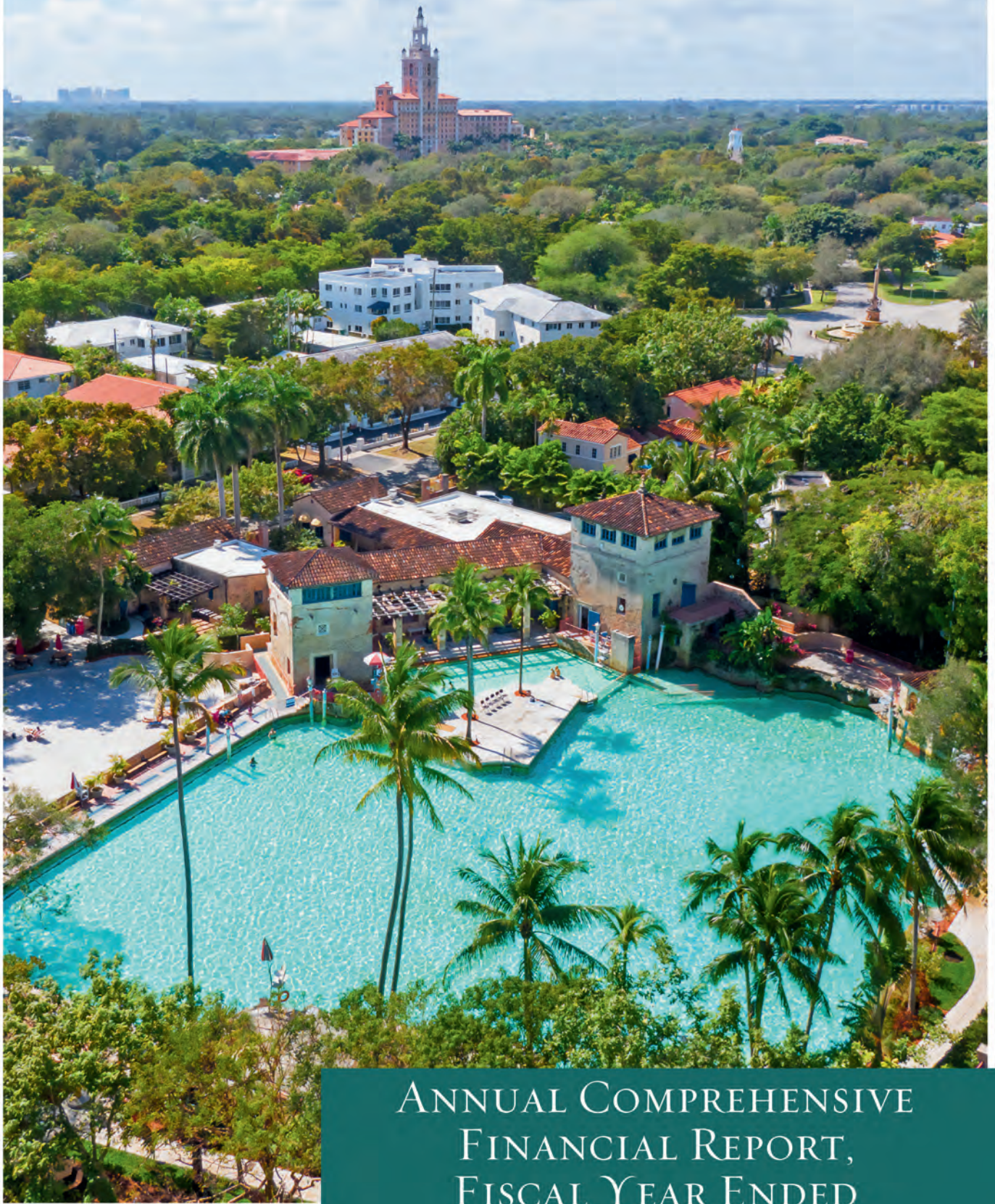


CORAL GABLES

THE CITY BEAUTIFUL



ANNUAL COMPREHENSIVE
FINANCIAL REPORT,
FISCAL YEAR ENDED
SEPTEMBER 30, 2023

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

CITY OF CORAL GABLES, FLORIDA

For the
FISCAL YEAR ENDED
September 30, 2023



"The City Beautiful"

Prepared by
FINANCE DEPARTMENT

CITY OF CORAL GABLES, FLORIDA

COMMISSION - MANAGER FORM OF GOVERNMENT

CITY COMMISSION

VINCE C. LAGO, *MAYOR*

RHONDA ANDERSON, *Vice Mayor*
MELISSA CASTRO, *Commissioner*

KIRK R. MENENDEZ, *Commissioner*
ARIEL FERNANDEZ, *Commissioner*

CITY MANAGER

AMOS ROJAS, Jr.

FINANCE DIRECTOR

DIANA M. GOMEZ, C.P.A.

ASSISTANT FINANCE DIRECTOR FOR REPORTING AND OPERATIONS

SALLY OLA OLA, C.P.A.

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The City of Coral Gables

Finance Department

405 BILTMORE WAY
CORAL GABLES, FLORIDA 33134

May 31, 2024

Honorable Mayor
Members of the City Commission
City Manager
Citizens of the City of Coral Gables

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, 2023, 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 49,851 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 19,334 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 opendoor.com., the City of Coral Gables ranks as the 11th best family-friendly cities in 2023. The factors taken into consideration include families’ desire for community, simpler living, and an opportunity to build a network of like-minded families in green spaces. Also, the City of Coral Gables is home to over 60 developed parks, and 92% of residents live within a 10-minute walk of an outdoor recreation space.

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 of Coral Gables was named an “Overall Global Winner of the 2023 Smart 50 Awards”. The City’s Innovation and Technology Team was awarded as one of the three global winners from the overall awardee pool consisting of over 1,000 applications worldwide; 50 awardees from eight countries; and 3 overall global winners.

The City of Coral Gables won first place in the Government Experience Award in 2023 at the GovX Summit which showcases the latest trends in the evolving experience of government and honors jurisdictions that have elevated technology standards to establish an intuitive, customer-centric approach in delivering essential resident services. According to GovX, *“The City of Coral Gables has successfully orchestrated the centralization of its customer-centric technology services; that has since blossomed into an all-encompassing ‘mastery hub’ catering to the diverse needs of the City’s residents”*.

Coral Gables has been named a "Tree City USA" for 38 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. 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.

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 fourteen 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 2023, taxable values are the highest in the history of the City at \$22.0 billion (based on January 2022 taxable values) which represents a 15% increase over the previous tax year of \$19.1 billion (based on January 2021 taxable values) generating an increase in property tax revenue of approximately \$12.7 million. For fiscal year 2023, the property tax rate was 5.559 which is the eighth consecutive year the City maintained the same millage rate.

The City Commission adopted an annual budget for fiscal year 2023 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 2023 budget provided 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 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 2023. The City has met the reserve requirement of \$54.80 million as of September 30, 2023. 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 combined the Human Resources and Risk Management departments to ‘enhance operational management.’ In fiscal year 2023, the City purchased ‘new security cameras, public Wi-Fi, GPS, and passenger count system for use within Coral Gables Trolleys.’

The City completed the design for the Mobility Hub project. In the future, it will replace the outdated Garage 1 facility. Furthermore, the City procured forty new pay stations bringing the total inventory to 255 pay stations citywide. Also, the City completed the rehabilitation of several parking lots which included new lighting, landscaping and pavement, installation of eight EV charging ports and new ADA parking spaces.

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.

Aira was launched in the City’s central business district. “Aira is a free service that connects blind and low vision people to highly trained, remotely located Visual Interpreters through the cameras of their smartphones. At the touch of a button, Aira connects customers who need immediate visual assistance with anything from reading in-store signage to product labels.”

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 \$7.63 million to the Coral Gables Retirement System in October 2022 which was applied towards the unfunded liability. The City has contributed a total of \$36.49 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 2023-2024 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 2024 budget provides for additional funds towards the capital improvement program totaling \$46.3 million. Highlights include replacement of capital equipment of \$2.8 million, facility repairs and improvements of \$4.7 million, historic facility repairs and restorations of \$8.0 million, motor pool equipment replacement of \$4.8 million, parking system repairs and improvements of \$1.4 million, parks and recreation amenity improvements of \$7.3 million, public safety improvements of \$2.2 million, transportation and roadway improvements of \$6.4 million and utility repairs and improvements of \$8.7 million.

The 2023-2025 Strategic Plan was implemented at the start of fiscal year 2023. 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

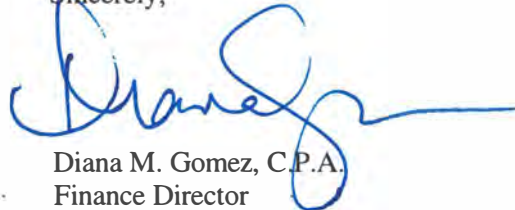
Independent Audit. The City Charter and State Statutes require an annual audit. The accounting firm of RSM US LLP was appointed by the City Commission. The Audit engagement requires the independent auditor to report on the fair presentation of the financial statements and on the City's internal controls 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, 2022. This was the thirty ninth 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,

A handwritten signature in blue ink, appearing to read "Diana Gomez", with a long horizontal flourish extending to the right.

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

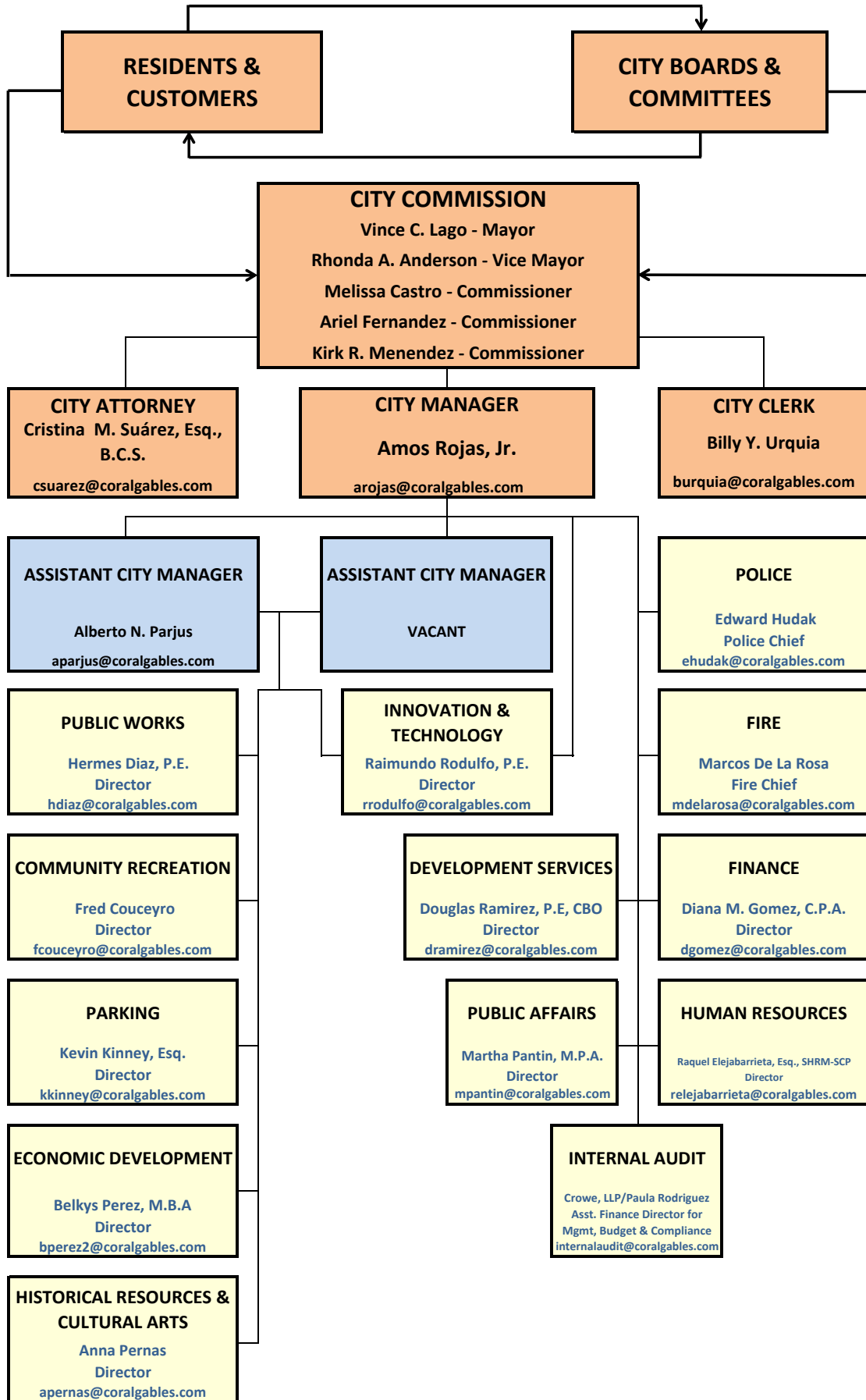
**City of Coral Gables
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



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



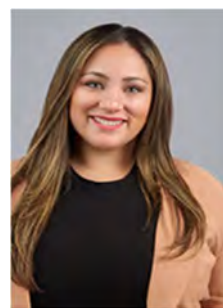
VINCE C. LAGO
MAYOR



RHONDA ANDERSON
VICE MAYOR



KIRK R. MENENDEZ
COMMISSIONER



MELISSA CASTRO
COMMISSIONER



ARIEL FERNANDEZ
COMMISSIONER



BILLY Y. URQUIA
CITY CLERK



AMOS ROJAS, Jr.
CITY MANAGER



CRISTINA SUAREZ
CITY ATTORNEY

ALBERTO N. PARJUS
ASSISTANT CITY MANAGER

DEPARTMENT DIRECTORS

| | |
|-------------------------|----------------------|
| Community Recreation | Fred Couceyro |
| Development Services | Douglas Ramirez |
| Economic Development | Belkys Perez |
| Finance | Diana M. Gomez |
| Fire Chief | Marcos De La Rosa |
| Historical Resources | Ana Pernas |
| Human Res. & Risk Mgmt. | Raquel Elejabarrieta |
| Information Technology | Raimundo Rodulfo |
| 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
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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(Unaudited)

NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION (Unaudited)



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RSM US LLP

Independent Auditor's Report

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, 2023, 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, as of September 30, 2023, 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, Police Officers' Pension Fund and Firefighters' Pension Fund (the Plans), which represent 89%, 92% and 66%, respectively, of the assets, net position and revenues/additions of the aggregate remaining fund information as of September 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plans, is based solely on the reports 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. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, as of October 1, 2022. As a result, beginning right-to-use SBITA asset and SBITA liability 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 12 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 the management's discussion and analysis, budgetary comparison information, and other post-employment benefits and pension related schedules 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

Coral Gables, Florida
May 31, 2024



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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, 2023. 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 2023 by \$359.32 million (net position). Of this amount, the unrestricted net position is \$35.60 million which increased by \$34.89 million when compared to prior year mainly due to the positive change in net position of \$55.08 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 \$186.75 million, an increase of \$29.38 million in comparison with the prior year. The General Fund’s unassigned fund balance of \$54.78 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 2024.
- At the end of the current fiscal year, the total of the committed, assigned, and unassigned components of fund balances for the general fund which includes the aforementioned 25% reserve, was \$72.98 million or 41.80% of the total general fund expenditures and is available for future spending.
- The City has no general obligation debt outstanding.
- The 2022-2023 annual principal and semi-annual interest payments on special revenue bonds 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.

