that positions the City for consistent success moving forward. This plan includes improved processes, ongoing community satisfaction survey to further guide improvements and validate successes, well-trained employees, financial sustainability, and greener business practices. The annual budget adopted by the City represents the comprehensive financial plan on resource allocation, timeliness and deliverables for each action plan tied to the new strategic plan.

The City's first Sustainability Master Plan is underway, which is part of the City's overall commitment to strategic and comprehensive sustainability planning throughout all City departments. Focus areas include six sustainable elements such as energy efficiency, resource conservation, land use and transportation, waste minimization, education and outreach, and climate resiliency. As part of the Sustainability Master Plan, the City has developed an eight-year vehicle replacement program budget that utilizes a mixture of funds from the motor pool reserves and increments from recurring revenues to plan and finance the fleet replacement in a manner consistent with standard vehicle replacement cycles. This plan will improve the fuel efficiency and reduce operating costs of the City's fleet system.

The City is taking actions to reduce the carbon footprint through improved infrastructure, with the addition of the Grand Avenue Loop to the free trolley service. This new loop is intended to reduce car use by encouraging public transportation, as the new loop will provide service from the Douglas Metro Station. The City passed a Green Building Ordinance in April 2016 that requires buildings in Coral Gables to be built according to the latest applicable version of the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Silver certification or equivalent. This applies to all new City buildings, buildings being constructed on City of Coral Gables property, and all buildings to be built over 20,000 square feet which are not owned by the City of Coral Gables. With this new law, the City is encouraging new development which utilizes sustainable design and construction best practices. The City's Green Building Ordinance recognizes the positive environmental impacts of energy and water-efficient building designs, as well as construction, operation and maintenance methods and materials. This Ordinance is aligned with a number of other environmentally friendly initiatives that have been implemented in Coral Gables, all aimed at creating a more sustainable and resilient community.

The City is proud to have the largest municipal fleet of electric vehicles (EV) in the State of Florida, and currently has 70 electric vehicles.

The City received a Bronze designation from the national SolSmart program for making it faster, easier, and more affordable for homes and businesses to go solar. This designation recognizes the City for taking bold steps to encourage solar energy growth and remove obstacles to solar development. For companies looking to expand, a SolSmart Bronze designation is a signal that the City is "open for solar business."

Climate change is an issue that Coral Gables takes very seriously with particular weight placed on rising sea level. The City has dedicated \$250,000 in partnership with Florida International University to analyze mitigation and adaptation strategies for the community. City of Coral Gables is planning for the future by undergoing a community vulnerability assessment. The assessment will identify the City's at-risk infrastructure and will propose adaptation and mitigation strategies to deal with the projected effects of rising sea level. In addition, the City implemented a Sea Level Rise Funding Program where the goal is to accumulate \$100 million by the year 2040 to support future sea level mitigation/infrastructure improvements. As a funding strategy to provide and accumulate funds for capital infrastructure improvements, the City increased the user rates and set aside this fund for this purpose.

FINANCIAL INFORMATION

Budgetary Controls. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund and debt service funds are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the total appropriated for expenditures in all funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Open encumbrances generally are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

OTHER INFORMATION

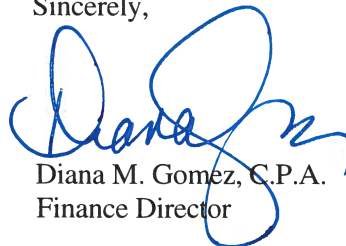
Independent Audit. The City Charter and State Statutes require an annual audit. The accounting firm of RSM US LLP was appointed by the City Commission. The Audit engagement requires the independent auditor to report on the fair presentation of the financial statements and on the City's internal controls and compliance with applicable requirements.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the thirty eighth consecutive year that the City has received this award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments. The preparation of the annual comprehensive financial report was made possible by the dedicated service of the entire staff of the Finance Department. Sincere appreciation is extended to each member of the Finance Department for their contributions made in the preparation of this report. This report would not have been possible without the continued leadership and support of the Mayor, City Commission and City Manager.

Sincerely,



Diana M. Gomez, C.P.A.
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Coral Gables
Florida**

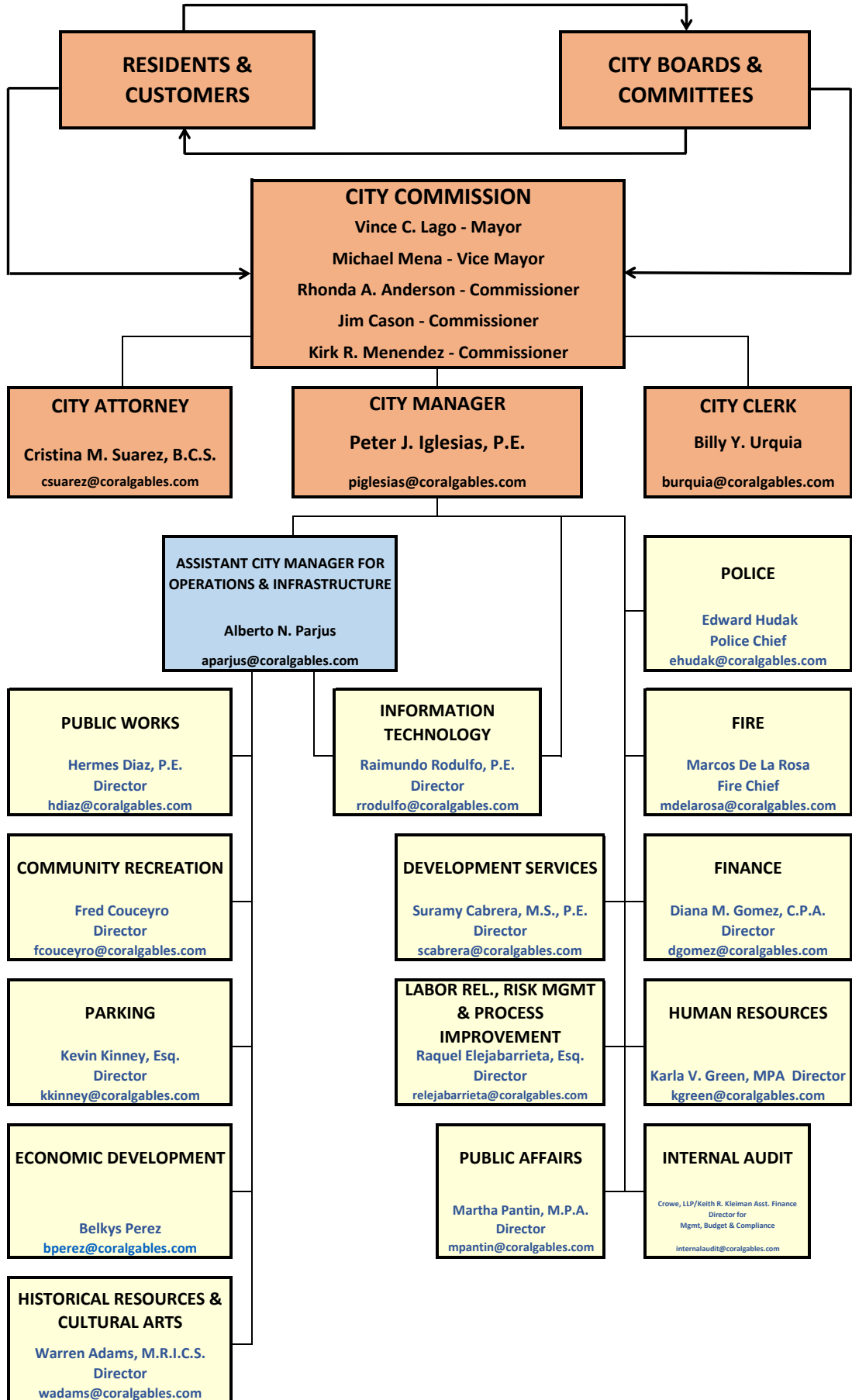
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

**CITY OF CORAL GABLES, FLORIDA
ORGANIZATION CHART**



**CITY OF CORAL GABLES
LIST OF PRINCIPAL OFFICIALS**



VINCE C. LAGO
MAYOR



MICHAEL MENA
VICE MAYOR



JIM CASON
COMMISSIONER



RHONDA ANDERSON
COMMISSIONER



KIRK R. MENENDEZ
COMMISSIONER



BILLY Y. URQUIA
CITY CLERK



PETER J. IGLESIAS
CITY MANAGER



CRISTINA M. SUAREZ
CITY ATTORNEY

ALBERTO PARJUS
ASSISTANT CITY MANAGER

DEPARTMENT DIRECTORS

Community Recreation	Fred Couceyro
Development Services	Suramy Cabrera
Economic Development	Belkys Perez
Finance	Diana M. Gomez
Fire Chief	Marcos De La Rosa
Historical Resources	Warren Adams
Human Resources	Karla Green
Information Technology	Raimundo Rodulfo
Labor Relations & Risk Mgmt.	Raquel Elejabarrieta
Parking	Kevin J. Kinney
Police Chief	Edward Hudak
Public Affairs	Martha Pantin
Public Works	Hermes Diaz



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Financial Section

REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

BASIC FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION (Unaudited)



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RSM US LLP

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of 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 as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coral Gables, Florida, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City of Coral Gables Retirement Fund and Police Officers' Pension Fund, which represent 85%, 88%, and 72%, respectively, of the assets, net position, and revenues of the aggregate remaining fund information as of September 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for City of Coral Gables Retirement Fund and Police Officers' Pension Fund, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* as of October 1, 2021. As a result, beginning lease receivable, right-of-use asset, lease liability, and deferred inflows of resources balances were restated. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison schedule for the general fund and pension and other post-employment (OPEB) related information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Miami, Florida
March 31, 2023



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MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

This section of the City of Coral Gables, Florida (the City) financial statements presents management’s analysis of the City’s financial performance during the fiscal year that ended on September 30, 2022. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal and the City’s financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$300.75 million (net position). Of this amount, unrestricted net position is \$453 thousand which increased by \$34.30 million when compared to prior year mainly due to the positive change in net position of \$64.53 million. Further analysis of the positive change in net position is discussed in the following pages of this document.
- As of the close of the current fiscal year, the City’s governmental funds reported combined fund balances of \$157.37 million, an increase of \$17.46 million in comparison with the prior year. The General Fund’s unassigned fund balance of \$50.70 million met the City’s formal policy which sets the unassigned fund balance at 25% of the City’s operating budget plus debt service requirement of fiscal year 2023.
- At the end of the current year, the total of the committed, assigned, and unassigned components of fund balances for the general fund which includes the aforementioned 25% reserve, was \$67.82 million or 43.06% of the total general fund expenditures and is available for future spending.
- The City has no general obligation debt outstanding.
- The 2021-2022 annual principal and semi-annual interest payments on loans from the Sunshine State Governmental Financing Commission are 100% funded from the non-ad valorem revenues of the General Fund; and operating revenues of the Parking System Fund, Sanitary Sewer System Fund; and the Stormwater Utility Fund.
- During fiscal year 2022, the City issued Capital Improvement Refunding Revenue Bonds Taxable Series 2022A and Series 2022B with combined principal amount of \$19.12 million to accomplish the current refunding of Series 2016A and Series 2016B with outstanding principal balance of \$18.66 million. The Series 2022A and Series 2022B are taxable bonds with a fixed rate of 2.59% payable on April 1 and October 1 of each year and matures on April 1, 2037.
- As part of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), the Miami-Dade County (“County”) and the City executed an interlocal agreement in August 2020 for the City as sub-recipient of the Coronavirus Relief Fund. As of September 30, 2022, the County approved approximately \$5.21 million of City’s expenditures necessary for public health emergency such as public safety personnel costs, telework improvement, disinfection, personal protective equipment, and social distancing measures. The City received \$5.21 million as reimbursement from the County as of end of fiscal year 2022.

- As part of the American Rescue Plan Act of 2021 (“ARPA), the City received its local funding allocation of \$8.52 million under the revenue replacement funding category and the City expended the funds on salaries of public safety personnel and was recognized as grant revenue in fiscal year 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The basic financial statements consist of three parts: government-wide financial statements, fund financial statements and notes to the financial statements.

This report also includes required supplementary information that provides more detail to some of the information in the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the City’s finances and reports information using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the City’s assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. It provides information about the nature and amounts of investments in resources (assets and deferred outflows of resources) and the obligations to City creditors (liabilities and deferred inflows of resources). Net position, the difference between assets, plus deferred outflows of resources, less liabilities and deferred inflows of resources, provides the basis for computing the City’s rate of return, evaluating its capital structure, and assessing its liquidity and financial flexibility. Over time, increases or decreases in net position may serve as a useful indicator of whether the City’s financial position is improving or deteriorating.

The Statement of Activities measures the City’s operating activity performance over the past year and can be used to determine whether the City has successfully recovered all its costs through its services provided, as well as its credit worthiness. 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 periods.

The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, public safety, physical environment, transportation, economic environment and culture and recreation. Business-type activities include a stormwater utility, a sanitary sewer collection system and a parking system.

The government-wide financial statements can be found on pages 17-18 of this report.

Fund Financial Statements

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, these funds focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains nine individual governmental funds. Information is presented separately for the general fund, debt service fund and capital project general improvement fund, as they are considered major funds. Data for the other governmental funds are aggregated into a single presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 21-24 of this report.

Proprietary Funds - The City maintains two different types of proprietary funds, i.e., Enterprise Funds and Internal Service Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its stormwater utility, sanitary sewer collection system and parking system. Internal service funds are an accounting device used to accumulate and allocate costs between the City's various functions. The City uses internal service funds to account for its motor pool and facility maintenance and operations divisions, as well as for its workers' compensation, general liability, and health insurance programs. Since these services primarily support governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements.

Proprietary funds provide the same type of information as the government-wide statements. Separate information is provided for each of the City's enterprise funds, however, the City's internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data are presented in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government and, consequently, are not reflected in the government-wide statements because the resources are not available to support the City's own programs. The accounting for fiduciary funds is much like that of proprietary funds.

The basic fiduciary fund financial statements can be found on pages 30-31 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found beginning on page 32 of this report.

Other information - In addition to the basic financial statements and notes, this report also presents certain required supplementary information concerning the City's net pension liability and total OPEB liability. Additionally, the City adopts an annual appropriated budget for its

general fund and debt service fund. A budgetary comparison schedule has been provided as required supplementary information for the general fund to demonstrate compliance with this budget. Required supplementary information can be found beginning on page 93 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 103 of this report.

Government-Wide Financial Analysis

Our analysis of the government-wide financial statements of the City begins below. One of the most important questions asked about the City’s finances is “Is the City as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the City’s activities in a way that will help answer this question. These two statements report the net position of the City and changes in them. You can think of the City’s net position as one way to measure financial health or financial position. Over time, increases or decreases in the City’s net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, regulations and new or changes to government legislation. As of September 30, 2022, the City’s total net position increased by \$64.53 million when compared to prior year which indicates that the City’s overall financial position has continued to improve.

To begin our analysis, a summary of the City’s government-wide Statement of Net Position is presented in Table A-1.

Table A-1
Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 257.71	\$ 218.17	\$ 72.65	\$ 65.53	\$ 330.36	\$ 283.70
Capital assets	297.40	296.78	60.15	44.55	357.55	341.33
Total Assets	555.11	514.95	132.80	110.08	687.91	625.03
Total Deferred Outflows of Resource	33.50	37.43	1.23	1.51	34.73	38.94
Current liabilities	31.13	33.56	5.83	3.10	36.96	36.66
Noncurrent liabilities	257.32	341.93	30.04	34.30	287.36	376.23
Total Liabilities	288.45	375.49	35.87	37.40	324.32	412.89
Total Deferred Inflows of Resource	89.45	14.25	8.12	0.61	97.57	14.86
Net Position:						
Net Investment in capital assets	193.52	188.48	45.49	34.81	239.01	223.29
Restricted	46.57	35.81	14.46	10.95	61.03	46.76
Unrestricted (Deficit)	(29.38)	(61.65)	30.09	27.82	0.71	(33.83)
Total Net Position	\$ 210.71	\$ 162.64	\$ 90.04	\$ 73.58	\$ 300.75	\$ 236.22

The major component of the City's net position is "net investment in capital assets", which represents the City's investment in its capital assets, net of the amounts borrowed to purchase these assets. An additional portion of the City's net position of \$66.52 million, or 22.12% of the net position, is restricted due to external restrictions on how they may be used. The City's unrestricted net position is a deficit of \$5.03 million.

For the governmental activities, capital assets represent 53.57% of total assets, while noncurrent liabilities represent 89.21% of the total liabilities. For the business-type activities, these capital assets represent 45.30% of total assets, while noncurrent liabilities represent 83.74% of the total liabilities.

Current and other assets showed a net increase of \$39.54 million for governmental activities mainly due to (a) positive results of operations of \$48.07 million as shown in the statement of activities on page 18 of this report which resulted to the increase of \$11 million in cash and investments; and (b) implementation of GASB Statement 87, *Leases*, and recognition of lease receivables with an ending balance as of September 30, 2022 of \$28.48 million resulting from leasing activities as a lessor. Current and other assets increased \$7.12 million for business-type activities mainly due to implementation of GASB Statement 87, *Leases*, and recognition of lease receivables with an ending balance as of September 30, 2022 of \$5.97 million resulting from leasing activities as a lessor. More detailed analysis of this change is included in the analysis of the Proprietary Funds that follows.

Current liabilities showed a net decrease of \$2.43 million for governmental activities due to ARPA grant funding of \$4.26 million which represents the first tranche of disbursement from the federal government, received but unspent in fiscal year 2021 and reported as unearned liability. This amount and the second tranche of disbursement for total grant funding of \$8.5 million was fully expended in fiscal year 2022 and recognized as grant revenue. This decrease was offset by increase of \$1.00 million in outstanding contractor invoices related to various improvement projects, and increase in refundable deposit on construction projects of \$920 thousand. Current liabilities increased \$2.73 million for business-type activities mainly due to increase in outstanding contractor invoices related to various improvement projects, i.e., construction of a new parking garage, sanitary sewer system inflow and infiltration maintenance projects and stormwater infrastructure maintenance and upgrades.

Total Non-current liabilities had a net decrease of \$88.87 million mainly due to (a) decrease in net pension liability of \$78.67 million; (b) payment of scheduled annual principal payments of \$5.55 million, and amortization of bond premium of \$1.9 million; (c) repayment of capital lease payable of \$100 thousand; (d) decrease in total OPEB liability of \$4.76 million; (e) decrease in claims payable of \$160 thousand; (f) increase in pollution remediation obligation of \$2.36 million; (g) recognition of lease liability of \$1 million related to implementation of GASB 87 on right-to-use leased assets; (h) decrease in advances from insurance company of \$504 thousand; and (i) decrease in deferred employer payroll taxes of \$2.19 million.

The deferred outflows of resources consist of deferred outflows related to pension and OPEB, and deferred charge on bond refunding. Deferred outflows related to pension and OPEB of \$34.37 million consists of difference between expected and actual experience and pension and OPEB contributions to be expensed in the subsequent period.

The deferred inflows of resources consist of deferred inflows related to pension of \$55.15 million representing the net difference between projected and actual earnings on pension plan investments; deferred inflows related to OPEB of \$8.52 million represents the difference between actual and expected experience and changes in assumptions; and deferred inflows related to leases of \$33.90 million represents the present value of lease payments expected to be received during the lease terms.

While the Statement of Net Position shows the change in financial position of the City’s net position, the Statement of Activities provides answers as to the nature and source of these changes

Table A-2
Condensed Statement of Activities (In millions of dollars)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
General Revenues:						
Taxes	\$ 121.04	\$ 115.09	\$ -	\$ -	\$ 121.04	\$ 115.09
Intergovernmental	7.18	5.86	-	-	7.18	5.86
Investment Earnings (Losses)	(1.03)	0.27	(1.38)	(0.01)	(2.41)	0.26
Gain on Sale of Capital Assets	-	2.50	3.49	-	3.49	2.50
Insurance Recoveries	0.50	0.50	-	-	0.50	0.50
Miscellaneous	0.20	0.29	-	-	0.20	0.29
Program Revenues:						
Charges for Services	58.64	49.49	37.75	33.26	96.39	82.75
Operating	10.78	7.66	-	-	10.78	7.66
Capital	0.23	3.29	0.05	0.14	0.28	3.43
Total Revenues	197.54	184.95	39.91	33.39	237.45	218.34
Expenses:						
General Government	26.64	26.82	-	-	26.64	26.82
Public Safety	79.79	85.18	-	-	79.79	85.18
Physical Environment	22.63	22.62	-	-	22.63	22.62
Transportation	7.62	6.50	-	-	7.62	6.50
Economic Environment	1.04	1.13	-	-	1.04	1.13
Culture and Recreation	14.30	12.53	-	-	14.30	12.53
Interest Expense	2.75	3.13	-	-	2.75	3.13
Sanitary Sewer System	-	-	8.34	9.02	8.34	9.02
Parking System	-	-	7.28	9.08	7.28	9.08
Stormwater Utility	-	-	2.53	3.05	2.53	3.05
Total Expenses	154.77	157.91	18.15	21.15	172.92	179.06
Increase (decrease) in net position before transfers	42.77	27.04	21.76	12.24	64.53	39.28
Transfers, net	5.30	(7.91)	(5.30)	7.91	-	-
Change in Net Position	48.07	19.13	16.46	20.15	64.53	39.28
Net Position - Beginning	162.64	143.51	73.58	53.43	236.22	196.94
Net Position - Ending	\$ 210.71	\$ 162.64	\$ 90.04	\$ 73.58	\$ 300.75	\$ 236.22

Governmental Activities:

The most significant increase of revenue in governmental activities for the fiscal year 2021-2022 was taxes with an increase of \$5.95 million or 5% mainly due to (a) increase of \$3.4 million in ad valorem taxes collected during the year attributable to the increase in property values in 2021; (b) increase of \$920 thousand in electric franchise tax; (c) increase of \$581 thousand in municipal surtax from the County; (d) increase of \$521 thousand in electric utility service tax; and (e) increase of 356 thousand in waste collection franchise tax .

Charges for services showed an increase of \$9.16 million with certain revenue streams showed significant increases such as (a) permit revenue of \$3.46 million which was a direct effect of timing and size of new construction projects within the City; (b) recreation fee revenue increased by \$3.16 million due to full operations of park facilities and programs post pandemic; and (c) increase in rental income of \$2.3 million as collection increased on rent based on percentage of tenant’s revenue post pandemic.

Operating grants and contributions showed an increase of \$3.12 million mainly due to ARPA grant funding of \$8.5 million which was fully expended and recognized as grant revenue in fiscal year 2022.

Gain on sale of capital assets showed a decrease of \$2.5 million mainly due to gain realized in fiscal year 2021 from a land exchange agreement.

Investment earnings decreased by \$1.30 million mainly due to unfavorable market conditions.

The largest outflow of resources for the City is represented in the public safety function which represents the City’s costs related to providing police and fire services, as well as various ancillary services for the protection of the City’s residents and businesses. Further analysis of change in the expenditures of the governmental fund is included in the analysis of the City’s major funds that follows.

Business-Type Activities:

The City’s business-type activities showed an increase of approximately \$16.46 million in net position. Further analysis of this change is included in the analysis of the Proprietary Funds that follows.

Financial Analysis of the City’s Major Funds

Governmental Funds

General Fund - This fund recognized \$189.34 million of revenue during the fiscal year, offset by \$157.51 million of expenditures. Taxes represent the largest portion of revenues and public safety represents the largest portion of expenditures. Overall, expenditures of General Fund increased by \$7.61 with (a) general government function increased \$1.5 million due to increase in personnel costs and operating expenses such as cost of information technology maintenance and subscriptions; (b) culture and recreation increased by \$3.28 million as a direct result of the city assuming the management and operation of its own country club which was formerly managed by a private company. The City created new divisions such as administration, banquet

hall, fitness and pool, and tennis facility to operate the country club; (c) capital outlay increased by \$1.72 million mainly due to the purchase of a mobile incident command center for public safety needs.

Debt Service Fund – During fiscal year 2022, the City issued Capital Improvement Refunding Revenue Bonds Taxable Series 2022A and Series 2022B with combined principal amount of \$19.12 million to accomplish the current refunding of Series 2016A and Series 2016B with outstanding principal balance of \$18.66 million. Also, in fiscal year 2022, the City paid \$3.86 million in scheduled principal payments.

Capital Project General Improvement Fund - This fund recognized negative net revenue of \$27 thousand due to investment losses and \$14.64 million in capital expenditures. Significant capital project expenditures include the complete renovation of development services building, renovation of city hall, sidewalk extensions and additions, improvements to various parks and recreation facilities, and purchase of new enterprise resource planning system, as well as other construction and improvements to City facilities.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, for business-type activities, but in more detail.

Sanitary Sewer - Operating revenues increased by approximately \$1.25 million and operating expenses decreased by approximately \$730 thousand from the prior year. For fiscal year 2022, the fee was increased by approximately 4% which generated an increase in total fees charged to customers by \$1.01 million. The decrease in the operating expenses is attributable to decrease in pension expense and other post-employment benefit of \$935 thousand which was offset by increased in waste disposal fee of \$397 thousand. During the current year, the Sanitary Sewer Fund transferred approximately \$284 thousand to the General Fund as a reimbursement for use of the City's administrative departments.

Parking System - Operating revenues increased by approximately \$2.24 million which indicates that the parking revenue is continuing its track to post-pandemic recovery of revenue. The operating expense showed a decrease of \$1.52 million mainly related to decrease in pension expense and other post-employment benefit of \$1.67 million. During the year, the Parking Fund transferred to the General Fund approximately \$7.93 million to subsidize the cost of General Fund operations, as well as a reimbursement for use of the City's administrative departments. The Parking Fund also received \$2.27 million from the Capital Project Impact Fee Fund and \$576 thousand from Capital Project General Improvement Fund to fund the construction of the new parking garage.

Stormwater Utility Fund - Operating revenues increased by approximately \$1.01 million from the prior year. In fiscal year 2022, the City increased the system user rates by approximately 8.96% as a funding strategy to provide and accumulate funds for sea level rise mitigation and capital infrastructure improvements. With this City Commission approved funding strategy in place, the goal is to accumulate \$100 million by fiscal year 2040. For fiscal year 2022, \$3.55 million of operating revenue related to this rate increase was recognized as addition to restricted net position and presented as Net Position - Restricted for Capital Improvements in Statement of Net Position. In addition, during fiscal year 2022 the Stormwater Utility Fund transferred

approximately \$77 thousand to the General Fund as a reimbursement for use of the City's administrative departments.

General Fund Budgetary Highlights

Budget and actual comparison schedules for the General Fund are presented in the required supplementary information. The budget and actual comparison schedules show the original adopted budgets, the final revised budget, actual results, and variances between the final budget and actual results.

After the original budget is approved, it may be amended for a variety of reasons such as unforeseen circumstances, loan proceeds, new grant awards, or other unanticipated revenues and expenditures.

Differences between the original budget and the final amended budget for the General Fund are summarized as follows:

The City's budgeted revenues increased from \$158.45 million to \$161.02 million from the original to the final budget. For the fiscal year, the budget amendments related to revenue pertain to (a) increase in intergovernmental revenues for additional grant funding from federal agency of \$487 thousand, (b) increase in recreation activity fee of \$928 thousand as direct result of the city assuming the management and operation of its own country club which was formerly managed by a private company, and (c) increase in rental income of \$1.01 million from rent income based on percentage of tenant's revenue post pandemic

The City's budgeted expenditures increased from \$162.30 million to \$166.73 million from the original to the final budget. For the fiscal year, the budget amendments are mainly due to funding of new divisions created for the management and operation of the country club which was formerly managed by a private company, public safety grant activity of \$487 thousand, and reappropriation of expenditures for purchase orders commitments which are funded from available fund balance.

The City budgeted \$161.02 million in revenue and recognized \$189.34 million. The City budgeted \$166.73 million in expenditures and incurred \$157.51 million.

The budget to actual positive variances in revenue were mainly due to improved trend as operations recover from the impact of the pandemic. Revenue sources that showed significant positive variance are property taxes, building permit and fees due to timing and level of activity in the construction industry, franchise and utility service taxes; recreation fee revenue, rental income; and intergovernmental revenue due to the \$8.5 million of ARPA grant funds.

The budget to actual variances in expenditures were mainly due to management initiatives towards more prudent control on spending, and timing on the spending and progress of long-term projects and initiatives of the City.

Capital Assets and Debt Administration

Capital Assets

The City’s capital assets for its governmental and business type activities as of September 30, 2022 amounted to \$356.21 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, and bridges. The City’s investment in net capital assets increased by \$14.88 million from the prior year.

During the current fiscal year, significant additions in governmental activities included \$6 million for the improvements and renovations of City facilities, \$2.90 million for improvements to parks and other recreation facilities; and purchase of mobile incident command center for \$1.20 million.

Significant additions for business-type activities included \$10.6 million in construction in progress of parking garage; and \$3 million relating to various pump stations and \$200 thousand in machinery and equipment.

Table A-3

Capital Assets (In millions of dollars)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 61.77	\$ 61.02	\$ 3.67	\$ 3.70	\$ 65.44	\$ 64.72
Construction in Progress	12.76	8.32	16.97	3.45	29.73	11.77
Infrastructure	113.07	113.07	36.00	34.43	149.07	147.50
Building	134.05	134.21	30.22	30.23	164.27	164.44
Improvements Other Than Buildings	100.74	96.87	1.90	0.82	102.64	97.69
Machinery and Equipment	63.05	64.39	5.20	4.92	68.25	69.31
Right-to-Use Leased Asset	0.57	-	0.77	-	1.34	-
Total Capital Assets	486.01	477.88	94.73	77.55	580.74	555.43
Accumulated Depreciation	188.61	181.10	34.58	33.00	223.19	214.10
Net Capital Assets	\$ 297.40	\$ 296.78	\$ 60.15	\$ 44.55	\$357.55	\$ 341.33

Additional information on the City’s capital assets can be found in Note 5 of this report.

Debt Administration

The City has maintained its “AAA” issuer credit rating from Standard & Poor's Corporation, Moody’s Investors Service and Fitch Ratings. The City has no general obligation bonds outstanding as of September 30, 2022.

The City has utilized the Sunshine State Governmental Financing Commission (the “Commission”) since 1987 as its source to finance the acquisition and construction of City facilities. Starting in fiscal year 2021, the City has directly issued special obligation bonds to

refund certain bonds which were direct borrowings from the Commission. As of September 30, 2022, special obligation bonds outstanding are direct borrowings from private sources, except for the Capital Improvement Revenue Bonds, Series 2018A and 2018B in the amount of \$69.84 million loan issued on May 31, 2018 which were direct borrowing from the Commission.

The City’s total outstanding principal debt outstanding as of September 30, 2022 was \$125.80 million. Financing is provided by a general pledge of resources other than property taxes and the amount needed is transferred from other funds.

Additional long-term liabilities include compensated absences payable, pollution remediation obligation, total OPEB liability, estimated claims liabilities related to the City’s self-insurance programs, advances from insurance company, lease liabilities, and net pension liability. The City’s General Fund is primarily utilized for the payment of these liabilities for the governmental activities. Overall, long-term liabilities decreased by \$88.87 million mainly due to (a) decrease in net pension liability of \$78.67 million; (b) payment of scheduled annual principal payments of \$5.55 million, and amortization of bond premium of \$1.9 million; (c) repayment of capital lease payable of \$100 thousand; (d) decrease in total OPEB liability of \$4.76 million; (e) decrease in claims payable of \$160 thousand; (f) increase in pollution remediation obligation of \$2.36 million; (g) recognition of lease liability of \$1 million related to implementation of GASB 87 on right-to-use leased assets; (h) decrease in advances from insurance company of \$504 thousand; and (i) decrease in deferred employer payroll taxes of \$2.19 million.