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 18-19 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 22-25 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 31-32 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 33 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 92 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 102 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, 2023, the City’s total net position increased by \$55.08 million when compared to the 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 | | Business-Type | | Total | |
|-------------------------------------|------------------|------------------|------------------|-----------------|------------------|------------------|
| | Activities | | Activities | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$ 285.32 | \$ 257.71 | \$ 72.09 | \$ 72.65 | \$ 357.41 | \$ 330.36 |
| Capital assets | 302.71 | 297.40 | 69.21 | 60.15 | 371.92 | 357.55 |
| Total Assets | 588.03 | 555.11 | 141.30 | 132.80 | 729.33 | 687.91 |
| | | | | | | |
| Total Deferred Outflows of Resource | 89.18 | 33.50 | 3.98 | 1.23 | 93.16 | 34.73 |
| | | | | | | |
| Current liabilities | 35.66 | 31.13 | 4.28 | 5.83 | 39.94 | 36.96 |
| Noncurrent liabilities | 348.73 | 257.32 | 33.16 | 30.04 | 381.89 | 287.36 |
| Total Liabilities | 384.39 | 288.45 | 37.44 | 35.87 | 421.83 | 324.32 |
| | | | | | | |
| Total Deferred Inflows of Resource | 37.80 | 89.45 | 3.54 | 8.12 | 41.34 | 97.57 |
| | | | | | | |
| Net Position: | | | | | | |
| Net Investment in capital assets | 199.56 | 193.52 | 57.33 | 45.49 | 256.89 | 239.01 |
| Restricted | 47.98 | 46.57 | 18.85 | 14.46 | 66.83 | 61.03 |
| Unrestricted (Deficit) | 7.48 | (29.38) | 28.12 | 30.09 | 35.60 | 0.71 |
| Total Net Position | \$ 255.02 | \$ 210.71 | \$ 104.30 | \$ 90.04 | \$ 359.32 | \$ 300.75 |

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 \$66.83 million, or 18.60% of the net position, is restricted due to external restrictions on how they may be used. The City’s unrestricted net position is \$35.60 million.

For the governmental activities, capital assets represent 51.48% of total assets, while noncurrent liabilities represent 90.10% of the total liabilities. For the business-type activities, these capital assets represent 48.98% of total assets, while noncurrent liabilities represent 88.57% of the total liabilities.

Current and other assets showed a net increase of \$27.61 million for governmental activities mainly due to positive results of operations of \$40.82 million as shown in the statement of activities on page 19 of this report which resulted to (a) increase of \$28.25 million in cash and investment; and (b) decrease in lease receivables of \$2.40 million which represents the annual receipts from long-term leasing activities of the City as a lessor. Current and other assets decreased by \$562 thousand for business-type activities mainly due to (a) positive results of operations of \$14.26 million which was offset by the decrease in cash and investment due to disbursements of \$10.95 million to the ongoing construction of a new parking garage and improvements to sewer system infrastructure; and (b) decrease in lease receivables of \$2.65 million which represents the annual receipts from long-term leasing activities of the City as a lessor. A more detailed analysis of this change is included in the analysis of the Proprietary Funds that follows.

Current liabilities showed a net increase of \$4.53 million for governmental activities due to (a) increase of \$3.59 million in outstanding contractor invoices related to various improvement projects; and (b) increase in unearned revenue of \$1.43 million which represents advance payments of fees and other charges from customers of various facilities of the city. Current liabilities decreased \$1.55 million for business-type activities mainly due to decrease 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 increase of \$94.53 million mainly due to (a) increase in net pension liability of \$105.14 million; (b) payment of scheduled annual principal payments of \$6.53 million, and amortization of bond premium of \$1.22 million; and (c) decrease in total OPEB liability of \$5.18 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 \$92.85 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 and OPEB of \$12.93 million represents the difference between actual and expected experience and changes in assumptions; and deferred inflows related to leases of \$28.42 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 | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| General Revenues: | | | | | | |
| Taxes | \$ 134.37 | \$ 121.04 | \$ - | \$ - | \$ 134.37 | \$ 121.04 |
| Intergovernmental | 7.66 | 7.18 | - | - | 7.66 | 7.18 |
| Investment Earnings (Losses) | 8.35 | (1.03) | 1.87 | (1.38) | 10.22 | (2.41) |
| Gain on Sale of Capital Assets | - | - | 3.47 | 3.49 | 3.47 | 3.49 |
| Insurance Recoveries | - | 0.50 | - | - | - | 0.50 |
| Miscellaneous | 0.51 | 0.20 | - | - | 0.51 | 0.20 |
| Program Revenues: | | | | | | |
| Charges for Services | 63.47 | 58.64 | 38.79 | 37.75 | 102.26 | 96.39 |
| Operating | 2.28 | 10.78 | - | - | 2.28 | 10.78 |
| Capital | 0.05 | 0.23 | 0.65 | 0.05 | 0.70 | 0.28 |
| Total Revenues | 216.69 | 197.54 | 44.78 | 39.91 | 261.47 | 237.45 |
| Expenses: | | | | | | |
| General Government | 32.04 | 26.64 | - | - | 32.04 | 26.64 |
| Public Safety | 94.15 | 79.79 | - | - | 94.15 | 79.79 |
| Physical Environment | 28.30 | 22.63 | - | - | 28.30 | 22.63 |
| Transportation | 8.00 | 7.62 | - | - | 8.00 | 7.62 |
| Economic Environment | 1.11 | 1.04 | - | - | 1.11 | 1.04 |
| Culture and Recreation | 18.34 | 14.30 | - | - | 18.34 | 14.30 |
| Interest Expense | 2.95 | 2.75 | - | - | 2.95 | 2.75 |
| Sanitary Sewer System | - | - | 10.04 | 8.34 | 10.04 | 8.34 |
| Parking System | - | - | 8.74 | 7.28 | 8.74 | 7.28 |
| Stormwater Utility | - | - | 2.72 | 2.53 | 2.72 | 2.53 |
| Total Expenses | 184.89 | 154.77 | 21.50 | 18.15 | 206.39 | 172.92 |
| Increase (decrease) in net position before transfers | 31.80 | 42.77 | 23.28 | 21.76 | 55.08 | 64.53 |
| Transfers, net | 9.02 | 5.30 | (9.02) | (5.30) | - | - |
| Change in Net Position | 40.82 | 48.07 | 14.26 | 16.46 | 55.08 | 64.53 |
| Net Position - Beg. Restated | 214.20 | 162.64 | 90.04 | 73.58 | 304.24 | 236.22 |
| Net Position - Ending | \$ 255.02 | \$ 210.71 | \$ 104.30 | \$ 90.04 | \$ 359.32 | \$ 300.75 |

*The City implemented GASB Statement No. 96 as of October 1, 2022.

*The information was not available to implement the statement for the prior periods presented in the MD&A.

Governmental Activities:

The most significant increase of revenue in governmental activities for the fiscal year 2022-2023 was taxes with an increase of \$13.33 million or 11% mainly due to (a) increase of \$10.91 million in ad valorem taxes collected during the year attributable to the increase in property values in 2022; (b) increase of \$747 thousand in franchise tax; and (c) increase of \$1.36 million in utilities service taxes.

Charges for services showed an increase of \$4.83 million with certain revenue streams showed significant increases such as (a) permit revenue of \$3.31 million which was a direct effect of timing and size of new construction projects within the City; (b) recreation fee revenue increased by \$474 thousand mainly from revenues from country club which the city assumed full operations in late 2022; (c) increase in rental income of \$546 million as collection increased on rent based on percentage of tenant's revenue; and (d) increase of \$1.35 million of fees collected from ambulance transport service, removal of excess trash and board of architect review fees.

Operating grants and contributions showed a decrease of \$8.50 million mainly due to ARPA grant funding of \$8.5 million which was fully expended and recognized as grant revenue in fiscal year 2022.

Investment earnings increase significantly by \$9.38 million mainly due to favorable 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 funds 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 \$14.26 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 \$205.55 million of revenue during the fiscal year, offset by \$168.50 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 \$10.99 million with (a) public safety function increased \$5.5 million due to increase in personnel costs and operating expenses such as cost of property insurance and maintenance and upkeep of equipment and vehicles; (b) culture and recreation increased by \$2.5 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 decreased by \$1.2 million mainly due to the purchase of a mobile incident command center in 2022.

Debt Service Fund – In fiscal year 2023, the City paid \$5.11 million in scheduled principal payments and \$3.50 million of interest payments. During the current year, the General Fund transferred \$8.05 million to Debt Service Fund to fund the principal and interest payment requirements.

Capital Project General Improvement Fund - This fund recognized revenue of \$1.44 million and \$10.30 million in capital expenditures. Significant capital project expenditures include the 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 \$657 thousand and operating expenses increased by approximately \$1.8 million from the prior year. For fiscal year 2023, the fee was increased by approximately 4% which generated an increase in total fees charged to customers by \$474 thousand. The increase in the operating expenses is attributable to increase in pension expense and other post-employment benefit of \$750 thousand and increase in waste disposal fee of \$663 thousand. During the current year, the Sanitary Sewer Fund spent approximately \$500 thousand on improvements to sewer system infrastructure which was funded by a capital grant from the Florida Department of Environmental Protection.

Parking System - Operating revenues in the current year were consistent with the prior year's level which indicates that the parking revenue was continuing its track to post-pandemic recovery of revenue. The operating expense showed an increase of \$1.59 million mainly related to the increase in pension expense of \$1.33 million. During the year, the Parking Fund transferred to the General Fund approximately \$11.75 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 \$2.71 million from the Capital Project Impact Fee Fund to fund the construction of the new parking garage.

Stormwater Utility Fund - Operating revenues increased by approximately \$370 thousand from the prior year. In fiscal year 2023, the City increased the system user rates by approximately 7.7% 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 2023, \$3.98 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. During the current year, the Stormwater Utility Fund spent approximately \$154 thousand on improvements to canals and waterway systems infrastructure which was funded by a capital grant from the Florida Department of Environmental Protection.

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 \$178.32 million to \$180.71 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 \$1.52 million, (b) increase in recreation activity fee of \$170 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 \$489 thousand from rent income based on percentage of tenant's revenue post pandemic.

The City's budgeted expenditures increased from \$171.12 million to \$182.80 million from the original to the final budget. For the fiscal year, the budget amendments are mainly due to (a) funding of capital improvements for country club of \$1.78 million; (b) special events for \$500 thousand; (c) public safety grant activity of \$2.89 million; and (d) reappropriation of expenditures for purchase orders commitments which are funded from available fund balance.

The City budgeted \$180.71 million in revenue and recognized \$205.55 million. The City budgeted \$182.80 million in expenditures and incurred \$168.50 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, intergovernmental revenues; and investment earnings.

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, 2023 amounted to \$362.30 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, bridges and long-term subscription of information technology systems and

applications. The City’s investment in net capital assets increased by \$4.75 million from the prior year.

During the current fiscal year, significant additions in governmental activities included \$5.54 million for the improvements and renovations of City facilities, parks and other recreation facilities; purchase of various vehicles and equipment for \$3.44 million; and subscription assets due to implementation of GASB 96 related to subscription-based information technology systems and applications.

Significant additions for business-type activities included \$9.17 million in construction in progress for the new parking garage; and \$1.83 million relating to improvements to various pump stations and drainage systems.

Table A-3
Capital Assets (In millions of dollars)

| | Governmental | | Business-Type | | Total | |
|-----------------------------------|--------------|-----------|---------------|----------|-----------|-----------|
| | Activities | | Activities | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 61.79 | \$ 61.77 | \$ 3.63 | \$ 3.67 | \$ 65.42 | \$ 65.44 |
| Construction in Progress | 10.03 | 12.76 | 26.14 | 16.97 | 36.17 | 29.73 |
| Infrastructure | 113.07 | 113.07 | 37.83 | 36.00 | 150.90 | 149.07 |
| Building | 134.05 | 134.05 | 30.22 | 30.22 | 164.27 | 164.27 |
| Improvements Other Than Buildings | 109.01 | 100.74 | 1.90 | 1.90 | 110.91 | 102.64 |
| Machinery and Equipment | 66.49 | 63.05 | 5.26 | 5.20 | 71.75 | 68.25 |
| Right-to-Use Leased Asset | 0.57 | 0.57 | 0.81 | 0.77 | 1.38 | 1.34 |
| Subscription Asset | 9.62 | - | - | - | 9.62 | - |
| Total Capital Assets | 504.63 | 486.01 | 105.79 | 94.73 | 600.80 | 580.74 |
| Accumulated Depreciation | 201.92 | 188.61 | 36.58 | 34.58 | 238.50 | 223.19 |
| Net Capital Assets* | \$ 302.71 | \$ 297.40 | \$ 69.21 | \$ 60.15 | \$ 362.30 | \$ 357.55 |

*Beginning balance was restated with the implementation of GASB 96, SBITA at October 1, 2022.

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, 2023.

The City’s total outstanding principal debt outstanding as of September 30, 2023 was \$118.05 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 and subscription liabilities, and net pension liability. The City’s General Fund is primarily utilized for the payment of these liabilities for governmental activities.

Overall, long-term liabilities increased by \$94.53 million mainly due to (a) increase in net pension liability of \$105.14 million; (b) payment of scheduled annual principal payments of \$6.53 million, and amortization of bond premium of \$1.22 million; (c) decrease in total OPEB liability of \$5.18 million; (d) decrease in claims payable of \$2.57 million; (e) recognition of subscription liability of \$4.35 million related to implementation of GASB 96 related to subscription-based information technology systems and applications.

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

| | Governmental | | Business-Type | | Total | |
|----------------------------------|--------------|-----------|---------------|----------|-----------|-----------|
| | Activities | | Activities | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Special Obligation Debt | \$ 95.55 | \$ 101.46 | \$ 22.50 | \$ 24.34 | \$ 118.05 | \$ 125.80 |
| Estimated Insurance Claims | 11.10 | 13.67 | - | - | 11.10 | 13.67 |
| Accrued Compensated Absences | 12.18 | 11.68 | 0.46 | 0.41 | 12.64 | 12.09 |
| Finance Purchase | 0.18 | - | - | - | 0.18 | - |
| Lease Liabilities | 0.32 | 0.50 | 0.28 | 0.50 | 0.60 | 1.00 |
| Subscription Liabilities | 4.35 | - | - | - | 4.35 | - |
| Pollution Remediation Obligation | 2.91 | 2.70 | - | - | 2.91 | 2.70 |
| Advances from Insurance Company | 0.06 | 0.06 | - | - | 0.06 | 0.06 |
| Total OPEB Liability | 19.00 | 23.97 | 0.79 | 1.00 | 19.79 | 24.97 |
| Net Pension Liability | 203.08 | 103.28 | 9.13 | 3.79 | 212.21 | 107.07 |
| Total * | \$ 348.73 | \$ 257.32 | \$ 33.16 | \$ 30.04 | \$ 381.89 | \$ 287.36 |

*Beginning balance was restated with the implementation of GASB 96, SBITA at October 1, 2022.

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 12.6% increase in taxable values. Expenditures, on the other hand, increase due to the recent increase in inflation. The City carefully balanced 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 12.7%.

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 residents 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 2023-2024 and it is the 12th 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 \$870,321 in 2023, has increased by approximately 20% 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, 2023

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 28,106,552 | \$ 10,024,897 | \$ 38,131,449 |
| Restricted Cash and Cash Equivalents | 3,978,882 | 9,103,559 | 13,082,441 |
| Investments | 148,135,781 | 17,634,245 | 165,770,026 |
| Restricted Investments | 51,725,125 | 22,352,637 | 74,077,762 |
| Accounts Receivable, Net | 13,622,704 | 5,598,792 | 19,221,496 |
| Interest Receivable | 1,720,199 | 218,466 | 1,938,665 |
| Assessment Liens Receivable | 6,420,713 | 69,696 | 6,490,409 |
| Lease Receivable | 26,070,830 | 3,320,228 | 29,391,058 |
| Internal Balances | (2,950,021) | 2,950,021 | - |
| Due from Other Governments | 5,545,006 | 814,233 | 6,359,239 |
| Inventory | 66,430 | - | 66,430 |
| Prepaid and Deposits | 2,879,889 | - | 2,879,889 |
| Capital Assets Not Being Depreciated: | | | |
| Land | 61,786,592 | 3,633,468 | 65,420,060 |
| Construction in Progress | 10,030,779 | 26,140,051 | 36,170,830 |
| Capital Assets, Net of Accumulated Depreciation: | | | |
| Infrastructure | 10,298,875 | 22,529,717 | 32,828,592 |
| Buildings | 100,736,933 | 14,092,892 | 114,829,825 |
| Improvements Other Than Buildings | 86,477,912 | 1,169,871 | 87,647,783 |
| Machinery and Equipment | 24,690,453 | 1,369,188 | 26,059,641 |
| Right-To-Use Leased Assets and SBITA Assets | 8,686,585 | 279,055 | 8,965,640 |
| Total Assets | <u>588,030,219</u> | <u>141,301,016</u> | <u>729,331,235</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Charge on Refunding | 311,672 | - | 311,672 |
| Deferred Outflows Related to Pension | 85,953,433 | 3,862,066 | 89,815,499 |
| Deferred Outflows Related to OPEB | 2,914,155 | 121,424 | 3,035,579 |
| Total Deferred Outflows of Resources | <u>89,179,260</u> | <u>3,983,490</u> | <u>93,162,750</u> |
| LIABILITIES | | | |
| Accounts Payable | 14,872,097 | 3,547,889 | 18,419,986 |
| Accrued Payroll | 1,826,532 | 66,282 | 1,892,814 |
| Unearned Revenue | 10,821,093 | 233,850 | 11,054,943 |
| Due to Other Governments | 212,160 | - | 212,160 |
| Deposits Payable | 7,923,854 | 433,477 | 8,357,331 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 39,945,646 | 3,039,162 | 42,984,808 |
| Due In More Than One Year | 308,783,340 | 30,118,693 | 338,902,033 |
| Total Liabilities | <u>384,384,722</u> | <u>37,439,353</u> | <u>421,824,075</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows Related to Leases | 25,393,143 | 3,023,273 | 28,416,416 |
| Deferred Inflows Related to Pension | 908,511 | 40,821 | 949,332 |
| Deferred Inflows Related to OPEB | 11,505,553 | 479,399 | 11,984,952 |
| Total Deferred Inflows of Resources | <u>37,807,207</u> | <u>3,543,493</u> | <u>41,350,700</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 199,561,729 | 57,325,515 | 256,887,244 |
| Restricted for: | | | |
| Debt Service | 6,488,784 | - | 6,488,784 |
| Public Safety | 22,546,312 | - | 22,546,312 |
| Mobility Improvements | 1,851,988 | - | 1,851,988 |
| Capital Improvements | 5,751,726 | 18,854,029 | 24,605,755 |
| Law Enforcement | 1,537,519 | - | 1,537,519 |
| Public and Historic Art | 7,728,070 | - | 7,728,070 |
| Records Management | 2,078,591 | - | 2,078,591 |
| Unrestricted | 7,472,831 | 28,122,116 | 35,594,947 |
| Total Net Position | <u>\$ 255,017,550</u> | <u>\$ 104,301,660</u> | <u>\$ 359,319,210</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, 2023

| 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 | \$ 32,037,145 | \$ 34,571,319 | \$ - | \$ - | \$ 2,534,174 | \$ - | \$ 2,534,174 |
| Public Safety | 94,152,458 | 10,413,421 | 1,788,936 | - | (81,950,101) | - | (81,950,101) |
| Physical Environment | 28,296,055 | 9,831,810 | 98,162 | 50,578 | (18,315,505) | - | (18,315,505) |
| Transportation | 8,000,690 | 535,703 | 391,198 | - | (7,073,789) | - | (7,073,789) |
| Economic Environment | 1,114,250 | 51,988 | - | - | (1,062,262) | - | (1,062,262) |
| Culture and Recreation | 18,337,059 | 8,069,149 | - | - | (10,267,910) | - | (10,267,910) |
| Interest on Long-term Debt | 2,949,982 | - | - | - | (2,949,982) | - | (2,949,982) |
| Total Governmental Activities | 184,887,639 | 63,473,390 | 2,278,296 | 50,578 | (119,085,375) | - | (119,085,375) |
| Business-type Activities: | | | | | | | |
| Sanitary Sewer System | 10,042,095 | 12,503,884 | - | 500,000 | - | 2,961,789 | 2,961,789 |
| Parking System | 8,743,346 | 18,510,060 | - | - | - | 9,766,714 | 9,766,714 |
| Stormwater Utility | 2,716,809 | 7,772,131 | - | 154,130 | - | 5,209,452 | 5,209,452 |
| Total Business-type Activities | 21,502,250 | 38,786,075 | - | 654,130 | - | 17,937,955 | 17,937,955 |
| Total | \$ 206,389,889 | \$ 102,259,465 | \$ 2,278,296 | \$ 704,708 | (119,085,375) | 17,937,955 | (101,147,420) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| | | | | 107,249,183 | - | | 107,249,183 |
| | | | | 9,417,230 | - | | 9,417,230 |
| | | | | 13,354,827 | - | | 13,354,827 |
| | | | | 4,348,585 | - | | 4,348,585 |
| | | | | 7,661,089 | - | | 7,661,089 |
| | | | | 8,353,893 | 1,871,334 | | 10,225,227 |
| | | | | 505,992 | - | | 505,992 |
| | | | | - | 3,466,800 | | 3,466,800 |
| | | | | 9,016,330 | (9,016,330) | | - |
| | | | | 159,907,129 | (3,678,196) | | 156,228,933 |
| | | | | 40,821,754 | 14,259,759 | | 55,081,513 |
| | | | | 214,195,796 | 90,041,901 | | 304,237,697 |
| | | | | \$ 255,017,550 | \$ 104,301,660 | | \$ 359,319,210 |

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, 2023

| | Major Funds | | | Nonmajor Funds | |
|--|----------------|-------------------|--|--------------------------|--------------------------|
| | General Fund | Debt Service Fund | Capital Project General Improvement Fund | Other Governmental Funds | Total Governmental Funds |
| ASSETS | | | | | |
| Pooled Cash and Cash Equivalents | \$ 4,876,354 | \$ - | \$ 18,372,134 | \$ 2,276,565 | \$ 25,525,053 |
| Restricted Pooled Cash and Cash Equivalents | - | 1,832,150 | 445,913 | 1,700,819 | 3,978,882 |
| Pooled Investments | 74,712,994 | - | 49,796,202 | 3,418,496 | 127,927,692 |
| Restricted Pooled Investments | 41,907,323 | - | 1,134,550 | 8,683,252 | 51,725,125 |
| Accounts Receivable, Net | 13,260,580 | 11,000 | 40,432 | 165,294 | 13,477,306 |
| Interest Receivable | 1,118,276 | - | 321,270 | 104,270 | 1,543,816 |
| Streetscape Projects Assessment Liens Receivable | - | 6,371,814 | - | - | 6,371,814 |
| Other Liens Receivable | 48,899 | - | - | - | 48,899 |
| Lease Receivable | 26,070,830 | - | - | - | 26,070,830 |
| Due from Other Funds | 495,754 | - | - | - | 495,754 |
| Due from Other Governments | 3,909,075 | - | 327,550 | 1,308,381 | 5,545,006 |
| Prepaid and Deposits | 17,996 | - | - | - | 17,996 |
| Total Assets | 166,418,081 | 8,214,964 | 70,438,051 | 17,657,077 | 262,728,173 |
| LIABILITIES | | | | | |
| Accounts Payable | 6,713,234 | 1,726,180 | 2,947,146 | 1,869,030 | 13,255,590 |
| Accrued Payroll | 1,757,676 | - | - | 7,520 | 1,765,196 |
| Due to Other Funds | - | - | - | 495,754 | 495,754 |
| Unearned Revenue | 10,794,293 | - | 26,800 | - | 10,821,093 |
| Refundable Deposits | 7,923,854 | - | - | - | 7,923,854 |
| Due to Other Governments | 212,160 | - | - | - | 212,160 |
| Total Liabilities | 27,401,217 | 1,726,180 | 2,973,946 | 2,372,304 | 34,473,647 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Inflows from Leases | 25,393,143 | - | - | - | 25,393,143 |
| Unavailable Revenue | 9,325,698 | 6,371,814 | 347,982 | 63,676 | 16,109,170 |
| Total Deferred Inflow of Resources | 34,718,841 | 6,371,814 | 347,982 | 63,676 | 41,502,313 |
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Prepaid Items | 17,996 | - | - | - | 17,996 |
| Restricted to: | | | | | |
| Law Enforcement | 1,537,519 | - | - | - | 1,537,519 |
| Public and Historic Art | 7,653,070 | - | 75,000 | - | 7,728,070 |
| Records Management | 2,078,591 | - | - | - | 2,078,591 |
| Public Safety Communication System | - | - | 200,116 | - | 200,116 |
| Florida Building Code Fund | 19,881,001 | - | - | - | 19,881,001 |
| Debt Service Reserve | - | 116,970 | - | - | 116,970 |
| Police and Fire System Improvements | - | - | 50,000 | 2,405,850 | 2,455,850 |
| Parks System Improvements | - | - | 390,775 | 3,580,409 | 3,971,184 |
| New Public Safety Complex | - | - | 40,585 | - | 40,585 |
| Mobility Improvement Projects | - | - | - | 1,851,988 | 1,851,988 |
| Fire Station/Trolley Garage | - | - | 209,461 | - | 209,461 |
| Other Physical Environment | 149,321 | - | 614,526 | 368,063 | 1,131,910 |
| Impact Fee Administration | - | - | - | 816,549 | 816,549 |
| Assigned to: | | | | | |
| Pension Stabilization | 1,000,000 | - | - | - | 1,000,000 |
| Historical Preservation | 94,555 | - | - | - | 94,555 |
| Other Transportation Projects | - | - | 9,652,541 | - | 9,652,541 |
| Other Public Safety Projects | 79,698 | - | 11,896,309 | - | 11,976,007 |
| Other Parks and Recreation Projects | - | - | 20,448,032 | - | 20,448,032 |
| Other Physical Environment | - | - | 3,264,925 | - | 3,264,925 |
| Other Capital Projects | - | - | 13,639,261 | 6,224,647 | 19,863,908 |
| Other Purposes | 17,024,522 | - | 6,634,592 | - | 23,659,114 |
| Unassigned | 54,781,750 | - | - | (26,409) | 54,755,341 |
| Total Fund Balances | 104,298,023 | 116,970 | 67,116,123 | 15,221,097 | 186,752,213 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 166,418,081 | \$ 8,214,964 | \$ 70,438,051 | \$ 17,657,077 | \$ 262,728,173 |

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, 2023

| | | |
|--|----------------------|----------------------------------|
| Total Fund Balances - Governmental Funds | \$ | 186,752,213 |
| Amounts reported for <i>governmental activities</i> 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. | | 289,549,600 |
| Other long-term assets are not available to pay current period expenditures and, therefore are reported as unavailable revenue in the governmental funds. | | 16,109,170 |
| 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. | | 20,473,956 |
| 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. | | (2,950,021) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Compensated Absences | \$ (11,839,480) | |
| Special Obligations Debt Payable | (92,620,004) | |
| Premium on Special Obligation Debt Issued | (2,930,479) | |
| Deferred Charge on Bond Refunding | 311,672 | |
| Leases Liabilities | (320,574) | |
| Subscription Liabilities | (4,351,402) | |
| Finance Purchase | (181,626) | |
| Pollution Remediation Obligation | (2,902,000) | |
| Total OPEB Liability | (18,009,939) | |
| Net Pension Liability | <u>(196,015,285)</u> | (328,859,117) |
| Deferred inflows/outflows of resources in the Statement of Net Position will be recognized in future periods. | | |
| Deferred Outflows of Resources Related to Pension | 82,962,578 | |
| Deferred Inflows of Resources Related to Pension | (876,899) | |
| Deferred Outflows of Resources Related to OPEB | 2,762,375 | |
| Deferred Inflows of Resources Related to OPEB | <u>(10,906,305)</u> | 73,941,749 |
| Total Net Position - Governmental Activities | \$ | <u><u>255,017,550</u></u> |