Table A-4
Long-Term Liabilities (In millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Special Obligation Debt	\$ 101.46	\$ 105.90	\$ 24.34	\$ 25.45	\$ 125.80	\$ 131.35
Estimated Insurance Claims	13.67	13.83	-	-	13.67	13.83
Accrued Compensated Absences	11.68	11.99	0.41	0.39	12.09	12.38
Capital Lease	-	0.10	-	-	-	0.10
Lease Liabilities	0.50	-	0.50	-	1.00	-
Pollution Remediation Obligation	2.70	0.34	-	-	2.70	0.34
Advances from Insurance Company	0.06	0.57	-	-	0.06	0.57
Deferred Employer Payroll Taxes	-	2.19	-	-	-	2.19
Total OPEB Liability	23.97	28.24	1.00	1.49	24.97	29.73
Net Pension Liability	103.28	178.77	3.79	6.97	107.07	185.74
Total	\$ 257.32	\$ 341.93	\$ 30.04	\$ 34.30	\$ 287.36	\$ 376.23

Additional information on the City’s long-term debt can be found in Note 7 of this report; net pension liability and total OPEB liability are discussed in Notes 8 and 9, respectively, of this report.

Economic Factors and Next Year's Budget and Rates

Local, national, and international economic factors influence the City's revenue. The pandemic had a major effect on the local and global economies, both at current and future state. For fiscal year 2022-2023, City's revenues have surpassed prior years by a healthy margin. The boom in the housing market has given the City a substantial boost in overall property values and generating a 10% increase in taxable values. Expenditures, on the other hand, increase due to the recent increase in inflation. The City carefully balance the distribution of increased revenue to cover increased expenditures.

Economic growth in the local economy may be measured by a variety of indicators such as employment growth, unemployment rate, new construction and assessed property valuation. Net assessed value of real and personal property within the Miami-Dade County increased by 11.8%.

The City is considered one of the premium office markets in South Florida, with approximately 10 million square feet of existing prime office space. This submarket is desirable due to its proximity to Miami International Airport and downtown Miami area, while also being convenient to executive housing, allowing officers to live and work in the City Beautiful. Access to client entertaining, world-class restaurants and first-class hotels, in addition to rich cultural offerings and a broad range of retail establishments, are also seen as important amenities to attract business and growth.

The City of Coral Gables offers a wide range of housing choices including rental units, condominiums, and single-family homes in a stable residential real estate market. Over the years, homes in the City have appreciated at a rate greater than many of the surrounding areas. The City's property tax millage rate will be 5.559 for FY 2022-2023 and it is the 11th lowest combined tax rate out of 35 taxing entities in Miami-Dade County, Florida. The estimated average taxable value of a homesteaded property in the City was 742,689 in 2022, has increased by approximately 14% since 2018. Strict zoning laws, a favorable property tax rate, together with beautiful residential areas, make the City of Coral Gables a sought-after address.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Finance Director, 405 Biltmore Way, Coral Gables, Florida 33134.

Basic Financial Statements

Government-Wide Financial Statements

Fund Financial Statements

Notes to the Financial Statements

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF NET POSITION
September 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 54,768,229	\$ 2,985,081	\$ 57,753,310
Restricted Cash and Cash Equivalents	9,979,998	4,796,137	14,776,135
Investments	97,625,855	27,829,943	125,455,798
Restricted Investments	41,316,443	22,634,885	63,951,328
Accounts Receivable, Net	14,513,987	5,382,804	19,896,791
Interest Receivable	37,913	14,788	52,701
Assessment Liens Receivable	6,776,765	69,696	6,846,461
Lease Receivable	28,475,538	5,971,943	34,447,481
Internal Balances	(2,625,894)	2,625,894	-
Due from Other Governments	4,232,816	338,178	4,570,994
Inventory	92,743	-	92,743
Prepaid and Deposits	2,517,676	-	2,517,676
Capital Assets Not Being Depreciated:			
Land	61,773,807	3,666,668	65,440,475
Construction in Progress	12,762,849	16,969,269	29,732,118
Capital Assets, Net of Accumulated Depreciation:			
Infrastructure	13,320,129	21,376,077	34,696,206
Buildings	103,394,508	14,645,930	118,040,438
Improvements Other Than Buildings	80,941,280	1,259,990	82,201,270
Machinery and Equipment	24,696,413	1,738,657	26,435,070
Right-To-Use Leased Assets	511,329	498,406	1,009,735
Total Assets	<u>555,112,384</u>	<u>132,804,346</u>	<u>687,916,730</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	354,856	-	354,856
Deferred Outflows Related to Pension	29,782,879	1,093,005	30,875,884
Deferred Outflows Related to OPEB	3,355,991	139,833	3,495,824
Total Deferred Outflows of Resources	<u>33,493,726</u>	<u>1,232,838</u>	<u>34,726,564</u>
LIABILITIES			
Accounts Payable	11,342,545	5,051,399	16,393,944
Accrued Payroll	1,956,509	68,085	2,024,594
Unearned Revenue	9,387,945	297,459	9,685,404
Due to Other Governments	369,271	-	369,271
Deposits Payable	8,069,035	416,808	8,485,843
Noncurrent Liabilities:			
Due Within One Year	16,214,074	1,918,705	18,132,779
Due In More Than One Year	241,106,525	28,124,961	269,231,486
Total Liabilities	<u>288,445,904</u>	<u>35,877,417</u>	<u>324,323,321</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Leases	28,077,110	5,824,792	33,901,902
Deferred Inflows Related to Pension	53,194,643	1,952,198	55,146,841
Deferred Inflows Related to OPEB	8,181,012	340,876	8,521,888
Total Deferred Inflows of Resources	<u>89,452,765</u>	<u>8,117,866</u>	<u>97,570,631</u>
NET POSITION			
Net Investment in Capital Assets	193,518,594	45,484,948	239,003,542
Restricted for:			
Debt Service	6,729,302	-	6,729,302
Public Safety	15,561,655	-	15,561,655
Mobility Improvements	7,232,740	-	7,232,740
Capital Improvements	5,671,552	14,463,192	20,134,744
Law Enforcement	1,791,866	-	1,791,866
Public and Historic Art	7,423,339	-	7,423,339
Records Management	2,162,798	-	2,162,798
Unrestricted (Deficit)	(29,384,405)	30,093,761	709,356
Total Net Position	<u>\$ 210,707,441</u>	<u>\$ 90,041,901</u>	<u>\$ 300,749,342</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2022

FUNCTION/PROGRAM	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 26,641,231	\$ 31,983,813	\$ -	\$ -	\$ 5,342,582	\$ -	\$ 5,342,582
Public Safety	79,793,865	8,781,804	10,612,728	-	(60,399,333)	-	(60,399,333)
Physical Environment	22,629,509	9,665,817	130,935	228,652	(12,604,105)	-	(12,604,105)
Transportation	7,622,037	845,862	23,428	-	(6,752,747)	-	(6,752,747)
Economic Environment	1,042,103	-	-	-	(1,042,103)	-	(1,042,103)
Culture and Recreation	14,303,540	7,366,957	16,000	-	(6,920,583)	-	(6,920,583)
Interest on Long-term Debt	2,745,113	-	-	-	(2,745,113)	-	(2,745,113)
Total Governmental Activities	154,777,398	58,644,253	10,783,091	228,652	(85,121,402)	-	(85,121,402)
Business-type Activities:							
Sanitary Sewer System	8,340,450	11,847,168	-	-	-	3,506,718	3,506,718
Parking System	7,276,357	18,505,481	-	-	-	11,229,124	11,229,124
Stormwater Utility	2,524,970	7,401,510	-	48,238	-	4,924,778	4,924,778
Total Business-type Activities	18,141,777	37,754,159	-	48,238	-	19,660,620	19,660,620
Total	\$ 172,919,175	\$ 96,398,412	\$ 10,783,091	\$ 276,890	(85,121,402)	19,660,620	(65,460,782)
General Revenues:							
Taxes:							
					96,338,744	-	96,338,744
					8,669,524	-	8,669,524
					11,996,661	-	11,996,661
					4,031,580	-	4,031,580
					7,183,224	-	7,183,224
					(1,032,550)	(1,383,656)	(2,416,206)
					197,273	-	197,273
					-	3,489,830	3,489,830
					504,185	-	504,185
					5,304,806	(5,304,806)	-
					133,193,447	(3,198,632)	129,994,815
					48,072,045	16,461,988	64,534,033
					162,635,396	73,579,913	236,215,309
					\$ 210,707,441	\$ 90,041,901	\$ 300,749,342

The notes to the financial statements are an integral part of this statement.



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Major Governmental Funds

General Fund - to account for all financial resources that relate to the general operations of the City, except for those required to be accounted for in another fund.

Debt Service Fund – to account for and report the financial resources that are restricted, committed, or assigned for the periodic payment of principal, interest, and expenditures on special obligation long-term debt of governmental funds, specifically, special revenue bonds issued by the City for various capital projects

Capital Project General Improvement Fund - to account for and report the financial resources that are restricted, committed, or assigned for the acquisition or construction of various major capital improvements except those financed by enterprise funds.

CITY OF CORAL GABLES, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2022

	Major Funds			Nonmajor Funds	
	General Fund	Debt Service Fund	Capital Project	Other Governmental Funds	Total Governmental Funds
			General Improvement Fund		
ASSETS					
Pooled Cash and Cash Equivalents	\$ 23,473,725	\$ -	\$ 22,946,760	\$ 1,189,441	\$ 47,609,926
Restricted Pooled Cash and Cash Equivalents	-	1,166,070	883,733	7,930,195	9,979,998
Pooled Investments	52,584,543	-	23,204,913	3,899,839	79,689,295
Restricted Pooled Investments	30,960,105	687,435	996,298	8,672,605	41,316,443
Accounts Receivable, Net	14,217,974	11,000	27,915	168,282	14,425,171
Interest Receivable	20,527	283	7,068	4,566	32,444
Streetscape Projects Assessment Liens Receivable	-	6,726,122	-	-	6,726,122
Other Liens Receivable	48,459	2,184	-	-	50,643
Lease Receivable	28,475,538	-	-	-	28,475,538
Due from Other Funds	214,778	-	-	-	214,778
Due from Other Governments	3,380,837	-	-	851,979	4,232,816
Prepaid and Deposits	54,871	-	-	-	54,871
Total Assets	<u>153,431,357</u>	<u>8,593,094</u>	<u>48,066,687</u>	<u>22,716,907</u>	<u>232,808,045</u>
LIABILITIES					
Accounts Payable	4,382,234	1,861,608	2,196,496	1,458,387	9,898,725
Accrued Payroll	1,888,481	-	-	5,639	1,894,120
Due to Other Funds	-	-	-	214,778	214,778
Unearned Revenue	9,361,145	-	26,800	-	9,387,945
Refundable Deposits	8,069,035	-	-	-	8,069,035
Due to Other Governments	369,271	-	-	-	369,271
Total Liabilities	<u>24,070,166</u>	<u>1,861,608</u>	<u>2,223,296</u>	<u>1,678,804</u>	<u>29,833,874</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows from Leases	28,077,110	-	-	-	28,077,110
Unavailable Revenue	10,519,354	6,728,306	27,913	253,803	17,529,376
Total Deferred Inflow of Resources	<u>38,596,464</u>	<u>6,728,306</u>	<u>27,913</u>	<u>253,803</u>	<u>45,606,486</u>
FUND BALANCES					
Nonspendable:					
Prepaid Items	54,871	-	-	-	54,871
Restricted to:					
Law Enforcement	1,791,866	-	-	-	1,791,866
Public and Historic Art	6,902,904	-	520,435	-	7,423,339
Records Management	2,162,798	-	-	-	2,162,798
Public Safety Communication System	-	-	200,116	-	200,116
Florida Building Code Fund	11,952,551	-	-	-	11,952,551
Debt Service Reserve	-	3,180	-	-	3,180
Police and Fire System Improvements	-	-	50,000	3,432,351	3,482,351
Parks System Improvements	-	-	390,775	2,937,889	3,328,664
New Public Safety Complex	-	-	43,504	-	43,504
Mobility Improvement Projects	-	-	-	7,232,740	7,232,740
Fire Station/Trolley Garage	-	-	209,461	-	209,461
Other Physical Environment	80,951	-	465,740	1,607,700	2,154,391
Impact Fee Administration	-	-	-	409,119	409,119
Assigned to:					
Pension Stabilization	1,000,000	-	-	-	1,000,000
Historical Preservation	89,096	-	-	-	89,096
Other Transportation Projects	-	-	5,899,546	-	5,899,546
Other Public Safety Projects	79,698	-	3,018,688	-	3,098,386
Other Parks and Recreation Projects	-	-	12,478,885	-	12,478,885
Other Physical Environment	-	-	1,014,104	-	1,014,104
Other Capital Projects	-	-	12,509,909	5,191,300	17,701,209
Other Purposes	15,951,592	-	9,014,315	-	24,965,907
Unassigned	<u>50,698,400</u>	<u>-</u>	<u>-</u>	<u>(26,799)</u>	<u>50,671,601</u>
Total Fund Balances	<u>90,764,727</u>	<u>3,180</u>	<u>45,815,478</u>	<u>20,784,300</u>	<u>157,367,685</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 153,431,357</u>	<u>\$ 8,593,094</u>	<u>\$ 48,066,687</u>	<u>\$ 22,716,907</u>	<u>\$ 232,808,045</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CORAL GABLES, FLORIDA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 September 30, 2022

Total Fund Balances - Governmental Funds \$ 157,367,685

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 governmental funds. 285,028,957

Other long-term assets are not available to pay current period expenditures and, therefore are reported as unavailable revenue in the governmental funds. 17,529,376

Internal service funds are used by management to charge the costs of certain activities such as insurance and fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 18,794,810

The Statement of Net Position includes an adjustment to reflect an allocation of the internal service funds income to business-type activities. This adjustment decreases the Internal Balances account of governmental activities. (2,625,894)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated Absences	\$	(11,326,456)	
Special Obligations Debt Payable		(97,730,632)	
Premium on Special Obligation Debt Issued		(3,730,361)	
Deferred Charge on Bond Refunding		354,856	
Leases Payable		(499,643)	
Pollution Remediation Obligation		(2,700,000)	
Total OPEB Liability		(22,716,503)	
Net Pension Liability		(99,834,798)	(238,183,537)

Deferred inflows/outflows of resources in the Statement of Net Position will be recognized in future periods.

Deferred Outflows of Resources Related to Pension		28,788,676	
Deferred Inflows of Resources Related to Pension		(51,418,915)	
Deferred Outflows of Resources Related to OPEB		3,181,200	
Deferred Inflows of Resources Related to OPEB		(7,754,917)	(27,203,956)

Total Net Position - Governmental Activities \$ 210,707,441

The notes to the financial statements are an integral part of this statement.

CITY OF CORAL GABLES, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2022

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Fund	Debt Service Fund	Capital Project General Improvement Fund	Other Governmental Funds	
REVENUES					
Taxes	\$ 117,004,929	\$ -	\$ -	\$ 4,031,580	\$ 121,036,509
Licenses	3,536,941	-	-	-	3,536,941
Permits	16,604,400	-	-	-	16,604,400
Fines and Forfeitures	1,615,232	-	-	-	1,615,232
Intergovernmental	18,082,069	-	33,605	80,348	18,196,022
Charges for Services	20,153,661	-	-	-	20,153,661
Recreation Activity Fees	6,736,578	-	-	-	6,736,578
Rental Income	5,987,190	-	-	52,244	6,039,434
Investment Earnings (Loss)	(593,331)	(741)	(236,504)	(201,974)	(1,032,550)
Special Assessments	-	613,918	5,264	4,963,802	5,582,984
Contributions and Donations	16,000	-	169,663	-	185,663
Miscellaneous	197,273	-	-	-	197,273
Total Revenues	189,340,942	613,177	(27,972)	8,926,000	198,852,147
EXPENDITURES					
Current:					
General Government	23,420,841	35,875	3,137,059	260,774	26,854,549
Public Safety	89,977,444	-	453,964	2,334,953	92,766,361
Physical Environment	22,470,304	-	300,418	159,804	22,930,526
Transportation	3,708,705	-	1,214,887	4,124,748	9,048,340
Economic Environment	1,221,162	-	35,000	-	1,256,162
Culture and Recreation	14,223,168	-	915,435	-	15,138,603
Debt Service:					
Retirement of Principal	165,557	3,857,370	-	-	4,022,927
Interest	3,067	3,806,179	-	-	3,809,246
Debt Issuance Costs	-	132,018	-	-	132,018
Capital Outlay	2,322,998	-	8,584,832	1,551,753	12,459,583
Total Expenditures	157,513,246	7,831,442	14,641,595	8,432,032	188,418,315
Excess (deficiency) of Revenues Over (Under)					
Expenditures before Other Financing Sources (Uses)	31,827,696	(7,218,265)	(14,669,567)	493,968	10,433,832
OTHER FINANCING SOURCES (USES)					
Lease Liabilities Issued	565,217	-	-	-	565,217
Refunding Bonds Issued	-	19,125,000	-	-	19,125,000
Payment to Refunded Bond Escrow Agent	-	(18,995,883)	-	-	(18,995,883)
Insurance Recoveries	504,185	-	-	-	504,185
Transfers In	9,551,661	7,043,570	23,094,071	2,274,090	41,963,392
Transfers Out	(30,966,492)	-	(2,895,300)	(2,275,580)	(36,137,372)
Total Other Financing Sources (Uses)	(20,345,429)	7,172,687	20,198,771	(1,490)	7,024,539
Net Change in Fund Balances	11,482,267	(45,578)	5,529,204	492,478	17,458,371
Fund Balances - Beginning	79,282,460	48,758	40,286,274	20,291,822	139,909,314
Fund Balances - Ending	\$ 90,764,727	\$ 3,180	\$ 45,815,478	\$ 20,784,300	\$ 157,367,685

The notes to the financial statements are an integral part of this statement.

CITY OF CORAL GABLES, FLORIDA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended September 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 17,458,371

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay expense exceeded depreciation expense and net disposal of assets in the current period.

Depreciation and Amortization Expense	\$ (10,480,688)	
Capital Outlay	<u>12,459,583</u>	1,978,895

Revenues recognized in the statement of activities which are not available are not recognized in the governmental funds.

Change in unavailable revenues	<u>(1,811,695)</u>	(1,811,695)
--------------------------------	--------------------	-------------

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position. This is the amount by which repayment exceeded the amount issued in the current period.

Loan Repayments	21,752,353	
Lease Repayments	65,574	
Refunding Bonds Issued	(19,125,000)	
Deferred Charge on Bond Refunding	354,856	
Lease Issued	<u>(565,217)</u>	2,482,566

Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The net revenue of internal service funds is reported with governmental activities.

754,288

The amount of the internal service fund's income on transactions with business-type activities was eliminated from the governmental activities in the statement of activities.

(102,040)

Expenses in the statement of activities that do not require the use of current financial resources are not reported in the government funds.

Compensated Absences	304,134	
Pollution Remediation	(2,356,500)	
Amortization of Premium on Special Obligations		
Debt Issued	<u>1,910,160</u>	(142,206)

Other postemployment benefits (OPEB) and pension expenses were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, the increase or decrease in OPEB and net pension liabilities were not reported as an expenditure or (credit) in the governmental funds.

Other postemployment benefit expenses	21,806	
Pension expense	<u>27,432,060</u>	27,453,866

Change in Net Position of Governmental Activities \$ 48,072,045

The notes to the financial statements are an integral part of this statement.



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Major Proprietary Funds

Sanitary Sewer System Fund - accounts for the operation and maintenance of a sanitary sewer collection system providing services to certain residents of the City, the University of Miami and certain non-resident sewer connections in areas adjacent to the City. All activities necessary to provide these services are accounted for in this fund.

Parking System Fund - accounts for the operation of on-street and off-street automobile parking facilities, including five parking garages, to the residents, merchants, and visitors of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, construction maintenance and financing.

Stormwater Utility Fund - accounts for the operation and maintenance of a storm water collection system providing services to all residents, and commercial properties of the City. All activities necessary to provide these services are accounted for in this fund.

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2022

BUSINESS -TYPE ACTIVITIES-ENTERPRISE FUNDS

	MAJOR FUNDS			TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	SANITARY SEWER SYSTEM FUND	PARKING SYSTEM FUND	STORMWATER UTILITY FUND		
ASSETS					
Current Assets:					
Pooled Cash and Cash Equivalents	585,230	581,289	1,818,562	\$ 2,985,081	\$ 7,158,303
Pooled Investments	9,050,918	15,684,516	3,094,509	27,829,943	17,936,560
Accounts Receivable, Net	2,987,486	511,654	1,883,664	5,382,804	88,816
Interest Receivable	6,644	5,631	2,513	14,788	5,469
Inventories	-	-	-	-	92,743
Assessment Liens Receivable	69,696	-	-	69,696	-
Lease Receivable	-	5,971,943	-	5,971,943	-
Due from Other Governments	600	272,368	65,210	338,178	-
Prepaid and Deposits	-	-	-	-	2,462,805
Total Current Assets	<u>12,700,574</u>	<u>23,027,401</u>	<u>6,864,458</u>	<u>42,592,433</u>	<u>27,744,696</u>
Noncurrent Assets:					
Restricted Pooled Cash and Cash Equivalents	2,212,424	350,616	2,233,097	4,796,137	-
Restricted Pooled Investments	10,616,531	1,073,500	10,944,854	22,634,885	-
Capital Assets:					
Land	97,980	3,568,688	-	3,666,668	-
Buildings	-	30,223,473	-	30,223,473	-
Construction in Progress	2,674,514	14,154,554	140,201	16,969,269	-
Infrastructure	30,462,230	-	5,547,397	36,009,627	-
Improvements Other Than Buildings	-	1,899,005	-	1,899,005	-
Machinery and Equipment	642,565	4,462,634	98,655	5,203,854	36,322,914
Right-To-Use Leased Assets	-	766,626	-	766,626	-
Accumulated Depreciation	(12,985,799)	(19,781,996)	(1,815,730)	(34,583,525)	(23,951,556)
Total Noncurrent Assets	<u>33,720,445</u>	<u>36,717,100</u>	<u>17,148,474</u>	<u>87,586,019</u>	<u>12,371,358</u>
Total Assets	<u>46,421,019</u>	<u>59,744,501</u>	<u>24,012,932</u>	<u>130,178,452</u>	<u>40,116,054</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to Pensions	324,196	552,678	216,131	1,093,005	994,203
Deferred Outflows Related to OPEB	34,958	69,917	34,958	139,833	174,791
Total Deferred Outflows of Resources	<u>359,154</u>	<u>622,595</u>	<u>251,089</u>	<u>1,232,838</u>	<u>1,168,994</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,164,415	2,736,998	149,986	5,051,399	1,443,820
Accrued Payroll and Other Expenses	18,691	39,804	9,590	68,085	62,389
Deposits Payable	66,192	350,616	-	416,808	-
Unearned Revenue	-	297,459	-	297,459	-
Accrued Compensated Absences	65,380	141,607	35,123	242,110	206,114
Lease Liability	-	257,223	-	257,223	-
Estimated Liability for Claims Payable	-	-	-	-	4,586,000
Special Obligations Debt Payable	640,000	683,490	95,882	1,419,372	-
Total Current Liabilities	<u>2,954,678</u>	<u>4,507,197</u>	<u>290,581</u>	<u>7,752,456</u>	<u>6,298,323</u>
Noncurrent Liabilities:					
Accrued Compensated Absences	36,520	92,208	47,636	176,364	144,423
Estimated Liability for Claims Payable	-	-	-	-	9,087,000
Advances from Insurance Company	-	-	-	-	62,760
Lease Liability	-	242,556	-	242,556	-
Special Obligations Debt Payable	14,695,000	5,390,312	957,684	21,042,996	-
Premium on Special Obligations Debt Payable	1,006,043	814,046	54,047	1,874,136	-
Total OPEB Liability	249,632	499,264	249,632	998,528	1,248,160
Net Pension Liability	1,124,266	1,916,605	749,510	3,790,381	3,447,749
Total Noncurrent Liabilities	<u>17,111,461</u>	<u>8,954,991</u>	<u>2,058,509</u>	<u>28,124,961</u>	<u>13,990,092</u>
Total Liabilities	<u>20,066,139</u>	<u>13,462,188</u>	<u>2,349,090</u>	<u>35,877,417</u>	<u>20,288,415</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Leases	-	5,824,792	-	5,824,792	-
Deferred Inflows Related to Pensions	579,042	987,128	386,028	1,952,198	1,775,728
Deferred Inflows Related to OPEB	85,219	170,438	85,219	340,876	426,095
Total Deferred Inflows of Resources	<u>664,261</u>	<u>6,982,358</u>	<u>471,247</u>	<u>8,117,866</u>	<u>2,201,823</u>
NET POSITION					
Net Investment in Capital Assets	16,799,904	25,898,927	2,786,117	45,484,948	12,371,358
Restricted for Capital Improvements	211,741	1,073,500	13,177,951	14,463,192	-
Unrestricted	9,038,128	12,950,123	5,479,616	27,467,867	6,423,452
Total Net Position	<u>26,049,773</u>	<u>39,922,550</u>	<u>21,443,684</u>	<u>87,416,007</u>	<u>\$ 18,794,810</u>
Adjustment to reflect the allocation of internal service fund activities related to enterprise funds.				2,625,894	
Net position of business-type activities				<u>\$ 90,041,901</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2022

	BUSINESS -TYPE ACTIVITIES-ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	MAJOR FUNDS			TOTALS	
	SANITARY SEWER SYSTEM FUND	PARKING SYSTEM FUND	STORMWATER UTILITY FUND		
OPERATING REVENUES					
Charges for Services:					
Sewer Use Charges	\$ 11,847,168	\$ -	\$ -	\$ 11,847,168	\$ -
Service Use Charges	-	-	7,401,510	7,401,510	-
Billings to Departments for Insurance Protection	-	-	-	-	12,584,484
Parking Fees:					
On Street Meters	-	10,261,754	-	10,261,754	-
Meter and Permit Lots	-	2,240,503	-	2,240,503	-
Parking Garages	-	3,710,795	-	3,710,795	-
Parking Leases	-	783,739	-	783,739	-
Fines and Forfeitures	-	1,508,690	-	1,508,690	-
Rental of Equipment and Facilities to Various Funds	-	-	-	-	16,841,778
Total Operating Revenues	<u>11,847,168</u>	<u>18,505,481</u>	<u>7,401,510</u>	<u>37,754,159</u>	<u>29,426,262</u>
OPERATING EXPENSES					
Administration	559,937	2,245,795	459,224	3,264,956	3,135,214
Cost of Sales and Services	7,047,656	3,771,415	1,939,739	12,758,810	9,257,994
Benefit Payments	-	-	-	-	2,969,049
Insurance	-	-	-	-	10,178,922
Depreciation and Amortization	525,529	1,205,500	108,871	1,839,900	2,480,232
Total Operating Expenses	<u>8,133,122</u>	<u>7,222,710</u>	<u>2,507,834</u>	<u>17,863,666</u>	<u>28,021,411</u>
Operating Income	<u>3,714,046</u>	<u>11,282,771</u>	<u>4,893,676</u>	<u>19,890,493</u>	<u>1,404,851</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income (Loss)	(597,099)	(338,816)	(447,741)	(1,383,656)	(248,890)
Interest Expense	(247,124)	(102,626)	(30,401)	(380,151)	-
Miscellaneous	-	-	-	-	12
Gain on Sale of Land	-	3,489,830	-	3,489,830	119,529
Total Nonoperating Revenues (Expenses)	<u>(844,223)</u>	<u>3,048,388</u>	<u>(478,142)</u>	<u>1,726,023</u>	<u>(129,349)</u>
Income Before Contributions	<u>2,869,823</u>	<u>14,331,159</u>	<u>4,415,534</u>	<u>21,616,516</u>	<u>1,275,502</u>
Capital Contributions from Federal, State and Local Grants	-	-	48,238	48,238	-
Income Before Transfers	<u>2,869,823</u>	<u>14,331,159</u>	<u>4,463,772</u>	<u>21,664,754</u>	<u>1,275,502</u>
Transfers In	140,000	2,851,790	-	2,991,790	733,851
Transfers Out	(284,332)	(7,935,239)	(77,025)	(8,296,596)	(1,255,065)
Change In Net Position	<u>2,725,491</u>	<u>9,247,710</u>	<u>4,386,747</u>	<u>16,359,948</u>	<u>754,288</u>
Net Position - Beginning	<u>23,324,282</u>	<u>30,674,840</u>	<u>17,056,937</u>		<u>18,040,522</u>
Net Position - Ending	<u>\$ 26,049,773</u>	<u>\$ 39,922,550</u>	<u>\$ 21,443,684</u>		<u>\$ 18,794,810</u>
Adjustment to reflect the allocation of internal service fund activities related to enterprise funds.				102,040	
Change in net position of business-type activities				<u>\$ 16,461,988</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2022

	BUSINESS -TYPE ACTIVITIES-ENTERPRISE FUNDS				
	MAJOR FUNDS			TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	SANITARY SEWER SYSTEM FUND	PARKING SYSTEM FUND	STORMWATER UTILITY FUND		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 10,499,006	\$ 18,269,827	\$ 6,643,498	\$ 35,412,331	\$ 29,363,261
Payments to Employees	(1,371,423)	(2,763,339)	(800,171)	(4,934,933)	(4,023,444)
Payments to Suppliers	(6,226,182)	(1,999,598)	(2,094,592)	(10,320,372)	(22,698,508)
Net Cash Provided by Operating Activities	2,901,401	13,506,890	3,748,735	20,157,026	2,641,309
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances from Insurance Company	-	-	-	-	(504,185)
Transfers in from Other Funds	140,000	2,851,790	-	2,991,790	733,851
Transfers out to Other Funds	(284,332)	(7,935,239)	(77,025)	(8,296,596)	(1,255,065)
Net Cash Provided By (Used In) Noncapital Financing Activities	(144,332)	(5,083,449)	(77,025)	(5,304,806)	(1,025,399)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(3,275,330)	(13,100,254)	(334,675)	(16,710,259)	(1,273,783)
Proceeds from Sale of Capital Assets	-	3,525,000	-	3,525,000	270,299
Contributions from Other Governments	3,872	-	48,238	52,110	-
Principal Paid on Debt	(320,000)	(264,042)	(83,588)	(667,630)	-
Interest Paid on Debt	(479,989)	(297,133)	(46,170)	(823,292)	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	(4,071,447)	(10,136,429)	(416,195)	(14,624,071)	(1,003,484)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	(12,492,010)	(13,266,722)	(11,502,282)	(37,261,014)	(20,039,712)
Proceeds from Sale of Investments	8,714,326	8,819,097	8,876,521	26,409,944	16,320,039
Interest and Dividends Received	44,930	34,632	46,924	126,486	43,202
Net Cash Used In Investing Activities	(3,732,754)	(4,412,993)	(2,578,837)	(10,724,584)	(3,676,471)
Net Increase (Decrease) in Cash and Cash Equivalents	(5,047,132)	(6,125,981)	676,678	(10,496,435)	(3,064,045)
Cash and Cash Equivalents - Beginning	7,844,786	7,057,886	3,374,981	18,277,653	10,222,348
Cash and Cash Equivalents - Ending	\$ 2,797,654	\$ 931,905	\$ 4,051,659	\$ 7,781,218	\$ 7,158,303
Reconciliation to the statement of net position					
Cash and Cash Equivalents	\$ 585,230	\$ 581,289	\$ 1,818,562	\$ 2,985,081	\$ 7,158,303
Restricted Cash and Cash Equivalents	2,212,424	350,616	2,233,097	4,796,137	-
Total	\$ 2,797,654	\$ 931,905	\$ 4,051,659	\$ 7,781,218	\$ 7,158,303
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating Income	\$ 3,714,046	\$ 11,282,771	\$ 4,893,676	\$ 19,890,493	\$ 1,404,851
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation/Amortization Expense	525,529	1,205,500	108,871	1,839,900	2,480,232
Change in Assets and Liabilities and Deferred Inflows and Outflows:					
Accounts Receivable	(1,348,162)	171,471	(807,208)	(1,983,899)	(58,694)
Inventory	-	-	-	-	(11,848)
Net lease receivable and related deferred inflows	-	(147,151)	-	(147,151)	-
Due from Other Governments	-	(272,368)	49,196	(223,172)	(4,306)
Prepaid and Deposits	-	-	-	-	(98,302)
Net lease liability and related lease expense	-	(266,848)	-	-	-
Net pension liability and related deferred inflows/outflow	(508,924)	(602,027)	(290,872)	(1,401,823)	(1,192,775)
OPEB liability and related deferred inflows/outflow	(300,372)	(480)	(238)	(301,090)	298,934
Accounts Payable	821,474	2,038,665	(154,853)	2,705,286	(22,393)
Deposits Payable	-	24,125	-	24,125	-
Accrued Payroll and Other Expenses	2,512	8,583	1,782	12,877	14,614
Accrued Compensated Absences	(4,702)	76,380	(51,619)	20,059	(9,004)
Unearned Revenues	-	(11,731)	-	(11,731)	-
Claims Payable	-	-	-	-	(160,000)
Total Adjustments	(812,645)	2,224,119	(1,144,941)	533,381	1,236,458
Net Cash Provided by Operating Activities	\$ 2,901,401	\$ 13,506,890	\$ 3,748,735	\$ 20,423,874	\$ 2,641,309
Noncash Capital and Related Financing Activities:					
Capital Assets Retirement, net	(3,453)	(246,405)	(1,551)	(251,409)	(1,233,669)

The notes to the financial statements are an integral part of this statement.