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, 2023

| | Major Funds | | Nonmajor Funds | | |
|--|-----------------------|-------------------|--|--------------------------|--------------------------|
| | General Fund | Debt Service Fund | Capital Project General Improvement Fund | Other Governmental Funds | Total Governmental Funds |
| REVENUES | | | | | |
| Taxes | \$ 130,021,240 | \$ - | \$ - | \$ 4,348,585 | \$ 134,369,825 |
| Licenses | 3,715,034 | - | - | - | 3,715,034 |
| Permits | 19,918,933 | - | - | - | 19,918,933 |
| Fines and Forfeitures | 1,255,386 | - | - | - | 1,255,386 |
| Intergovernmental | 9,223,271 | - | - | 391,198 | 9,614,469 |
| Charges for Services | 21,492,407 | - | - | - | 21,492,407 |
| Recreation Activity Fees | 7,210,222 | - | - | - | 7,210,222 |
| Rental Income | 5,872,368 | - | - | 3,223 | 5,875,591 |
| Investment Earnings (Loss) | 6,382,779 | 27,686 | 1,391,557 | 551,871 | 8,353,893 |
| Special Assessments | - | 680,342 | 4,156 | 5,035,433 | 5,719,931 |
| Contributions and Donations | 35,820 | - | 45,766 | - | 81,586 |
| Miscellaneous | 423,505 | - | - | 82,487 | 505,992 |
| Total Revenues | 205,550,965 | 708,028 | 1,441,479 | 10,412,797 | 218,113,269 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 24,367,154 | 23,854 | 3,067,524 | 318,580 | 27,777,112 |
| Public Safety | 95,473,588 | - | 197,943 | 2,928,857 | 98,600,388 |
| Physical Environment | 23,467,419 | - | 366,513 | 5,226,894 | 29,060,826 |
| Transportation | 3,999,300 | - | 773,611 | 3,757,057 | 8,529,968 |
| Economic Environment | 1,172,018 | - | 34,304 | - | 1,206,322 |
| Culture and Recreation | 16,743,774 | - | 1,222,342 | - | 17,966,116 |
| Debt Service: | | | | | |
| Retirement of Principal | 1,989,475 | 5,110,628 | - | - | 7,100,103 |
| Interest | 196,351 | 3,510,329 | - | - | 3,706,680 |
| Capital Outlay | 1,089,818 | - | 4,634,580 | 1,240,906 | 6,965,304 |
| Total Expenditures | 168,498,897 | 8,644,811 | 10,296,817 | 13,472,294 | 200,912,819 |
| Excess (deficiency) of Revenues Over (Under) | | | | | |
| Expenditures before Other Financing Sources (Uses) | 37,052,068 | (7,936,783) | (8,855,338) | (3,059,497) | 17,200,450 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from Finance Purchase | 216,507 | - | - | - | 216,507 |
| Transfers In | 11,078,795 | 8,050,573 | 30,210,215 | 214,074 | 49,553,657 |
| Transfers Out | (34,814,074) | - | (54,232) | (2,717,780) | (37,586,086) |
| Total Other Financing Sources (Uses) | (23,518,772) | 8,050,573 | 30,155,983 | (2,503,706) | 12,184,078 |
| Net Change in Fund Balances | 13,533,296 | 113,790 | 21,300,645 | (5,563,203) | 29,384,528 |
| Fund Balances - Beginning | 90,764,727 | 3,180 | 45,815,478 | 20,784,300 | 157,367,685 |
| Fund Balances - Ending | \$ 104,298,023 | \$ 116,970 | \$ 67,116,123 | \$ 15,221,097 | \$ 186,752,213 |

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 29,384,528

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 | \$ (12,059,943) | |
| Capital Outlay | <u>6,965,304</u> | (5,094,639) |

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

| | | |
|--------------------------------|--------------------|-------------|
| Change in unavailable revenues | <u>(1,420,206)</u> | (1,420,206) |
|--------------------------------|--------------------|-------------|

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 | 5,110,628 | |
| Lease Repayments | 179,069 | |
| Finance Purchase Repayments | 34,881 | |
| Subscription Liability Repayments | 1,775,525 | |
| Deferred Charge on Bond Refunding | (43,184) | |
| Finance Purchase Issued | <u>(216,507)</u> | 6,840,412 |

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.

1,679,146

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.

(324,127)

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 | (513,024) | |
| Pollution Remediation | (202,000) | |
| Amortization of Premium on Special Obligations | | |
| Debt Issued | <u>799,882</u> | 84,858 |

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 | 1,136,351 | |
| Pension expense | <u>8,535,431</u> | 9,671,782 |

Change in Net Position of Governmental Activities \$ 40,821,754

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, 2023

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 | \$ 1,616,513 | \$ 4,906,884 | \$ 3,501,500 | \$ 10,024,897 | \$ 2,581,499 |
| Pooled Investments | 7,490,306 | 7,603,835 | 2,540,104 | 17,634,245 | 20,208,089 |
| Accounts Receivable, Net | 3,127,645 | 505,289 | 1,965,858 | 5,598,792 | 145,398 |
| Interest Receivable | 63,941 | 61,125 | 93,400 | 218,466 | 176,383 |
| Inventories | - | - | - | - | 66,430 |
| Assessment Liens Receivable | 69,696 | - | - | 69,696 | - |
| Lease Receivable | - | 3,320,228 | - | 3,320,228 | - |
| Due from Other Governments | 500,000 | 94,893 | 219,340 | 814,233 | - |
| Prepaid and Deposits | - | - | - | - | 2,861,893 |
| Total Current Assets | 12,868,101 | 16,492,254 | 8,320,202 | 37,680,557 | 26,039,692 |
| Noncurrent Assets: | | | | | |
| Restricted Pooled Cash and Cash Equivalents | 6,461,860 | 364,190 | 2,277,509 | 9,103,559 | - |
| Restricted Pooled Investments | 5,990,862 | 1,073,500 | 15,288,275 | 22,352,637 | - |
| Capital Assets: | | | | | |
| Land | 97,980 | 3,535,488 | - | 3,633,468 | - |
| Buildings | - | 30,223,473 | - | 30,223,473 | - |
| Construction in Progress | 3,743,457 | 22,210,780 | 185,814 | 26,140,051 | - |
| Infrastructure | 32,264,145 | - | 5,562,597 | 37,826,742 | - |
| Improvements Other Than Buildings | - | 1,899,004 | - | 1,899,004 | - |
| Machinery and Equipment | 689,584 | 4,469,455 | 98,655 | 5,257,694 | 38,497,195 |
| Right-To-Use Leased Assets | - | 816,042 | - | 816,042 | - |
| Accumulated Depreciation | (13,585,221) | (21,049,759) | (1,947,252) | (36,582,232) | (25,338,666) |
| Total Noncurrent Assets | 35,662,667 | 43,542,173 | 21,465,598 | 100,670,438 | 13,158,529 |
| Total Assets | 48,530,768 | 60,034,427 | 29,785,800 | 138,350,995 | 39,198,221 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Outflows Related to Pensions | 970,007 | 2,245,388 | 646,671 | 3,862,066 | 2,990,855 |
| Deferred Outflows Related to OPEB | 30,356 | 60,712 | 30,356 | 121,424 | 151,780 |
| Total Deferred Outflows of Resources | 1,000,363 | 2,306,100 | 677,027 | 3,983,490 | 3,142,635 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable | 1,604,218 | 1,688,985 | 254,686 | 3,547,889 | 1,616,507 |
| Accrued Payroll and Other Expenses | 15,854 | 39,417 | 11,011 | 66,282 | 61,336 |
| Deposits Payable | 69,287 | 364,190 | - | 433,477 | - |
| Unearned Revenue | - | 233,850 | - | 233,850 | - |
| Accrued Compensated Absences | 57,261 | 148,502 | 41,571 | 247,334 | 205,261 |
| Lease Liability | - | 272,874 | - | 272,874 | - |
| Estimated Liability for Claims Payable | - | - | - | - | 3,868,000 |
| Special Obligations Debt Payable | 670,000 | 715,170 | 99,904 | 1,485,074 | - |
| Total OPEB Liability | 9,319 | 18,638 | 9,319 | 37,276 | 46,594 |
| Net Pension Liability | 250,310 | 579,421 | 166,873 | 996,604 | 771,789 |
| Total Current Liabilities | 2,676,249 | 4,061,047 | 583,364 | 7,320,660 | 6,569,487 |
| Noncurrent Liabilities: | | | | | |
| Accrued Compensated Absences | 43,194 | 109,923 | 62,334 | 215,451 | 135,138 |
| Estimated Liability for Claims Payable | - | - | - | - | 7,231,000 |
| Advances from Insurance Company | - | - | - | - | 62,760 |
| Lease Liability | - | 8,211 | - | 8,211 | - |
| Special Obligations Debt Payable | 14,025,000 | 4,675,142 | 857,780 | 19,557,922 | - |
| Premium on Special Obligations Debt Payable | 783,910 | 630,473 | 40,075 | 1,454,458 | - |
| Total OPEB Liability | 188,592 | 377,185 | 188,592 | 754,369 | 942,963 |
| Net Pension Liability | 2,041,522 | 4,725,745 | 1,361,015 | 8,128,282 | 6,294,692 |
| Total Noncurrent Liabilities | 17,082,218 | 10,526,679 | 2,509,796 | 30,118,693 | 14,666,553 |
| Total Liabilities | 19,758,467 | 14,587,726 | 3,093,160 | 37,439,353 | 21,236,040 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Inflows Related to Leases | - | 3,023,273 | - | 3,023,273 | - |
| Deferred Inflows Related to Pensions | 10,253 | 23,733 | 6,835 | 40,821 | 31,612 |
| Deferred Inflows Related to OPEB | 119,850 | 239,699 | 119,850 | 479,399 | 599,248 |
| Total Deferred Inflows of Resources | 130,103 | 3,286,705 | 126,685 | 3,543,493 | 630,860 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 19,625,346 | 35,054,032 | 2,646,137 | 57,325,515 | 13,158,529 |
| Restricted for Capital Improvements | 214,745 | 1,073,500 | 17,565,784 | 18,854,029 | - |
| Unrestricted | 9,802,470 | 8,338,564 | 7,031,061 | 25,172,095 | 7,315,427 |
| Total Net Position | \$ 29,642,561 | \$ 44,466,096 | \$ 27,242,982 | 101,351,639 | \$ 20,473,956 |
| Adjustment to reflect the allocation of internal service fund activities related to enterprise funds. | | | | 2,950,021 | |
| Net position of business-type activities | | | | \$ 104,301,660 | |

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, 2023

| | 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 | \$ 12,503,884 | \$ - | \$ - | \$ 12,503,884 | \$ - |
| Service Use Charges | - | - | 7,772,131 | 7,772,131 | - |
| Billings to Departments for Insurance Protection | - | - | - | - | 14,176,885 |
| Parking Fees: | | | | | |
| On Street Meters | - | 10,066,916 | - | 10,066,916 | - |
| Meter and Permit Lots | - | 2,222,800 | - | 2,222,800 | - |
| Parking Garages | - | 4,065,080 | - | 4,065,080 | - |
| Parking Leases | - | 792,004 | - | 792,004 | - |
| Fines and Forfeitures | - | 1,363,260 | - | 1,363,260 | - |
| Rental of Equipment and Facilities to Various Funds | - | - | - | - | 18,507,502 |
| Total Operating Revenues | <u>12,503,884</u> | <u>18,510,060</u> | <u>7,772,131</u> | <u>38,786,075</u> | <u>32,684,387</u> |
| OPERATING EXPENSES | | | | | |
| Administration | 1,327,389 | 3,556,657 | 801,620 | 5,685,666 | 3,872,913 |
| Cost of Sales and Services | 8,007,839 | 3,988,180 | 1,798,401 | 13,794,420 | 10,434,220 |
| Benefit Payments | - | - | - | - | 3,144,690 |
| Insurance | - | - | - | - | 8,712,070 |
| Depreciation and Amortization | 599,422 | 1,267,764 | 131,522 | 1,998,708 | 2,846,810 |
| Total Operating Expenses | <u>9,934,650</u> | <u>8,812,601</u> | <u>2,731,543</u> | <u>21,478,794</u> | <u>29,010,703</u> |
| Operating Income | 2,569,234 | 9,697,459 | 5,040,588 | 17,307,281 | 3,673,684 |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Interest Income (Loss) | 740,132 | 499,219 | 631,983 | 1,871,334 | 783,957 |
| Interest Expense | (233,855) | (86,325) | (27,403) | (347,583) | - |
| Miscellaneous | - | - | - | - | 10,000 |
| Gain on Sale of Capital Assets | - | 3,466,800 | - | 3,466,800 | 162,746 |
| Total Nonoperating Revenues (Expenses) | <u>506,277</u> | <u>3,879,694</u> | <u>604,580</u> | <u>4,990,551</u> | <u>956,703</u> |
| Income Before Contributions | 3,075,511 | 13,577,153 | 5,645,168 | 22,297,832 | 4,630,387 |
| Capital Contributions from Federal, State and Local Grants | 500,000 | - | 154,130 | 654,130 | - |
| Income Before Transfers | 3,575,511 | 13,577,153 | 5,799,298 | 22,951,962 | 4,630,387 |
| Transfers In | 17,277 | 2,717,780 | - | 2,735,057 | 112,932 |
| Transfers Out | - | (11,751,387) | - | (11,751,387) | (3,064,173) |
| Change In Net Position | 3,592,788 | 4,543,546 | 5,799,298 | 13,935,632 | 1,679,146 |
| Net Position - Beginning | 26,049,773 | 39,922,550 | 21,443,684 | | 18,794,810 |
| Net Position - Ending | <u>\$ 29,642,561</u> | <u>\$ 44,466,096</u> | <u>\$ 27,242,982</u> | | <u>\$ 20,473,956</u> |
| Adjustment to reflect the allocation of internal service fund activities related to enterprise funds. | | | | 324,127 | |
| Change in net position of business-type activities | | | | <u>\$ 14,259,759</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, 2023