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2022

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 16,715,229	\$ 3,448,410
Receivables:		
Accrued Interest and Dividends	324,596	-
Buyback Receivable	50,609	-
Share Plan Contributions	426,507	-
Receivable for Securities Sold	4,846,181	-
Other Receivables	103,228	-
Total Receivables	5,751,121	-
Securities Lending Cash Collateral - Invested	34,744,462	-
Investments:		
U.S. Government and Agency	42,062,674	-
Global fixed income	2,503,313	-
Corporate Bonds	11,766,778	-
Common Stocks	147,169,266	-
International Equity	51,115,294	-
Real Estate Investment Trust (REIT)	47,290,820	-
Alternative Investments	81,475,017	-
Guaranteed Investment Contract	8,458,825	-
Mutual Funds	9,652,940	-
Total Investments	401,494,927	-
Total Assets	458,705,739	3,448,410
LIABILITIES		
Accounts Payable	166,878	286,144
Payable for Securities Purchased	2,175,324	-
Due to Coral Gables Retirement Fund	426,507	-
Obligations under Securities Lending	34,744,462	-
Total Liabilities	37,513,171	286,144
NET POSITION		
Restricted for Pension Benefits	\$ 421,192,568	
Restricted for Individuals and Other Governments		\$ 3,162,266

The notes to the financial statements are an integral part of this statement.

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 For the Fiscal Year Ended September 30, 2022

	Pension Trust Funds	Custodial Funds
Additions (Deductions):		
City Contributions	\$ 31,234,542	\$ -
Share Plan Contributions	145,830	-
Total Government Contributions	31,380,372	-
Employees:		
Employee contributions	5,164,756	99,034
Total Contributions	36,545,128	99,034
Investment Income (Loss):		
Net Appreciation (Depreciation) in the Fair Value of Investments	(84,548,985)	-
Interest and Dividends	6,786,407	-
Other Income	169	-
Total Investment Loss	(77,762,409)	-
Less Investment Expenses	(2,617,100)	-
Total Investment Income before Securities Lending Activity	(80,379,509)	-
Securities Lending Activities:		
Security Lending Income	99,371	-
Security Lending Fees and Rebates	(29,771)	-
Net Income from Security Lending Activities	69,600	-
Total Net Investment Income (Loss)	(80,309,909)	-
Equitable Sharing Funds	-	3,973,005
Total Additions (Deductions)	(43,764,781)	4,072,039
Deductions:		
Pension Benefits Paid	54,509,641	-
Refund of Contributions	1,160,074	-
Administrative Expenses	608,908	-
Sick Leave Benefits Paid to Employees	-	21,259
Law Enforcement Operations and Administration	-	5,311,427
Total Deductions	56,278,623	5,332,686
Change in Net Position	(100,043,404)	(1,260,647)
Net Position		
Beginning of Year	521,235,972	4,422,913
End of Year	\$ 421,192,568	\$ 3,162,266

The notes to the financial statements are an integral part of this statement.

**CITY OF CORAL GABLES, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Coral Gables, Florida (the “City”) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

(a) Reporting Entity

The accompanying financial statements present the financial position, changes in financial position, and cash flows of the government and its component unit entity for which the government is financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended component unit - Special Taxing Districts created in designated areas within the City to provide special services that are funded through the levy of non-ad valorem assessment. The City is responsible for the management of ten (10) special taxing districts located wholly within the City as a result of a special election held on January 23, 2018. The City Commission is the governing body of the special taxing district and has full responsibility for the operation and maintenance of the special taxing district such as budget development, financial management, security guard service management, contract management, guardhouse and general property and landscape maintenance around the guardhouse. The Special Taxing District is reported as special revenue fund of the City and does not issue separate stand-alone financial statements.

The City also reports Coral Gables Retirement Plan, Police Officers’ Plan, and the Firefighters’ Plan as fiduciary component units. See Note 8 Employee Pension Plans for further information.

(b) Government -Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. As a basic rule, the government-wide financial statements are consolidated. However, an exception must be made for interfund services provided and used between functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions, including special assessments, that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to reconcile the governmental fund-based financial statements to the governmental activities column of the government-wide presentation.

Internal Service Funds of a government (which traditionally provide services primarily to other funds of the government) are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are included in the governmental activities column when presented at the governmental-wide level. To the extent possible, the costs of these services are reflected in the appropriate governmental activities.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition, these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are excluded from the government-wide statements.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The financial statements of the Fiduciary Funds are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within three months of the end of the fiscal year, to be used to pay liabilities of the current period with the exception of property tax revenue, which is deferred unless received within sixty days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension, other post-employment benefits, leases, and claims and judgments, are recorded only when payment is due/liability matured.

Revenues considered measurable are recognized, if available, these include the following: Property Taxes when levied for, Special Assessments, Garbage and Trash Fees, Franchise Taxes, Utility Service Taxes, Intergovernmental when eligibility requirements are met, Charges for Services, Recreation Activity, Rental and Lease Income, Occupational License, Interest Income, and Ambulance Transport Fees of the current period. All other revenue items are considered to be measurable only when cash is received by the City.

1) Governmental Fund Types

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets/deferred outflow of resources and liabilities/deferred inflow of resources, is referred to as “fund balance”. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the City’s major governmental funds:

General Fund - The General Fund is the City’s primary operating fund. It accounts for all financial resources that relate to the general operations of the City, except for those required to be accounted for in another fund.

Debt Service Fund – This fund is used to account for and report the financial resources that are restricted, committed, or assigned for the periodic payment of principal, interest, and expenditures on special obligation long-term debt of governmental funds, specifically, Sunshine State Notes issued by the City for various capital projects.

Capital Project General Improvement Fund – This fund is used to account for and report the financial resources that are restricted, committed, or assigned for the acquisition or construction of various major capital improvements except those financed by enterprise funds. This fund is reported as a major fund for public interest and consistency purposes.

Additionally, the City reports the following nonmajor governmental funds:

Special Revenue Fund – This fund is used to account for and report the financial resources that are restricted, or committed, for specific services such as multipurpose maintenance, security services, street lighting which are provided within the designated areas.

Capital Projects Funds – This fund is used to account for and report the financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities such as general and roadway improvement projects; and public parks and plazas.

2) Proprietary Fund Types

Proprietary fund types are used to account for a government’s ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position, and cash flows.

The City reports the following major proprietary funds:

Sanitary Sewer System Fund - This fund is used to account for the operation and maintenance of a sanitary sewer collection system providing services to certain residents of the City, the University of Miami and certain non-resident sewer connections in areas adjacent to the City.

Parking System Fund - This fund is used to account for the operation of on-street and off-street automobile parking facilities, including five parking garages, to the residents, merchants, and visitors of the City.

Stormwater Utility Fund - This fund is used to account for the operation and maintenance of a stormwater collection system providing services to all residents of the City and all commercial properties.

Additionally, the City also reports the following fund types:

Internal Service Funds - Internal Service Funds are used to account for fleet maintenance, general maintenance (building maintenance, utilities and general housekeeping services) and insurance services provided to other departments of the City on a cost reimbursement basis.

Pension Trust Funds - Pension Trust Funds are used to account for the accumulation of resources to be used for retirement benefits of all employees at appropriate amounts and times in the future and for supplemental retirement benefits for police officers and firefighters, and, consequently, are not reflected in the government-wide statements because the resources are not available to support the City's own programs.

Custodial Funds - Custodial Funds are used to report fiduciary activities not required to be reported in other fiduciary funds.

Employee Benefits Fund - Accounts for the value of the employees' excess sick leave balance which is paid to the employees each year through deposits in this fund, which the City handles as a custodian in accordance with the agreement between the City and its employees. The funds are to be paid to employees upon retirement or to the employee's named beneficiary upon death.

Law Enforcement Fund - Accounts for confiscated assets of the South Florida Money Laundering Strike Force (Strike Force) which have been released by the judicial courts to be placed in the fund, which the City handles as a custodian.

In the government-wide financial statements, amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

(d) Cash and Cash Equivalents

The City maintains a cash and investment pool that is available for use by most funds. Each fund's portion of this pool is included in the financial statements as "Pooled Cash and Cash Equivalents". Cash and Cash Equivalents is defined to include cash on hand, demand deposits, cash with a state agency and investments with private agencies with original maturities of three months or less. Interest earned on pooled cash and investments is allocated monthly based on cash and investment balances of the respective funds.

(e) Fair Value Investments and Net Asset Value Per Share

Fair Value Investments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are categorized within the fair value hierarchy as established by generally accepted accounting principles. The fair value hierarchy categorizes inputs to valuation techniques used to measure fair value into three levels based on the extent to which input used in measuring fair value are observable in the market.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for an assets or liability, either directly or indirectly, including quoted market prices for similar assets or liabilities in active markets.

Level 3 – Inputs are significant unobservable inputs used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations where there is little, if any, market activity for the asset or liability at the measurement date.

Net Asset Value Per Share Measurements

Net asset value per share is defined as the amount of net assets attributable to each share of capital stock (other than senior equity securities; that is, preferred stock) outstanding at the close of the period. It excludes the effects of assuming conversion of outstanding convertible securities, whether or not their conversion would have a diluting effect.

(f) Investments

The City's investments are reported at fair value as defined by GASB Statement 72 except for the position in the Local Government Surplus Funds Trust Fund. The investments held by Local Government Surplus Fund Trust Fund are allocated among two funds, LGIP (formerly known as LGIP-A) and Fund B (formerly known as LGIP-B). The value of the City's investments in LGIP funds is the same as the value of the pool shares and is recorded at amortized cost. At September 30, 2022, the City's investment in LGIP-A is \$1,090 and there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's daily access to 100 percent of the account value.

Investments for the pension plans are discussed in Notes 4 and 8.

(g) Receivables/Special Assessment/Lease Receivable

All receivables are reported net of an allowance for uncollectible amount. Receivables are analyzed for their collectability based on the terms of the agreement and the financial assessment of the creditor.

Following are the significant components of the receivables due to the City at September 30, 2022:

1. Taxes, Franchise Fees, False Alarms and Rent – This amount represents communications and utility taxes, franchise fees, false alarms and rent payments due by September 30, 2022, but not collected as of that date.
2. Waste Fees, Ambulance Transport Fees – This amount represents the unpaid, billed charges for various fines and municipal services.
3. University of Miami Development Agreement Fee – This amount represents the remaining balance of the development agreement fee assessed to the University of Miami and is to be collected over the remaining term of eight (8) years.

Special assessments primarily consist of amounts imposed by the City in accordance with City ordinance to fund certain project costs of local improvements or the service cost of related services that provide a special benefit to property based on logical relationship to the value, use, or characteristics of property identified.

Lease receivable pertains to the amount equal to the present value of lease payments expected to be received during lease terms, on noncancellable lease contracts.

(h) Due From Other Governments

Due from other governments primarily consists of amounts due to the City such as ad valorem tax, grant revenues, fines and other fees.

(i) Inventories and Prepaid Items

Inventories are stated at cost using the weighted average method. Inventory is accounted for using the consumption method, whereby inventories are recorded as expenditures/expenses when they are used.

Prepaid items are accounted for using the consumption method and recorded as expenditures/expenses in the fund level and government-wide financial statements in the period benefited.

(j) Capital Assets

Capital asset acquisitions are recorded as expenditures in the governmental fund financial statements and include right-to-use leased asset, property, plant, equipment and infrastructure assets (i.e., streets, alleys, sidewalks, drainage and lighting systems). Capital assets are recorded at historical cost in the government-wide and proprietary fund financial statements. In the case of gifts or contributions, such assets are recorded at acquisition value at the date of receipt. Capital assets are defined as assets with an initial, individual cost of more than \$1,000 plus a useful life of more than one year. See Note 1(s) for leases.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives are as follows:

<u>Asset</u>	<u>Years</u>
Buildings	50
Improvements other than Buildings	15-45
Machinery and Equipment	4-10
Infrastructure	15-80

Works of arts, historical treasures and similar assets acquired, donated or constructed by the City are not capitalized. These collections of assets are held for public exhibition at the Coral Gables Museum, and or installed at outdoor civic monuments, traffic circles and fountains.

(k) Accounts Payable and Accrued Payroll

Accounts payable consists primarily of amounts due to vendors and contractors for various operational and capital purchases. Accrued payroll includes salaries and wages as well as related fringe benefits.

(l) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, the fiduciary net position of the Coral Gables Retirement Fund (the “Plan”) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

(m) Long-Term Obligations

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental-wide and proprietary fund type Statements of Net Position. Bonds payable are reported net of the applicable bond premiums or discounts. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Deferred amounts (the difference between the reacquisition price and the net carrying amount) on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight-line method, which does not result in a material difference from the effective interest method. Debt issuance costs, except for the portion which relates to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as an asset and are recognized as expense on a straight-line basis over the duration of the related debt.

In the fund financial statements, governmental fund types recognize as applicable, bond premiums and discounts, as well as bond issuance costs. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payment of debt principal and interest is reported as an expenditure.

(n) Deferred Outflows/Inflows of Resources and Unearned Revenues

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and other postemployment benefits (OPEB) which are reported in the government-wide Statement of Net Position and Statement of Net Position of the proprietary funds. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. It is the revenues that are measurable but unavailable, which is reported in the governmental funds balance sheet; deferred amounts related to leases which is reported in the governmental funds balance sheet, and government-wide and proprietary fund statement of net position; and deferred amounts related to

pension and OPEB which are reported in the government-wide financial statement and statement of net position of the proprietary funds. The governmental funds report unavailable revenue from various sources which primarily include grants and contributions, charges for services and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the fund financial statements.

(o) Interfund Transactions and Due To/From Other Funds

Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as “due to/from other funds” or “advances to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds’ operating statements.

(p) Capital Contributions

Capital contributions are recorded in certain enterprise and internal service funds and consist primarily of donations from private sources or other governmental entities.

(q) Restricted Assets

Restricted assets of the government-wide and proprietary funds represent the balance of cash and cash equivalents and investments with imposed constraints on the use of certain revenues, unspent proceeds from the issuance of special obligation bonds for capital improvements, and funds set aside for repayment of customer deposits and debt service payment.

The Capital Project General Improvement Fund and Neighborhood Renaissance Program Fund report restricted assets representing unspent proceeds from the issuance of special obligation bonds for capital improvements. The Capital Project Impact Fees Fund reports restricted assets representing fees imposed on new developments within the City with certain constraints on their use.

The Debt Service Fund reports restricted assets set aside for debt service. The Parking Fund has restricted assets which are set aside for customer deposits.

(r) Fund Balance and Net Position

1) Fund Balance

In the fund financial statements, governmental funds report fund balance in categories as nonspendable, restricted, committed, assigned and unassigned. These categories are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in fund balances can be spent.

The City's fund balance classification policies and procedures are as follows:

Nonspendable funds are funds that cannot be spent because they are either not in spendable form (e.g. inventories and prepaids) or are legally or contractually required to be maintained intact.

Restricted funds are funds that have constraints placed on their use either externally by creditors, grantors, contributors, laws or regulations or other governments or by law through constitutional provisions or enabling legislation.

Committed funds are funds that have constraints placed on their use through the passage of a formal action by the City Commission's highest level of decision-making authority. The City Commission has the authority to set aside funds for a specific purpose and requires the passage of a resolution or ordinance. Resolutions and ordinances are considered an equally binding form of City's highest level of formal action. The passage of a resolution or ordinance must take place prior to September 30th of the applicable fiscal year but the amount can be determined at a later date. A resolution or ordinance would also be required to modify or rescind the specific use or amount.

Assigned funds are funds that have constraints placed on their use by the City Manager. The City Manager has the authority to set aside funds for the intended use of a specific purpose. This act would be as part of the annual budget process or in the form of a written notification to the Finance Director. Any modifications or rescissions would be in a written notification to the Finance Director. Upon passage of a budget ordinance where fund balance is used as a source to balance the budget, that amount shall be recorded as Assigned Fund Balance.

Unassigned fund balance is the residual amount of fund balance in the General Fund and deficit unassigned fund balance of other governmental funds. It represents the resources available for future spending when amount is not a deficit.

2) Net Position

Net position of the government-wide and proprietary funds are categorized as net investment in capital assets, restricted or unrestricted. The first category represents net position related to property, plant, equipment and infrastructure reduced by depreciation and outstanding debt, net of unspent debt proceeds, used to construct or purchase capital assets, and deferred inflow/outflow of resources that are attributed to the acquisition of those assets or related debt are included in this component of net position. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by enabling legislation in excess of the related liabilities payable from restricted assets. All remaining amounts are considered to be unrestricted.

(s) Leases

Lessee - The City is a lessee in noncancellable lease contracts for equipment, office space and a parking lot. The City recognizes a lease liability and an intangible right-to-use lease assets in the government-wide statement and statement of net position of the proprietary funds. At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or lease term.

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

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt in the statements of net position.

Lessor - The City leases under noncancellable lease contracts, nonfinancial assets such as land, buildings, retail space, and parking lots. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide statement, governmental fund financial statements, and statement of net position of the proprietary funds. At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue on a straight-line basis over the lease term.

The City uses its incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments.

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

(t) Operating versus Non-operating Income

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating revenues for the enterprise funds include sewer and stormwater service fees as well as user fees at the various City parking facilities. For the internal service funds, operating revenues include charges to other departments or various maintenance and insurance services. Operating expenses for the enterprise and internal service

funds include costs of sales and services, administrative fees, insurance payments and depreciation. All revenues and expenses not meeting this definition are considered non-operating items.

(u) Use of Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the City's policy to use committed resources first, assigned resources second, and unassigned resources third.

(v) Compensated Absences

City employees earn both vacation and sick leave. Vacation leave may be taken, converted into cash with certain restrictions, or accumulated up to certain limits and paid upon retirement or termination.

Sick leave may be taken or accumulated and paid up to certain limits upon retirement or death. The current liability for vacation and sick leave (up to a specified amount) is reflected in the accrued compensated absences amounts in the government-wide, proprietary, and fiduciary fund financial statements. According to City Commission Resolution No. 15199, unused sick leave in excess of the maximum amount is deferred in the Employee Benefit Fund until payable to the employee. The excess sick leave is fully funded. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund financial statements and government-wide financial statements. Payments are generally paid out of the General Fund for governmental funds.

(w) Pollution Remediation Obligation

The City accrues future pollution remediation costs that meet the measurement criteria as outlined in GASB 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. These liabilities are shown as part of the non-current liabilities in the Statement of Net Position. The City measures pollution remediation costs using the expected cash flow technique. The estimated cost of all pollution remediation is measured annually and adjusted when benchmarks are met or when new information indicates changes in estimated outlays due to changes in remediation plan or operating conditions.

(x) Pension Plans

The City provides a defined benefit pension plan covering substantially all regular full-time general, police and fire department employees. The City also provides two defined contribution plans - Police Officers' Pension Fund and Firefighters' Pension Fund, as a supplement to the benefits provided under the defined benefit pension plan.

(y) Post-Employment Benefits Other Than Pensions (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium rates where premiums are determined based upon a blended rates used for active employees and retirees. These premium rates were adjusted to reflect differing utilization rates by age and gender and the impact of the Medicare program on claim costs. The blended rates provide an implicit subsidy for

retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The City currently provides these benefits in accordance with the vesting and retirement requirement of the City of Coral Gables Retirement System covering substantially all regular full time general, police, and fire department employees of the City.

The City is financing the post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the City records the total OPEB obligation in its government-wide and proprietary financial statements related to the implicit subsidy based on employee distribution. The OPEB plan does not issue separate financial statements.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the Plan. The Plan is being funded under a "Pay-As-You-Go" basis.

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss.

(z) Risk Management

The City has a self-insurance program, for General Liability, Automobile Liability and Workers' Compensation pursuant to Florida Statute Section 768.28 (*Waiver of Statute of Limitations: Exclusions: Indemnifications; Risk Management Programs*). The City is protected by Florida Statute 768.28 which limits losses to, except for certain federal causes of action, (a) \$100,000 per person / \$200,000 per occurrence for claims arising between October 1, 1981 and October 1, 2011; and (b) \$200,000 per person / \$300,000 per occurrence for claims arising after October 1, 2011.

The discounted accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year end including claims incurred but not yet reported.

The City has fully insured individual health care plans for each employee group.

(aa) Use of Estimates

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

(bb) New Accounting Pronouncements Adopted

In fiscal year 2022, the City adopted new statements of financial accounting standards issued by the Government Accounting Standards Board (GASB):

GASB Statement 87, Leases

The City implemented GASB Statement 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. In accordance with the statement, the City recognized certain lease assets and liabilities for leases that previously were classified as operating leases and recognized inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The statement also requires enhanced disclosure which include a general description of the leasing arrangement, the aggregate amount of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable, and the disclosure of the long-term effect of the lease arrangements on a government’s resources. See Note 1(s), Note 5, and Note 14.

The implementation impacted the beginning lease receivable, right-to-use, lease liability, and deferred inflows of resources, as shown below:

Statement of Net Position	Governmental Activities			
	Lease Receivable	Deferred Inflow of Resources		
Balances September 30, 2021, as previously reported	\$ -	\$ 14,245,745		
Change to implement GASB No. 87	30,719,083	30,719,083		
Balances October 1, 2021, as restated	<u>\$ 30,719,083</u>	<u>\$ 44,964,828</u>		

	Business-type Activities			
	Lease Receivable	Deferred Inflow of Resources	Right-to-use Asset	Lease Liability
Balances September 30, 2021, as previously reported	\$ -	\$ 610,929	\$ -	\$ -
Change to implement GASB No. 87	4,768,570	4,768,570	766,626	766,626
Balances October 1, 2021, as restated	<u>\$ 4,768,570</u>	<u>\$ 5,379,499</u>	<u>\$ 766,626</u>	<u>\$ 766,626</u>

	General Fund			
	Lease Receivable	Deferred Inflow of Resources		
Balances September 30, 2021, as previously reported	\$ -	\$ 12,110,290		
Change to implement GASB No. 87	30,719,083	30,719,083		
Balances October 1, 2021, as restated	<u>\$ 30,719,083</u>	<u>\$ 42,829,373</u>		

	Parking System Fund			
	Lease Receivable	Deferred Inflow of Resources	Right-to-use Asset	Lease Liability
Balances September 30, 2021, as previously reported	\$ -	\$ 279,195	\$ -	\$ -
Change to implement GASB No. 87	4,768,570	4,768,570	766,626	766,626
Balances October 1, 2021, as restated	<u>\$ 4,768,570</u>	<u>\$ 5,047,765</u>	<u>\$ 766,626</u>	<u>\$ 766,626</u>

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

In addition, the City implemented GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The adoption of Statement No. 97 did not have a significant impact on the City's financial statements.

NOTE 2 - REAL AND PERSONAL PROPERTY TAXES

The City's property tax is levied, becomes a lien on real and personal property located on the City, and is recorded as a receivable on November 1 of each year based on the taxable value assessed as of the prior January 1. Taxable values are established by the Miami-Dade County Property Appraiser at market value, less statutory exemptions. The taxable value of property at January 1, 2021, upon which the 2021-2022 levy was based, was approximately \$17.85 billion. A tax levy of 5.5590 mills (\$5.5590 per \$1,000 of taxable value) was required to finance general operations for the fiscal year ended September 30, 2022.

NOTE 3 - RECEIVABLE

(a) Accounts receivable and allowance for doubtful accounts are summarized as follows:

	Governmental Activities	Business-Type Activities
<u>General Fund</u>		
Franchise Taxes	\$ 1,235,570	\$ -
False Alarms	251,331	-
Utility Taxes	1,009,041	-
Delinquent Waste Fees	895,041	-
Ambulance Transport Fees	778,650	-
Biltmore Hotel and Golf Course	212,134	-
Billable Off-Duty Salaries	454,505	-
Rent Receivable	1,357,552	-
University of Miami Development Agreement Fee	7,086,604	-
Other	1,001,659	-
	<u>14,282,087</u>	<u>-</u>
Less: Allowance	(64,113)	-
Total	<u>14,217,974</u>	<u>-</u>
<u>Debt Service Fund</u>		
Miscellaneous	11,000	-
Total	<u>11,000</u>	<u>-</u>
<u>General Improvement Fund</u>		
Due from Cocoplum Community Property Owners	27,915	-
Total	<u>27,915</u>	<u>-</u>
<u>Other Governmental Funds</u>		
BID Accounts Receivable	168,282	-
Total	<u>168,282</u>	<u>-</u>
<u>Parking Fund</u>		
Parking Rental Space	-	497,136
Parking – General	-	402,737
		<u>899,873</u>
Less: Allowance	-	(388,219)
Total	<u>-</u>	<u>511,654</u>
<u>Sanitary Sewer Fund</u>		
Customer Receivable	-	2,842,594
Miscellaneous	-	145,307
		<u>2,987,901</u>
Less Allowance	-	(415)
Total	<u>-</u>	<u>2,987,486</u>
<u>Stormwater Fund</u>		
Service Use Charges	-	1,883,664
Total	<u>-</u>	<u>1,883,664</u>
Total Governmental Funds	<u>14,425,171</u>	
Total Business-Type Activities/Proprietary Funds		<u>\$ 5,382,804</u>
<u>Internal Service Fund</u>		
Miscellaneous	88,816	
Total Internal Service Funds	<u>88,816</u>	
Total	<u>\$ 14,513,987</u>	

(b) University of Miami Development Agreement

On September 28, 2010, the City and University of Miami (“UM”) entered into a development agreement to establish a new relationship for promoting the health, safety, welfare and cultural advancement of the City and its residents while providing for the coordinated, comprehensive, and orderly development of the UM campus. Terms and conditions of the agreement includes: annual state of the City/UM meeting, Gables Fellow Program, UM’s Coral Gables Lecture and Performances/Concert Series, Ponce De Leon beautification and improvements, “Meet the Doc” Health Care Program, consulting services, Hurricane Athletics Ticket Program, student enrollment/on-campus housing credit, City’s approval of UM’s comprehensive plan and zoning code amendments and increase in seating capacity of Watsco Center (formerly known as Bank United Center), internal road and access within the UM campuses, and conveyance of certain property between UM and the City. In consideration for the terms and conditions of the agreement and City’s satisfaction of its required approval obligations, UM agreed to pay the City a total fee of \$22 million, payable in annual payments which commenced on December 1, 2010 through December 1, 2029. The development agreement fee payment schedule and the present value of the remaining balance are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 1,025,000
2024	1,025,000
2025	1,025,000
2026	1,025,000
2027	1,025,000
2028-2030	3,075,000
Total payments due to the City	<u>8,200,000</u>
Less: Amount representing imputed interest	<u>(1,113,396)</u>
Present value of total remaining payments due to the City	<u><u>\$ 7,086,604</u></u>

(c) Deferred Inflows and Unearned Revenue

The components of deferred inflow of resources - unavailable revenues and unearned revenues as of September 30, 2022 are as follows:

	Unavailable Revenues	Unearned Revenues
<u>General Fund</u>		
False Alarms	\$ 239,703	\$ -
Delinquent Waste Fees	566,479	-
Ambulance Transport Fees	778,650	-
University of Miami		
Development Agreement Fee	7,086,604	-
Liens and Other Receivables	75,232	-
Prepaid Business Tax Receipts		2,823,290
Prepaid Waste Fees	-	6,193,821
Other fees	-	176,940
Grants and Contributions	1,772,686	167,094
Total	<u>10,519,354</u>	<u>9,361,145</u>
<u>Debt Service Fund</u>		
Miracle Mile/Giralda Streetscape		
Improvement Assessment	6,726,122	-
Liens and Other Receivables	2,184	-
Total	<u>6,728,306</u>	<u>-</u>
<u>General Improvement Fund</u>		
Grants and Contributions	-	26,800
Liens and Other Receivables	27,913	-
Total	<u>27,913</u>	<u>26,800</u>
<u>Other Governmental Funds</u>		
Grants and Contributions	253,803	-
Total	<u>253,803</u>	<u>-</u>
Total Governmental Funds	<u>\$ 17,529,376</u>	
Total Governmental Activities/Funds		<u>\$ 9,387,945</u>
<u>Parking Fund</u>		
Prepaid Parking Fees	-	297,459
Total Proprietary Funds		
Business-Type Activities	<u>\$ -</u>	<u>\$ 297,459</u>

(d) Capital Project and Related Services Assessment Program

In January 2011, the City through Resolution No. 2011-25 (As Amended) approved a strategic downtown initiative for Miracle Mile and Restaurant Row or Giralda Avenue, aimed to position the City’s downtown for economic growth and livability by transforming them into a beautiful, functional public space that will attract new residents and businesses and will increase the quality of life and property values.

In April 2014, the City adopted the Capital Project and Related Services Ordinance No. 2014-07 (the “Ordinance”). The Ordinance establishes the City’s procedures for the imposition of capital special assessment programs for the provision of improvements and related services providing a special benefit to local areas within the City; provides for the creation of assessment areas within the City; authorizes the imposition and collection of special assessments to fund the cost of capital improvements and services providing a special benefit to local areas within the City; outlines the procedures for the establishment of an assessment area and the initial and annual implementation steps for imposing special assessments by subsequent resolution. The Ordinance also replaces the City’s existing Local Improvement Act, and it provides for the adoption of Florida Statutes section 197.3632 and 197.3635, “Uniform Assessment Collection Act” authorizing the collection of non-ad valorem assessments on the same bill as ad valorem taxes.

The City adopted several resolutions required by Ordinance No. 2014-07 for the following improvement projects:

- a) Resolution No. 2014-169 - Final Assessment Resolution for Miracle Mile Improvement Project, adopted on August 26, 2014 for the provision of the improvement project, providing authority and definitions, approving the final assessment rolls, providing for the imposition of the assessment to fund the Miracle Mile improvement project, and providing for collection of the assessments pursuant to the uniform assessment collection act.