| | BUSINESS -TYPE ACTIVITIES-ENTERPRISE FUNDS | | | | |
|--|--|---------------------------|-------------------------------|---------------|--|
| | MAJOR FUNDS | | | | GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS |
| | SANITARY SEWER SYSTEM FUND | PARKING SYSTEM FUND | STORMWATER UTILITY FUND | TOTALS | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from Customers and Users | \$ 12,366,820 | \$ 18,494,061 | \$ 7,689,937 | \$ 38,550,818 | \$ 32,627,805 |
| Payments to Employees | (1,391,193) | (2,824,953) | (822,896) | (5,039,042) | (4,068,579) |
| Payments to Suppliers | (8,568,036) | (5,254,887) | (1,693,701) | (15,516,624) | (25,065,068) |
| Net Cash Provided by Operating Activities | 2,407,591 | 10,414,221 | 5,173,340 | 17,995,152 | 3,494,158 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers in from Other Funds | 17,277 | 2,717,780 | - | 2,735,057 | 112,932 |
| Transfers out to Other Funds | - | (11,751,387) | - | (11,751,387) | (3,064,173) |
| Net Cash Provided By (Used In) Noncapital Financing Activities | 17,277 | (9,033,607) | - | (9,016,330) | (2,951,241) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition and Construction of Capital Assets | (2,917,877) | (8,112,462) | (60,813) | (11,091,152) | (3,633,981) |
| Proceeds from Sale of Capital Assets | - | 3,500,000 | - | 3,500,000 | 162,746 |
| Contributions from Other Governments and Private Sources | 600 | - | - | 600 | 10,000 |
| Principal Paid on Debt | (640,000) | (683,490) | (95,882) | (1,419,372) | - |
| Interest Paid on Debt | (455,988) | (269,898) | (41,375) | (767,261) | - |
| Net Cash Used In Capital and Related Financing Activities | (4,013,265) | (5,565,850) | (198,070) | (9,777,185) | (3,461,235) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchase of Investments | (34,803,839) | (16,419,233) | (43,683,703) | (94,906,775) | (76,551,872) |
| Proceeds from Sale of Investments | 40,990,120 | 24,499,913 | 39,894,687 | 105,384,720 | 74,280,343 |
| Interest and Dividends Received | 682,835 | 443,725 | 541,096 | 1,667,656 | 613,043 |
| Net Cash Provided By (Used In) Investing Activities | 6,869,116 | 8,524,405 | (3,247,920) | 12,145,601 | (1,658,486) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 5,280,719 | 4,339,169 | 1,727,350 | 11,347,238 | (4,576,804) |
| Cash and Cash Equivalents - Beginning | 2,797,654 | 931,905 | 4,051,659 | 7,781,218 | 7,158,303 |
| Cash and Cash Equivalents - Ending | \$ 8,078,373 | \$ 5,271,074 | \$ 5,779,009 | \$ 19,128,456 | \$ 2,581,499 |
| Reconciliation to the statement of net position | | | | | |
| Cash and Cash Equivalents | \$ 1,616,513 | \$ 4,906,884 | \$ 3,501,500 | \$ 10,024,897 | \$ 2,581,499 |
| Restricted Cash and Cash Equivalents | 6,461,860 | 364,190 | 2,277,509 | 9,103,559 | - |
| Total | \$ 8,078,373 | \$ 5,271,074 | \$ 5,779,009 | \$ 19,128,456 | \$ 2,581,499 |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | | | | |
| Operating Income | \$ 2,569,234 | \$ 9,697,459 | \$ 5,040,588 | \$ 17,307,281 | \$ 3,673,684 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | | |
| Depreciation/Amortization Expense | 599,422 | 1,267,764 | 131,522 | 1,998,708 | 2,846,810 |
| Change in Assets and Liabilities and Deferred Inflows and Outflows: | | | | | |
| Accounts Receivable | (140,159) | 6,365 | (82,194) | (215,988) | (46,415) |
| Inventory | - | - | - | - | 26,313 |
| Net lease receivable and related deferred inflows | - | (149,804) | - | (149,804) | - |
| Due from Other Governments | - | 177,475 | - | 177,475 | (10,167) |
| Prepaid and Deposits | 3,095 | - | - | 3,095 | (399,088) |
| Net lease liability and related lease expense | - | (218,694) | - | (218,694) | - |
| Net pension liability and related deferred inflows/outflow | (47,034) | 732,456 | (31,355) | 654,067 | (122,036) |
| OPEB liability and related deferred inflows/outflow | (12,488) | (24,975) | (12,488) | (49,951) | (62,439) |
| Accounts Payable | (560,197) | (1,048,013) | 104,700 | (1,503,510) | 172,687 |
| Deposits Payable | - | 13,574 | - | 13,574 | - |
| Accrued Payroll and Other Expenses | (2,837) | (387) | 1,421 | (1,803) | (1,053) |
| Accrued Compensated Absences | (1,445) | 24,610 | 21,146 | 44,311 | (10,138) |
| Unearned Revenues | - | (63,609) | - | (63,609) | - |
| Claims Payable | - | - | - | - | (2,574,000) |
| Total Adjustments | (161,643) | 716,762 | 132,752 | 687,871 | (179,526) |
| Net Cash Provided by Operating Activities | \$ 2,407,591 | \$ 10,414,221 | \$ 5,173,340 | \$ 17,995,152 | \$ 3,494,158 |
| Noncash Capital and Related Financing Activities: | | | | | |
| Capital Assets Retirement, net | - | (33,201) | - | - | (1,459,700) |
| Accounts Payable/Retainage Payable Increase (Decrease) related to Capital Assets | (422,729) | (748,581) | (255,918) | (1,427,228) | - |

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, 2023

| | Pension Trust Funds | Custodial Funds |
|--|------------------------------------|----------------------------|
| | | |
| ASSETS | | |
| Cash and Cash Equivalents | \$ 13,922,590 | \$ 2,463,389 |
| Receivables: | | |
| Accrued Interest and Dividends | 350,676 | - |
| Buyback Receivable | 26,483 | - |
| Share Plan Contributions | 1,761,309 | - |
| Receivable for Securities Sold | 538,983 | - |
| Other Receivables | 474,142 | - |
| Total Receivables | 3,151,593 | - |
| Securities Lending Cash Collateral - Invested | 36,521,993 | - |
| Investments: | | |
| U.S. Government and Agency | 38,406,061 | - |
| Corporate Bonds | 10,063,582 | - |
| Common Stocks | 174,965,901 | - |
| International Equity | 64,421,358 | - |
| Real Estate Investment Trust (REIT) | 39,085,975 | - |
| Alternative Investments | 99,299,047 | - |
| Guaranteed Investment Contract | 8,596,783 | - |
| Mutual Funds | 11,129,950 | - |
| Total Investments | 445,968,657 | - |
| Total Assets | 499,564,833 | 2,463,389 |
| LIABILITIES | | |
| Accounts Payable | 239,686 | 58,995 |
| Payable for Securities Purchased | 431,641 | - |
| Due to Coral Gables Retirement Fund | 520,066 | - |
| Obligations under Securities Lending | 36,521,993 | - |
| Total Liabilities | 37,713,386 | 58,995 |
| NET POSITION | | |
| Restricted for Pension Benefits | \$ 461,851,447 | |
| Restricted for Individuals and Other Governments | | \$ 2,404,394 |

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, 2023

| | Pension Trust Funds | Custodial Funds |
|--|------------------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Additions (Deductions): | | |
| City Contributions | \$ 32,162,079 | \$ - |
| Share Plan Contributions | 145,830 | - |
| Total Government Contributions | <u>32,307,909</u> | <u>-</u> |
| Employees: | | |
| Employee contributions | 4,856,197 | 98,032 |
| Total Contributions | <u>37,164,106</u> | <u>98,032</u> |
| Investment Income: | | |
| Net Appreciation (Depreciation) in the Fair Value of Investments | 44,812,042 | - |
| Interest and Dividends | 7,507,594 | - |
| Other Loss | (5,672) | - |
| Total Investment Income | <u>52,313,964</u> | <u>-</u> |
| Less Investment Expenses | (2,450,291) | - |
| Total Investment Income before Securities Lending Activity | <u>49,863,673</u> | <u>-</u> |
| Securities Lending Activities: | | |
| Security Lending Income | 95,840 | - |
| Security Lending Fees and Rebates | (28,804) | - |
| Net Income from Security Lending Activities | <u>67,036</u> | <u>-</u> |
| Total Net Investment Income | <u>49,930,709</u> | <u>-</u> |
| Equitable Sharing Funds | <u>-</u> | <u>1,051,262</u> |
| Total Additions | <u>87,094,815</u> | <u>1,149,294</u> |
| Deductions: | | |
| Pension Benefits Paid | 44,427,936 | - |
| Refund of Contributions | 1,362,393 | - |
| Administrative Expenses | 645,607 | - |
| Sick Leave Benefits Paid to Employees | - | 60,955 |
| Law Enforcement Operations and Administration | - | 1,846,211 |
| Total Deductions | <u>46,435,936</u> | <u>1,907,166</u> |
| Change in Net Position | 40,658,879 | (757,872) |
| Net Position | | |
| Beginning of Year | 421,192,568 | 3,162,266 |
| End of Year | <u>\$ 461,851,447</u> | <u>\$ 2,404,394</u> |

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 City of Coral Gables, Florida (the “City”) was incorporated by Special Act of the Florida Legislature, Chapter 10418 of the Laws of Florida, on April 29, 1925, which approved the original Charter for the City. In 1925, the Florida Legislature amended the original Charter by three separate acts (Chapters 10419, 11439, and 11440, Laws of Florida). In 1927, the Florida Legislature amended the Charter through the adoption of three additional Special Acts (Chapters 12631, 12632, and 12633, Laws of Florida). The original Charter, as well as the six amendments, were repealed on May 8, 1929 when, by Special Act (Chapter 13972, Laws of Florida), the Florida Legislature granted limited home rule powers to the City of Coral Gables. The 1929 Special Act created a new City Charter, which empowered the City to govern itself on certain limited matters through a City Commission and Mayor as opposed to being wholly reliant upon Special Acts of the Florida Legislature for governance. Thereafter, the City Charter was amended by referendums as well as by Special Acts of the Florida Legislature.

The financial statements of 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, subscription liability, 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 fund does not provide benefit to the City and are to be disbursed 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, 2023, the City's investment in LGIP-A is \$1,144 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, 2023:

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, 2023, but not collected as of that date.
2. Waste Fees and 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 (7) 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 |
| Right-of-Use Assets and SBITA Assets | 4-10 |

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 and Subscription Obligations

The City has both leases under which it is obligated as a lessee and leases for which it is a lessor. In addition, the City entered into several subscription-based information technology arrangements (SBITAs) for its enterprise resource planning system (ERP), cloud-based storage and software licenses.

An intangible right-to-use asset represents the City's right to use an underlying asset for the lease or SBITA term. Obligations represent the City's liability to make lease payments arising from lease agreements or SBITA agreements. Intangible right-to-use assets and lease and SBITA obligations are recognized based on the present value of lease and SBITA payments over the lease and SBITA term, where the initial term exceeds twelve months. Residual value guarantees and the value of an option to extend or terminate a lease are reflected to the extent it is reasonably certain to be paid or exercised. Variable payments, if any, based on future performance or usage are not included in the measurement of the lease obligations. Intangible right-to-use assets are amortized using a straight-line basis over the shorter of the lease or SBITA term or useful life of the underlying asset.

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.

Subscription-based information technology arrangements (SBITAs) – The City entered into several agreements that convey control of the right to use third-party software applications and systems by the City. The City recognized a subscription liability and an intangible right-to-use subscription assets at the commencement of the contract. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term using the City’s incremental borrowing rates. A subscription asset is initially recorded at the initial measurement of the subscription liability, plus subscription payments made at the commencement of the subscription term and certain capitalizable initial implementation costs, less any vendor incentives received from the SBITA vendor at the commencement of the subscription term. The subscription term begins when the City has obtained control of the right to use the underlying subscription assets and the subscription asset is placed into service. A subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying subscription asset. Remeasurement of the subscription liability occurs when there is a change in the subscription term and/or other changes that are likely to impact the subscription liability significantly.

(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, 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 2023, the City adopted new statements of financial accounting standards issued by the Government Accounting Standards Board (GASB):

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 adoption of Statement No. 94 did not have a significant impact on the City’s financial statements.

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 Statement is based on the principles that SBITAs are financing of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. Additionally, the Statement provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The new SBITA standard also requires enhanced disclosures which include a general description of a SBITA arrangement, the total amount of subscription assets and the related accumulated amortization, the amount of outflow of resources recognized from SBITA contracts that are not included in the measurement of the liability, and the disclosure of the long-term effect of SBITA arrangement on a government’s resources.

The City implemented Statement No. 96 in the fiscal year ended September 30, 2023. The implementation impacted the beginning subscription asset, subscription liability, and unrestricted net position balances as follows, and resulted in a restatement of the financial statements.

| Statement of Net Position | Governmental Activities | | |
|---|-------------------------|------------------------|-----------------------|
| | Subscription Asset | Subscription Liability | Net Position |
| Balances September 30, 2022, as previously reported | \$ - | \$ - | \$ 210,707,441 |
| Change to implement GASB No. 96: | | | |
| Initial implementation costs | 3,488,355 | - | 3,488,355 |
| Initial subscription asset/liability | 6,126,927 | 6,127,927 | - |
| Balances October 1, 2022, as restated | <u>\$ 9,615,282</u> | <u>\$ 6,127,927</u> | <u>\$ 214,195,796</u> |

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, 2022, upon which the 2022-2023 levy was based, was approximately \$19.78 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, 2023.

NOTE 3 - RECEIVABLE

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

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|---|------------------------------------|-------------------------------------|
| <u>General Fund</u> | | |
| Franchise Taxes | \$ 1,340,146 | \$ - |
| False Alarms | 125,127 | - |
| Utility Taxes | 1,141,308 | - |
| Delinquent Waste Fees | 991,795 | - |
| Ambulance Transport Fees | 1,026,538 | - |
| Biltmore Hotel and Golf Course | 249,716 | - |
| Billable Off-Duty Salaries | 415,752 | - |
| Leased Properties - Rent Receivable | 816,846 | - |
| University of Miami Development Agreement Fee | 6,113,592 | - |
| Other | 1,103,872 | - |
| | <u>13,324,692</u> | <u>-</u> |
| Less: Allowance | (64,112) | - |
| Total | <u>13,260,580</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 | 40,432 | - |
| Total | <u>40,432</u> | <u>-</u> |
| <u>Other Governmental Funds</u> | | |
| BID Accounts Receivable | 165,294 | - |
| Total | <u>165,294</u> | <u>-</u> |
| <u>Parking Fund</u> | | |
| Parking Leased Space | - | 490,772 |
| Parking – General | - | 402,736 |
| | | <u>893,508</u> |
| Less: Allowance | - | (388,219) |
| Total | <u>-</u> | <u>505,289</u> |
| <u>Sanitary Sewer Fund</u> | | |
| Customer Receivable | - | 2,964,000 |
| Miscellaneous | - | 164,060 |
| | | <u>3,128,060</u> |
| Less Allowance | - | (415) |
| Total | <u>-</u> | <u>3,127,645</u> |
| <u>Stormwater Fund</u> | | |
| Service Use Charges | - | 1,965,858 |
| Total | <u>-</u> | <u>1,965,858</u> |
| Total Governmental Funds | <u>13,477,306</u> | |
| Total Business-Type Activities/Proprietary Funds | | <u>\$ 5,598,792</u> |
| <u>Internal Service Fund</u> | | |
| Miscellaneous | 145,398 | |
| Total Internal Service Funds | <u>145,398</u> | |
| Total | <u>\$ 13,622,704</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:

| Fiscal Year | Amount |
|---|----------------------------|
| 2024 | \$ 1,025,000 |
| 2025 | 1,025,000 |
| 2026 | 1,025,000 |
| 2027 | 1,025,000 |
| 2028 | 1,025,000 |
| 2029-2030 | <u>2,050,000</u> |
| Total payments due to the City | 7,175,000 |
| Less: Amount representing imputed interest | <u>(1,061,408)</u> |
| Present value of total remaining payments due to the City | <u><u>\$ 6,113,592</u></u> |