The properties located in the assessment area that specially benefit from the improvement project were allocated with total special assessment of \$7.46 million. The maximum annual assessments, which includes interest costs and other annual costs, is payable in annual installment for a period of twenty (20) years, and collection of the assessments commenced with the ad valorem tax bill in November 2017. The total maximum assessment to all property tax parcels is approximately \$11.61 million over the twenty-year period. Additionally, property owners may pay-off their assessment at any time during the 20-year repayment period. Prior to the November 2017 ad valorem tax bill, a total of \$907,596 was received from property owners who prepaid their assessment.

Total annual assessment of \$568,090, of which \$302,194 represents interest cost and other annual cost, was included in the November 2021 tax bill as non-ad valorem special assessment. As of September 30, 2022, a total amount of \$530,884 was collected from the November 2021 tax bill. In addition, \$6,348 was received from property owner as prepayment.

The estimated annual assessment including interest and other costs and the present value of the remaining assessments are as follows:

Fiscal Year	Amount
2023	\$ 569,770
2024	569,770
2025	569,770
2026	569,770
2027	569,770
2028-2032	2,848,850
2033-2037	2,848,850
Total assessments due to the City	8,546,550
Less: Amount representing interest and other costs	(3,100,273)
Present value of total remaining assessments due to the City	<u>\$ 5,446,277</u>

The total remaining special assessment of \$5.45 million is recognized as an assessment receivable and deferred inflow of resources – unavailable revenue in the Debt Service Fund financial statement.

- b) Resolution No. 2014-171 - Final Assessment Resolution for Giralda Avenue Improvement Project, adopted on August 26, 2014 for the provision of the improvement project, providing authority and definitions, approving the final assessment rolls, providing for the imposition of the assessment to fund the Giralda Avenue improvement project, and providing for collection of the assessments pursuant to the uniform assessment collection act.

The properties located in the assessment area that specially benefit from the improvement project were allocated with total special assessment of \$1.61 million. The maximum annual assessments, which includes interest costs and other annual costs, is payable in annual installment for a period of twenty (20) years, and collection of the assessments commenced with the ad valorem tax bill in November 2017. The total maximum assessment to all property tax parcels is approximately \$2.58 million over the twenty-year period. Additionally, property owners may pay-off their assessment at any time during the 20-year repayment period. Prior to the November 2017 ad valorem tax bill, a total of \$5,853 was received from property owners who prepaid their assessment.

Total annual assessment of \$125,160 of which \$51,826 represents interest cost and other annual cost, was included in November 2021 tax bill as non-ad valorem special assessment. As of September 30, 2022, a total amount of \$113,437 was collected from the November 2021 tax bill.

The estimated annual assessment including interest and other costs and the present value of the remaining assessments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 125,160
2024	125,160
2025	125,160
2026	125,160
2027	125,160
2028-2032	625,800
2033-2037	625,800
Total payments due to the City	<u>1,877,400</u>
Less: Amount representing interest and other costs	<u>(597,555)</u>
Present value of total remaining assessments due to the City	<u><u>\$ 1,279,845</u></u>

The total remaining special assessment of \$1.28 million is recognized as an assessment receivable and deferred inflow of resources – unavailable revenue in the Debt Service Fund financial statement.

(e) Service Assessments for Solid Waste and Recyclable Materials

The City adopted Ordinance No. 2016-02 which established the imposition of service assessments for solid waste and recyclable materials collection and disposal service, facilities and programs against residential property within the City, established the initial and annual implementation steps for special assessments by subsequent resolution, and authorized the collection of the special assessments on the same tax bill as ad valorem taxes. Effective September 29, 2015, the City may utilize the uniform method of collection of special assessments pursuant to Florida Statutes Chapter 197, whereby residential unit owners shall pay for residential solid waste collection services and delinquent amount on the tax bill. The Ordinance also provided for the advance payment of the annual assessment at a discounted rate if paid on or before August 15 of each year.

During fiscal year 2022, the City issued the solid waste assessment bill for the annual assessment for fiscal year 2023 to allow resident owners the option of a discounted rate if paid by August 15, 2022. As of September 30, 2022, the City collected \$6.20 million of advance payments related to the annual assessment for fiscal year 2023 and the amount is reported as part of unearned revenue in the governmental fund financial statements and governmental activities – statement of net position.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

As of September 30, 2022, the City’s cash, cash equivalents and investments were as follows:

	Cash and Cash		
	Equivalents	Investments	Total
Governmental activities	\$ 64,748,227	\$ 138,942,298	\$ 203,690,525
Business-type activities	7,781,218	50,464,828	58,246,046
Pension Trust Funds	16,715,229	401,494,927	418,210,156
Custodial Funds	3,448,410	-	3,448,410
Total Cash, Cash Equivalents and Investments	\$ 92,693,084	\$ 590,902,053	\$ 683,595,137
Deposits			\$ 92,693,084
Investments			590,902,053
Total Deposits and Investments			\$ 683,595,137

The City maintains cash, cash equivalents and an investment pool that is available for use by all funds except for those which the cash and investments must be segregated due to bond indenture or other legal restrictions. The interest-bearing and non-interest-bearing bank deposits are entirely insured by the Federal Depository Insurance Corporation or collateral held by the State Treasurer. Under provision of the Florida Security for Public Deposits Act, Chapter 280, all qualified public depositories are required to pledge collateral having a fair value equal to or greater than the depository’s collateral pledging level.

Interest earned on pooled cash, cash equivalents and investments is allocated monthly based on cash and investment balances of the respective funds.

The City of Coral Gables Retirement Fund deposits are included in cash and cash equivalents in the Plan’s statement of plan net position. Cash and cash equivalents include demand accounts and short-term investment funds (STIF). The allowable STIF investments are the custodial short-term (money market) commingled funds, commercial paper and U.S. governmental obligations.

Authorized Investments

The City does not have a formal investment policy and follows the State Statutes. The State Statutes authorize the City to invest any surplus funds in notes, bonds and other obligations of agencies of the United States which are unconditionally guaranteed by the U.S. Government, commercial paper, certificates of deposit issued by domestic and foreign financial institutions in the US; and pools of investments administered by the State of Florida known as the Local Government Surplus Funds Trust Fund. These investments held by Local Government Surplus Fund Trust Fund are allocated among two funds, LGIP (formerly known as LGIP-A) and Fund B (formerly known as LGIP-B). The value of the City’s investments in LGIP funds is the same as the value of the pool shares and is recorded at amortized cost. The SBA is not a registrant with the Securities and Exchange Commission. SBA accounts are not subject to custodial credit risk categorization as these investments are not evidenced by securities that exist in physical or book entry form and they do not have a credit rating.

City of Coral Gables Retirement Fund

The City of Coral Gables Retirement Fund (the “Plan”) investment policy is determined by the Plan’s Board of Trustees (the “Board”). The policy has been identified by the Board to conduct the operations of the Plan in a manner so that the assets will provide for the pension and other benefits provided under applicable laws, including City ordinances, preserving principal while maximizing the rate of return.

The Board is authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common.

Investments in all equity securities shall be limited to fully and easily negotiable equity securities and shall not exceed 70% of the market value of the total fund assets. No more than 10% (at market value) of the portfolio may be invested in the shares of a single corporate issuer. Investments in securities (equity or fixed income) issued by foreign corporations are limited to no more than 25% of fund assets. Investments in shares of public companies that have been publicly traded for less than a year are limited to no more than 15% of the market value of the total Plan assets. Convertible securities are not to exceed 10% of the market value of the total Plan assets. Equity funds may be managed through the purchase of open-ended, no-load mutual funds or commingled funds. The Board implicitly accepts the policy of a mutual fund or commingled fund when it makes a direct investment.

The fixed income portfolio shall comply with the following: the average credit quality of the bond Plan assets portfolio shall be "A" or higher. The duration of the total Plan assets should be less than 135% of the duration of the market index. Investments in all corporate fixed income securities shall be limited to securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. Yankee bonds and non U.S. dollar denominated bonds may not exceed 10% of the entire fixed income portfolio. No more than 10% at market of total Plan asset shall be invested in the securities of any single corporate issuer. Securities rated below "BBB" shall not exceed 15% of the market value of the Plan assets.

Investments in Collateralized Mortgage Obligations (CMOS) shall be limited to 25% of the market value of total Plan assets and shall be restricted to issues backed by the full faith of the U.S. Government, an agency thereof, or are rated AAA by a major rating service and PAC (Planned amortization class), NAC (non-accelerated securities) or VADM (very accurately defined maturity) securities.

There is no limit imposed on investments in fixed income securities issued directly by the United States Government or any agency or instrumentality thereof. Fixed income funds may be managed through the purchase of open-ended, no-load mutual funds or commingled funds. Fixed income funds purchased by investment advisors are expected to adhere to the guidelines herein. The Board implicitly accepts the policy of a mutual fund or commingled fund when it makes a direct investment.

Investments in real estate shall not exceed 15% at market valuation of the total Plan assets. All real estate investments shall be made through participation in diversified commingled funds of real properties. These funds shall be broadly diversified as to property type and location. Experienced and professional real property investment managers shall manage all real estate investments.

The Plan may invest up to 15% of the total market value of the portfolio in limited partnerships and/or private equity structures in order to diversify the Plan’s portfolio and/or to enhance the Plan’s return opportunities. It is understood that these types of investments may have limited liquidity and/or “lock-up” periods with no liquidity. It is also recognized that these types of investments may have higher fees and demonstrate highly variable returns over short periods of time. The Board shall consider special

criteria including, but not limited to, the following in evaluation of any investments in this category: tenure, expertise, and track record of management team; diversification potential of the alternative investment relative to other Plan investments; risk control provisions of the alternative investments; liquidity provisions of the alternative investment; use of leverage or other means of return enhancement by the alternative investment, fees and potential conflicts of interest associated with the alternative investment.

Police Officers' Pension Fund

The Police Officers' Pension Fund (the "Plan") investment policy is determined by the Board of Trustees (the "Board"). The policy was designed by the Board to maximize the Fund's asset value, while assuming a risk that is consistent with the Board's risk tolerance. As is prudent, the Board has adopted policy to diversify investment risk among several institutionally acceptable asset classes including equity securities, bonds debentures, and other corporate obligations. The Board is prohibited to invest in bonds issued by a corporation, state or municipality, futures, obligations issued by a foreign government (excluding the State of Israel), hedge funds, internally managed assets, limited partnerships, margin accounts, options, private equity, private mortgages, securities lending, illiquid investments and scrutinized companies published by the Florida State Board of Administration.

The Plan limits investment in the securities of any one issuer, other than the U.S. Government and its agencies, to no more than 5% of fiduciary net position. Investments more than 5% of the fiduciary net position consisted of Vanguard Interm-Term Investment Fund (9.99%); SPDR Bloomberg Barclays Convertible Fund (5.06%), Vanguard Inflation Protected Fund (5.30%); Vanguard Short Term Bond Fund (8.60%); Vanguard 500 Index Admiral Fund (25.37%) and American Funds Europacific Growth Fund (10.60%), and Vanguard Specialized Real Estate Index Fund (5.35%).

Firefighters' Pension Fund

The Firefighters' Pension Fund (the "Plan") investment policy is determined by the Board of Trustees (the "Board"). The policy was designed by the Board to preserve the purchasing power of the Plan's assets and earn a reasonable real rate of return (after inflation) over the long-term while minimizing the short-term volatility of results. To achieve these objectives, the Board adopted policy to create a conservative, well diversified and balanced portfolio of high quality equity securities, fixed income and money market securities.

Investments in equity securities shall be limited to those actively traded on a major stock exchange or NASDAQ, and shall not exceed 40% at cost of the investment manager's total portfolio. No more than 10% at cost of the plan's total assets may be invested in foreign securities. No more than 5% at cost of the portfolio total value may be invested in the shares of a single corporate issuer. Investment in equity securities issued by corporations with a total market capitalization of \$3 billion or less shall not exceed 15% of the total portfolio equity value at cost.

Investments in corporate fixed income securities shall be limited to those that hold a rating in one of the three (3) highest classifications by a major rating service. No more than 10% at cost of the fixed income portfolio total value may be invested in the securities of any single corporate issuer. Investments in Collateral Mortgage Obligation (CMOs) shall be limited to 10% of the fair value of the total fixed income portfolio and shall be restricted to those issues backed by securities issued or guaranteed by the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association, or that are rated "Aaa" by Moody or AAA" by Standard & Poor

rating agencies. There is no limit imposed on investments in fixed income securities issued directly by the US Government or agency or instrumentality thereof.

Short-term investment shall be limited to direct obligations of the US Government with a maturity of one year or less, commercial paper with a maturity of 270 days or less that is rated A-1 by S&P or P-1 by Moody's, and bankers acceptance issued by the largest fifty banks in the US.

Investments in tax-exempt bonds, interest-only or principal only CMOs, interest rate swaps, precious metals, limited partnerships of any kind, real estate, REIT, venture capital, future contracts or option contracts are prohibited. Trading on margin and short term selling are also prohibited.

Types of Investments

Florida Statutes and the Coral Gables Retirement Fund investment policy authorize the Board to invest funds in various investments. In accordance with the provisions of Florida Senate Bill 1462, no more than 25% of the Plan's total assets can be invested in foreign securities. In accordance with the Protecting Florida's Investment Act (Fla. Stat. 215.473), the Board is prohibited from directly investing in any companies, identified by the State Board of Administration (SBA) on its website each quarter, as a scrutinized company.

The Coral Gables Retirement Fund current target asset allocation range of these investments at market is as follows:

<u>Authorized Investments</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic equities	35%	45%
International equities	15%	25%
Domestic fixed income	10%	20%
International fixed income	0%	10%
Real estate	5%	15%
Alternative	0%	15%

Florida Statutes and Police Officers' Pension Fund investment policy authorize the Board to invest funds in various investments. The target asset allocation range of these investments at market is as follows:

<u>Authorized Investments</u>	<u>Target % of Portfolio</u>
Domestic equity	20% - 44%
Convertibles	2% - 8%
Treasury Inflation Protected Securities	3% - 7%
International equities	5% - 25%
Real estate	0% - 8%
Fixed income	15%-no limit
Cash and cash equivalents	10 - 40%

Florida Statutes and Firefighters' Pension Fund investment policy authorize the Board to invest funds in various investments. The target asset allocation of these investments at market is as follows:

<u>Authorized Investments</u>	<u>Target % of Portfolio</u>
Domestic equity	30%
Foreign equity	10%
Fixed income securities	60%

Fair Value Measurements

The following table presents the hierarchy for investments at fair value as of September 30, 2022:

	Fair Value Measurement Using			
	Total	Quoted Prices In Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at fair value level:				
<u>City of Coral Gables</u>				
Debt securities:				
US Treasury Securities	\$ 100,452,413	\$ 100,452,413	\$ -	\$ -
US Agency Fixed Rate Debentures	88,953,623	-	88,953,623	-
Total Investment by fair value level	189,406,036	\$ 100,452,413	\$ 88,953,623	\$ -
LGIP - Investment measured at amortized cost*	1,090			
Total Investments	\$ 189,407,126			
<u>Firefighters' Pension Fund</u>				
Mutual Funds	\$ 3,994,811	\$ 3,994,811	\$ -	\$ -
Investment by fair value level	3,994,811	\$ 3,994,811	\$ -	\$ -
Guaranteed Investment Contract, at contract value	8,458,825			
Total Investments	\$ 12,453,636			
<u>Police Officers' Pension Fund</u>				
Equity securities:				
Mutual Funds	\$ 3,868,606	\$ 3,868,606	\$ -	\$ -
Total	3,868,606	3,868,606	-	-
Debt securities:				
Fixed income mutual funds	1,789,523	1,789,523	-	-
Total Investment by fair value level	5,658,129	\$ 5,658,129	\$ -	\$ -
<u>City of Coral Gables Retirement Fund</u>				
Equity securities:				
Domestic equities	\$ 147,169,266	\$ 147,169,266	\$ -	\$ -
International equities	18,526,958	18,526,958	-	-
Total equity securities	165,696,224	165,696,224	-	-
Debt securities:				
Government and agency	37,096,174	-	37,096,174	-
Fixed income fund	4,966,500	-	-	4,966,500
Corporate bonds	11,766,778	-	11,766,778	-
Total debt securities	53,829,452	-	48,862,952	4,966,500
Alternative investments:				
Real estate	47,290,820	-	-	47,290,820
Venture capital	10,954,241	-	-	10,954,241
Total alternative investments	58,245,061	-	-	58,245,061
Total investments by fair value level	277,770,737	\$ 165,696,224	\$ 48,862,952	\$ 63,211,561
Investment measured at the net asset value (NAV)				
Commingled international equity fund	32,588,336			
Commingled global fixed income fund	2,503,313			
Hedge funds	70,520,776			
Total investment measured at the NAV	105,612,425			
Total investments	\$ 383,383,162			
Total Investments	\$ 590,902,053			

* These investments are not measured according to the hierarchy established by GASB Statement No. 72

City of Coral Gables Retirement Fund

The Plan has established a framework to consistently measure the fair value of the Plan's assets and liabilities in accordance with applicable accounting, legal, and regulatory guidance. This framework has been provided by establishing valuation policy and procedures that will provide reasonable assurance that assets and liabilities are carried at fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment.

The overall valuation processes and information sources by major investment classification are as follows:

- **Equity securities:** These include common stock, domestic and international equity funds. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2022. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.
- **Debt securities:** Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, and securitized residential and commercial mortgages. 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.
- **Alternative investments:** These investments include real estate equity and venture capital investments where no readily ascertainable market value exists. To value these investments, management, in consultation with the general partner and investment advisors, determines the fair values for the individual investments based upon the partnership's or limited liability company's most recent available financial information adjusted for cash flow activities through September 30, 2022. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

The Plan’s valuation methods for investments measured at the net asset value (NAV) per share (or its equivalent) as of September 30, 2022 are as follows:

	Investments Measured at the NAV		
	Fair Value	Redemption Frequency	Redemption Notice Period
Commingled international equity fund ⁽¹⁾	\$ 32,588,336	Daily	Same Day
Commingled global fixed income fund ⁽²⁾	2,503,313	Daily	Same Day
Hedge funds ⁽³⁾	70,520,776	Daily	Quarterly
Total investments measured at the NAV	<u>\$ 105,612,425</u>		

- (1) Commingled international equity fund consists of two commingled investment vehicles which invests primarily in publicly traded global equity securities. The fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- (2) Commingled global fixed income fund consists of one commingled investment vehicle which primarily invests in global equity and fixed income securities. The fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- (3) Hedge fund invests in three funds that are invested in both risk parity strategies and global macro hedge fund strategies. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

There are no unfunded commitments at year-end related to the above investments.

City of Coral Gables

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

Firefighters’ Pension Fund

Mutual Funds classified in Level 1 of the fair value hierarchy are valued at the daily closing price as reported by the Plan.

Guaranteed investment contracts are not measured at fair value and therefore are not reported in the fair value hierarchy. It uses liquidation value based on actuarial formula as defined under the terms of the contract.

Police Officers’ Pension Fund

Mutual Funds are valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Money market funds are valued at the floating net asset value of shares held by the Plan at year end.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturity as a means of managing exposure to fair value losses arising from increasing interest rates.

As a means of limiting its exposure to interest rate risk, the Coral Gables Retirement Fund and Firefighters’ Pension Fund diversify their investments by security type and institution, and limits holdings in any one type of investment with various durations of maturities.

The Firefighters Pension Fund has investment in a guaranteed investment contract of \$8,458,825 with a guaranteed interest rate of return and principal. The issuer of the investment assumes the market, credit and interest rate risks related to the investment. The average rate of return on this investment as of September 30, 2022 is 3.00%.

Information about the sensitivity of the fair value of the City’s investments (including Custodial Funds) to market interest rate fluctuations is provided by the following table that shows the distribution by investment type and maturity.

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 5
U.S. Government Agencies	\$ 189,406,036	\$ 162,151,858	\$ 27,254,178
State Board of Administration	1,090	1,090	-
	189,407,126	\$ 162,152,948	\$ 27,254,178
Deposits	75,977,855		
Total Cash, Cash Equivalents and Investments	\$ 265,384,981		

Information about the sensitivity of the fair values of the Coral Gables Retirement Fund’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan’s investments by maturity at September 30, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Money market fund	\$ 9,564,505	\$ -	\$ 9,564,505	\$ -	\$ -
U.S. government and agency	42,062,674	-	9,162,550	15,433,270	17,466,854
Corporate bonds	10,947,851	-	4,297,540	6,538,912	111,399
Global fixed income	2,503,313	-	-	-	2,503,313
Other fixed income	818,927	-	-	-	818,927
	\$ 65,897,270	\$ -	\$ 23,024,595	\$ 21,972,182	\$ 20,900,493

The Police Officers' Pension Fund's investment policy does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the distribution of the Plan's investments by maturity at September 30, 2022 is provided by the following table:

Investment Type	Fair Value	Investment Maturities (in Years)			More than 10
		Less than 1	1-5	6-10	
Fixed income mutual funds	\$ 1,789,523	\$ 59,145	\$ 923,556	\$ 666,325	\$ 140,497

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO's). It is the City's and Firefighters' Pension Fund's policy to limit its investment to the top rating issued by NRSRO's. Information about the sensitivity of the fair value of the City's and Firefighters' Pension Fund's investments to credit ratings is provided by the following table that shows the distribution of the investments by investment type:

Investment Type	Credit Rating Moody's	Fair Value	
		City	Firefighters' Pension Fund
US Treasury Securities	*	\$ 100,452,413	\$ -
US Agency Fixed Rate Debentures	Aaa	88,953,623	-
Mutual Funds	Not Rated	-	3,994,811
		<u>\$ 189,406,036</u>	<u>\$ 3,994,811</u>

The Coral Gables Retirement Fund and Police Officers' Pension Fund investment policy utilizes portfolio diversification in order to control credit risk.

The following table discloses Coral Gables Retirement Fund's credit ratings by investment type, at September 30, 2022 as applicable:

	Fair Value	Percentage of Portfolio
<u>U.S. government guaranteed*</u>	<u>\$ 37,094,241</u>	<u>56.31%</u>
Rating of credit risk debt securities by S&P:		
AAA	160,657	0.24%
AA+	-	0.00%
AA	-	0.00%
AA-	133,533	0.20%
A+	454,275	0.69%
A	839,170	1.27%
A-	4,613,916	7.00%
BBB+	3,796,261	5.76%
BBB	1,013,467	1.54%
BBB-	79,229	0.12%
Not rated	17,694,521	26.86%
<u>Total credit risk debt securities</u>	<u>28,785,029</u>	<u>43.69%</u>
<u>Total fixed income securities</u>	<u>\$ 65,879,270</u>	<u>100%</u>

*Credit risk disclosures are not required for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government and such investments do not have purchase limitations.

The following table discloses Police Officers' Pension Fund's credit ratings by investment type, at September 30, 2022 as applicable:

	Fair Value	Percentage of Portfolio
Rating of credit risk debt securities by Moody's :		
Aaa	\$ 349,666	19.54%
Aa	42,588	2.38%
A	300,260	16.78%
A1	1,001	0.06%
A2	782	0.04%
A3	2,314	0.13%
Baa1	2,189	0.12%
Baa2	16,858	0.94%
Baa3	10,884	0.61%
BA1	7,225	0.40%
BA2	4,473	0.25%
BA3	1,470	0.08%
B1	1,157	0.06%
Bbb	352,466	19.70%
Caa2	6,693	0.37%
Caa3	281	0.02%
Not rated	689,216	38.51%
Total credit risk fixed income investments	\$ 1,789,523	100%

Concentration of Credit Risk: The Coral Gables Retirement Fund policy limits investments in equities and fixed income securities to no more than 10% and 10% of an investment manager's portfolio, respectively, in any one issue. There were no individual investments that represent more than 10% of an investment manager's portfolio as of September 30, 2022. The investment policy of the Police Officers' Pension Fund and Firefighters' Pension Fund contain limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of net position at September 30, 2022 for the City and pension trust fund portfolios.

Custodial Credit Risk: The City does not have a formal policy, but its practice is to ensure that all investments are held by the City or its counterparty in the City's name. These investments are uninsured and unregistered. In accordance with the Coral Gables Retirement Fund investment policy, investments are held by the Plan's custodial banks and registered in the Plan's name. All of the Plan's investments are insured and or collateralized by a financial institution separate from the Fund's depository financial institution. In accordance with the Police Officers' Pension Fund's and Firefighters' Pension Fund's investment policy, investments are held by the Plan's custodial bank and registered in the Plan's name. All of the Plan's deposits are insured and/or collateralized by a financial institution separate from the Plan's depository financial institution.

Foreign Currency Risk: Foreign currency risk is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than US Dollars and the carrying value of foreign investments. The Police Officers' Pension Fund's exposure to foreign currency risk derives mainly from its investment in international equity funds. The Plan owns participation in international equity funds as well as individual securities.

The investment policy of the Plan limits the foreign investments to no more than 25% of the Plan’s investment balance. As of year-end, the foreign investments were 9.99% of total investments.

The City, Coral Gables Retirement Fund and the Firefighters’ Pension Fund do not have investments in foreign currency and therefore not subject to foreign currency risk.

Coral Gables Retirement Fund – Securities Lending Transactions

The Plan is authorized by state statutes and the Board’s policies to lend its investment securities. The lending is managed by the Plan's custodial bank. The Plan lends equity and fixed income securities for varying terms and receives a fee based on the loaned securities' value. During a loan, the Plan continues to receive dividends and interest as the owner of the loaned securities. All loans can be terminated on demand by either the Plan or the borrowers, although the average term of loans is approximately forty days. The custodial bank and its affiliates are prohibited from borrowing the system's securities.

The agent lends the Plan's U.S. government and agency securities and domestic corporate fixed-income and equity securities for securities or cash collateral of at least 102 percent and international securities of at least 105 percent of the securities plus any accrued interest. The securities lending contracts do not allow the Plan to pledge or sell any collateral securities unless the borrower defaults. Cash collateral is invested in the agent's collateral investment pool, whose share values are based on the amortized cost of the pool's investments. At September 30, 2022, the pool had weighted average terms to maturity of forty-five days.

The relationship between the maturities of the investment pool and the Plan's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Plan cannot determine. There are policy restrictions by the custodial bank that limits the amount of securities that can be lent at one time or to one borrower.

The following represents the balances relating to securities lending transactions at September 30, 2022:

Securities Lent:	Market Value of Securities on Loan for Cash	Fair Value of Cash Collateral Invested
U.S. government and agency obligations	\$ 19,222,455	\$ 19,649,046
Domestic corporate stocks	9,181,029	9,489,797
Domestic corporate bonds	5,480,891	5,605,619
Total Securities Lent	\$ 33,884,375	\$ 34,744,462

The contract with the Plan's custodian requires the custodian to indemnify the Plan if the borrower fails to return the securities, due to the insolvency of a borrower, and the custodian has failed to live up to its contractual responsibilities relating to the lending of those securities. At year end, the Plan has no credit risk exposure to borrowers because the amounts of collateral held by the Plan exceed the amounts the borrowers owe the Plan. There are no significant violations of legal or contractual provisions, no borrowers or lending agent default losses, and no recoveries of prior period losses during the year. There are no income distributions owing on securities lent.

NOTE 5 - CAPITAL ASSETS**(a) The following summarizes capital asset activity for the fiscal year ended September 30, 2022:**

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental Activities:				
Nondepreciable Assets:				
Land	61,021,039	\$ 752,768	\$ -	\$ 61,773,807
Construction in Progress	8,319,112	7,341,859	(2,898,122)	12,762,849
Total Non-depreciable Assets	<u>69,340,151</u>	<u>8,094,627</u>	<u>(2,898,122)</u>	<u>74,536,656</u>
Depreciable Assets:				
Infrastructure	113,068,020	-	-	113,068,020
Buildings	134,213,783	-	(159,447)	134,054,336
Improvements Other Than Buildings	96,872,473	3,966,227	(97,608)	100,741,092
Machinery and Equipment	64,389,875	4,164,864	(5,507,509)	63,047,230
Right-to-Use Leased Asset	-	565,217	-	565,217
Total Depreciable Assets	<u>408,544,151</u>	<u>8,696,308</u>	<u>(5,764,564)</u>	<u>411,475,895</u>
Less Accumulated Depreciation/Amortization for:				
Infrastructure	96,726,637	3,021,254	-	99,747,891
Buildings	28,002,343	2,657,485	-	30,659,828
Improvements Other Than Buildings	17,490,438	2,406,982	(97,608)	19,799,812
Machinery and Equipment	38,886,245	4,821,311	(5,356,739)	38,350,817
Right-to-Use Leased Asset	-	53,888	-	53,888
Total Accumulated Depreciation	<u>181,105,663</u>	<u>12,960,920</u>	<u>(5,454,347)</u>	<u>188,612,236</u>
Total Depreciable Assets, net	<u>227,438,488</u>	<u>(4,264,612)</u>	<u>(310,217)</u>	<u>222,863,659</u>
Governmental Activities Capital Assets, net	<u>\$ 296,778,639</u>	<u>\$ 3,830,015</u>	<u>\$ (3,208,339)</u>	<u>\$ 297,400,315</u>
Business-Type Activities:				
Nondepreciable Assets:				
Land	3,701,838	\$ -	\$ (35,170)	\$ 3,666,668
Construction in Progress	3,454,352	15,904,293	(2,389,376)	16,969,269
Total Non-depreciable Assets	<u>7,156,190</u>	<u>15,904,293</u>	<u>(2,424,546)</u>	<u>20,635,937</u>
Depreciable Assets:				
Infrastructure	34,426,127	1,583,500	-	36,009,627
Buildings	30,223,473	-	-	30,223,473
Improvements Other Than Buildings	819,926	1,079,079	-	1,899,005
Machinery and Equipment	4,922,500	532,763	(251,409)	5,203,854
Right-to-Use Leased Asset *	766,626	-	-	766,626
Total Depreciable Assets	<u>71,158,652</u>	<u>3,195,342</u>	<u>(251,409)</u>	<u>74,102,585</u>
Less Accumulated Depreciation/Amortization for:				
Infrastructure	14,026,817	606,733	-	14,633,550
Buildings	15,000,303	577,240	-	15,577,543
Improvements Other Than Buildings	605,795	33,220	-	639,015
Machinery and Equipment	3,362,119	354,487	(251,409)	3,465,197
Right-to-Use Leased Asset	-	268,220	-	268,220
Total Accumulated Depreciation	<u>32,995,034</u>	<u>1,839,900</u>	<u>(251,409)</u>	<u>34,583,525</u>
Total Depreciable Assets, net	<u>38,163,618</u>	<u>1,355,442</u>	<u>-</u>	<u>39,519,060</u>
Business-Type Activities Capital Assets, net	<u>\$ 45,319,808</u>	<u>\$ 17,259,735</u>	<u>\$ (2,424,546)</u>	<u>\$ 60,154,997</u>

* Beginning balance was restated with the implementation of GASB 87, Leases at October 1, 2021.

Depreciation/amortization expense was charged to functions/programs of the City as follows for the fiscal year ended September

Governmental Activities:	
General Government	\$ 4,926,261
Public Safety	4,129,493
Transportation	333,244
Culture and Recreation	1,792,317
Physical Environment	1,779,605
Total depreciation/amortization expense – Governmental Activities	<u>\$ 12,960,920</u>
Business-Type Activities:	
Sanitary Sewer System Fund	\$ 525,529
Parking System Fund	1,205,500
Stormwater Utility Fund	108,871
Total depreciation/amortization expense – Business-Type Activities	<u>\$ 1,839,900</u>

NOTE 6 - INTERFUND TRANSACTIONS

The interfund balance between General Fund: (a) BBC GOB Program Fund represents short-term loans to fund grant expenditures pending reimbursement from the Miami-Dade County Building Better Community (BBC) grant program; (b) Special Taxing District represents start-up costs paid by the General Fund for certain areas where the District is planning to provide special services. The District will reimburse the General Fund for such cost incurred.

Due from/to other funds:

	Due From <u>Other</u> <u>Funds</u>	Due to <u>Other Funds</u>
Major governmental fund:		
General Fund	\$ 214,778	\$ -
Nonmajor governmental fund:		
Special Taxing District	-	99,778
BBC GOB Program	-	115,000
	<u>\$ 214,778</u>	<u>\$ 214,778</u>

Interfund transfers for the fiscal year ended September 30, 2022 are as follows:

	<u>Transfer In</u>								Total
	Major Governmental Funds			Non-Major Governmental Fund		Major Proprietary Fund		Internal Service Fund	
	General	Debt Service	General Improvement	Transportation	Impact Fee	Sanitary Sewer	Parking	Insurance Fund	
Transfer out:									
Major governmental fund:									
General	\$ -	\$ 7,043,570	\$ 23,094,071	\$ 95,000	\$ -	\$ -	\$ -	\$ 733,851	\$ 30,966,492
General Improvement	-	-	-	-	2,179,090	140,000	576,210	-	2,895,300
Non-Major governmental fund:									
Impact Fee	-	-	-	-	-	-	2,275,580	-	2,275,580
Major proprietary fund:									
Sanitary Sewer	284,332	-	-	-	-	-	-	-	284,332
Parking System	7,935,239	-	-	-	-	-	-	-	7,935,239
Stormwater	77,025	-	-	-	-	-	-	-	77,025
Internal Service fund:									
Public Facilities	1,255,065	-	-	-	-	-	-	-	1,255,065
	<u>\$ 9,551,661</u>	<u>\$ 7,043,570</u>	<u>\$ 23,094,071</u>	<u>\$ 95,000</u>	<u>\$ 2,179,090</u>	<u>\$ 140,000</u>	<u>\$ 2,851,790</u>	<u>\$ 733,851</u>	<u>\$ 45,689,033</u>

Transfers out from the General Fund to: (a) General Improvement Fund and Transportation Fund were primarily to provide additional funding for capital project expenditures; (b) Debt Service Fund is required to provide funds to pay debt service requirements; and (c) Insurance Fund was to provide funding for claim reserves. Transfers out from Parking Systems Fund, Sanitary Sewer Fund, Stormwater Fund, and Public Facilities Fund to the General Fund were primarily to provide funding as a subsidy for the cost of operations of the General Fund and in accordance with City resolutions. Transfers out from General Improvement Fund and Impact Fee Fund to Parking Fund were primarily for the construction of a new parking garage. Transfers out from General Improvement Fund to Sanitary Sewer Fund was primarily for the sewer system upgrade. Transfer out from General Improvement Fund to Impact Fee Fund was primarily for restricted revenues received from developer and to be used for specific improvement projects.

NOTE 7 - LONG-TERM DEBT

(a) Following is a summary of the City’s Special Obligation Bonds at September 30, 2022:

Issue Date	Maturity Date	Interest Rate	Amount Authorized	Amount Issued	Amount Retired	Balance Outstanding 09/30/22	Current Portion
Governmental Activities:							
04-28-2016	04-01-2037	2.92%	\$ 16,975,000	\$ 16,975,000	\$ 16,975,000	\$ -	\$ -
04-28-2016	04-01-2037	3.045%	4,460,000	4,460,000	4,460,000	-	-
05-31-2018	04-01-2048	3.640%	48,015,000	48,015,000	1,800,000	46,215,000	900,000
05-31-2018	10-01-2031	2.840%	28,486,030	28,486,030	7,859,698	20,626,332	1,873,228
03-30-2021	10-01-2032	1.900%	5,258,000	5,258,000	280,000	4,978,000	530,000
06-10-2021	04-01-2051	2.00%-5.00%	7,155,600	7,155,600	369,300	6,786,300	772,400
03-18-2022	04-01-2037	2.590%	15,370,000	15,370,000	-	15,370,000	815,000
03-18-2022	04-01-2037	2.590%	3,755,000	3,755,000	-	3,755,000	200,000
			<u>129,474,630</u>	<u>129,474,630</u>	<u>31,743,998</u>	<u>97,730,632</u>	<u>5,090,628</u>
Business-Type Activities:							
05-31-2018	10-01-2031	2.840%	4,133,970	4,133,970	1,140,302	2,993,668	271,772
06-10-2021	04-01-2051	2.00%-5.00%	19,899,400	19,899,400	430,700	19,468,700	1,147,600
			<u>24,033,370</u>	<u>24,033,370</u>	<u>1,571,002</u>	<u>22,462,368</u>	<u>1,419,372</u>
			<u>\$ 153,508,000</u>	<u>\$ 153,508,000</u>	<u>\$ 33,315,000</u>	<u>\$ 120,193,000</u>	<u>\$ 6,510,000</u>

The City’s special obligation bonds consist of direct borrowings from the Sunshine State Governmental Financing Commission (SSGFC) and other private sources to provide funds for the acquisition, construction, and improvements of capital facilities, and are secured by a covenant to budget and appropriate from available non-ad valorem revenues of the City. With respect to the governmental special obligation bonds, fiscal year 2022 debt service (excluding bond refunding) was \$7,663,549 while total non-ad valorem tax revenue totaled \$102,114,975. For the business-type special obligation bonds, fiscal year 2022, debt service totaled \$1,044,797 while total non-ad valorem revenue totaled \$37,607,008. All revenue pledges remain in effect for the life of the special obligation bonds through final maturity date of April 1, 2051. Borrowing agreements contain provision that in an event of default by the City, the bondholders have the rights to act and exercise remedies as provided in the agreement to collect amounts due and thereafter to become due.

In fiscal year 2022, the City directly issued the following special obligation bonds:

Series 2022A – In March 2022, the City issued Capital Improvement Refunding Revenue Bond, Taxable Series 2022A with principal amount of \$15,370,000 to accomplish the advance refunding of Series 2016A in the amount of \$14,895,000 with interest rates ranging from 2.125% to 5.00% which was scheduled to mature on April 1, 2037. The amount of \$16,236,325 (which includes City’s contribution of \$970,412 and cost of issuance of \$104,086) was deposited in an irrevocable trust with an escrow agent to provide for the future debt service payment on the refunded bonds. The outstanding balance of the refunded bonds at September 30, 2022 is \$14,215,000. As a result, the refunded Series 2016A is considered defeased and the liability has been removed from the statement of net position. The Series 2022A has a fixed interest rate of 2.59% payable on April 1 and October 1 of each year and matures on April 1, 2037. Principal amount is paid annually starting April 1, 2023.

The reacquisition price exceeded the net carrying amount of the old debt and resulted in a deferred loss on refunding of \$242,222. This amount is reported as deferred charge on refunding in the statement of net position and amortized over the life of the refunding debt.

Series 2022B – In March 2022, the City issued Capital Improvement Refunding Revenue Bond, Taxable Series 2022B with principal amount of \$3,755,000 to accomplish the advance refunding of Series 2016B in the amount of \$3,770,000 with interest rates ranging from 2.125% to 5.00% which was scheduled to

mature on April 1, 2037. The amount of \$3,976,760 (which includes City's contribution of \$246,791 and cost of issuance of \$25,031) was deposited in an irrevocable trust with an escrow agent to provide for the future debt service payment on the refunded bonds. The outstanding balance of the refunded bonds at September 30, 2022 is \$3,580,000. As a result, the refunded Series 2016B is considered defeased and the liability has been removed from the statement of net position. The Series 2022B has a fixed interest rate of 2.59% payable on April 1 and October 1 of each year and matures on April 1, 2037. Principal amount is paid annually starting April 1, 2023.

The reacquisition price exceeded the net carrying amount of the old debt and resulted in a deferred loss on refunding by \$112,634. This amount is reported as deferred charge on refunding in the statement of net position and amortized over the life of the refunding debt.

The advance refunding of the Series 2016A and Series 2016B bonds reduced total debt service payments by \$85,801 and resulted in an economic gain of \$63,588 (net present value savings).

Pursuant to the bond purchase and exchange agreement between the City and the lender, the City has the option to exchange the Capital Improvement Refunding Revenue Bonds, Taxable Series 2022A and 2022B, on or after January 2, 2026, for tax-exempt Capital Improvement Refunding Revenue Bonds, Series 2026A and Series 2026B, respectively, with tax-exempt interest rate of 2.12%. The exercise of refunding option will allow the City to generate combined net present value savings of \$292,672.

All of the City's outstanding loans are tax exempt except for \$5,258,000 loan issued on March 30, 2021; and \$19,125,000 issued on March 18, 2022, which are taxable.

The City has utilized the Sunshine State Governmental Financing Commission (the "Commission") since 1987 as its source to finance the acquisition and construction of City facilities. Starting in fiscal year 2021, the City has directly issued special obligation bonds to refund certain bonds which were direct borrowings from the Commission. As of September 30, 2022, special obligation bonds outstanding are direct borrowings from private sources, except for the Capital Improvement Revenue Bonds, Series 2018A and 2018B in the amount of \$69.84 million loan issued on May 31, 2018 which were direct borrowing from the Commission.

In June 2022, the board of directors of the Commission adopted a Plan of Dissolution to dissolve the Commission effective April 5, 2023. Pursuant to the terms of the dissolution, the Capital Improvement Revenue Bonds, Series 2018A and 2018B will be assumed by the City and become direct borrowing of the City to bondholders. (See Note 20)

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Total annual debt service requirements on long-term debt outstanding as of September 30, 2022, are as follows:

BUSINESS-TYPE ACTIVITIES			
Fiscal Year	Direct Borrowings		
	Special Obligation Debt		
	Principal	Interest	Total Required
2023	\$ 1,419,372	\$ 802,746	\$ 2,222,118
2024	1,485,074	731,493	2,216,567
2025	1,558,477	656,955	2,215,432
2026	1,223,548	578,713	1,802,261
2027	1,273,452	517,204	1,790,656
2028-2032	4,827,445	1,730,167	6,557,612
2033-2037	2,380,000	1,099,840	3,479,840
2038-2042	2,680,000	801,690	3,481,690
2043-2047	2,985,000	500,400	3,485,400
2048-2052	2,630,000	149,616	2,779,616
Total	22,462,368	\$ 7,568,824	\$ 30,031,192
Less: Current portion	(1,419,372)		
Long-term portion	\$ 21,042,996		

GOVERNMENTAL ACTIVITIES			
Fiscal Year	Direct Borrowings		
	Special Obligation Debt		
	Principal	Interest	Total Required
2023	\$ 5,090,628	\$ 3,633,051	\$ 8,723,679
2024	5,404,926	3,399,557	8,804,483
2025	5,631,523	3,169,134	8,800,657
2026	5,851,452	2,928,477	8,779,929
2027	6,166,548	2,677,580	8,844,128
2028-2032	28,487,555	9,814,898	38,302,453
2033-2037	15,893,000	6,329,126	22,222,126
2038-2042	10,145,000	4,101,950	14,246,950
2043-2047	12,310,000	1,925,350	14,235,350
2048-2052	2,750,000	99,688	2,849,688
Total	97,730,632	\$ 38,078,811	\$ 135,809,443
Less: Current portion	(5,090,628)		
Long-term portion	\$ 92,640,004		

The City's General Fund is primarily utilized for the payment of long-term liabilities of the governmental funds. During the year ended September 30, 2022, the following changes occurred in long-term liabilities of governmental activities:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	AMOUNTS DUE WITHIN ONE YEAR
Accrued Compensated Absences	\$ 11,990,131	\$ 7,196,261	\$ 7,509,399	\$ 11,676,993	\$ 6,295,618
Claims Payable	13,833,000	3,410,788	3,570,788	13,673,000	4,586,000
Special Obligation Debt from direct borrowings	100,258,002	19,125,000	21,652,370	97,730,632	5,090,628
Premium on Special Obligation Debt from direct borrowings	5,640,521	-	1,910,160	3,730,361	-
Capital Lease	99,983	-	99,983	-	-
Lease Liabilities	-	565,217	65,574	499,643	179,069
Pollution Remediation Obligation	343,500	2,356,500	-	2,700,000	-
Deferred Employment Taxes	2,187,335	-	2,187,335	-	-
Advances from Insurance Company	566,945	-	504,185	62,760	62,760
Total OPEB Liability	28,240,604	-	4,275,941	23,964,663	-
Net Pension Liability	178,774,844	-	75,492,297	103,282,547	-
	<u>\$ 341,934,865</u>	<u>\$ 32,653,766</u>	<u>\$ 117,268,032</u>	<u>\$ 257,320,599</u>	<u>\$ 16,214,075</u>

During the year ended September 30, 2022, the following changes occurred in long-term liabilities of business type activities:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	AMOUNTS DUE WITHIN ONE YEAR
Accrued Compensated Absences	\$ 398,415	\$ 268,468	\$ 248,409	\$ 418,474	\$ 242,110
Lease Liabilities *	766,626	-	266,847	499,779	257,223
Special Obligation Debt from direct borrowings	23,129,998	-	667,630	22,462,368	1,419,372
Premium on Special Obligation Debt from direct borrowings	2,317,277	-	443,141	1,874,136	-
Total OPEB Liability	1,486,348	-	487,820	998,528	-
Net Pension Liability	6,965,254	-	3,174,873	3,790,381	-
	<u>\$ 35,063,918</u>	<u>\$ 268,468</u>	<u>\$ 5,288,720</u>	<u>\$ 30,043,666</u>	<u>\$ 1,918,705</u>

* Beginning balance was restated with the implementation of GASB 87, Leases at October 1, 2021.

NOTE 8 - EMPLOYEE PENSION PLANS

The City’s employee retirement plans include one single employer defined benefit plan and six defined contribution plans.

(a) Defined Benefit Plan

Coral Gables Retirement Plan

(1) Plan Description

The City of Coral Gables Retirement System (the "Plan") is a single employer defined benefit pension plan, covering substantially all regular full time general, police, and fire department employees of the City of Coral Gables, Florida (the "City") that have met the conditions of eligibility.

The Plan's governing board consists of 13 members, as follows:

- One is elected by the participating police officers
- One is elected by the participating firefighters
- One is elected by the participating employees, other than police officers and firefighters
- One is elected by all current fulltime participating employees
- Five are legal residents of the City who are not participants and are appointed by the City Commission
- The City Finance Director
- The City Labor Relations and Risk Management Director
- Two are recommended by the City Manager and approved by the City Commission

The following is a brief description of the Plan provided for general information purposes only. Members should refer to the Plan document for more complete information.

Plan Membership - Plan membership consisted of the following as of October 1, 2021:

Retirees and beneficiaries currently receiving benefits, including DROP, and terminated employees entitled to benefits, but not yet receiving them	995
<hr/>	
Current Employees:	
Vested	255
Non-vested	344
Total Current Employees	599

Pension Benefits

Normal Retirement Date

Participants, other than firefighters and police officers, with more than 10 years of credit service at September 30, 2010 may retire and receive normal retirement benefits upon reaching the earliest of (a) age 52 and 10 years of credited service, (b) age 65 or (c) when the participant’s age plus years of credited service equals or exceeds 70 (Rule of 70). Participants, other than firefighters and police officers, with less than 10 years of credited service at September 30, 2010 may retire and receive normal benefits upon reaching the earliest of (a) age 62 and 10 years of credited service, (b) age 65 and 6 years of service or (c) when the participant's age plus years of credited service equals or exceeds 80 (Rule of 80).

Police officers with more than 10 years of credited service at September 30, 2012 may retire and receive normal retirement benefits upon reaching the earliest of (a) age 52 and 10 years of credited service, (b)

age 65 or (c) when the participant’s age plus years of credited service equals or exceeds 70 (Rule of 70). Police officers with less than 10 years of credited service at September 30, 2012, may retire and receive normal retirement benefits upon reaching the earliest of (a) age 55 and 10 years of credited service or (b) 25 years of credited service, regardless of age.

Firefighters with more than 10 years of credited service at September 30, 2013 may retire and receive normal retirement benefits upon reaching the earliest of (a) age 52 and 10 years of credited service, (b) age 65 or (c) when the participant’s age plus years of credited service equals or exceeds 70 (Rule of 70). Effective October 1, 2019, firefighters with less than 10 years of credited service at September 30, 2013, may retire and receive normal retirement benefits upon (a) reaching 25 years of credited service regardless of age or (b) when age plus full years of credited service equal 76 (Rule of 76).

Benefit Payment

For credited service through and including September 30, 2013 and 2012, the monthly amount of normal retirement income payable to firefighters and police officers, respectively, shall equal 3% of the average final compensation multiplied by the total years of credited service as of such date, not to exceed 75% of the average financial compensation. For credited service after September 30, 2013 and 2012, the monthly amount of normal retirement income payable to firefighters and police officers, respectively, shall equal 3% of the average final compensation multiplied by the first 10 years of credited service, and 2.5% of average final compensation multiplied by the total years of credited service in excess of the first 10 years of credited service, with the combined normal retirement income not to exceed 75 percent of average final compensation.

Effective September 30, 2013, the term “average financial compensation” for firefighters means:

- For participants who retire between October 1, 2012 and September 30, 2013, the greater of (a) the highest three-year average total earnings as of the date of retirement or (b) the highest four-year average total earnings;
- For participants who retire between October 1, 2013 and September 30, 2014, the greater of (a) the highest four-year average total earnings as of the date of retirement or (b) the highest five-year average total earnings;
- For participants who retire on or after October 1, 2014, the highest five-year average earnings;

Effective September 30, 2012, the term “average financial compensation” for police officers means:

- For participants who retire before October 1, 2012, the highest three-year average total earnings.
- For participants who retire between October 1, 2012 and September 30, 2013, the greater of (a) the highest three-year average total earnings as of the date of retirement or (b) the highest four-year average total earnings;
- For participants who retire between October 1, 2013 and September 30, 2014, the greater of (a) the highest four-year average total earnings as of the date of retirement or (b) the highest five-year average total earnings;
- For participants who retire on or after October 1, 2014, the highest five-year average earnings;

Effective September 30, 2013 and 2012, retirement benefits for firefighters and police officers, respectively, shall be based on pensionable earnings and not total earnings. For both firefighters and police officers, pensionable earnings exclude certain compensation, such as unused annual leave, unused sick leave, special assignment pay, all overtime payments, and tuition reimbursement, amongst others.

Effective February 28, 2017, the monthly normal retirement benefit was changed to provide police officers an enhanced benefit for the 25th year of credited service. 10%, as opposed to 2.5% of average financial compensation, may be applied to the 25th year of credited service, such that the total normal retirement income does not exceed 75% of average final compensation.

Effective September 30, 2010, the monthly amount of normal retirement income payable for general and excluded employees who retire after that date shall equal the greater of the participant's five-year or three-year average earnings as of the date of retirement (or separation from employment) as of September 29, 2010, multiplied by total years of credited service and by a percentage, as applicable below:

General:

- (a) elected: 3% multiplier
- (b) other general: 2.25% multiplier

Excludable:

- (a) managerial employees: 3% multiplier for first 10 years; 2.25% thereafter;
- (b) professional/supervisory employees: 2.5% multiplier for first 10 years; 2.25% thereafter;
- (c) confidential employees: 2.25% multiplier
- (d) appointed officials: 3% multiplier

Effective March 13, 2018, the maximum retirement benefit in the normal annuity form for general and excluded employees with less than 10 years of credited service on March 13, 2018 shall not exceed the lesser of \$50,000 annually or 75% of final average compensation. For participants with 10 or more years of service on March 13, 2018, the maximum retirement benefit in the normal annuity form shall not exceed \$67,500 annually or 75% of final average compensation. In no event, shall a participant's benefit be less than the accrued benefit on March 13, 2018.

Notwithstanding the foregoing, the normal retirement income payable to participants, other than police officers and firefighters, who as of September 30, 2010 attained the normal retirement date in effect on September 29, 2010, shall be based on the highest three-year average.

As to all participants, with the exception of members of the bargaining units represented by the Fraternal Order of Police, Lodge No.7, and the International Association of Firefighters, Local 1210, who retire after completing 40 years or more of service on or after December 31, 1993, the benefit will be calculated using 80% of the highest two-year average annual earnings.

For bargaining unit members who are not eligible for normal retirement as of February 28, 2017 and whose accrued annual pension benefit as of February 28, 2017 does not exceed \$95,000 per year, the total pension benefit will be the lesser of 75% of average financial compensation or \$95,000. Effective September 30, 2019, the cap changes to the lesser of 75% of average financial compensation or \$96,900.

Effective March 13, 2018, for participants in the bargaining unit represented by Teamsters Local Union 769, the maximum retirement benefit in the normal annuity form shall not exceed the lesser of: \$50,000 annually or 75% of final average compensation for participants with less than 10 years of credited service on March 13, 2018; and \$67,500 annually or 75% of the final average compensation for participants with 10 or more years of credited service on March 13, 2018; provided in no event shall a participant's benefit be less than the accrued benefit on March 13, 2018.

Early retirement, disability, death and other benefits are also provided. For police officers and firefighters not eligible for normal retirement at September 30, 2012 and September 30, 2013, respectively, early retirement is eliminated.

Deferred Retirement Option Plan

Members who continue employment with the City and meet the earliest Deferred Retirement Option Plan (the "DROP") eligibility date may freeze their accrued benefit and enter the DROP. Maximum participation in the DROP shall be 5 years for general and police members and 8 years for firefighter

members for members entering the drop prior to February 28, 2017. Effective February 28, 2017, the maximum participation in the DROP shall be 7 years for police members entering the DROP on or after February 28, 2017. Effective September 30, 2020, the maximum participation in the DROP shall be 5 years for police members entering the DROP on or after September 30, 2020. Effective July 13, 2021, the maximum participation in the DROP shall be 8 years for police members participating and entering the DROP on or after July 13, 2021.

For members electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the Plan into the member's DROP account in an amount equal to the regular monthly retirement benefit, which the participant would have received had the participant separated from service and commenced receipt of pension benefits.

DROP payments contributed to a member's DROP account earn interest at a rate equal to actual rate of return on the Plan's portfolio from a minimum of 3% to a maximum of the assumption rate of return per year, compounded annually.

Upon termination of employment, the balance in the member's DROP account, including interest, is payable to them and they also begin to receive their monthly retirement benefit. The value of the DROP accounts at September 30, 2022 was \$19,925,083.

A participant, other than a firefighter or police officer, who enters the DROP on or after October 1, 2010, must submit a written election to participate in the DROP at least 30 days prior the DROP entry date. Such participant may delay entry into the DROP for up to 3 years past the earliest DROP eligibility date. If entry is delayed beyond 3 years, the participant must reduce the maximum DROP period by one month for each month of delayed DROP entry.

For firefighter and police officer participants, the election to enter the DROP must be made no later than six months after the later occurrence of events which constitute a DROP eligibility date. Police officers, however, can defer entry into the DROP for any length of time beyond their initial DROP eligibility date.

A summary of the changes in the DROP balance as of September 30, 2022 is as follows:

Beginning balance	\$	25,210,048
Additions		5,561,089
Distributions		(12,428,122)
Interest earned		1,582,068
Ending balance	\$	<u>19,925,083</u>

Cost of Living Adjustment (“COLA”)

Effective January 1 of each year, participants who were receiving benefits for the full preceding year will receive a cost of living increase based on a formula as defined in the ordinance, if the market value rate of return is greater than or equal to 10%. Effective February 10, 2015, cost of living adjustments may be granted only if the Plan remains in a net positive experience position, determined on a cumulative basis from July 1, 1994.

On June 12, 2013, the plaintiffs filed a putative class action lawsuit against the City of Coral Gables seeking a cost of living adjustment (“COLA”) to their retirement benefits effective January 1, 2013. On September 18, 2017, the two plaintiffs, on behalf of themselves and all Class Members, and the City of Coral Gables executed a Class Action Settlement Agreement. On February 26, 2018, final judgement in the lawsuit was approved by the court.

The terms of the settlement agreement entitled the Class Members to receive a permanent COLA of 2.975%, retroactive to January 1, 2013 and/ or a permanent COLA of 0.25%, retroactive to January 1, 2014, depending on the date on which the Class Member began receiving retirement benefits. Class members who began receiving retirement benefits on or before January 1, 2012 will be entitled to both the 2.975% COLA and the 0.25% COLA. Class members who begin receiving retirement benefits after January 1, 2012 but on or before January 1, 2013 will only be entitled to the 0.25% COLA.

Termination

If a member terminates employment before retirement, their contributions are returned to them. The Plan also provides a special provision for vested benefits for employees who terminate after 10 years of service.

Member Contribution

Effective December 8, 2015, it is not mandatory for any new employee other than a police officer or firefighter to participate in the Plan. Such employee shall have the option of participation in the Plan or a defined contribution plan. The employee must exercise the option within thirty days following their date of hire.

Prior to September 30, 2013, police officer and firefighter participants are required to contribute 5% of their total earnings to the Plan. Effective September 30, 2013, firefighters are required to contribute 8% of pensionable earnings to the Plan. Effective September 30, 2014, all police officer and firefighter participants are required to contribute 10% of their pensionable earnings to the Plan.

Effective September 30, 2010, all participants in the Teamsters Local Union 769 Bargaining Unit are required to contribute 10% of total earnings to the Plan. Effective October 1, 2017, it is not mandatory for a non-bargaining unit police officer or firefighter hired from outside the City on or after September 26, 2017 to participate in the Plan. Such employee shall have the option of participating in the Plan or in another retirement plan and must exercise that option within 30 days following their date of hire.

Effective October 1, 2011 general employees who were members of Local Union 769 and management employees shall have their contribution percentage increased based on increases in City contribution requirements since the October 1, 2009 actuarial provisions. For the fiscal year ended September 30, 2012, Union 769 employees' contribution was determined to be 14.27% and management employees 13.79%. Effective October 1, 2013, the contribution rate for management and union employees were 15.00% and 17.00%, respectively, of compensation. Effective October 1, 2014, Union 769 employees are required to contribute 15.00% of total earnings and excluded employees shall contribute in accordance with the cost-sharing provisions with the City.

For General excluded employees, effective October 1, 2014 through March 18, 2018, excluded employees shall contribute in accordance with the cost-sharing provisions of the City Ordinance. Effective March 19, 2018, excluded employees shall contribute at a rate equal to 0.5% less than the percent of compensation determined in accordance with the cost-sharing provisions of the City Ordinance, but in no event less than 10% of compensation. Effective the first pay period after October 1, 2018, excluded employees shall contribute at a rate equal to 1.0% less than the percent of compensation determined in accordance with the cost-sharing provisions of the City Ordinance, but in no event less than 10% of compensation. Effective the first pay period after October 1, 2019, excluded employees shall contribute at a rate equal to 1.5% less than the percent of compensation determined in accordance with the cost-sharing provisions of the City Ordinance, but in no event less than 10% of compensation.

Effective October 1, 2016, participants in the bargaining unit represented by Teamsters Local Union 769 shall contribute in accordance with the cost-sharing provisions of the City Ordinance, subject to a maximum cap of 15% of compensation through March 18, 2018; 14.5% of compensation from March 19,

2018, through the last full pay period before October 1, 2018; 14% of compensation from the first pay period after October 1, 2018 through the last full pay period before October 1, 2019; and 13.5% of compensation from the first pay period after October 1, 2019 through the last full pay period before September 30, 2022. Effective October 1, 2022, the maximum cap is 13% of compensation through the last full pay period before September 30, 2024.

Funding Requirements

The City is required to pay into the Plan such amount as necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the employees. The City's contribution is reduced by the following:

- (a) For police officers and firefighters:
 - Pursuant to Florida Statutes, Chapters 175 and 185, contributions from the State of Florida Department of Insurance consist of an excise tax imposed by the City upon certain casualty insurance companies on the gross amount of receipts of premiums from policy holders on all premiums collected on casualty insurance policies covering property within the City. The allowable portion of the State (Share Plan) contribution is used to reduce the City's contribution when received.
- (b) For general employees who are members of Local Union 769 and excluded employees (effective October 1, 2011):
 - Employee contribution percentages for each fiscal year beginning October 1, 2011 and subsequent fiscal years shall be increased based on the increases in City contribution requirements since the October 1, 2009 Actuarial Valuation.
 - City contribution percentages shall be decreased by the amount of the employees' contribution increases.
 - The City's October 1, 2009 contribution requirements, as adjusted for the September 27, 2010 Actuarial Impact Statement, will be further adjusted for the impacts of any changes in Actuarial Assumptions and/or methods subsequent to October 1, 2009.

Effective October 1, 2017, it is not mandatory for a non-bargaining unit police officer or firefighter hired from outside the City on or after September 26, 2017 to participate in the Plan. Such employee shall have the option of participating in the Plan or in another retirement plan and must exercise that option within 30 days following their date of hire.

Investments

The Plan has contracts with investment managers who supervise and direct the investment of equity and fixed income securities. In addition, the Plan utilizes an investment consultant who monitors the investing activity. The investments owned are held by a custodian in the name of the Plan. The Plan provides for investment in U.S. Government securities, money market funds, bonds, notes, common stock, international equity securities, real estate and alternative investments.

(2) Basis of Accounting for Coral Gables Retirement System

The Plan's financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which the contributions are due. City contributions are recognized as revenue when due pursuant to the actuarial valuation and the City has made a commitment to pay. Share Plan contributions are recognized as revenue in the period in which they are approved by the State. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest and other income are recorded as earned and dividend income is recorded as of the ex-dividend date.

Cash and Cash Equivalents

The Plan considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments - See Note 4 for disclosures

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statement of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of securities are reflected on a trade-date basis. Interest income is recognized as earned and dividend income is recorded as of the ex-dividend date. Realized gains and losses on the sale of investments are based on average cost identification method.

Given the inherent nature of investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position.

Risks and Uncertainties

Contributions to the Plan and the actuarial information included in the required supplementary information (RSI) are reported based on certain assumptions pertaining to the interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in settling assumptions, that the effect of such changes could be material to the financial statements.

The Coral Gables Retirement Plan issues a publicly available financial report that includes the applicable financial statements and required supplementary information. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Retirement Administrative Manager, 147 Alhambra Circle, Suite 215, Coral Gables, Florida 33134.

Net Pension Liability

The City’s net pension liability was measured as of September 30, 2021 and rolled-forward to September 30, 2022, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2021.

The components of the net pension liability of the City at September 30, 2022 were as follows:

	Amount
Total pension liability	606,340,628
Plan fiduciary net position	(499,267,700)
Total net pension liability	107,072,928
Plan fiduciary net position as a percentage of the total pension liability	82.34%

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal, Level Percent of Pay
Inflation	2.15%
Salary increases	2.60% - 9.90%, depending on age or service group, including inflation.
Investment rate of return	7.40%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same version of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) in their July 1, 2019 actuarial valuation (with mortality improvements projected to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation report.

The most recent experience study was completed on April 5, 2021. This experience study examined experience during the five-year period ending September 30, 2019. Based on the results, of this experience study, certain assumptions were revised effective with the October 1, 2020 actuarial valuation.

The following changes in actuarial assumptions occurred in 2021:

- The inflation assumption was changed from 2.50% to 2.15%, resulting in a decrease in salary increases from range of 3.25%-7.25% to 2.60%-9.90%; and a decrease in investment rate of return from 7.5% to 7.40%.
- The assumed mortality rates were also revised to be the same as those employed by the Florida Retirement System (FRS) in its July 1, 2019 actuarial valuation, as prescribed by F. S. 112.63(1)(f), which mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS. The combined effect of these assumption changes caused a \$1,948,628 decrease in the Total Pension Liability as of September 30, 2021.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class, as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan’s target allocation are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Rate of Return*
	Minimum	Maximum	
Domestic equities	35%	45%	7.5%
International equities	15%	25%	8.5%
Domestic bonds	10%	20%	2.5%
International bonds	0%	10%	3.5%
Real estate	5%	15%	4.5%
Alternative	0%	15%	6.24%

*Real rate of return adjusted for annual inflation rate of 2.15%.