(c) Deferred Inflows and Unearned Revenue

The components of deferred inflow of resources - unavailable revenues and unearned revenues as of September 30, 2023 are as follows:

| | <u>Unavailable Revenues</u> | <u>Unearned Revenues</u> |
|--|---------------------------------|------------------------------|
| <u>General Fund</u> | | |
| False Alarms | \$ 111,090 | \$ - |
| Delinquent Waste Fees | 671,087 | - |
| Ambulance Transport Fees | 595,154 | - |
| University of Miami | | |
| Development Agreement Fee | 6,113,592 | - |
| Liens and Other Receivables | 64,722 | - |
| Prepaid Business Tax Receipts | - | 3,075,459 |
| Prepaid Waste Fees | - | 6,416,871 |
| Other fees | - | 1,154,402 |
| Grants and Contributions | 1,770,053 | 147,561 |
| Total | <u>9,325,698</u> | <u>10,794,293</u> |
| <u>Debt Service Fund</u> | | |
| Miracle Mile/Giralda Streetscape | | |
| Improvement Assessment | 6,371,814 | - |
| Total | <u>6,371,814</u> | <u>-</u> |
| <u>General Improvement Fund</u> | | |
| Grants and Contributions | 30,000 | 26,800 |
| Liens and Other Receivables | 317,982 | - |
| Total | <u>347,982</u> | <u>26,800</u> |
| <u>Other Governmental Funds</u> | | |
| Grants and Contributions | 63,676 | - |
| Total | <u>63,676</u> | <u>-</u> |
| Total Governmental Funds | <u>\$ 16,109,170</u> | |
| Total Governmental Activities/Funds | | <u>\$ 10,821,093</u> |
| <u>Parking Fund</u> | | |
| Prepaid Parking Fees | - | 233,850 |
| Total Proprietary Funds | | |
| Business-Type Activities | <u>\$ -</u> | <u>\$ 233,850</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 \$567,164, of which \$293,639 represents interest cost and other annual cost, was included in the November 2022 tax bill as non-ad valorem special assessment. As of September 30, 2023, a total amount of \$546,345 was collected from the November 2021 tax bill. In addition, \$5,619 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 |
|--|---------------------|
| 2024 | \$ 566,558 |
| 2025 | 566,558 |
| 2026 | 566,558 |
| 2027 | 566,558 |
| 2028 | 566,558 |
| 2029-2033 | 2,832,790 |
| 2034-2037 | 2,266,232 |
| Total assessments due to the City | 7,931,812 |
| Less: Amount representing interest and other costs | (2,764,579) |
| Present value of total remaining assessments due to the City | <u>\$ 5,167,233</u> |

The total remaining special assessment of \$5.17 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 \$49,896 represents interest cost and other annual cost, was included in November 2022 tax bill as non-ad valorem special assessment. As of September 30, 2023, a total amount of \$128,378 was collected from the November 2022 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> |
|--|----------------------------|
| 2024 | \$ 125,160 |
| 2025 | 125,160 |
| 2026 | 125,160 |
| 2027 | 125,160 |
| 2028 | 125,160 |
| 2029-2033 | 625,800 |
| 2034-2037 | 500,640 |
| Total payments due to the City | <u>1,752,240</u> |
| Less: Amount representing interest and other costs | <u>(547,659)</u> |
| Present value of total remaining assessments due to the City | <u><u>\$ 1,204,581</u></u> |

The total remaining special assessment of \$1.20 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 2023, the City issued the solid waste assessment bill for the annual assessment for fiscal year 2024 to allow resident owners the option of a discounted rate if paid by August 15, 2023. As of September 30, 2023, the City collected \$6.40 million of advance payments related to the annual assessment for fiscal year 2024 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, 2023, the City’s cash, cash equivalents and investments were as follows:

| | Cash and Cash Equivalents | Investments | Total |
|--|------------------------------|-----------------------|-----------------------|
| Governmental activities | \$ 32,085,434 | \$ 199,860,906 | \$ 231,946,340 |
| Business-type activities | 19,128,456 | 39,986,882 | 59,115,338 |
| Pension Trust Funds | 13,922,590 | 445,968,657 | 459,891,247 |
| Custodial Funds | 2,463,389 | - | 2,463,389 |
| Total Cash, Cash Equivalents and Investments | <u>\$ 67,599,869</u> | <u>\$ 685,816,445</u> | <u>\$ 753,416,314</u> |
| Deposits | | | \$ 67,599,869 |
| Investments | | | 685,816,445 |
| Total Deposits and Investments | | | <u>\$ 753,416,314</u> |

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 considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Included in cash and cash equivalents is cash-in-transit of \$4,906,328 held by a third party who processes payments on behalf of the Plan.

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. At September 30, 2023, investments more than 5% of the fiduciary net position consisted of Vanguard Short Term Bond Fund (9.77%); Vanguard Interm-Term Investment Fund (13.47%); American Funds EuroPacific Growth Fund (11.69%), and Vanguard 500 Index Admiral Fund (27.04%)

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% | 30% |
| 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>Minimum</u> | <u>Maximum</u> |
|-------------------------------|----------------|----------------|
| Domestic equity | 35% | 67% |
| Convertibles | 2% | 5% |
| International equities | 3% | 9% |
| Real estate | 3% | 7% |
| Fixed income | 15% | 35% |
| Cash and cash equivalents | 0% | 30% |

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>Minimum</u> | <u>Maximum</u> |
|-------------------------------|----------------|----------------|
| Equity securities | 0% | 40% |
| Fixed income | 0% | 60% |

Fair Value Measurements

The following table presents the hierarchy for investments at fair value as of September 30, 2023:

| | 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 | \$ 175,742,280 | \$ 175,742,280 | \$ - | \$ - |
| US Agency Fixed Rate Debentures | 64,104,364 | - | 64,104,364 | - |
| Total Investment by fair value level | 239,846,644 | \$ 175,742,280 | \$ 64,104,364 | \$ - |
| LGIP - Investment measured at amortized cost* | 1,144 | | | |
| Total Investments | \$ 239,847,788 | | | |
| <u>Firefighters' Pension Fund</u> | | | | |
| Mutual Funds | \$ 4,618,943 | \$ 4,618,943 | \$ - | \$ - |
| Investment by fair value level | 4,618,943 | \$ 4,618,943 | \$ - | \$ - |
| Guaranteed Investment Contract, at contract value | 8,596,783 | | | |
| Total Investments | \$ 13,215,726 | | | |
| <u>Police Officers' Pension Fund</u> | | | | |
| Equity securities: | | | | |
| Mutual Funds | \$ 4,478,909 | \$ 4,478,909 | \$ - | \$ - |
| Debt securities: | | | | |
| Fixed income mutual funds | 2,032,098 | 2,032,098 | - | - |
| Total Investment by fair value level | 6,511,007 | \$ 6,511,007 | \$ - | \$ - |
| <u>City of Coral Gables Retirement Fund</u> | | | | |
| Equity securities: | | | | |
| Domestic equities | \$ 174,965,901 | \$ 174,965,901 | \$ - | \$ - |
| International equities | 25,899,365 | 25,899,365 | - | - |
| Total equity securities | 200,865,266 | 200,865,266 | - | - |
| Debt securities: | | | | |
| Government and agency | 35,349,620 | - | 35,349,620 | - |
| Fixed income fund | 3,056,441 | - | - | 3,056,441 |
| Corporate bonds and fixed income | 10,063,582 | - | 10,063,582 | - |
| Total debt securities | 48,469,643 | - | 45,413,202 | 3,056,441 |
| Alternative investments: | | | | |
| Real estate | 39,085,975 | - | - | 39,085,975 |
| Venture capital | 20,304,913 | - | - | 20,304,913 |
| Total alternative investments | 59,390,888 | - | - | 59,390,888 |
| Total investments by fair value level | 308,725,797 | \$ 200,865,266 | \$ 45,413,202 | \$ 62,447,329 |
| Investment measured at the net asset value (NAV) | | | | |
| Commingled international equity fund | 38,521,993 | | | |
| Hedge funds | 78,994,134 | | | |
| Total investment measured at the NAV | 117,516,127 | | | |
| Total investments | \$ 426,241,924 | | | |
| Total Investments | \$ 685,816,445 | | | |

* 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, 2023. 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, 2023. 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, 2023 are as follows:

| | Investments Measured at the NAV | | |
|---|---------------------------------|----------------------|--------------------------|
| | Fair Value | Redemption Frequency | Redemption Notice Period |
| Commingled international equity fund ⁽¹⁾ | \$ 38,521,993 | Daily | Same Day |
| Hedge funds ⁽²⁾ | 78,994,134 | Daily | Quarterly |
| Total investments measured at the NAV | <u>\$ 117,516,127</u> | | |

- (1) Commingled international equity fund consists of two commingled investment vehicles which invest 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) 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 \$8,596,783 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.

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.

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (in Years)</u> | |
|--|-----------------------|---|----------------------|
| | | <u>Less than 1</u> | <u>1 - 5</u> |
| U.S. Government Agencies & Treasuries | \$ 239,846,644 | \$ 199,481,957 | \$ 40,364,687 |
| State Board of Administration | 1,144 | 1,144 | - |
| | <u>239,847,788</u> | <u>\$ 199,483,101</u> | <u>\$ 40,364,687</u> |
| Deposits | 67,620,784 | | |
| Total Cash, Cash Equivalents and Investments | <u>\$ 307,468,572</u> | | |

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, 2023:

| Investment Type | <u>Fair Value</u> | <u>Investment Maturities (in Years)</u> | | | |
|----------------------------|----------------------|---|----------------------|----------------------|---------------------|
| | | <u>Less than 1</u> | <u>1-5</u> | <u>6-10</u> | <u>More than 10</u> |
| Money market fund | \$ 7,177,667 | \$ - | \$ 7,177,667 | \$ - | \$ - |
| U.S. government and agency | 38,406,061 | 6,860,184 | 6,080,353 | 25,465,524 | - |
| Corporate bonds | 10,063,582 | - | 4,439,238 | 4,903,782 | 720,562 |
| | <u>\$ 55,647,310</u> | <u>\$ 6,860,184</u> | <u>\$ 17,697,258</u> | <u>\$ 30,369,306</u> | <u>\$ 720,562</u> |

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, 2023 is provided by the following table:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (in Years)</u> | | | |
|---------------------------|-------------------|---|------------|--------------|---------------------|
| | | <u>Less than 1</u> | <u>1-5</u> | <u>6-10</u> | <u>More than 10</u> |
| Fixed income mutual funds | \$ 2,032,098 | \$ 24,442 | \$ 328,066 | \$ 1,453,717 | \$ 225,873 |

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 | * | \$ 175,742,280 | \$ - |
| US Agency Fixed Rate Debentures | * | 64,104,364 | - |
| Mutual Funds | Not Rated | - | 4,618,943 |
| | | <u>\$ 239,846,644</u> | <u>\$ 4,618,943</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, 2023 as applicable:

| | Fair Value | Percentage of Portfolio |
|---|---------------|----------------------------|
| U.S. government guaranteed* | \$ 35,348,018 | 63.52% |
| Rating of credit risk debt securities by S&P: | | |
| AAA | 158,469 | 0.28% |
| AA+ | - | 0.00% |
| AA | - | 0.00% |
| AA- | 134,486 | 0.24% |
| A+ | 8,901 | 0.02% |
| A | 1,152,493 | 2.07% |
| A- | 3,757,832 | 6.75% |
| BBB+ | 2,897,991 | 5.21% |
| BBB | 1,387,719 | 2.49% |
| BBB- | 116,989 | 0.21% |
| Not rated | 10,684,412 | 19.20% |
| Total credit risk debt securities | 20,299,292 | 36.48% |
| Total fixed income securities | \$ 55,647,310 | 100% |

*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, 2023 as applicable:

| | Fair Value | Percentage of Portfolio |
|--|---------------------|----------------------------|
| Rating of credit risk debt securities by Moody's : | | |
| Aaa | \$ 32,842 | 1.62% |
| Aa | 32,453 | 1.60% |
| A | 464,972 | 22.88% |
| A1 | 1,046 | 0.05% |
| A3 | 3,172 | 0.16% |
| Baa1 | 10,933 | 0.54% |
| Baa2 | 18,019 | 0.89% |
| Baa3 | 11,574 | 0.57% |
| BA1 | 12,823 | 0.63% |
| BA3 | 1,012 | 0.05% |
| B1 | 1,991 | 0.10% |
| Bbb | 579,774 | 28.53% |
| Caa3 | 1,417 | 0.07% |
| Not rated | 860,070 | 42.32% |
| Total credit risk fixed income investments | \$ 2,032,098 | 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, 2023. 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, 2023 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 9% of the Plan’s investment balance. As of year-end, the foreign investments were 12.27% 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, 2023, 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, 2023:

| Securities Lent: | Market Value of Securities on Loan for Cash | Fair Value of Cash Collateral Invested |
|--|---|--|
| U.S. government and agency obligations | \$ 3,905,801 | \$ 8,157,515 |
| Domestic corporate stocks | 23,677,711 | 24,370,394 |
| Domestic corporate bonds | 8,008,594 | 3,994,084 |
| Total Securities Lent | \$ 35,592,106 | \$ 36,521,993 |

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, 2023:

| | Beginning Balance | Additions/ Transfers | Retirements/ Transfers | Ending Balance |
|---|-----------------------|-------------------------|---------------------------|-----------------------|
| Governmental Activities: | | | | |
| Nondepreciable Assets: | | | | |
| Land | \$ 61,773,807 | \$ 12,785 | \$ - | \$ 61,786,592 |
| Construction in Progress | 12,762,849 | 5,489,028 | (8,221,098) | 10,030,779 |
| Total Non-depreciable Assets | <u>74,536,656</u> | <u>5,501,813</u> | <u>(8,221,098)</u> | <u>71,817,371</u> |
| Depreciable Assets: | | | | |
| Infrastructure | 113,068,020 | - | - | 113,068,020 |
| Buildings | 134,054,336 | - | - | 134,054,336 |
| Improvements Other Than Buildings | 100,741,092 | 8,272,737 | - | 109,013,829 |
| Machinery and Equipment | 63,047,230 | 5,045,833 | (1,603,290) | 66,489,773 |
| Right-to-Use Leased Asset | 565,217 | - | - | 565,217 |
| Subscription Asset * | 9,615,282 | - | - | 9,615,282 |
| Total Depreciable Assets | <u>421,091,177</u> | <u>13,318,570</u> | <u>(1,603,290)</u> | <u>432,806,457</u> |
| Less Accumulated Depreciation/Amortization for: | | | | |
| Infrastructure | 99,747,891 | 3,021,254 | - | 102,769,145 |
| Buildings | 30,659,828 | 2,657,575 | - | 33,317,403 |
| Improvements Other Than Buildings | 19,799,812 | 2,736,105 | - | 22,535,917 |
| Machinery and Equipment | 38,350,817 | 5,051,793 | (1,603,290) | 41,799,320 |
| Right-to-Use Leased Asset | 53,888 | 183,299 | - | 237,187 |
| Subscription Asset | - | 1,256,727 | - | 1,256,727 |
| Total Accumulated Depreciation | <u>188,612,236</u> | <u>14,906,753</u> | <u>(1,603,290)</u> | <u>201,915,699</u> |
| Total Depreciable Assets, net | <u>232,478,941</u> | <u>(1,588,183)</u> | <u>-</u> | <u>230,890,758</u> |
| Governmental Activities Capital Assets, net | <u>\$ 307,015,597</u> | <u>\$ 3,913,630</u> | <u>\$ (8,221,098)</u> | <u>\$ 302,708,129</u> |
| Business-Type Activities: | | | | |
| Nondepreciable Assets: | | | | |
| Land | \$ 3,666,668 | \$ - | \$ (33,200) | \$ 3,633,468 |
| Construction in Progress | 16,969,269 | 10,947,728 | (1,776,946) | 26,140,051 |
| Total Non-depreciable Assets | <u>20,635,937</u> | <u>10,947,728</u> | <u>(1,810,146)</u> | <u>29,773,519</u> |
| Depreciable Assets: | | | | |
| Infrastructure | 36,009,627 | 1,776,946 | 40,169 | 37,826,742 |
| Buildings | 30,223,473 | - | - | 30,223,473 |
| Improvements Other Than Buildings | 1,899,005 | - | - | 1,899,005 |
| Machinery and Equipment | 5,203,854 | 53,840 | - | 5,257,694 |
| Right-to-Use Leased Asset | 766,626 | 49,416 | - | 816,042 |
| Total Depreciable Assets | <u>74,102,585</u> | <u>1,880,202</u> | <u>40,169</u> | <u>76,022,956</u> |
| Less Accumulated Depreciation/Amortization for: | | | | |
| Infrastructure | 14,633,550 | 663,475 | - | 15,297,025 |
| Buildings | 15,577,543 | 553,038 | - | 16,130,581 |
| Improvements Other Than Buildings | 639,015 | 90,119 | - | 729,134 |
| Machinery and Equipment | 3,465,197 | 423,309 | - | 3,888,506 |
| Right-to-Use Leased Asset | 268,220 | 268,767 | - | 536,987 |
| Total Accumulated Depreciation | <u>34,583,525</u> | <u>1,998,708</u> | <u>-</u> | <u>36,582,233</u> |
| Total Depreciable Assets, net | <u>39,519,060</u> | <u>(118,506)</u> | <u>40,169</u> | <u>39,440,723</u> |
| Business-Type Activities Capital Assets, net | <u>\$ 60,154,997</u> | <u>\$ 10,829,222</u> | <u>\$ (1,769,977)</u> | <u>\$ 69,214,242</u> |

* Beginning balance was restated with the implementation of GASB 96, SBITA at October 1, 2022.

Depreciation/amortization expense was charged to functions/programs as follows for the fiscal year ended September 30, 2023:

| | |
|--|----------------------|
| Governmental Activities: | |
| General Government | \$ 6,549,765 |
| Public Safety | 4,486,915 |
| Transportation | 397,775 |
| Culture and Recreation | 1,786,593 |
| Physical Environment | 1,685,705 |
| Total depreciation/amortization expense – Governmental Activities | <u>\$ 14,906,753</u> |
| Business-Type Activities: | |
| Sanitary Sewer System Fund | \$ 599,422 |
| Parking System Fund | 1,267,764 |
| Stormwater Utility Fund | 131,522 |
| Total depreciation/amortization expense – Business-Type Activities | <u>\$ 1,998,708</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:

| | <u>Due From Other Funds</u> | <u>Due to Other Funds</u> |
|-----------------------------|---------------------------------|-------------------------------|
| Major governmental fund: | | |
| General Fund | \$ 495,754 | \$ - |
| Nonmajor governmental fund: | | |
| Special Taxing District | - | 380,754 |
| BBC GOB Program | - | 115,000 |
| | <u>\$ 495,754</u> | <u>\$ 495,754</u> |

Interfund transfers for the fiscal year ended September 30, 2023 are as follows:

| | <u>Transfer In</u> | | | | | | | <u>Total</u> |
|------------------------------|---------------------------------|-------------------------|--------------------------------|--|-----------------------------------|---------------------|--------------------------------------|----------------------|
| | <u>Major Governmental Funds</u> | | | <u>Non-Major Governmental Fund</u> | <u>Major Proprietary Fund</u> | | <u>Internal Service Fund</u> | |
| | <u>General</u> | <u>Debt Service</u> | <u>General Improvement</u> | <u>Impact Fee</u> | <u>Sanitary Sewer</u> | <u>Parking</u> | <u>Motor Pool</u> | |
| Transfer out: | | | | | | | | |
| Major governmental fund: | | | | | | | | |
| General | \$ - | \$ 8,050,573 | \$ 26,483,450 | \$ 214,074 | \$ 17,277 | \$ - | \$ 48,700 | \$ 34,814,074 |
| General Improvement | - | - | - | - | - | - | 54,232 | 54,232 |
| Non-Major governmental fund: | | | | | | | | |
| Impact Fee | - | - | - | - | 2,717,780 | - | - | 2,717,780 |
| Major proprietary fund: | | | | | | | | |
| Parking System | 8,024,622 | - | 3,726,765 | - | - | - | - | 11,751,387 |
| Internal Service fund: | | | | | | | | |
| Public Facilities | 262,346 | - | - | - | - | - | - | 262,346 |
| Insurance | 2,791,827 | - | - | - | - | - | 10,000 | 2,801,827 |
| | <u>\$ 11,078,795</u> | <u>\$ 8,050,573</u> | <u>\$ 30,210,215</u> | <u>\$ 214,074</u> | <u>\$ 17,277</u> | <u>\$ 2,717,780</u> | <u>\$ 112,932</u> | <u>\$ 52,401,646</u> |

Transfers out from General Fund to: (a) General Improvement Fund, Sanitary Sewer, and Motor Pool were primarily to provide additional funding for capital project expenditures; (b) Debt Service Fund is required to provide funds to pay debt service requirements. Transfers out from Parking Systems Fund, Public Facilities Fund, and Insurance 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. The transfer from Parking Fund to General Improvement Fund was primarily from proceeds from sale of land to provide additional funding for capital project expenditures. Transfers out from General Fund and General Improvement Fund to Motor Pool Fund were primarily for the maintenance of police cars. Transfer from General Fund to Impact Fee Fund was primarily for restricted revenues received from developers and are to be used for specific improvement projects. Transfer from Impact Fee to Parking Fund was mainly for the construction of a new parking garage.

NOTE 7 - LONG-TERM DEBT

(a) Following is a summary of the City’s Special Obligation Bonds at September 30, 2023:

| Issue Date | Maturity Date | Interest Rate | Amount Authorized | Amount Issued | Amount Retired | Balance Outstanding 09/30/23 | Current Portion |
|---------------------------|---------------|---------------|-----------------------|-----------------------|----------------------|------------------------------|---------------------|
| Governmental Activities: | | | | | | | |
| 05-31-2018* | 04-01-2048 | 3.640% | \$ 48,015,000 | \$ 48,015,000 | \$ 2,700,000 | \$ 45,315,000 | \$ 1,055,000 |
| 05-31-2018* | 10-01-2031 | 2.840% | 28,486,030 | 28,486,030 | 9,732,926 | 18,753,104 | 1,951,826 |
| 03-30-2021 | 10-01-2032 | 1.900% | 5,258,000 | 5,258,000 | 810,000 | 4,448,000 | 530,000 |
| 06-10-2021 | 04-01-2051 | 2.00%-5.00% | 7,155,600 | 7,155,600 | 1,141,700 | 6,013,900 | 808,100 |
| 03-18-2022 | 04-01-2037 | 2.590% | 15,370,000 | 15,370,000 | 835,000 | 14,535,000 | 850,000 |
| 03-18-2022 | 04-01-2037 | 2.590% | 3,755,000 | 3,755,000 | 200,000 | 3,555,000 | 210,000 |
| | | | <u>129,474,630</u> | <u>129,474,630</u> | <u>36,854,626</u> | <u>92,620,004</u> | <u>5,404,926</u> |
| Business-Type Activities: | | | | | | | |
| 05-31-2018* | 10-01-2031 | 2.840% | 4,133,970 | 4,133,970 | 1,412,074 | 2,721,896 | 283,174 |
| 06-10-2021 | 04-01-2051 | 2.00%-5.00% | 19,899,400 | 19,899,400 | 1,578,300 | 18,321,100 | 1,201,900 |
| | | | <u>24,033,370</u> | <u>24,033,370</u> | <u>2,990,374</u> | <u>21,042,996</u> | <u>1,485,074</u> |
| | | | <u>\$ 153,508,000</u> | <u>\$ 153,508,000</u> | <u>\$ 39,845,000</u> | <u>\$ 113,663,000</u> | <u>\$ 6,890,000</u> |

The City’s special obligation bonds consist of direct borrowings from private sources to provide funds for the acquisition, construction, and improvements of capital facilities. Prior to 2021, the City utilized the Sunshine State Governmental Financing Commission (the “Commission”) 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 bonds which were direct borrowings from the Commission.

***Series 2018A and Series 2018B**

In June 2022, the board of directors of the Commission adopted a Plan of Dissolution to dissolve the Commission effective April 5, 2023. On March 7, 2023, the Commission filed with the Municipal Security Regulatory Board the Notice of Mandatory Tender/Exchange effective April 5, 2023 for the mandatory tender of the Commission’s Capital Improvement Revenue Bonds, Series 2018A and Series 2018B which remain outstanding as of dissolution date, in exchange for City of Coral Gables Capital Improvement Revenue Bonds, Series 2018A for \$48,015,000 and City of Coral Gables Capital Improvement Revenue Refunding Bonds, Series 2018B for \$32,620,000, with the same maturities, interest rates, principal amounts and redemption provision of the tendered bonds. As of April 5, 2023, the Series 2018A and Series 2018B have outstanding principal balance of \$45,315,000 and \$21,475,000, respectively.

All of the City’s outstanding bonds 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 refunded certain special obligation bonds in prior years that resulted in a deferred loss on refunding in the total amount of \$354,856. This amount is reported as deferred charge on refunding in the statement of net position of governmental activities and amortized over the life of the refunding debt. As of September 30, 2023, the unamortized amount of deferred charge on refunding was \$311,672.

The City’s special obligation bonds 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 2023 debt service was \$8,620,957 while total non-ad valorem tax revenue totaled \$110,864,086. For the business-type special obligation bonds, fiscal year 2023, debt service totaled \$2,186,634 while total non-ad valorem revenue totaled \$38,786,075. 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 provisions 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.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Total annual debt service requirements on long-term debt outstanding as of September 30, 2023, are as follows:

| Fiscal Year | BUSINESS-TYPE ACTIVITIES | | |
|-----------------------|--------------------------|---------------------|----------------------|
| | Direct Borrowings | | |
| | Principal | Interest | Total Required |
| 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 | 1,291,176 | 454,465 | 1,745,641 |
| 2029-2033 | 3,986,269 | 1,523,390 | 5,509,659 |
| 2034-2038 | 2,445,000 | 1,033,490 | 3,478,490 |
| 2039-2043 | 2,735,000 | 746,690 | 3,481,690 |
| 2044-2048 | 3,050,000 | 433,238 | 3,483,238 |
| 2048-2052 | 1,995,000 | 90,440 | 2,085,440 |
| Total | 21,042,996 | \$ 6,766,078 | \$ 27,809,074 |
| Less: Current portion | (1,485,074) | | |
| Long-term portion | <u>\$ 19,557,922</u> | | |

| Fiscal Year | GOVERNMENTAL ACTIVITIES | | | | | | |
|-----------------------|-------------------------|----------------------|-----------------------|-------------------|------------------|-------------------|-----------------------|
| | Direct Borrowings | | | Finance Purchase | | | Governmental |
| | Principal | Interest | Total Required | Principal | Interest | Total Required | Activities |
| 2024 | \$ 5,404,926 | \$ 3,399,557 | \$ 8,804,483 | \$ 40,360 | \$ 10,062 | \$ 50,422 | \$ 8,854,905 |
| 2025 | 5,631,523 | 3,169,134 | 8,800,657 | 42,918 | 7,504 | 50,422 | 8,851,079 |
| 2026 | 5,851,452 | 2,928,477 | 8,779,929 | 45,638 | 4,784 | 50,422 | 8,830,351 |
| 2027 | 6,166,548 | 2,677,580 | 8,844,128 | 48,530 | 1,892 | 50,422 | 8,894,550 |
| 2028 | 6,053,826 | 2,422,777 | 8,476,603 | - | - | - | - |
| 2029-2033 | 25,631,729 | 8,849,915 | 34,481,644 | 4,180 | 22 | 4,202 | 34,485,846 |
| 2034-2038 | 14,555,000 | 5,840,282 | 20,395,282 | - | - | - | 20,395,282 |
| 2039-2043 | 10,540,000 | 3,705,550 | 14,245,550 | - | - | - | 14,245,550 |
| 2044-2048 | 12,785,000 | 1,452,488 | 14,237,488 | - | - | - | 14,237,488 |
| Total | 92,620,004 | \$ 34,445,760 | \$ 127,065,764 | 181,626 | \$ 24,264 | \$ 205,890 | \$ 118,795,051 |
| Less: Current portion | (5,404,926) | | | (40,360) | | | |
| Long-term portion | <u>\$ 87,215,078</u> | | | <u>\$ 141,266</u> | | | |

During the year ended September 30, 2023, 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 | \$ 11,676,993 | \$ 7,749,657 | \$ 7,246,771 | \$ 12,179,879 | \$ 6,664,098 |
| Claims Payable | 13,673,000 | 893,068 | 3,467,068 | 11,099,000 | 3,868,000 |
| Special Obligation Debt from direct borrowings | 97,730,632 | - | 5,110,628 | 92,620,004 | 5,404,926 |
| Premium on Special Obligation Debt from direct borrowings | 3,730,361 | - | 799,882 | 2,930,479 | - |
| Finance Purchase | - | 216,507 | 34,881 | 181,626 | 40,360 |
| Lease Liabilities | 499,643 | - | 179,069 | 320,574 | 184,033 |
| Subscription Liabilities* | 6,126,927 | - | 1,775,525 | 4,351,402 | 646,638 |
| Pollution Remediation Obligation | 2,700,000 | 202,000 | - | 2,902,000 | - |
| Advances from Insurance Company | 62,760 | - | - | 62,760 | 62,760 |
| Total OPEB Liability | 23,964,663 | - | 4,965,167 | 18,999,496 | 894,596 |
| Net Pension Liability | 103,282,547 | 99,799,219 | - | 203,081,766 | 22,180,235 |
| | <u>\$ 263,447,526</u> | <u>\$ 108,860,451</u> | <u>\$ 23,578,991</u> | <u>\$ 348,728,986</u> | <u>\$ 39,945,646</u> |

The City's General Fund is primarily utilized for the payment of long-term liabilities of the governmental funds.

*Beginning balance was restated with the implementation of GASB 96, SBITA at October 1, 2022.

During the year ended September 30, 2023, 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 | \$ 418,474 | \$ 290,341 | \$ 246,030 | \$ 462,785 | \$ 247,334 |
| Lease Liabilities | 499,779 | 49,416 | 268,110 | 281,085 | 272,874 |
| Special Obligation Debt from direct borrowings | 22,462,368 | - | 1,419,372 | 21,042,996 | 1,485,074 |
| Premium on Special Obligation Debt from direct borrowings | 1,874,136 | - | 419,678 | 1,454,458 | - |
| Total OPEB Liability | 998,528 | - | 206,883 | 791,645 | 37,276 |
| Net Pension Liability | 3,790,381 | 5,334,505 | - | 9,124,886 | 996,604 |
| | <u>\$ 30,043,666</u> | <u>\$ 5,674,262</u> | <u>\$ 2,560,073</u> | <u>\$ 33,157,855</u> | <u>\$ 3,039,162</u> |

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, 2022:

| | |
|--|------------|
| Retirees and beneficiaries currently receiving benefits, including DROP, and terminated employees entitled to benefits, but not yet receiving them | 993 |
| <hr/> | |
| Current Employees: | |
| Vested | 238 |
| Non-vested | 340 |
| Total Current Employees | 578 |

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, 2023 was \$23,886,749.