Discount Rate

The discount rate used to measure the total pension liability was 7.40%, which was a decrease from the prior year discount rate of 7.55%. This single discount rate was based on the expected rate of return on pension plan investment of 7.40%. The projection of cash flows used to determine the discount rate assumed that plan employee contributions will be made at the current contribution rate and that contributions from the City will be made at rates equal to the difference between the total actuarially determined contribution rates and the employee rate. Based on these assumptions, the 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Coral Gables Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A)-(B)
Beginning Net Pension Liability 10/1/2021	\$ 606,973,935	\$ 421,233,837	185,740,098
Changes for the year:			
Service cost	7,257,463	-	7,257,463
Interest on the total pension liability	44,465,830	-	44,465,830
Changes of benefit terms	(29,902)	-	(29,902)
Difference between expected and actual experience	181,933	-	181,933
Changes of assumptions	(1,948,628)	-	(1,948,628)
Contributions - employer	-	28,827,016	(28,827,016)
Contributions - nonemployer	-	145,830	(145,830)
Contributions - member	-	4,891,103	(4,891,103)
Net investment income	-	95,413,125	(95,413,125)
Benefit payments	(49,899,182)	(49,899,182)	-
Refunds	(660,821)	(660,821)	-
Administrative expense	-	(683,208)	683,208
Net changes	(633,307)	78,033,863	(78,667,170)
Ending Net Pension Liability 09/30/2022	\$ 606,340,628	\$ 499,267,700	\$ 107,072,928

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the City calculated using the discount rate of 7.40%, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.40 percent) or 1-percentage-point higher (8.40 percent) than the current rate.

	City's Net Pension Liability		
	1% Decrease	Current Discount Rate	1% Increase
	(6.40%)	(7.40%)	(8.40%)
September 30, 2022	\$ 166,085,862	\$ 107,072,928	\$ 57,115,655

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

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$223,473.

As of September 30, 2022, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 708,996	\$ -
Changes in assumptions	363,703	-
Employer contributions made subsequent to the measurement date	29,803,185	-
Net difference between projected and actual earnings on pension plan investments	-	55,146,841
Total	<u>\$ 30,875,884</u>	<u>\$ 55,146,841</u>

The deferred outflow of resources of \$29,803,185 resulting from City contributions to the Plan subsequent to the measurement date will be recognized in pension expense for the fiscal year ending September 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions that will be recognized in pension expense are as follows:

Year Ending September 30:	Deferred Outflow of Resources
2023	\$ (13,506,408)
2024	(11,966,081)
2025	(15,838,003)
2026	(12,763,650)
Total	<u>\$ (54,074,142)</u>

The Schedule of Changes in the Net Pension Liability and Related Ratios and the Schedule of Contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provides additional information about the net pension liability, plan assets and contributions for the City's defined benefit pension plan.

(b) Defined Contribution Plans for Police Officers and Firefighters

The City provides pension benefits for its Police Officers and Firefighters, as a supplement to the benefits provided under the Coral Gables Retirement defined benefit pension plan, through two defined contribution plans, the Police Officers’ Pension Fund and Firefighters’ Pension Fund. Benefits from these plans depend solely on amounts contributed to the plans, plus investment earnings. Employer contributions to both plans are the proceeds of a tax on certain insurance companies collected by the State of Florida and distributed to qualified municipalities according to Florida Statutes, Chapter 185 for Police Officers and Chapter 175 for Firefighters. The plan is administered by the Police and Firefighters Pension Board. The Pension Board with approval of the City Commission has authority for amending the plan.

Police Officers

(1) Plan Description

The Police Officers’ Retirement Trust Fund (the “Plan”) is a defined contribution pension plan covering all police officers employed by the City. The Plan was created and is operated under the Code of the City of Coral Gables, Chapter 50, “Pension”, Article III - “Retirement System for Police Officers” enacted in 1988.

Police Officers participate from the date of employment as a police officer. Contributions to the Plan are distributed to participants based on the years of service for the individual participant as it relates to the total years of service for all participants. Each participant is credited one share for each year in the Plan, up to a maximum of thirty (30) shares. Initial shares will be credited to eligible participants on April 1 of each year. At September 30, 2022, the Plan membership consisted of 258 active members.

Employees are fully vested after 10 years of credited service in the Plan; no partial vesting is provided. Amounts forfeited by employees for any reason are redistributed to the remaining participants based on the relative amounts of shares held.

The City contributions for the fiscal year were \$699,271 representing 4.17% of total covered payroll of police officers participating in the Plan of \$16,755,040.

The Police Officers Plan issues a publicly available financial report that includes the applicable financial statements and required supplementary information. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Retirement System Administrator, 3810 Inverrary Blvd., Lauderhill, Florida 33319.

(2) Summary of Significant Accounting Policies

Basis of accounting - The financial statement of the Plan has been prepared on the accrual basis of accounting. State contributions are recognized as revenue pursuant to approval by the State of Florida. Distributions are recognized when due and payable pursuant to the terms of the Plan. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investments – See Note 4 for disclosures.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statements of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

Firefighters

(1) Plan Description

The Firefighters' Pension Fund (the "Plan") is a defined contribution pension plan covering all firefighters employed by the City. The Plan was created and is operated under the Code of the City of Coral Gables, Chapter 50, "Pension", Article IV - "Firefighters' Pension Trust Fund" enacted in 1988. Firefighters participate from the date of employment as a firefighter. Contributions to the Plan are distributed to participants based on a formula of 5 shares for being a firefighter plus 1 additional share for every 5 years of service as a firefighter. Employees in service prior to August 25, 1987 are fully vested; the remaining employees become fully vested after 10 years of service; no partial vesting is provided. Amounts forfeited by non-vested employees who leave employment are redistributed to the remaining participants. As of September 30, 2022, there are 134 active and 35 inactive plan members with combined participating shares of 955 in the Plan.

The City contributions for the fiscal year were \$877,916 representing 6.03% of total covered payroll of firefighters participating in the plan of \$14,538,400.

(2) Summary of Significant Accounting Policies

Basis of accounting - The financial statement of the Plan has been prepared on the accrual basis of accounting. State contributions are recognized as revenue pursuant to approval by the State of Florida. Distributions are recognized when due and payable pursuant to the Plan. Interest and dividend income are recorded as earned.

Investments – See Note 4 for disclosures.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statements of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

The following is condensed financial information for the Firefighters' Pension Fund, which does not issue a stand-alone report.

CITY OF CORAL GABLES, FLORIDA
 STATEMENT OF FIDUCIARY NET POSITION
 FIREFIGHTERS' PENSION FUND
 September 30, 2022

ASSETS	
Cash and Cash Equivalents	\$ 935,526
Investments:	
Guaranteed Investment Contract	8,458,825
Mutual Funds	3,994,811
Total Assets	13,389,162
LIABILITIES	
Due to Coral Gables Retirement Fund	52,271
NET POSITION	
Restricted for Pension Benefits	\$ 13,336,891

CITY OF CORAL GABLES, FLORIDA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIREFIGHTERS' PENSION FUND
 For the Fiscal Year Ended September 30, 2022

ADDITIONS	
Contributions:	
Employer	\$ 877,916
Investment Income:	
Depreciation in the Fair Value of Investments	(1,023,877)
Investment Earnings	262,493
Total Investment Loss	(761,384)
Less Investment Expense	(25,577)
Net Investment Loss	(786,961)
Total Additions	90,955
DEDUCTIONS	
Employee Benefits	1,270,274
Administrative expense	29,387
Total Deductions	1,299,661
Change in Net Position	(1,208,706)
Net Position Restricted for Pension Benefits – Beginning	14,545,597
Net Position Restricted for Pension Benefits – Ending	\$ 13,336,891

(c) Defined Contribution Plans for Appointed Officials, Excluded and General Employees

In September 2015, the City passed Ordinance No. 2015-21 amending the Code of the City of Coral Gables Section 50-26 pertaining to “Pension” (“Pension Code”) providing that it shall not be mandatory for any appointed official of the City, or any assistant city manager or deputy city attorney, or department director hired on or after September 8, 2015, to participate in the Coral Gables Retirement System (the “System”), but have the option of participation in the System. In the event the appointed officials and employees elect to participate in any retirement plan other than the System, the City may contribute a sum not to exceed the maximum limit provided by law to the plan. The ordinance also provides that it is not mandatory for elected official of the City to participate in the System. Elected officials who take office on or after October 1, 2008 shall become members of the Florida Retirement System in accordance with applicable law and shall not participate in the City retirement system.

In September 2017, the City passed Ordinance No. 2017-38 to further amend the Pension Code Section 50-26 providing that it shall not be mandatory for a non-bargaining unit police officer or firefighter hired from outside the City on or after September 26, 2017 to participate in the System, but such employee shall have the option of participation in the System or in another retirement plan, and must exercise that option within 30 days following their date of hire. In the event such employee elects to participate in any retirement plan other than the system, the City may contribute a sum not to exceed the maximum limit provided by law to that plan.

The City has contracted Nationwide Retirement Solutions on behalf of its excluded and general employees for four defined contribution pension plans categorized as executives (for assistant city manager/deputy city attorney), department heads, excluded/teamster employees; and a separate plan for the City Manager and City Attorney. All plans are established under the provisions of Section 401(a) of the Internal Revenue Code as Money Purchase Plans and Trusts. The City Commission has the authority for establishing or amending the plan’s provisions. The assets of the plans are owned by the employee. In a defined contributions plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

The City Manager’s and City Attorney’s 401(a) Plan requires the City to contribute 25% of the City Manager’s and City Attorney’s salary for each plan year and are not required to contribute to the plan. The City’s contribution and those of the City Manager and City Attorney (and interest allocated to their account) are fully vested at the time of the contribution.

The Executives 401(a) Plan provisions require the City to contribute 15% of each participant’s salary and participants are not required to contribute to the plan. Employees are eligible to participate from the date of employment. The City’s contributions for each employee (and interest allocated to the employee’s account) are fully vested at the time of the contribution.

The Department Heads 401(a) Plan provisions require the City to contribute 10% of each participant’s salary and participants are not required to contribute to the plan. Employees are eligible to participate from the date of employment. The City’s contributions for each employee (and interest allocated to the employee’s account) are vested at 20% after first year of service and increases by 20% at every year of service and fully vested after five years of continuous service.

The Excluded/Teamster 401(a) Plan provisions require the City to contribute 7% of each participant’s salary and participants are not required to contribute to the plan. Employees are eligible to participate from the date of employment. The City’s contributions for each employee (and interest allocated to the employee’s account) are vested at 20% after first year of service and increases by 20% at every year of service and fully vested after five years of continuous service.

For the year ended September 30, 2022, the City’s total contribution to the 401(a) defined contribution plans was \$642,540.

The City does not have any fiduciary responsibility relating to the plans, consequently the plan assets are not recorded in the fiduciary funds of the City.

NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The City provides health insurance benefits to its retired employees through a single-employer plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium where premiums are determined based upon a blend of active employees and retirees. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided for a retiree’s lifetime (or until such time at which retiree discontinues coverage under the City sponsored plan, if earlier).

Employees Covered by Benefit Terms – At September 30, 2021, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	186
Active employees	794
Total	980

Funding Policy - Currently, the City’s Retiree Health Care Plan is unfunded. The City is financing the other post-employment benefits (OPEB) on a pay-as-you go basis. There are no separate trust funds or equivalent arrangement into which the City contributes to advance-fund the OPEB liability, as it does for its retiree pension plans.

Total OPEB Liability

The City’s total OPEB liability was measured as of September 30, 2021, rolled forward to September 30, 2022, and was determined by an actuarial valuation as of September 30, 2021.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions:

Inflation	2.15%
Discount rate*	2.19%
Projected salary increases	2.60% - 9.90%
Healthcare cost trend rates	Based on the Getzen Model starting at 6.50% gradually decreasing to an ultimate rate of 3.4% in 2041
Retirees' share of benefit-related costs	100% of blended health insurance premium rates except by law of 0% for certain conditions for Police Officers and Firefighters death and disability benefits.

*Discount rate is based on the Fidelity 20-Year Municipal GO AA Index.

Mortality rates – healthy members based on various PUB-2010 based tables, generational mortality using gender-specific MP-2018 mortality improvements projection scale. Disabled employees based on various PUB-2010 Disability mortality tables and no projected improvements.

Experience study - The actuarial assumptions other than the mortality used in the September 30, 2021 actuarial valuation reflect an experience study for the City of Coral Gables Retirement System. The mortality assumptions used in the valuation reflect an experience study conducted by the Florida Retirement System as of July 1, 2019.

The following changes in actuarial assumptions occurred in 2022:

- The inflation assumption was changed from 2.50% to 2.15%, resulting in a decrease in projected salary increases from a range of 3.25%-7.25% to 2.60%-9.90%.
- The assumed discount rate was changed from 2.41% to 2.19% as required by GASB 75, this rate is equal to the tax-exempt municipal bond rate based on a index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.
- Healthcare cost trend rates was changed from 6.0% gradually decreasing to an ultimate rate of 4.3% in 2040; to 6.50% gradually decreasing to an ultimate rate of 3.4% in 2041.

Discount Rate

A discount rate of 2.19% was used to measure the September 30, 2021 total OPEB Liability. The rate is based on the Fidelity 20-Year Municipal GO AA Index – daily rate closest or equal to but not later than the respective measurement date.

Change in discount rate assumption:

<u>Measurement Date</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Discount Rate	2.19%	2.41%

Changes in Total OPEB Liability

Beginning Total OPEB Liability	<u>\$ 29,726,952</u>
Changes for the year:	
Service cost	1,459,293
Interest	740,447
Difference between actual and expected experience	(2,724,538)
Changes of assumptions	(3,308,826)
Benefit payments	<u>(930,137)</u>
Net changes	<u>(4,763,761)</u>
Ending Total OPEB Liability	<u>\$ 24,963,191</u>

Sensitivity of the Total OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the City calculated using the discount rate of 2.19%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current rate:

<u>City's Total OPEB Liability</u>		
<u>1% Decrease (1.19%)</u>	<u>Current Discount Rate (2.19%)</u>	<u>1% Increase (3.19%)</u>
\$ 28,606,891	\$ 24,963,191	\$ 22,019,188

Sensitivity of the Total OPEB Liability to the Healthcare Trend Rate Assumption

The following presents the total OPEB liability of the City calculated using a healthcare cost trend rate that is 1% point higher and 1% point lower than the assumed healthcare cost trend rate:

	<u>Sensitivity of the Total OPEB Liability to the Healthcare Trend Rate Assumption</u>		
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Trend Rates	5.5% to 2.4%	6.5% to 3.4%	7.5% to 4.4%
Total OPEB Liability	\$ 21,776,722	\$ 24,963,191	\$ 28,990,437

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$965,215 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between actual and expected experience	\$ -	\$ 4,802,535
Changes in assumptions	2,506,647	3,719,353
Employer contributions made subsequent to the measurement date	989,177	-
Total	<u>\$ 3,495,824</u>	<u>\$ 8,521,888</u>

The deferred outflow of resources of \$989,177 resulting from City contributions to OPEB Plan subsequent to the measurement date will be recognized in OPEB expense for the fiscal year ending September 30, 2023.

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

Year Ending September 30:	Deferred Inflow of Resources
2023	\$ (1,247,387)
2024	(1,047,889)
2025	(914,888)
2026	(816,694)
2027	(749,635)
Thereafter	(1,238,748)
Total	<u>\$ (6,015,241)</u>

The Schedule of Changes in the Total OPEB Liability and Related Ratios and the Schedule of Contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provides additional information about the total OPEB liability and contributions for the City’s OPEB plan.

NOTE 10 - POLLUTION REMEDIATION OBLIGATIONS

As of September 30, 2022, the City is involved in four (4) pollution remediation obligating events as follows:

- a) Biltmore Golf Course - In August 2003, the City received a Notice of Violation (NOV) from Miami-Dade County Regulatory and Economic Resources (RER) that documented contamination found in an onsite soakage pit and an adjacent monitoring well. The City through its consultant proposed a natural background study for arsenic, in addition to a supplemental site assessment report (SSAR) to address the contamination found in the identified areas. The City completed Phases 1 and 2 of this project which consisted of source removal of contaminated soil and placement of an engineering control in the vicinity of the maintenance building. The City submitted a Source Removal Report documenting the source removal in September 2015, followed by the filing of a Restrictive Covenant and Engineering Control Implementation Report in 2016. In RER’s response letter dated September 8, 2016, it required removal of additional soil and groundwater monitoring wells as well as submission of certain control and implementation reports. In fiscal year 2022, the City coordinated with RER the removal of additional two feet of contaminated soil and was advised by RER to submit health and safety monitoring plan and soil management plan prior to soil removal. The City estimates the remaining costs for this entire obligating event to be \$131,000.

- b) Granada Golf Course - In April 1988, City applied for entry into the State of Florida Department of Environmental Protection (FDEP) Early Detection Incentive Program. This program allowed for funding and cleanup assistance to be allocated for eligible sites. The City voluntarily removed a 6,000-gallon underground storage tank at the Granada Golf Course. RER required Limited Site Assessment for delineation of arsenic contamination. The City has complied with the requirement in fiscal year 2022 and yet to receive additional requirements from RER. No liability is estimated as of end of fiscal year 2022.

- c) Former Coral Gables Incinerator Site Assessment - In December 2005, the City demolished the incinerator building, combustion chambers and the incinerator stack at the Public Works Facility located at 2800 SW 72nd Avenue. After the demolition activities were completed, the City’s consultants conducted a limited site assessment of the existing soil and groundwater conditions in

August and September 2007. Based upon the soil and groundwater analytical results, the levels of contamination detected are essentially equivalent and or above the cleanup target levels for residential and commercial/industrial use levels. Based on these results, RER required the City to submit a Site Assessment Report Addendum (SARA) to address the outstanding environmental assessment and remediation requirements of the former incinerator. The City requested an extension to complete the remediation and reporting requirements by June 1, 2023. As of end of fiscal year 2022, the City has estimated the cost to remove and dispose the contaminated soil from the site to be \$2.57 million and estimated completion by 2026.

- d) Coral Gables Country Club – In May 2002, as part of the renovation of the Country Club, an underground storage tank was removed. The City received a NOV from RER and was required to complete a site assessment report due to release of unknown contamination into the ground as a result of the tank removal activities. As of August 2009, the City completed the remediation activities that included the excavation and removal of all soils surrounding the original tank removal footprint. In 2014, the City completed the required groundwater monitoring and received a notification from RER that there is no additional groundwater sampling requirement for this site. In November 2019, the City completed the source removal, engineering control plan and covenant package; and submitted all the required reports to RER. As of September 30, 2022, the City is in the process of reviewing the most recent plan for submission to RER and remedial action plan cannot be reasonably estimated, therefore a liability for this site is not recorded in the financial statements.

As of September 30, 2022, the City’s total liability related to the pollution remediation obligating events is \$2.7 million.

NOTE 11 - INSURANCE PROGRAM

The City has a self-insurance program for General Liability, Automobile Liability and Workers’ Compensation. The City uses a professional servicing organization as third party administrator for the program. The City has established a separate Internal Service Fund to record the activity related to the insurance program.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance.

The City purchases excess insurance over retention of \$500,000 per occurrence for Workers’ Compensation. For General and Automobile Liability, the retention is \$350,000. The City is protected by Florida Statute 768.28 which limits losses to, except for certain federal causes of action: (a) \$100,000 per person / \$200,000 per occurrence for claims arising between October 1, 1981 and October 1, 2011; and (b) \$200,000 per person / \$300,000 per occurrence for claims arising after October 1, 2011.

The City is fully insured for its health programs for employee except for Police Officers and Firefighters. For Police Officers and Firefighters, the City participate in health trust fund and pay only the union negotiated premium amount.

The following schedule presents the changes in claim liabilities for the past two years in the Internal Service Funds:

	<u>2022</u>	<u>2021</u>
Unpaid claim payable, beginning	\$ 13,833,000	\$ 12,568,000
Incurred claims and claim adjustments	3,410,788	3,936,980
Claims payments	(3,570,788)	(2,671,980)
Unpaid claims payable, ending	<u>\$ 13,673,000</u>	<u>\$ 13,833,000</u>

Settled claims have not exceeded coverage in any of the past three years.

NOTE 12 - DEFICIT IN NET POSITION AND FUND BALANCE OF INDIVIDUAL FUNDS

The Capital Project BBC GOB Program Fund has a deficit fund balance of \$26,799. The deficit will be funded with reimbursements from the Miami-Dade County Building Better Communities grant program in the next fiscal year.

NOTE 13 – CONTINGENCIES AND COMMITMENTS

Litigations

There are several pending claims and lawsuits in which the City is involved. The estimated liability related to these claims has been accrued in the City’s Internal Service Insurance Fund. In the opinion of City management, the ultimate resolution of these claims is not likely to have a material, adverse impact to the financial position of the City.

Government Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally, federal and state agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, however, the City expects such amounts, if any, to be immaterial.

Construction Commitments

The City is a party to several improvements and construction contracts. The amount remaining on these uncompleted contracts as of September 30, 2022 was approximately \$15.34 million.

NOTE 14 – LEASES

A lease is defined as a contractual agreement that conveys control of the right to use another entity’s nonfinancial assets, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

(a) Lease Receivable

The City leases (as lessor) City-owned properties such as land, building, retail space and parking lots. The related receivables and deferred inflows of resources are reported in the financial statements of the General Fund and Parking Fund, for the amount equal to the present value of lease payments expected to be received during the lease term. The total amount of lease revenue, interest revenue and other lease-related revenues such as percentage rent payments, recognized in the current reporting period from leases, was \$4,950,377 for General Fund and \$661,380 for Parking Fund.

As of September 30, 2022, minimum principal and interest lease receivable payments for its leasing activities, with remaining term in excess of one year are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities/Parking Fund		
	Principal	Interest	Total Payment	Principal	Interest	Total Payment
2023	\$ 2,362,510	\$ 485,401	\$ 2,847,911	\$ 2,651,713	\$ 54,393	\$ 2,706,106
2024	2,256,165	413,766	2,669,931	538,135	44,641	582,776
2025	2,182,874	381,801	2,564,675	492,958	39,071	532,029
2026	1,912,897	351,943	2,264,840	298,812	34,306	333,118
2027	1,574,767	324,210	1,898,977	312,576	29,916	342,492
2028-2032	6,854,304	1,375,405	8,229,709	898,665	99,158	997,823
2033-2037	6,183,660	936,548	7,120,208	779,084	29,700	808,784
2038-2042	5,148,361	221,940	5,370,301	-	-	-
Total	28,475,538	\$ 4,491,014	\$ 32,966,552	5,971,943	\$ 331,185	\$ 6,303,128
Less: Current portion	(2,362,510)			(2,651,713)		
Long-term portion	\$ 26,113,028			\$ 3,320,230		

(b) Lease Payable

The City (as lessee) leases equipment, office space and a parking lot. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the related lease asset is recognized in the government-wide and proprietary fund statement of net position. The City did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are no agreements that include sale-leaseback and lease-leaseback transactions.

As of September 30, 2022, minimum principal, and interest payment requirement for its leasing activities, with remaining term in excess of one year are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities/Parking Fund		
	Principal	Interest	Total Payment	Principal	Interest	Total Payment
2023	\$ 179,069	\$ 11,319	\$ 190,388	\$ 257,223	\$ 1,740	\$ 258,963
2024	184,033	6,355	190,388	242,556	545	243,101
2025	136,541	1,452	137,993	-	-	-
Total	499,643	\$ 19,126	\$ 518,769	499,779	\$ 2,285	\$ 502,064
Less: Current portion	(179,069)			(257,223)		
Long-term portion	\$ 320,574			\$ 242,556		

NOTE 15 – TAX ABATEMENT

The City provides tax abatement through Ordinance No, 3027 as “Tax Exemptions for Historic Properties”. The ordinance allows tax exemption for 100% of the assessed value of the restoration, renovation, or rehabilitation of historic properties. The exemption applies only to taxes levied by the City and does not apply to taxes levied for the payment of bonds or taxes on personal properties. The tax exemption remains in effect for ten (10) years provided the historic character of the property and improvements which qualified the property for an exemption is maintained over the period for which the exemption was granted. Properties qualify for exemption if (a) individually listed in the National Register of Historic Places pursuant to the National Historic Preservation Act of 1966; (b) a contributing property within a National Register-listed district; (c) individually listed in the Coral Gables Register of Historic Places. Improvements on a historic property must be consistent with the U.S Secretary of the Interior’s

Standard for Rehabilitation and determined by the City’s Historic Preservation Board to meet criteria established in rules adopted by the US Department of State.

The City has fourteen (14) historic properties with tax exemption as of September 30, 2022 and abated taxes in the amount of \$31 thousand in fiscal year 2022. Estimated property tax of \$95 thousand will be abated over the remaining terms of the tax exemption as of September 30, 2022.

NOTE 16 - PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 99, *Omnibus 2022*. This Statement addresses practice issues that were identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective in different reporting periods and the latest is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The City’s management has not determined the effect these pronouncements will have on the City’s financial statements.

NOTE 17 - LAW ENFORCEMENT

The City’s financial statements include the Law Enforcement Custodial Fund. This fund is used to report the activity related to resources held for the South Florida Financial Crime Strikeforce (Strike Force) in a purely custodial capacity. The Strike Force is made up of 15 police agencies including the City’s police force working together towards the elimination of specific crime activities. Confiscation of property, principally cash, are distributed by court order to individuals, private organizations, or other governments.

The assets held in custody by the City are for the benefit of individuals, private organizations, and other government agencies.

NOTE 18 - HURRICANE IRMA

As of September 30, 2022, FEMA and State of Florida approved and obligated project worksheets amounted to approximately \$18.43 million of the City’s eligible expenditures related to Hurricane Irma recovery efforts. Of this amount, approximately \$17.39 million has been incurred by the City as of September 30, 2022 and \$14.95 million was received by the City from FEMA and the State of Florida. In addition, a total of \$2.60 million was received by the City from its insurance company and \$2.54 million was applied against damages incurred on City property covered by insurance. In the General Fund financial statement as of September 30, 2022, \$1.76 million was recognized as due from government agency, \$167 thousand was recognized as unearned grant revenue for funds received in advance for obligated project worksheets where the City has not incurred the eligible expenditures, and \$1.4 million was recognized as grant revenue. In the Insurance Fund financial statement as of September 30, 2022, \$63 thousand was recognized as advances from insurance company.

NOTE 19 – CARES ACT/COVID-19

As part of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), the Miami-Dade County (“County”) and the City executed an interlocal agreement in August 2020 for the City as sub-recipient of the Coronavirus Relief Fund (CRF). As of September 30, 2022, the County approved approximately \$5.21 million of City’s expenditures necessary in response to the public health emergency such as personnel costs, telework improvement, disinfection, personal protective equipment, and social distancing measures. The City received a total of \$5.21 million as reimbursement from the County as of end of fiscal year 2022.

On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA”) was signed into law which provides for additional funding for state and local governments to help in the nation’s recovery from the public health and economic impacts of the COVID-19 pandemic. The local funding allocation is approximately \$130 billion, of which, the City received an allocation of \$8.52 million under the revenue replacement funding category and the City expended the funds on salaries of public safety personnel and was recognized as grant revenue.

NOTE 20 – SUBSEQUENT EVENT

On March 7, 2023, the Sunshine State Governmental Financing Commission (“Commission”) filed with the Municipal Security Regulatory Board the Notice of Mandatory Tender/Exchange effective April 5, 2023 for the mandatory tender of the Capital Improvement Revenue Bonds, Series 2018A and Series 2018B in exchange for the City’s Bonds with the same maturities, interest rates, principal amounts, and redemption provisions. This undertaking was part of the terms of the dissolution of the Commission effective April 5, 2023.



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Required Supplementary Information

(Unaudited)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CORAL GABLES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (Unaudited)
For the Fiscal Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 113,744,690	\$ 113,744,690	\$ 117,004,929	\$ 3,260,239
Licenses	3,482,500	3,482,500	3,536,941	54,441
Permits	7,526,000	7,526,000	16,604,400	9,078,400
Fines and Forfeitures	970,000	970,000	1,615,232	645,232
Intergovernmental	6,000,703	6,587,476	18,082,069	11,494,593
Charges for Services	18,078,000	18,090,000	20,153,661	2,063,661
Recreation Activity Fees	4,529,400	5,457,235	6,736,578	1,279,343
Rental Income	3,854,299	4,855,932	5,987,190	1,131,258
Investment Earnings	111,500	111,500	(593,331)	(704,831)
Contributions and Donations	-	14,000	16,000	2,000
Miscellaneous	156,674	185,022	197,273	12,251
Total Revenues	<u>158,453,766</u>	<u>161,024,355</u>	<u>189,340,942</u>	<u>28,316,587</u>
EXPENDITURES				
Current:				
General Government	26,407,684	24,793,224	23,420,841	1,372,383
Public Safety	89,552,547	91,035,159	89,977,444	1,057,715
Physical Environment	23,735,577	24,453,139	22,470,304	1,982,835
Transportation	3,756,728	3,897,197	3,708,705	188,492
Economic Environment	1,656,027	1,765,989	1,221,162	544,827
Culture and Recreation	13,031,569	16,622,633	14,223,168	2,399,465
Debt Service:				
Retirement of Principal	165,557	165,557	165,557	-
Interest	3,067	3,067	3,067	-
Capital Outlay	3,990,093	3,990,093	2,322,998	1,667,095
Total Expenditures	<u>162,298,849</u>	<u>166,726,058</u>	<u>157,513,246</u>	<u>9,212,812</u>
Excess (deficiency) of Revenues Over (Under)Expenditure:	<u>(3,845,083)</u>	<u>(5,701,703)</u>	<u>31,827,696</u>	<u>37,529,399</u>
OTHER FINANCING SOURCES (USES)				
Lease Liabilities Issued	-	-	565,217	565,217
Insurance Recoveries	-	-	504,185	504,185
Transfers In	8,346,747	10,965,013	9,551,661	(1,413,352)
Transfers Out	(15,855,428)	(17,937,073)	(30,966,492)	(13,029,419)
Total Other Financing Sources (Uses)	<u>(7,508,681)</u>	<u>(6,972,060)</u>	<u>(20,345,429)</u>	<u>(13,373,369)</u>
Net Change in Fund Balance*	<u>\$ (11,353,764)</u>	<u>\$ (12,673,763)</u>	11,482,267	<u>\$ 24,156,030</u>
Fund Balance - Beginning			<u>79,282,460</u>	
Fund Balance - Ending			<u>\$ 90,764,727</u>	

* The net change in fund balance was included in the adopted budget as an appropriation (i.e. planned uses) of fund balance.

See notes to required supplementary information

CITY OF CORAL GABLES, FLORIDA - ANNUAL COMPREHENSIVE FINANCIAL REPORT - FISCAL YEAR ENDED SEPTEMBER 30, 2022

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CORAL GABLES, FLORIDA
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
 AND RELATED RATIOS*
 (Unaudited)
 Last Eight Years

	Year Ended September 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 7,257,463	\$ 7,128,279	\$ 6,666,376	\$ 6,203,806	\$ 5,733,127	\$ 5,758,174	\$ 5,665,063	\$ 6,066,834
Interest	44,465,830	44,278,911	44,214,048	43,073,290	42,159,212	41,975,628	41,412,567	40,360,719
Benefit changes	(29,902)	-	461,420	15,359,754	1,018,772	-	-	7,175
Differences between expected and actual experience	181,933	684,775	1,269,118	3,580,739	(2,863,731)	1,319,342	50,400	5,822,419
Changes of assumptions	(1,948,628)	2,693,639	2,644,957	5,080,632	12,563,730	-	4,037,514	-
Benefit payment, including refunds of member contributions	(50,560,003)	(46,601,291)	(55,522,659)	(47,644,880)	(46,929,589)	(46,388,958)	(41,597,731)	(34,968,554)
Net change in total pension liability	(633,307)	8,184,313	(266,740)	25,653,341	11,681,521	2,664,186	9,567,813	17,288,593
Total pension liability - beginning	606,973,935	598,789,622	599,056,362	573,403,021	561,721,500	559,057,314	549,489,501	532,200,908
Total pension liability - ending	606,340,628	606,973,935	598,789,622	599,056,362	573,403,021	561,721,500	559,057,314	549,489,501
Total fiduciary net position								
Contributions - City	28,827,016	28,253,347	27,566,259	26,437,994	26,219,139	27,778,394	24,151,856	25,554,746
Contributions - Share Plan	145,830	145,830	145,830	145,830	145,830	145,830	145,830	145,830
Contributions - Employees	4,891,103	4,920,649	4,970,732	5,000,505	4,600,399	4,393,660	4,704,069	4,095,928
Net investment income	95,413,125	43,440,434	14,869,600	40,945,125	49,719,894	26,707,410	6,282,235	30,421,080
Benefit payments, including refunds of member contributions	(50,560,003)	(46,601,291)	(55,522,659)	(47,644,880)	(46,929,589)	(46,388,958)	(41,597,731)	(34,968,554)
Administrative expenses	(683,208)	(419,510)	(489,845)	(472,543)	(402,793)	(352,193)	(431,707)	(334,272)
Net change in plan fiduciary net position	78,033,863	29,739,459	(8,460,083)	24,412,031	33,352,880	12,284,143	(6,745,448)	24,914,758
Plan fiduciary net position - beginning	421,233,837	391,494,378	399,954,461	375,542,430	342,189,550	329,905,407	336,650,855	311,736,097
Plan fiduciary net position - ending	\$ 499,267,700	\$ 421,233,837	\$ 391,494,378	\$ 399,954,461	\$ 375,542,430	\$ 342,189,550	\$ 329,905,407	\$ 336,650,855
City's net pension liability	\$ 107,072,928	\$ 185,740,098	\$ 207,295,244	\$ 199,101,901	\$ 197,860,591	\$ 219,531,950	\$ 229,151,907	\$ 212,838,646
Plan fiduciary net position as a percentage of the total pension liability	82.34%	69.40%	65.38%	66.76%	65.49%	60.92%	59.01%	61.27%
Covered Payroll	\$ 44,231,011	\$ 44,323,277	\$ 43,411,406	\$ 43,147,050	\$ 43,191,753	\$ 37,305,296	\$ 35,930,984	\$ 35,930,984
Net Pension liability as percentage of covered payroll	242.08%	419.06%	477.51%	461.45%	458.10%	588.47%	637.76%	592.35%

* Note to Schedule: This Schedule is presented to illustrate the requirement of GASB 68 and intended to show information for 10 years. Additional years will be displayed as they become available. Refer to Notes to the Required Supplementary Information for actuarial assumptions and changes to assumptions used in the actuarial valuation.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CORAL GABLES, FLORIDA
SCHEDULE OF CONTRIBUTIONS
(Unaudited)
Last Nine Years

	Year Ended September 30,								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 23,041,155	\$ 23,945,558	\$ 24,427,468	\$ 25,240,192	\$ 23,290,490	\$ 23,082,353	\$ 23,838,224	\$ 24,288,466	\$ 25,678,422
Contribution made in relation to the actuarially determined contribution	<u>29,803,185</u>	<u>28,972,846</u>	<u>28,399,177</u>	<u>27,712,089</u>	<u>26,583,824</u>	<u>26,364,969</u>	<u>27,924,224</u>	<u>24,297,686</u>	<u>25,700,576</u>
Contribution deficiency (excess)	<u>\$ (6,762,030)</u>	<u>\$ (5,027,288)</u>	<u>\$ (3,971,709)</u>	<u>\$ (2,471,897)</u>	<u>\$ (3,293,334)</u>	<u>\$ (3,282,616)</u>	<u>\$ (4,086,000)</u>	<u>\$ (9,220)</u>	<u>\$ (22,154)</u>
Covered payroll	\$ 44,238,275	\$ 44,231,011	\$ 44,323,277	\$ 43,411,406	\$ 43,147,050	\$ 43,191,753	\$ 37,305,296	\$ 36,785,806	\$ 35,930,984
Contributions as a percentage of covered payroll	<u>67.37%</u>	<u>65.50%</u>	<u>64.07%</u>	<u>63.84%</u>	<u>61.61%</u>	<u>61.04%</u>	<u>74.85%</u>	<u>66.05%</u>	<u>71.53%</u>

* Note to Schedule: This Schedule is presented to illustrate the requirement of GASB 68 and intended to show information for 10 years. Additional years will be displayed as they become available.

Refer to Notes to the Required Supplementary Information for actuarial assumptions and changes to assumptions used in the actuarial valuation.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CORAL GABLES, FLORIDA
SCHEDULE OF INVESTMENT RETURNS**

(Unaudited)

Last Nine Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-17.44%	23.14%	10.72%	4.16%	10.55%	14.82%	8.57%	1.84%	9.16%

* Note to Schedule: This Schedule is presented to illustrate the requirement of GASB 68 and intended to show information for 10 years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CORAL GABLES, FLORIDA
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS***

(Unaudited)

Last Five Years

	Year Ended September 30,				
	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 1,459,293	\$ 1,349,916	\$ 1,125,511	\$ 1,190,160	\$ 1,075,954
Interest	740,447	798,231	1,049,539	955,093	872,196
Benefit changes	-	-	71,903	-	-
Differences between actual and expected experience	(2,724,538)	-	(3,837,504)	-	(804,773)
Changes of assumptions	(3,308,826)	345,760	3,820,946	(1,211,078)	(1,323,222)
Benefit payment, including refunds of member contributions	(930,137)	(881,403)	(779,767)	(730,846)	(831,764)
Net change in total OPEB liability	(4,763,761)	1,612,504	1,450,628	203,329	(1,011,609)
Total OPEB liability - beginning	29,726,952	28,114,448	26,663,820	26,460,491	27,472,100
Total OPEB liability - ending	24,963,191	29,726,952	28,114,448	26,663,820	26,460,491
Covered Payroll	\$ 60,775,347	\$ 60,360,297	\$ 58,859,738	\$ 55,770,204	\$ 54,887,335
Total OPEB liability as percentage of covered payroll	41.07%	49.25%	47.77%	47.81%	48.21%

* Note to Schedule: This Schedule is presented to illustrate the requirement of GASB 75 and intended to show information for 10 years. Additional years will be displayed as they become available.

Refer to Notes to the Required Supplementary Information for actuarial assumptions and changes to assumptions used in the actuarial valuation.

CITY OF CORAL GABLES, FLORIDA

**NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION
(Unaudited)**

Note 1 – Budgets and Legal Compliance

(a) Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the general and debt service fund. All annual appropriations lapse at fiscal year-end. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances are re-appropriated and become part of the subsequent year’s budget. Project-length financial plans are adopted for all capital project funds.

(b) During July of each year, the City Manager submits to the City Commission a proposed operating budget for the ensuing fiscal year. The proposed budget is prepared by fund, function and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. During September of each year the City Commission holds two public hearings for adoption of the budget by ordinance. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is the total appropriated by fund. Management may make transfers of appropriations between funds however must seek City Commission approval to change the total appropriated budget amount, unless changes to the total appropriated budget are considered necessary for the continuity of the City’s operations, for which management is given the authority to do so without the City Commission approval.

(c) Budget ordinance provides that transfers between operating, capital, proprietary and internal service funds are necessary and appropriate during the prior fiscal year-end closing process, as well as subsequent to the adoption of the annual budget for the continuity of City operations.

(d) The amounts shown in the financial statements reflect the original budgeted amounts and all amendments and supplements approved through September 30, 2022 that are included in the final amended budget.

Note 2 – City of Coral Gables Retirement System

(a) The total pension liability used to calculate the net pension liability and the annual contribution rates were determined by an actuarial valuation as of September 30, 2021 using following assumptions:

Actuarial cost method	Entry Age Normal, Level Percent of Pay
Inflation	2.15%
Salary increases	2.60% - 9.90%, depending on age or service group, including inflation.
Investment rate of return	7.40%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same version of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) in their July 1, 2019 actuarial valuation (with mortality improvements projected to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation report.

(b) The following changes in actuarial assumptions occurred in 2022:

- The inflation assumption was changed from 2.50% to 2.15%, resulting in a decrease in salary increases from range of 3.25%-7.25% to 2.60%-9.90%; and a decrease in investment rate of return of return from 7.5% to 7.40%.
- The assumed mortality rates were also revised to be the same as those employed by the Florida Retirement System (FRS) in its July 1, 2019 actuarial valuation, as prescribed by F. S. 112.63(1)(f), which mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS. The combined effect of these assumption changes caused a \$1,948,628 decrease in the Total Pension Liability as of September 30, 2022.

Note 3 – Other Post-Employment Benefit

The City’s total OPEB liability was measured as of September 30, 2021, rolled forward to September 30, 2022, and was determined by an actuarial valuation as of September 30, 2021. The City is financing the other post-employment benefits (OPEB) on a pay-as-you go basis. There are no separate trust funds or equivalent arrangement into which the City contributes to advance-fund the OPEB liability.

The total OPEB liability was determined using the following actuarial assumptions:

Inflation	2.15%
Discount rate*	2.19%
Projected salary increases	2.60% - 9.90%
Healthcare cost trend rates	Based on the Getzen Model starting at 6.50% gradually decreasing to an ultimate rate of 3.4% in 2041
Retirees' share of benefit-related costs	100% of blended health insurance premium rates except by law of 0% for certain conditions for Police Officers and Firefighters death and disability benefits.

*Discount rate is based on the Fidelity 20-Year Municipal GO AA Index.

Mortality rates – healthy members based on various PUB-2010 based tables, generational mortality using gender-specific MP-2018 mortality improvements projection scale. Disabled employees based on various PUB-2010 Disability mortality tables and no projected improvements.

The following changes in actuarial assumptions occurred in 2021:

- The inflation assumption was changed from 2.50% to 2.15%, resulting in a decrease in projected salary increases from a range of 3.25%-7.25% to 2.60%-9.90%.
- The assumed discount rate was changed from 2.41% to 2.19% as required by GASB 75, this rate is equal to the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.
- Healthcare cost trend rates was changed from 6.0% gradually decreasing to an ultimate rate of 4.3% in 2040; to 6.50% gradually decreasing to an ultimate rate of 3.4% in 2041.

Combining Individual Fund Statements and Schedules

These financial statements provide a more detailed view of the Special Revenue, Capital Projects, Internal Service, Pension Trust and Custodial Fund types included in the Basic Financial Statements presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.



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Nonmajor Governmental Funds

Special Revenue Fund - to account for specific revenue sources that are restricted, or committed to expenditures for particular purposes.

Special Taxing Districts - to account for receipts of non-ad valorem assessment revenue levied by the City on designated areas within the city, and expenditures for special services for which the assessment was imposed and only within the designated areas where the assessment was collected.

Capital Projects Funds - to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Neighborhood Renaissance Program Fund - to account for and report the proceeds of the Special Obligation Bonds Series 2012 and Series 2011 and other financial resources that are restricted, committed, or assigned for the acquisition or construction of various major capital improvements.

Roadway Improvement Fund – to account for the construction costs of resurfacing and rebuilding certain city streets along with the related curbs, gutters, drainage and streelights. These acquisitions are funded from the City’s share of a local option gasoline sales tax plus the proceeds realized from certain deferred assessment lien revenue on roadway improvement assessments.

Transportation Fund – to account for the costs of the Urban Improvement Program which was set in place to assist the flow of traffic in the commercial areas and to provide connectivity to the metrorail.

Building Better Communities General Obligation Bond Program (BBC GOB Program Fund) – to account for grant funds from Miam-Dade County BBC GOB Program and expenditures of covered projects toward enhancement / expansion of public parks and plazas; enhance residential and commercial areas; homeland security and to construct the Coral Gables Museum.

Impact Fees Fund – to account for receipts of impact fees imposed on new developments within the City, and expenditures for the type of system improvements for which the impact fee was imposed and only within the impact fee benefit district where the impact fee was collected.

CITY OF CORAL GABLES, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2022

	Special Revenue	Capital Projects					Total Nonmajor Governmental Funds
	Special Taxing District	Neighborhood Renaissance Program Fund	Roadway Improvement Fund	Transportation Fund	BBC GOB Program Fund	Impact Fees Fund	
ASSETS							
Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ 404,969	\$ 696,271	\$ 88,201	\$ -	\$ 1,189,441
Restricted Pooled Cash and Cash Equivalents	1,833,129	198,248	-	-	-	5,898,818	7,930,195
Pooled Investments	-	-	2,239,581	1,660,258	-	-	3,899,839
Restricted Pooled Investments	-	24,286	-	-	-	8,648,319	8,672,605
Accounts Receivable, Net	-	-	168,282	-	-	-	168,282
Interest Receivable	-	-	796	448	-	3,322	4,566
Due from Other Governments	9,084	-	134,280	644,939	63,676	-	851,979
Total Assets	<u>1,842,213</u>	<u>222,534</u>	<u>2,947,908</u>	<u>3,001,916</u>	<u>151,877</u>	<u>14,550,459</u>	<u>22,716,907</u>
LIABILITIES							
Accounts Payable	336,899	1,912	299,102	263,656	-	556,818	1,458,387
Accrued Payroll	-	-	-	5,639	-	-	5,639
Due to Other Funds	99,778	-	-	-	115,000	-	214,778
Total Liabilities	<u>436,677</u>	<u>1,912</u>	<u>299,102</u>	<u>269,295</u>	<u>115,000</u>	<u>556,818</u>	<u>1,678,804</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - Municipal Surtax	-	-	-	159,119	-	-	159,119
Unavailable revenue - Grants and Contributions	-	-	31,008	-	63,676	-	94,684
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>31,008</u>	<u>159,119</u>	<u>63,676</u>	<u>-</u>	<u>253,803</u>
FUND BALANCES (DEFICIT)							
Restricted to:							
Public Safety	1,405,536	-	-	-	-	2,026,815	3,432,351
Parks and Recreation	-	220,622	-	-	-	2,717,267	2,937,889
Other Physical Environment	-	-	-	-	-	1,607,700	1,607,700
Mobility Improvement Projects	-	-	-	-	-	7,232,740	7,232,740
Impact Fee Administration	-	-	-	-	-	409,119	409,119
Assigned to:							
Other Capital Projects	-	-	2,617,798	2,573,502	-	-	5,191,300
Unassigned							
Total Fund Balances (Deficit)	<u>1,405,536</u>	<u>220,622</u>	<u>2,617,798</u>	<u>2,573,502</u>	<u>(26,799)</u>	<u>13,993,641</u>	<u>20,784,300</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 1,842,213</u>	<u>\$ 222,534</u>	<u>\$ 2,947,908</u>	<u>\$ 3,001,916</u>	<u>\$ 151,877</u>	<u>\$ 14,550,459</u>	<u>\$ 22,716,907</u>

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended September 30, 2022

	Special Revenue	Capital Projects					Total Nonmajor Governmental Funds
	Special Taxing District	Neighborhood Renaissance Program Fund	Roadway Improvement Fund	Transportation Fund	BBC GOB Program Fund	Impact Fees Fund	
REVENUES							
Gasoline Sales Tax	\$ -	\$ -	\$ 1,151,863	\$ -	\$ -	\$ -	\$ 1,151,863
Municipal Surtax	-	-	-	2,879,717	-	-	2,879,717
Special Assessments	2,980,209	-	-	-	-	1,983,593	4,963,802
Rental Income	-	-	-	52,244	-	-	52,244
Intergovernmental	-	-	-	23,428	56,920	-	80,348
Investment Earnings (Loss)	-	(634)	(38,327)	(20,238)	15	(142,790)	(201,974)
Total Revenues	<u>2,980,209</u>	<u>(634)</u>	<u>1,113,536</u>	<u>2,935,151</u>	<u>56,935</u>	<u>1,840,803</u>	<u>8,926,000</u>
EXPENDITURES							
Current:							
General Government	260,774	-	-	-	-	-	260,774
Transportation	-	-	1,288,921	2,835,827	-	-	4,124,748
Public Safety	2,286,251	-	-	-	-	48,702	2,334,953
Physical Environment	159,804	-	-	-	-	-	159,804
Capital Outlay	128,324	72,173	178,072	-	-	1,173,184	1,551,753
Total Expenditures	<u>2,835,153</u>	<u>72,173</u>	<u>1,466,993</u>	<u>2,835,827</u>	<u>-</u>	<u>1,221,886</u>	<u>8,432,032</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	<u>145,056</u>	<u>(72,807)</u>	<u>(353,457)</u>	<u>99,324</u>	<u>56,935</u>	<u>618,917</u>	<u>493,968</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	95,000	-	2,179,090	2,274,090
Transfers Out	-	-	-	-	-	(2,275,580)	(2,275,580)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,000</u>	<u>-</u>	<u>(96,490)</u>	<u>(1,490)</u>
Net Change in Fund Balances	145,056	(72,807)	(353,457)	194,324	56,935	522,427	492,478
Fund Balances (Deficits) - Beginning	<u>1,260,480</u>	<u>293,429</u>	<u>2,971,255</u>	<u>2,379,178</u>	<u>(83,734)</u>	<u>13,471,214</u>	<u>20,291,822</u>
Fund Balances (Deficits) - Ending	<u>\$ 1,405,536</u>	<u>\$ 220,622</u>	<u>\$ 2,617,798</u>	<u>\$ 2,573,502</u>	<u>\$ (26,799)</u>	<u>\$ 13,993,641</u>	<u>\$ 20,784,300</u>

CITY OF CORAL GABLES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE FUND (Unaudited)
For the Fiscal Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special Assessments	\$ 693,703	\$ 693,703	\$ 613,918	\$ (79,785)
Investment Earnings	-	-	(741)	(741)
Total Revenues	<u>693,703</u>	<u>693,703</u>	<u>613,177</u>	<u>(80,526)</u>
EXPENDITURES				
Current:				
General Government	-	-	35,875	(35,875)
Debt Service:				
Retirement of Principal	4,308,573	4,308,573	3,857,370	451,203
Interest	4,100,143	4,100,143	3,806,179	293,964
Debt Issuance Costs	-	-	132,018	(132,018)
Total Expenditures	<u>8,408,716</u>	<u>8,408,716</u>	<u>7,831,442</u>	<u>577,274</u>
Deficiency of Revenues Under Expenditures	<u>(7,715,013)</u>	<u>(7,715,013)</u>	<u>(7,218,265)</u>	<u>496,748</u>
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	-	-	19,125,000	19,125,000
Payment to Refunded Bond Escrow Agent	-	-	(18,995,883)	(18,995,883)
Transfers In	8,349,159	7,749,159	7,043,570	(705,589)
Total Other Financing Sources	<u>8,349,159</u>	<u>7,749,159</u>	<u>7,172,687</u>	<u>(576,472)</u>
Net Change in Fund Balances*	<u>\$ 634,146</u>	<u>\$ 34,146</u>	<u>(45,578)</u>	<u>\$ (79,724)</u>
Fund Balances - Beginning			<u>48,758</u>	
Fund Balances - Ending			<u>\$ 3,180</u>	

* The net change in fund balances was included in the adopted budget as an appropriation (i.e, planned uses) of fund balance.

Internal Service Funds

Motor Pool Fund - to account for the costs of operating a maintenance facility for automotive and other various types of equipment used by other City departments. The operating and maintenance costs are allocated to the user departments by charging a flat rate for annual rental for the equipment. Rental charges are updated annually based on detail maintenance and operating cost records kept for each item of equipment provided. The equipment itself is acquired by the Motor Pool Fund and financing is provided by charging the user departments an annual replacement charge based upon the estimated life of the equipment.

Public Facilities Fund - to account for the costs of providing building maintenance, utilities and general housekeeping services for all City property. Financing is provided by charging the user departments an annual rental fee based upon actual costs.

Insurance Fund - to account for the cost to provide general liability, automobile liability and workers' compensation insurance administered by an outside professional third party administrator, and the cost to provide health care. Financing is provided by insurance premium charges to the user departments and investment earnings on accumulated reserves.

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 September 30, 2022

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Pooled Cash and Cash Equivalents	\$ 2,260,602	\$ 783,849	\$ 4,113,852	\$ 7,158,303
Pooled Investments	4,161,921	2,843,811	10,930,828	17,936,560
Accounts Receivable, Net	16,751	2,119	69,946	88,816
Interest Receivable	1,058	728	3,683	5,469
Inventories	92,743	-	-	92,743
Prepaid and Deposits	739,725	5,591	1,717,489	2,462,805
Total Current Assets	<u>7,272,800</u>	<u>3,636,098</u>	<u>16,835,798</u>	<u>27,744,696</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	36,206,540	116,374	-	36,322,914
Accumulated Depreciation	(23,850,760)	(100,796)	-	(23,951,556)
Total Noncurrent Assets	<u>12,355,780</u>	<u>15,578</u>	<u>-</u>	<u>12,371,358</u>
Total Assets	<u>19,628,580</u>	<u>3,651,676</u>	<u>16,835,798</u>	<u>40,116,054</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	565,028	429,175	-	994,203
Deferred Outflows Related to OPEB	104,874	69,917	-	174,791
Total Deferred Outflows of Resources	<u>669,902</u>	<u>499,092</u>	<u>-</u>	<u>1,168,994</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	311,953	1,031,829	100,038	1,443,820
Accrued Payroll	31,708	30,681	-	62,389
Accrued Compensated Absences	132,115	73,999	-	206,114
Claims Payable	-	-	4,586,000	4,586,000
Total Current Liabilities	<u>475,776</u>	<u>1,136,509</u>	<u>4,686,038</u>	<u>6,298,323</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	87,093	57,330	-	144,423
Claims Payable	-	-	9,087,000	9,087,000
Advances from Insurance Company	-	-	62,760	62,760
Total OPEB Liability	748,896	499,264	-	1,248,160
Net Pension Liability	1,959,435	1,488,314	-	3,447,749
Total Noncurrent Liabilities	<u>2,795,424</u>	<u>2,044,908</u>	<u>9,149,760</u>	<u>13,990,092</u>
Total Liabilities	<u>3,271,200</u>	<u>3,181,417</u>	<u>13,835,798</u>	<u>20,288,415</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	1,009,187	766,541	-	1,775,728
Deferred Inflows Related to OPEB	255,657	170,438	-	426,095
Total Deferred Inflows of Resources	<u>1,264,844</u>	<u>936,979</u>	<u>-</u>	<u>2,201,823</u>
NET POSITION				
Net Investment in Capital Assets	12,355,780	15,578	-	12,371,358
Unrestricted	3,406,658	16,794	3,000,000	6,423,452
Total Net Position	<u>\$ 15,762,438</u>	<u>\$ 32,372</u>	<u>\$ 3,000,000</u>	<u>\$ 18,794,810</u>

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2022

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for Services:				
Billings to Departments for Insurance Protection	\$ -	\$ -	\$ 12,584,484	\$ 12,584,484
Rental of Equipment and Facilities to Various Funds:				
Equipment Operation and Maintenance	5,273,312	-	-	5,273,312
Equipment Replacement Charges	3,438,432	-	-	3,438,432
Facilities	-	8,130,034	-	8,130,034
Total Operating Revenues	<u>8,711,744</u>	<u>8,130,034</u>	<u>12,584,484</u>	<u>29,426,262</u>
OPERATING EXPENSES				
Administration	1,883,015	1,252,199	-	3,135,214
Cost of Sales and Services	3,670,255	5,587,739	-	9,257,994
Benefit Payments	-	-	2,969,049	2,969,049
Insurance	-	-	10,178,922	10,178,922
Depreciation	2,475,402	4,830	-	2,480,232
Total Operating Expenses	<u>8,028,672</u>	<u>6,844,768</u>	<u>13,147,971</u>	<u>28,021,411</u>
Operating Income (Loss)	<u>683,072</u>	<u>1,285,266</u>	<u>(563,487)</u>	<u>1,404,851</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earnings (Loss)	(48,313)	(30,201)	(170,376)	(248,890)
Miscellaneous	-	-	12	12
Gain from Disposal of Capital Assets	119,529	-	-	119,529
Total Nonoperating Revenues (Expenses)	<u>71,216</u>	<u>(30,201)</u>	<u>(170,364)</u>	<u>(129,349)</u>
Income (Loss) Before Contributions	754,288	1,255,065	(733,851)	1,275,502
Operating Contributions from Federal Grants	-	-	-	-
Income (Loss) Before Transfers	<u>754,288</u>	<u>1,255,065</u>	<u>(733,851)</u>	<u>1,275,502</u>
Transfers In	-	-	733,851	733,851
Transfers Out	-	(1,255,065)	-	(1,255,065)
Change In Net Position	<u>754,288</u>	<u>-</u>	<u>-</u>	<u>754,288</u>
Net Position - Beginning	15,008,150	32,372	3,000,000	18,040,522
Net Position - Ending	<u>\$ 15,762,438</u>	<u>\$ 32,372</u>	<u>\$ 3,000,000</u>	<u>\$ 18,794,810</u>

CITY OF CORAL GABLES, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2022

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 8,707,438	\$ 8,131,248	\$ 12,524,575	\$ 29,363,261
Payments to Employees	(2,280,527)	(1,742,917)	-	(4,023,444)
Payments to Suppliers	(3,675,671)	(5,573,953)	(13,448,884)	(22,698,508)
Net Cash Provided by (Used In) Operating Activities	<u>2,751,240</u>	<u>814,378</u>	<u>(924,309)</u>	<u>2,641,309</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from Insurance Company	-	-	(504,185)	(504,185)
Transfers in from Other Funds	-	-	733,851	733,851
Transfers out to Other Funds	-	(1,255,065)	-	(1,255,065)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>-</u>	<u>(1,255,065)</u>	<u>229,666</u>	<u>(1,025,399)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(1,273,783)	-	-	(1,273,783)
Proceeds from Sale of Capital Assets	270,299	-	-	270,299
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(1,003,484)</u>	<u>-</u>	<u>-</u>	<u>(1,003,484)</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES				
Purchase of Investments	(5,906,233)	(4,171,812)	(9,961,667)	(20,039,712)
Proceeds from Sale of Investments	4,432,004	3,382,488	8,505,547	16,320,039
Interest and Dividends Received	10,114	7,754	25,334	43,202
Net Cash Provided by (Used In) Investing Activities	<u>(1,464,115)</u>	<u>(781,570)</u>	<u>(1,430,786)</u>	<u>(3,676,471)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	283,641	(1,222,257)	(2,125,429)	(3,064,045)
Cash and Cash Equivalents - Beginning	1,976,961	2,006,106	6,239,281	10,222,348
Cash and Cash Equivalents - Ending	<u>\$ 2,260,602</u>	<u>\$ 783,849</u>	<u>\$ 4,113,852</u>	<u>\$ 7,158,303</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating Income (Loss)	\$ 683,072	\$ 1,285,266	\$ (563,487)	\$ 1,404,851
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Depreciation/Amortization Expense	2,475,402	4,830	-	2,480,232
Change in Assets and Liabilities and Deferred Inflows and Outflows:				
Accounts Receivable	-	1,215	(59,909)	(58,694)
Inventory	(11,848)	-	-	(11,848)
Due from Other Governments	(4,306)	-	-	(4,306)
Prepaid Items	17,262	(5,591)	(109,973)	(98,302)
Net pension liability and related deferred inflows/outflow	(710,857)	(481,918)	-	(1,192,775)
OPEB liability and related deferred inflows/outflow	299,414	(480)	-	298,934
Accounts Payable	(10,830)	19,377	(30,940)	(22,393)
Accrued Payroll and Other Expenses	4,024	10,590	-	14,614
Accrued Compensated Absences	9,907	(18,911)	-	(9,004)
Claims Payable	-	-	(160,000)	(160,000)
Total Adjustments	<u>2,068,168</u>	<u>(470,888)</u>	<u>(360,822)</u>	<u>1,236,458</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 2,751,240</u>	<u>\$ 814,378</u>	<u>\$ (924,309)</u>	<u>\$ 2,641,309</u>
Noncash Capital and Related Financing Activities:				
Capital Assets Retirement, net	(1,142,950)	(90,719)	-	(1,233,669)

Fiduciary Funds

Pension Trust Funds

Coral Gables Retirement Fund - to account for the accumulation of resources to be used for retirement annuities of all employees at appropriate amounts and times in the future. Resources are provided by employer and employee contributions determined by an actuarial study, and investment earnings.

Police Officers' Pension Fund and Firefighters Pension Fund - to account for accumulation of resources to be used for supplemental retirement benefits for police officers and fire fighters. Resources are provided by annual employer contributions and investment earnings. Individual participation is based upon years of service. Individuals may withdraw their equity upon retirement.

Custodial Funds

Employee Benefits Fund - to account for the value of employees' excess sick leave deposited in a sick leave bank held by the City as a custodian.

Law Enforcement Fund - to account for resources provided as a result of certain police investigations, seizures and forfeitures.

CITY OF CORAL GABLES, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
 September 30, 2022

	Coral Gables Retirement Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 14,881,596	\$ 898,107	\$ 935,526	\$ 16,715,229
Receivables:				
Accrued Interest and Dividends	324,596	-	-	324,596
Buyback Receivable	50,609	-	-	50,609
Share Plan Contributions	426,507	-	-	426,507
Receivable for securities sold	4,846,181	-	-	4,846,181
Other receivables	103,228	-	-	103,228
Total Receivables	5,751,121	-	-	5,751,121
Securities Lending Cash Collateral - Invested	34,744,462	-	-	34,744,462
Investments:				
U.S. Government and Agency	42,062,674	-	-	42,062,674
Global fixed Income	2,503,313	-	-	2,503,313
Corporate Bonds	11,766,778	-	-	11,766,778
Common Stocks	147,169,266	-	-	147,169,266
International Equity	51,115,294	-	-	51,115,294
Real Estate Investment Trust (REIT)	47,290,820	-	-	47,290,820
Alternative Investments	81,475,017	-	-	81,475,017
Guaranteed Investment Contract	-	-	8,458,825	8,458,825
Mutual Funds	-	5,658,129	3,994,811	9,652,940
Total Investments	383,383,162	5,658,129	12,453,636	401,494,927
Total Assets	438,760,341	6,556,236	13,389,162	458,705,739
LIABILITIES				
Accounts Payable	166,878	-	-	166,878
Payable for Securities Purchased	2,175,324	-	-	2,175,324
Due to Coral Gables Retirement Fund	-	374,236	52,271	426,507
Obligations under Securities Lending	34,744,462	-	-	34,744,462
Total Liabilities	37,086,664	374,236	52,271	37,513,171
NET POSITION				
Net Position Restricted for Pension Benefits	\$ 401,673,677	\$ 6,182,000	\$ 13,336,891	\$ 421,192,568

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 For the Fiscal Year Ended September 30, 2022

	Coral Gables Retirement Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
Additions (Deductions):				
City Contributions	\$ 29,657,355	\$ 699,271	\$ 877,916	\$ 31,234,542
Share Plan Contributions	145,830	-	-	145,830
Total Government Contributions	<u>29,803,185</u>	<u>699,271</u>	<u>877,916</u>	<u>31,380,372</u>
Employees:				
Employee contributions	5,164,756	-	-	5,164,756
Total Employee Contributions	<u>5,164,756</u>	<u>-</u>	<u>-</u>	<u>5,164,756</u>
Total Contributions	<u>34,967,941</u>	<u>699,271</u>	<u>877,916</u>	<u>36,545,128</u>
Investment Income (Loss):				
Net Appreciation (Depreciation) in the Fair Value of Investments	(82,142,453)	(1,382,655)	(1,023,877)	(84,548,985)
Interest and Dividends	6,311,659	212,255	262,493	6,786,407
Other Income	169	-	-	169
Total Investment Loss	<u>(75,830,625)</u>	<u>(1,170,400)</u>	<u>(761,384)</u>	<u>(77,762,409)</u>
Less Investment Expenses	(2,562,058)	(29,465)	(25,577)	(2,617,100)
Total Investment Income before Securities Lending Activity	<u>(78,392,683)</u>	<u>(1,199,865)</u>	<u>(786,961)</u>	<u>(80,379,509)</u>
Securities Lending Activities:				
Security Lending Income	99,371	-	-	99,371
Security Lending Fees and Rebates	(29,771)	-	-	(29,771)
Net Income from Security Lending Activities	<u>69,600</u>	<u>-</u>	<u>-</u>	<u>69,600</u>
Total Net Investment Loss	<u>(78,323,083)</u>	<u>(1,199,865)</u>	<u>(786,961)</u>	<u>(80,309,909)</u>
Total Additions (Deductions)	<u>(43,355,142)</u>	<u>(500,594)</u>	<u>90,955</u>	<u>(43,764,781)</u>
Deductions:				
Pension Benefits Paid	52,535,459	703,908	1,270,274	54,509,641
Refunds of Contributions	1,160,074	-	-	1,160,074
Administrative Expense	543,348	36,173	29,387	608,908
Total Deductions	<u>54,238,881</u>	<u>740,081</u>	<u>1,299,661</u>	<u>56,278,623</u>
Change in Net Position	(97,594,023)	(1,240,675)	(1,208,706)	(100,043,404)
Net Position Restricted for Pension Benefits:				
Beginning of Year	499,267,700	7,422,675	14,545,597	521,235,972
End of Year	<u>\$ 401,673,677</u>	<u>\$ 6,182,000</u>	<u>\$ 13,336,891</u>	<u>\$ 421,192,568</u>

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF NET POSITION
 CUSTODIAL FUNDS
 September 30, 2022

	Employee Benefits Fund	Law Enforcement Fund	Total Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ 591,733	\$ 2,856,677	\$ 3,448,410
Total Assets	591,733	2,856,677	3,448,410
LIABILITIES			
Accounts Payable	-	286,144	286,144
Total Liabilities	-	286,144	286,144
NET POSITION			
Restricted for:			
Individuals and Other Governments	\$ 591,733	\$ 2,570,533	\$ 3,162,266

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 September 30, 2022

	Employee Benefits Fund	Law Enforcement Fund	Total Custodial Funds
Additions:			
Employee Contributions	\$ 99,034	\$ -	\$ 99,034
Equitable Sharing Funds	-	3,973,005	3,973,005
Total Additions	99,034	3,973,005	4,072,039
Deductions:			
Sick Leave Benefits Paid to Employees	21,259	-	21,259
Law Enforcement Operations and Administration	-	5,311,427	5,311,427
Total Deductions	21,259	5,311,427	5,332,686
Change in Net Position	77,775	(1,338,422)	(1,260,647)
Net Position Restricted for Individuals and Other Governments:			
Beginning of Year	513,958	3,908,955	4,422,913
End of Year	\$ 591,733	\$ 2,570,533	\$ 3,162,266



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Statistical Section

(UNAUDITED)

This part of the City of Coral Gables' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1
CITY OF CORAL GABLES, FLORIDA
NET POSITION BY COMPONENT

(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 130,953,750	\$ 127,802,756	\$ 133,586,545	\$ 135,571,942	\$ 141,676,954	\$ 148,623,292	\$ 158,995,281	\$ 177,292,863	\$ 188,478,077	\$ 193,518,594
Restricted	11,895,868	21,333,586	21,749,068	23,792,213	24,048,924	31,270,845	32,421,931	32,038,680	35,803,383	46,573,252
Unrestricted (Deficit)	72,103,048	89,657,013	(80,038,802)	(69,998,813)	(70,219,027)	(87,473,270)	(71,189,971)	(65,828,821)	(61,646,064)	(29,384,405)
Total Governmental Activities Net Position	\$ 214,952,666	\$ 238,793,355	\$ 75,296,811	\$ 89,365,342	\$ 95,506,851	\$ 92,420,867	\$ 120,227,241	\$ 143,502,722	\$ 162,635,396	\$ 210,707,441
Business-type Activities										
Net Investment in Capital Assets	\$ 26,449,997	\$ 26,722,793	\$ 24,929,687	\$ 29,433,426	\$ 29,256,407	\$ 29,787,242	\$ 29,753,595	\$ 29,980,820	\$ 34,813,349	\$ 45,484,948
Restricted	-	215,627	299,527	354,664	1,376,410	3,178,131	5,241,426	8,004,193	10,946,796	14,463,192
Unrestricted	13,274,236	15,563,233	16,377,673	11,380,442	9,217,899	13,588,121	15,984,226	(15,446,702)	27,819,768	30,093,761
Total Business-type Activities Net Position	\$ 39,724,233	\$ 42,501,653	\$ 41,606,887	\$ 41,168,532	\$ 39,850,716	\$ 46,553,494	\$ 50,979,247	\$ 22,538,311	\$ 73,579,913	\$ 90,041,901
Primary Government										
Net Investment in Capital Assets	\$ 157,403,747	\$ 154,525,549	\$ 156,939,127	\$ 165,005,368	\$ 170,933,361	\$ 178,410,534	\$ 188,748,876	\$ 207,273,683	\$ 223,291,426	\$ 239,003,542
Restricted	11,895,868	21,549,213	22,157,012	24,146,877	25,425,334	34,448,976	37,663,357	40,042,873	46,750,179	61,036,444
Unrestricted (Deficit)	85,377,284	105,220,246	(62,192,441)	(58,618,371)	(61,001,128)	(73,885,149)	(55,205,745)	(50,382,119)	(33,826,296)	709,356
Total Primary Government Net Position	\$ 254,676,899	\$ 281,295,008	\$ 116,903,698	\$ 130,533,874	\$ 135,357,567	\$ 138,974,361	\$ 171,206,488	\$ 196,934,437	\$ 236,215,309	\$ 300,749,342

TABLE 3
CITY OF CORAL GABLES, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	28,654	36,678	40,866	75,288	184,327	64,344	188,512	127,078	76,345	54,871
Restricted	4,169,504	4,351,576	3,542,544	4,588,352	5,425,028	6,516,083	8,123,690	8,719,479	14,526,512	22,891,070
Assigned	2,404,046	7,006,883	9,851,297	11,347,655	17,055,786	18,624,053	29,385,074	19,878,789	19,584,502	17,120,386
Unassigned	28,701,814	37,438,411	39,305,216	41,628,957	38,177,730	31,211,152	30,691,159	40,683,114	45,095,101	50,698,400
Total General Fund	\$ 35,304,018	\$ 48,833,548	\$ 52,739,923	\$ 57,640,252	\$ 60,842,871	\$ 56,415,632	\$ 68,388,435	\$ 69,408,460	\$ 79,282,460	\$ 90,764,727
All Other Governmental Funds										
Nonspendable	-	-	169,982	23,223	-	-	73,402	75,880	68,172	-
Restricted	25,399,733	25,236,858	25,206,894	32,775,404	14,887,823	68,030,886	49,408,348	19,425,703	19,108,314	17,503,010
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	25,389,424	29,099,838	42,180,811	42,046,965	42,355,314	45,185,562	45,648,033	52,647,354	41,534,102	49,126,747
Unassigned	(3,635)	(3,635)	(51,511)	(394,834)	(153,391)	(772,835)	(181,762)	(179,662)	(83,734)	(26,799)
Total All Other Governmental Funds	\$ 50,785,522	\$ 54,333,061	\$ 67,506,176	\$ 74,450,758	\$ 57,089,746	\$ 112,443,613	\$ 94,948,021	\$ 71,969,275	\$ 60,626,854	\$ 66,602,958

TABLE 4
CITY OF CORAL GABLES, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Taxes	\$ 82,852,088	\$ 86,878,667	\$ 90,080,274	\$ 92,671,539	\$ 97,639,779	\$ 102,923,909	\$ 107,344,529	\$ 111,053,846	\$ 115,089,231	\$ 121,036,509
Licenses	3,250,589	3,318,725	3,255,125	3,496,840	3,365,902	3,608,199	3,347,817	3,445,502	3,448,576	3,536,941
Permits	7,696,589	8,160,391	8,783,434	9,007,729	9,019,702	11,747,692	8,493,360	9,924,817	13,144,106	16,604,400
Fines and Forfeitures	2,891,719	2,587,073	2,494,796	2,552,563	2,329,161	2,747,967	2,497,086	2,892,156	1,056,380	1,615,232
Intergovernmental	6,144,249	5,959,327	6,091,507	5,832,010	6,490,899	6,224,032	8,932,426	18,410,664	15,566,212	18,196,022
Charges for Services	15,638,624	19,214,525	20,169,601	19,393,779	19,176,388	19,919,339	20,025,158	19,083,143	19,312,714	20,153,661
Recreation Activity Fees	3,979,867	4,211,548	4,377,394	4,575,172	4,520,645	4,643,202	4,672,551	1,996,419	3,581,068	6,736,578
Rental Income	4,269,160	4,724,871	4,886,803	5,862,857	4,989,419	4,426,311	4,512,306	4,585,770	3,719,235	6,039,434
Investment Earnings	5,968	464,999	706,665	804,623	1,088,333	2,502,023	5,662,885	3,737,473	267,981	(1,032,550)
Special Assessments	980,246	191,037	2,817,930	1,665,556	271,292	6,133,702	4,246,396	6,876,695	6,251,438	5,582,984
Contributions and Donations	466,060	185,045	58,292	70,500	81,250	2,959,000	242,515	502,875	2,500,491	185,663
Miscellaneous	494,871	284,566	254,373	390,552	1,566,609	352,216	315,194	206,305	293,287	197,273
Total Revenues	128,670,030	136,180,774	143,976,194	146,323,720	150,539,379	168,187,592	170,292,223	182,715,665	184,230,719	198,852,147
EXPENDITURES										
Current:										
General Government	16,000,917	17,853,021	19,608,296	21,719,236	22,063,409	24,214,402	24,590,453	22,149,872	23,637,119	26,854,549
Public Safety	72,738,499	70,604,331	72,413,164	75,551,003	82,937,666	94,077,878	88,400,264	91,701,281	91,269,222	92,766,361
Physical Environment	16,548,289	16,542,033	17,096,014	18,974,253	19,743,343	21,380,327	21,068,981	22,237,255	23,223,908	22,930,526
Transportation	7,601,909	4,544,357	6,938,914	6,540,889	5,795,129	5,839,305	7,240,882	8,430,511	6,969,889	9,048,340
Economic Environment	773,882	851,438	821,259	947,119	1,248,157	1,395,448	1,543,305	1,199,630	1,240,933	1,256,162
Culture and Recreation	9,729,332	8,848,478	9,554,012	12,220,223	15,529,205	12,142,574	12,319,068	11,095,338	11,857,370	15,138,603
Debt Service:										
Retirement of Principal	3,368,388	3,217,640	3,352,135	3,781,442	3,776,945	35,431,299	4,999,339	4,734,561	4,403,720	4,022,927
Interest and Other Charges	1,641,277	1,487,807	1,516,080	1,803,435	2,179,370	2,986,907	4,334,138	4,109,452	3,981,237	3,809,246
Bond Issuance Cost	88,020	-	-	-	-	1,164,882	-	-	353,924	132,018
Capital outlay	1,551,289	2,810,907	14,984,777	24,633,460	22,038,809	12,178,232	33,873,594	51,748,758	16,659,304	12,459,583
Total Expenditures	130,041,802	126,760,012	146,284,651	166,171,060	175,312,033	210,811,254	198,370,024	217,406,658	183,596,626	188,418,315
Excess (deficiency) of Revenues Over Expenditures	(1,371,772)	9,420,762	(2,308,457)	(19,847,340)	(24,772,654)	(42,623,662)	(28,077,801)	(34,690,993)	634,093	10,433,832
OTHER FINANCING SOURCES (USES)										
Special Revenue Bond Issued	-	-	6,500,000	22,005,000	-	48,015,000	-	-	-	-
Lease Liabilities Issued	-	-	-	1,788,626	-	2,362,809	-	-	-	565,217
Premium on Special Revenue Bonds Issued	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	3,900,000	-	-	-	10,425,950	1,740,096	5,200,000	-
Insurance Recoveries	-	-	-	-	-	-	-	1,538,961	501,316	504,185
Proceeds from Capital Leases	-	284,022	-	-	261,580	177,056	-	-	-	-
Refunding Bond Issued	12,075,700	-	-	-	-	28,486,030	-	-	12,413,600	19,125,000
Premium on Refunding Bond Issued	-	-	-	-	-	2,781,073	-	-	1,512,010	-
Payment to Bond Escrow Agent	(11,996,561)	-	-	-	-	-	-	-	(14,182,400)	(18,995,883)
Principal Repymt.-Current Bond Refunding	-	-	-	-	-	-	-	-	-	-
Transfers In	24,716,096	15,989,837	33,321,551	24,565,217	22,067,901	30,559,692	31,004,349	39,287,821	31,221,708	41,963,392
Transfers Out	(9,769,595)	(8,617,552)	(24,333,604)	(16,666,592)	(11,715,220)	(18,831,370)	(19,058,521)	(29,834,606)	(38,768,748)	(36,137,372)
Total Other Financing Sources (Uses)	15,025,640	7,656,307	19,387,947	31,692,251	10,614,261	93,550,290	22,371,778	12,732,272	(2,102,514)	7,024,539
Special Items (Note 21)	-	-	-	-	-	-	183,234	-	-	-
Net Change In Fund Balances	\$ 13,653,868	\$ 17,077,069	\$ 17,079,490	\$ 11,844,911	\$ (4,158,393)	\$ 50,926,628	\$ (5,522,789)	\$ (21,958,721)	\$ (1,468,421)	\$ 17,458,371
Debt service as a percentage of noncapital expenditures	3.90%	3.80%	3.71%	3.95%	3.89%	19.34%	5.67%	5.34%	5.02%	4.45%

**TABLE 5
CITY OF CORAL GABLES, FLORIDA
PROPERTY TAX LEVIES AND TAX COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	TOTAL TAX LEVY	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2014	66,561,720	65,257,324	98.04%	-	65,257,324	98.04%
2015	69,863,911	68,107,835	97.49%	-	68,107,835	97.49%
2016	74,646,549	71,447,141	95.71%	-	71,447,141	95.71%
2017	78,679,726	75,984,395	96.57%	39,933	76,024,328	96.63%
2018	83,422,054	80,562,008	96.57%	200,142	80,762,150	96.81%
2019	88,083,806	85,219,153	96.75%	247,011	85,466,164	97.03%
2020	92,775,643	89,831,650	96.83%	170,561	90,002,211	97.01%
2021	95,791,865	92,537,719	96.60%	366,814	92,904,533	96.99%
2022	99,592,705	96,179,317	96.57%	159,426	96,338,743	96.73%

**TABLE 6
CITY OF CORAL GABLES, FLORIDA
ASSESSED VALUES OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	ASSESSED VALUE (1)		TOTAL ASSESSED VALUE *	TOTAL DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY		
2013	11,752,319,227	273,243,675	12,025,562,902	5.669
2014	11,996,154,496	284,616,094	12,280,770,590	5.629
2015	12,563,996,934	291,419,796	12,855,416,730	5.589
2016	13,395,162,364	297,441,249	13,692,603,613	5.559
2017	14,091,791,819	297,340,793	14,389,132,612	5.559
2018	14,821,738,983	306,261,017	15,128,000,000	5.559
2019	15,669,652,415	353,724,881	16,023,377,296	5.559
2020	16,595,199,135	341,167,483	16,936,366,618	5.559
2021	17,093,184,916	356,646,565	17,449,831,481	5.559
2022	17,774,827,280	350,297,460	18,125,124,740	5.559

(1) Source: Miami Dade County Property Appraiser - according to Florida law, taxable property is assessed at 100% of estimated actual value and further reduced by various statutory exemptions.

(*) Source: Final tax roll values from the Department of Property Appraisal, except for 2012-2018 which are based on Certification of Taxable Value Form DR-420 for respective years.

**TABLE 7
CITY OF CORAL GABLES, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	CITY TAX RATES			COUNTY	SCHOOL	STATE	TOTAL
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	MILLAGE	MILLAGE	MILLAGE	
2013	5.669	0.000	5.669	5.161	7.998	0.4634	19.2914
2014	5.629	0.000	5.629	5.798	7.977	0.4455	19.8495
2015	5.589	0.000	5.589	5.900	7.974	0.4187	19.8826
2016	5.559	0.000	5.559	5.900	7.612	0.3896	19.4615
2017	5.559	0.000	5.559	5.3509	7.322	0.3627	18.5946
2018	5.559	0.000	5.559	5.8182	6.994	0.3420	18.7132
2019	5.559	0.000	5.559	5.8568	0.000	0.3256	18.4744
2020	5.559	0.000	5.559	5.8969	7.148	0.3115	18.9154
2021	5.559	0.000	5.559	5.8796	7.129	0.2995	18.8671
2022	5.559	0.000	5.559	5.9584	7.009	2.2892	18.8156

Florida law limits the city, school and county each to a maximum of \$10 per \$1,000 taxable value for operations. Millage tax rates are per \$1,000 taxable value.

**TABLE 8
CITY OF CORAL GABLES, FLORIDA
PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO**

TAXPAYER	FISCAL YEAR ENDED 2022			FISCAL YEAR ENDED 2013		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE VALUE \$18,125,124,740	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE VALUE 12,025,562,952
1350 S Dixie LLC	97,700,000	1	0.54 %	-	-	-
Banyan ST GAP Douglas Ent Own LLC	86,735,000	2	0.48	-	-	-
Agave Plaza Trustee LLC	84,153,157	3	0.46	-	-	-
Columbus Center GU LLC	75,750,000	4	0.42	-	-	-
Florida Power and Light	70,462,867	5	0.39	-	-	-
Coral Gables Associates	67,600,000	6	0.37	55,000,000	7	0.46
Codina CG LLC	64,761,000	7	0.36	-	-	-
PRII 355 Alhambra Circle LLC	64,756,636	8	0.36	-	-	-
Prisa Ponce de Leon, LLC	64,600,000	9	0.36	76,612,259	3	0.64
Ponte Gadea Gables LLC	62,650,681	10	0.35	55,984,953	6	0.47
Merrick Park LLC	-	-	-	100,091,493	1	0.83
Transwestern Douglas LLC	-	-	-	79,000,000	2	0.66
CPT 355 Alhambra Circle LLC	-	-	-	62,500,000	5	0.52
South Florida Equities REIT IN	-	-	-	65,595,000	4	0.55
The Collection Properties LLC	-	-	-	51,800,000	10	0.43
General Growth Properties	-	-	-	53,908,280	8	0.45
DEKA USA Colonnade LP	-	-	-	53,600,000	9	0.45
Totals	<u>739,169,341</u>		<u>4.08 %</u>	<u>\$ 654,091,985</u>		<u>5.44 %</u>

Property assessed on January 1, 2021 for 2022-2023 present year tax levy.

Taxable Assessed Value provided by: Miami Dade Property Appraiser

**TABLE 9
CITY OF CORAL GABLES, FLORIDA
SPECIAL ASSESSMENT
BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

FISCAL YEAR ENDED	SPECIAL ASSESSMENT BILLINGS	SPECIAL ASSESSMENT COLLECTED (1)
2013	856	830
2014	875	870
2015	909	945
2016	944	918
2017	988	972
2018	988	930
2019	1015	1148
2020	1064	854
2021	1055	1041
2022	1059	1107

(1) Includes prepayments and foreclosures.

**TABLE 10
CITY OF CORAL GABLES, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME *	PER CAPITA *
	SPECIAL OBLIGATION BONDS	OTHER OBLIGATIONS/CAPITAL LEASES	SPECIAL OBLIGATION BONDS	OTHER OBLIGATIONS/CAPITAL LEASES			
2013	59,798,120	2,151,541	15,386,880	396,009	77,732,550	2907%	1,573.18
2014	56,761,060	3,166,037	18,513,940	389,659	78,830,696	2837%	1,588.34
2015	60,054,735	254,690	17,785,265	214,599	78,309,289	2695%	1,528.67
2016	78,435,243	97,740	16,704,757	72,315	95,310,055	3260%	1,864.55
2017	74,698,919	318,699	15,601,081	40,575	90,659,274	3060%	1,784.10
2018	122,828,048	11,951,395	14,361,506	8,195	149,149,144	4780%	2,919.06
2019	116,911,860	11,831,309	13,005,899	-	141,749,068	4507%	2,779.45
2020	111,326,040	11,685,130	11,676,951	-	134,688,121	4060%	2,644.52
2021	105,898,523	99,983	25,447,275	-	131,445,781	4018%	2,617.09
2022	101,460,993	-	24,336,504	-	125,797,497	3461%	2,478.67

* See Table 13 for personal income and population data.

**TABLE 11
CITY OF CORAL GABLES, FLORIDA
RATIO OF ANNUAL DEBT SERVICE FOR
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENT EXPENDITURES
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

FISCAL YEAR ENDED	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	DEBT SERVICE AS PERCENTAGE OF TOTAL GENERAL EXPENDITURES
2013	-	-	-	117,134	0%
2014	-	-	-	117,390	0%
2015	-	-	-	121,242	0%
2016	-	-	-	129,219	0%
2017	-	-	-	139,712	0%
2018	-	-	-	154,139	0%
2019	-	-	-	148,796	0%
2020	-	-	-	148,850	0%
2021	-	-	-	149,903	0%
2022	-	-	-	157,513	0%

TABLE 12
CITY OF CORAL GABLES, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
SEPTEMBER 30, 2022

(amounts expressed in thousands)

<u>JURISDICTION</u>	<u>NET DEBT OUTSTANDING</u>	<u>PERCENT OF DEBT APPLIED TO CITY OF CORAL GABLES (1)</u>	<u>AMOUNT OF DEBT APPLIED TO CITY OF CORAL GABLES</u>
City of Coral Gables	\$ 101,461	100.0%	\$ 101,461
Total direct debt			<u>\$ 101,461</u>
Miami-Dade County, Florida	\$ 2,338,333	5.32%	\$ 124,338
Total overlapping debt			<u>\$ 124,338</u>
Total direct debt and overlapping debt			<u><u>\$ 225,799</u></u>

Sources: Data provided by the Miami Dade-County Finance Department

TABLE 13
CITY OF CORAL GABLES, FLORIDA
PLEDGED-REVENUE COVERAGE

	(1)	(2)	(3)	(4)	(5)	
	Non-Ad Valorem Revenues	Maximum Estimated Annual Loan Payments	Maximum Annual Debt Service on Other Non-Ad Valorem Debt	(2)+(3) Total Projected Debt Service	200% of Total Projected Debt Service	(1)-(5) Test Results
2022	102,513,403	11,021,052	700,000	11,721,052	23,442,104	79,071,299
2021	91,326,186	11,043,454	800,728	11,844,182	23,688,364	67,637,822
2020	92,713,454	10,507,950	800,728	11,308,678	22,617,356	70,096,099
2019	84,826,059	10,566,138	852,457	11,418,595	22,837,189	61,988,870
2018	87,425,443	10,567,086	899,845	11,466,931	22,933,862	64,491,581
2017	74,515,051	8,494,761	859,215	9,353,976	18,707,952	55,807,099
2016	74,876,579	8,317,026	804,109	9,121,135	18,242,270	56,634,309
2015	75,868,359	7,053,794	950,346	8,004,140	16,008,280	59,860,079
2014	70,923,450	6,785,517	1,818,735	8,604,252	17,208,504	53,714,946
2013	66,311,095	5,876,567	920,080	6,796,647	13,593,294	52,717,801

Note: Pursuant to loan agreements, the City has covenanted and agreed to budget and appropriate in its annual budget sufficient amounts of Non-Ad Valorem revenues or other legally available funds sufficient to satisfy the loan repayment. In addition, the City shall report annually the average total amount of Non-Ad Valorem revenues was at least 2.00 times of the maximum annual debt service on all outstanding debt of the City payable from or secured by Non-Ad Valorem revenues.

Non-Ad Valorem revenues means all legally available revenues of the City derived for any source, other than ad valorem taxation on real and personal property, which are legally available for payment of debt by the City.

**TABLE 14
CITY OF CORAL GABLES, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	(1) POPULATION	(2) PERSONAL INCOME	(1) PER CAPITA INCOME	(1) MEDIAN AGE	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT RATE
2013	49,411	2,674,025	54,118	41.4	13,514	5.3%
2014	49,631	2,778,790	55,989	40.4	15,385	4.5%
2015	51,227	2,905,647	56,721	40.8	13,705	4.9%
2016	51,117	2,923,637	57,195	41.4	14,198	4.8%
2017	50,815	2,962,972	58,309	40.8	14,563	3.8%
2018	51,095	3,120,014	61,063	40.0	14,930	3.4%
2019	50,999	3,145,006	61,668	40.0	14,395	2.9%
2020	49,700	3,236,961	65,130	39.8	13,623	6.1%
2021	50,226	3,271,229	65,130	40.1	13,909	3.7%
2022	50,752	3,635,010	71,623	39.7	15,052	1.7%

DATA SOURCES

- (1) United States Census Bureau estimates by Demographics-www.census.gov
- (2) Amounts expressed in thousands
- (3) Dade County School District - Public and Private School
- (4) United State Department of Labor-Bureau of Labor Statistic-www.bls.gov

**TABLE 14A
CITY OF CORAL GABLES, FLORIDA
GENERAL GOVERNMENT TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

FISCAL YEAR ENDED	GENERAL PROPERTY TAXES (1)	FRANCHISE TAXES	UTILITIES SERVICES TAXES	OTHER TAXES	TOTAL TAXES
2013	62,359	6,393	11,316	2,784	82,852
2014	65,257	6,851	11,862	2,909	86,879
2015	68,108	6,908	11,986	3,078	90,080
2016	71,447	6,860	11,423	3,103	92,833
2017	76,024	7,013	11,401	3,201	97,639
2018	80,762	6,875	11,831	3,316	102,784
2019	85,466	7,200	11,343	3,335	107,344
2020	90,002	6,916	11,187	2,948	111,053
2021	92,905	7,443	11,361	3,381	115,090
2022	96,339	8,670	11,996	4,031	121,036

(1) Net collections of Current and Delinquent Taxes including penalties and discounts.

TABLE 15
CITY OF CORAL GABLES, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Fiscal Year Ended September 30, 2022

<u>Employers</u>	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
University of Miami *	7,452	1	36.50%	12,969	1	66.66%
Baptist Health South Florida*	4,445	2	21.77%	1,600	2	8.22%
Mastec	1,053	3	5.16%	N/A		-
Dade County Public Schools	983	4	4.82%	534	6	2.74%
City of Coral Gables	973	5	4.77%	791	4	4.07%
Doctors Hospital Inc.	924	6	4.53%	500	7	2.57%
Care Plus Health Plans Inc.	693	7	3.39%	N/A		-
Steward CGH, Inc.	555	8	2.72%	N/A		-
B & B Holding Enterprises	547	9	2.68%	N/A		-
International Business Machines Corp.	538	10	2.64%	N/A		-
Big Bang Enterprises Inc.	510	11	2.50%	N/A		-
Bayview Asset Management	459	12	2.25%	1,300	3	6.68%
The Biltmore Hotel	394	13	1.93%	670	5	3.44%
Bacardi	354	14	1.73%	460	8	2.36%
The Collection	282	15	1.38%	300	10	1.54%
Gables Engineering, Inc.	253	16	1.24%	330	9	1.70%
Total	<u>20,415</u>		<u>100.00%</u>	<u>19,454</u>		<u>100.00%</u>

Sources: Coral Gables Economic Development Department
Coral Gables Chamber of Commerce

* Faculty & Full/Parttime Employees

TABLE 16
CITY OF CORAL GABLES, FLORIDA
POSITION CONTROL
FULL TIME POSITIONS
TEN YEAR COMPARISONS

FUNCTION / PROGRAM	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Commission	7	7	6	6	6	6	6	6	6	6
City Attorney	5	5	5	6	6	6	6	6	6	7
City Clerk	5	5	7	8	8	8	8	8	8	8
City Manager	11	11	9	10	10	11	11	11	11	12
Human Resources	10	10	11	10	10	10	10	10	10	10
Labor Relations & Risk Mgmt.	0	0	0	4	4	4	4	4	4	4
Development Services	64	64	63	62	62	62	62	62	62	60
Historic Resources	4	4	5	6	6	6	6	6	6	6
Public Works	84	204	204	193	194	195	195	203	203	199
Automotive	0	0	0	0	0	0	0	0	0	0
Finance	33	34	32	30	30	27	28	27	27	26
Information Technology	15	15	16	16	16	17	19	19	19	19
Police	256	263	262	266	266	272	272	275	275	275
Fire	147	147	147	147	147	147	147	147	147	148
Community Services	146	26	28	31	31	32	32	32	32	40
Economic & Cultural Dev.	5	5	6	5	5	5	5	5	5	4
Nondepartmental	0	0	0	0	0	1	1	1	1	1
Parking	0	0	0	29	30	28	28	28	28	30
Total	792	800	801	829	831	837	840	850	850	855

Source: City of Coral Gables Budget Book

TABLE 17
CITY OF CORAL GABLES, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety:										
Police:										
Physical Arrests	880	935	876	789	776	770	778	552	489	536
Traffic Violations	19,863	23,785	19,917	22,084	25,497	31,951	37,754	18,827	24,301	28,620
Parking Violations	96,394	100,674	100,808	90,634	74,207	79,185	98,149	63,211	77,176	76,675
Fire:										
Emergency Response	7,022	7,721	7,886	8,044	8,605	8,063	8,372	7,687	7,755	8,485
Fire Inspections Conducted	13,716	10,769	10,549	10,478	9,319	10,649	11,302	7,962	8,045	8,081
General Government:										
Tax Rates										
Utility Services:										
Electric	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Water	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Communication Service	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%
Gas	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Franchises:										
Electric	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Gas	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Cable Television	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%

Sources: Various City Departments.

TABLE 18
CITY OF CORAL GABLES, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Area										
Land (sq. miles) (1)	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1
Water (sq. miles)	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Infrastructure (2)										
Paved streets	228	228	228	228	228	228	228	228	228	228
Unpaved streets	0	0	0	0	0	0	0	0	0	0
Canals and waterways (miles)	47	47	47	47	47	47	47	47	47	47
FPL owned streetlights	3,523	3,533	3,533	3,533	3,515	3,513	3,513	3,513	3,513	3,513
City owned streetlights	636	636	636	636	643	643	643	643	643	643
Public Safety:										
Fire										
Stations	3	3	3	3	3	3	3	4	4	4
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Culture and Recreation:										
Recreation										
Public beach (miles)	0	0	0	0	0	0	0	0	0	0
Municipal parks	14	14	14	14	14	14	14	14	14	14
Undeveloped parks	2	2	2	2	2	2	2	2	2	2
Municipal swimming pool	1	1	1	1	1	1	1	1	1	1
18-hole municipal golf course	1	1	1	1	1	1	1	1	1	1
9-hole municipal golf course	1	1	1	1	1	1	1	1	1	1
Recreational areas (acres)	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,006	1,007	1,008
Recreation centers	1	1	1	2	2	2	2	2	2	2
Municipal Water System										
Water mains (miles)	0	0	0	0	0	0	0	0	0	0
Fire hydrants	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,261	1,262	1,263
Municipal Sewer System										
Wastewater force main (miles)	10	10	10	10	10	10	10	10	10	10
Wastewater lift stations	35	35	35	35	35	35	35	35	35	35
Wastewater Gravity main (miles)	64	64	64	64	64	64	64	64	64	64

(1) Sources: 2022 updated Per 2012 U.S. Census

(2) Sources: Various City Departments