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, 2023 is as follows:

| | | |
|-------------------|----|-------------------|
| Beginning balance | \$ | 19,925,083 |
| Additions | | 5,363,341 |
| Distributions | | (2,270,472) |
| Interest earned | | 868,797 |
| Ending balance | \$ | <u>23,886,749</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 - See Note 4 for disclosures

Investments - See Note 4 for disclosures

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, 2022 and rolled-forward to September 30, 2023, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022.

The components of the net pension liability of the City at September 30, 2023 were as follows:

| | Amount |
|--|-----------------------|
| Total pension liability | \$ 613,880,329 |
| Plan fiduciary net position | (401,673,677) |
| Total net pension liability | \$ 212,206,652 |
| Plan fiduciary net position as a percentage of the total pension liability | 65.43% |

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 | 7.25% |
| 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, 2020 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 reports. |

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 during the current year:

- The assumed investment rate of return was lowered from 7.40% to 7.25%. The effect of these assumption change caused an \$8,203,136 increase in the Total Pension Liability as of year end.
- Effective as of October 1, 2022, the assumed investment rate of return was lowered from 7.25% to 7.20%. This assumption change occurred after the September 30, 2022 measurement date and is therefore not required to be recognized in this report. If this assumption change had been recognized as of the September 30, 2022 measurement date, the Total Pension Liability would have increased by \$2,806,104, as shown in the October 1, 2022 actuarial valuation report dated April 12, 2023.

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 |
|------------------------|-------------------|---------|--------------------|
| | Minimum | Maximum | Rate of Return* |
| 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 7.25%, which was a decrease from the prior year discount rate of 7.40%. This single discount rate was based on the expected rate of return on pension plan investment of 7.25%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to all periods of projected benefit payments to determine the total pension liability.

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 10/1/2022 | \$ 606,340,628 | \$ 499,267,700 | 107,072,928 |
| Changes for the year: | | | |
| Service cost | 7,893,821 | - | 7,893,821 |
| Interest on the total pension liability | 43,466,615 | - | 43,466,615 |
| Changes of benefit terms | - | - | - |
| Difference between expected and actual experience | 1,671,660 | - | 1,671,660 |
| Changes of assumptions | 8,203,138 | - | 8,203,138 |
| Contributions - employer | - | 29,657,355 | (29,657,355) |
| Contributions - nonemployer | - | 145,830 | (145,830) |
| Contributions - member | - | 5,164,756 | (5,164,756) |
| Net investment income (loss) | - | (78,323,083) | 78,323,083 |
| Benefit payments | (52,535,459) | (52,535,459) | - |
| Refunds | (1,160,074) | (1,160,074) | - |
| Administrative expense | - | (543,348) | 543,348 |
| Net changes | 7,539,701 | (97,594,023) | 105,133,724 |
| Ending Net Pension Liability 09/30/2023 | \$ 613,880,329 | \$ 401,673,677 | \$ 212,206,652 |

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 7.25%, 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate.

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-----------------------|------------------------|----------------------------------|------------------------|
| Net Pension Liability | \$ 273,145,207 | \$ 212,206,652 | \$ 160,671,715 |

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

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$22,170,502.

As of September 30, 2023, 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 | \$ 1,489,689 | \$ - |
| Changes in assumptions | 6,721,376 | 949,332 |
| Employer contributions made subsequent to the measurement date | 30,173,902 | - |
| Net difference between projected and actual earnings on pension plan investments | 51,430,532 | - |
| Total | <u>\$ 89,815,499</u> | <u>\$ 949,332</u> |

The deferred outflow of resources of \$30,173,902 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, 2024.

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: | Net Deferred Outflow of Resources |
|---------------------------|--------------------------------------|
| 2024 | \$ (13,545,218) |
| 2025 | (9,673,296) |
| 2026 | (12,494,449) |
| 2027 | (22,979,302) |
| Total | <u>\$ (58,692,265)</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 City’s defined benefit pension plan.

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, 2023, 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 \$814,827 representing 4.71% of total covered payroll of police officers participating in the Plan of \$17,298,927.

The 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.

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, 2023, there are 136 active and 28 inactive plan members.

The City contributions for the fiscal year were \$1,319,180 representing 9.22% of total covered payroll of firefighters participating in the plan of \$14,299,179.

The 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 Plan Administrator, 3939 Hollywood, Suite 2A, Hollywood, 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 Plan. Interest and dividend income are recorded as earned.

(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, 2023, the City's total contribution to the 401(a) defined contribution plans was \$746,655.

The City does not have any fiduciary responsibility relating to the plans, consequently the plans activities 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, 2022, rolled forward to September 30, 2023, 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* | 4.40% |
| 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.

In 2023, the assumed discount rate was changed from 2.19% to 4.40%. 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.

Discount Rate

A discount rate of 4.40% was used to measure the September 30, 2022 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.

Changes in Total OPEB Liability

| | |
|--------------------------------|----------------------|
| Beginning Total OPEB Liability | <u>\$ 24,963,191</u> |
| Changes for the year: | |
| Service cost | 1,313,920 |
| Interest | 564,750 |
| Changes of assumptions | (6,066,648) |
| Benefit payments | <u>(984,072)</u> |
| Net changes | <u>(5,172,050)</u> |
| Ending Total OPEB Liability | <u>\$ 19,791,141</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 4.40%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.40 percent) or 1-percentage-point higher (5.40 percent) than the current rate:

| | 1% Decrease (3.40%) | Current Discount Rate (4.40%) | 1% Increase (5.40%) |
|----------------------|------------------------|----------------------------------|------------------------|
| Total OPEB Liability | <u>\$ 22,208,033</u> | <u>\$ 19,791,141</u> | <u>\$ 17,784,321</u> |

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 | \$ 17,437,634 | \$ 19,791,141 | \$ 22,693,621 |

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$151,488 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Difference between actual and expected experience | \$ - | \$ 3,792,611 |
| Changes in assumptions | 1,938,326 | 8,192,341 |
| Employer contributions made subsequent to the measurement date | 1,097,253 | - |
| Total | \$ 3,035,579 | \$ 11,984,952 |

The deferred outflow of resources of \$1,097,253 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, 2024.

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: | Net Deferred Inflow of Resources |
|---------------------------|-------------------------------------|
| 2024 | \$ (1,835,765) |
| 2025 | (1,702,764) |
| 2026 | (1,604,570) |
| 2027 | (1,537,511) |
| 2028 | (1,550,308) |
| Thereafter | (1,815,708) |
| Total | \$ (10,046,626) |

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 City’s OPEB plan.

NOTE 10 - POLLUTION REMEDIATION OBLIGATIONS

As of September 30, 2023, 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. As of September 30, 2023, the City is coordinating

with RER on the plans for the removal of an additional two feet of contaminated soil. The City estimates the remaining costs for this entire obligating event to be \$130,000.

- 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. The City is required to continue with soil and groundwater plume delineation, soil analysis and new monitoring well installation. RER also required the City to submit an engineering control plan. As of September 30, 2023, the City has estimated the cost of these requirements to be \$32,000.
- 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. In November 2023, the City submitted a Proposed Limited Soil and Groundwater Assessment Plan to RER. As of end of fiscal year 2023, the City has estimated the cost to remove and dispose the contaminated soil from the site to be \$2.74 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, 2023, the City is in the process of reviewing the most recent plan for submission to RER but the cost of remediation cannot be reasonably estimated, therefore a liability for this site is not recorded in the financial statements.

As of September 30, 2023, the City's total liability related to the pollution remediation obligating events is \$2.9 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 employees 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>2023</u> | <u>2022</u> |
|---------------------------------------|----------------------|----------------------|
| Unpaid claim payable, beginning | \$ 13,673,000 | \$ 13,833,000 |
| Incurred claims and claim adjustments | 893,068 | 3,410,788 |
| Claims payments | <u>(3,467,068)</u> | <u>(3,570,788)</u> |
| Unpaid claims payable, ending | <u>\$ 11,099,000</u> | <u>\$ 13,673,000</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 \$26,409. 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, 2023 was approximately \$10.84 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, buildings, 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.

General Fund:

Telecommunication Towers Lease

The City has four existing ground lease arrangements with telecommunication service providers to construct, maintain and operate telecommunication towers. As of October 1, 2021, the date of GASB 87 adoption, the terms of leases range from 24-80 months and had an initial lease receivable balance of \$1,010,297. During the fiscal year 2023, there was a lease modification for one of the leases resulting in a decrease in lease receivable of \$111,319. As of September 30, 2023, the lease receivable balance was \$445,603.

These leases have an interest rate ranging from 0.49% to 3.97%. The total balance of deferred inflow of resources for these leases as of September 30, 2023 amounted to \$427,237 and the City recognized lease revenue of \$240,342.

Land and Building Lease

Biltmore Hotel - the agreement commenced on February 10, 1986 and will expire on August 5, 2042. The City is entitled to receive an annual base fee, and an additional amount at year end based on the difference between the base fee and percentage fee based on 3.5% of the annual net revenue from the operation of the property. The annual base fee is adjusted yearly for the effect of cumulative price index over the life of the agreement. As of October 1, 2021, the date of GASB 87 adoption, the annual base fee in effect was \$716,624 with an unexpired lease term of twenty (21) years and an initial lease receivable balance of \$11,738,050.

The lease has an interest rate of 2.03%. The total balance of deferred inflow of resources for the lease as of September 30, 2023 amounted to \$11,032,340 and the City recognized lease revenue of \$585,370 and additional revenue based on percentage rent of \$1,131,796. As of September 30, 2023, the lease receivable balance was \$11,252,783.

Biltmore Golf Course - the agreement commenced on October 1, 2003 and will expire on August 5, 2042. The City is entitled to receive an annual base fee which is adjusted for the effect of cumulative price index over the life of the agreement. As of October 1, 2021, the date of GASB 87 adoption, the annual base fee in effect was \$179,780 with an unexpired lease term of twenty (21) years and an initial lease receivable balance of \$2,944,735.

The lease has an interest rate of 2.03%. The total balance of deferred inflow of resources for the lease as of September 30, 2023 amounted to \$2,770,072 and the City recognized lease revenue of \$146,979. As of September 30, 2023, the lease receivable balance was \$2,822,996.

Ground Lease

The City has seven (7) long-term lease agreements with private companies for the development, construction, and operation of private facilities on parcels of land owned by the City. As of October 1, 2021, the date of GASB 87 adoption, the terms of leases range from 36-240 months and had an initial lease receivable total balance of \$10,843,048.

The lessees are required to pay an annual base rent which is subject to escalation at varying rates and interval periods. These leases have an interest rate ranging from 0.49% to 1.97%. The total balance of deferred inflow of resources for these leases as of September 30, 2023 amounted to \$9,214,709 and the City recognized lease revenue of \$1,460,585. As of September 30, 2023, the lease receivable balance was \$9,473,367.

Retail Spaces

The City has two (2) long-term lease agreements with private companies for the development, construction, and operation of private facilities on portion of facilities owned by the City. As of October 1, 2021, the date of GASB 87 adoption, the terms of leases range from 45-198 months and had an initial lease receivable total balance of \$2,197,232.

The lessees are required to pay an annual base rent which is subject to escalation at varying rates and interval periods. These leases have an interest rate ranging from 0.71% to 1.97%. The total balance of deferred inflow of resources for these leases as of September 30, 2023 amounted to \$1,948,785 and the City recognized lease revenue of \$178,506. As of September 30, 2023, the lease receivable balance was \$2,076,081.

Parking Fund:

Ground Lease

As of October 1, 2021, the date of GASB 87 adoption, the Parking Fund has two (2) long-term lease agreements with private companies for the operation of parking lots on parcels of land owned by the City. As of September 30, 2022, the total balances of lease receivable and deferred inflows of resources were \$2,166,742 and \$2,147,291, respectively. During fiscal year 2023, one of the parking lots was sold by the City and the lease term of the other parking lot was modified to less than a year. Thus, the remaining balances of lease receivable and deferred inflows of resources were eliminated.

Retail Spaces

In the Parking Fund, there are five (5) long-term lease agreements with private companies for the development, construction, and operation of private facilities on portions of facilities owned by the City. As of October 1, 2021, the date of GASB 87 adoption, the terms of leases range from 32-180 months and had an initial lease receivable total balance of \$3,805,201.

The lessees are required to pay an annual base rent which is subject to escalation at varying rates and interval periods. These leases have an interest rate ranging from 0.49% to 1.71%. The total balance of deferred inflow of resources for these leases as of September 30, 2023 amounted to \$3,023,273 and the

City recognized lease revenue of \$714,152. As of September 30, 2023, the lease receivable balance was \$3,320,228.

As of September 30, 2023, 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 |
| 2024 | \$ 2,287,031 | \$ 452,021 | \$ 2,739,052 | \$ 538,135 | \$ 44,641 | \$ 582,776 |
| 2025 | 2,257,392 | 418,658 | 2,676,050 | 492,958 | 39,071 | 532,029 |
| 2026 | 1,988,896 | 387,319 | 2,376,215 | 298,812 | 34,306 | 333,118 |
| 2027 | 1,697,943 | 357,590 | 2,055,533 | 312,575 | 29,916 | 342,491 |
| 2028 | 1,667,664 | 328,506 | 1,996,170 | 280,582 | 25,417 | 305,999 |
| 2029-2033 | 6,307,613 | 1,251,832 | 7,559,445 | 781,300 | 85,549 | 866,849 |
| 2034-2038 | 5,864,781 | 739,876 | 6,604,657 | 615,866 | 17,892 | 633,758 |
| 2039-2042 | 3,999,510 | 134,886 | 4,134,396 | - | - | - |
| Total | <u>26,070,830</u> | <u>\$ 4,070,688</u> | <u>\$ 30,141,518</u> | <u>3,320,228</u> | <u>\$ 276,792</u> | <u>\$ 3,597,020</u> |
| Less: Current portion | <u>(2,287,031)</u> | | | <u>(538,135)</u> | | |
| Long-term portion | <u>\$ 23,783,799</u> | | | <u>\$ 2,782,093</u> | | |

(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, 2023, 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 |
| 2024 | \$ 184,033 | \$ 6,355 | \$ 190,388 | \$ 272,874 | \$ 1,775 | \$ 274,649 |
| 2025 | <u>136,541</u> | <u>1,452</u> | <u>137,993</u> | <u>8,211</u> | <u>37</u> | <u>8,248</u> |
| Total | <u>320,574</u> | <u>\$ 7,807</u> | <u>\$ 328,381</u> | <u>281,085</u> | <u>\$ 1,812</u> | <u>\$ 282,897</u> |
| Less: Current portion | <u>(184,033)</u> | | | <u>(272,874)</u> | | |
| Long-term portion | <u>\$ 136,541</u> | | | <u>\$ 8,211</u> | | |

Note 15 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The City entered into various subscription-based information technology arrangements (SBITAs) for downloadable or remotely available software licenses and cloud-based data storage. The related obligations are presented in the amounts equal to the present value of subscription payments, payable during the remaining SBITA term. The subscription liability and the related subscription asset are recognized in the government-wide statement of net position. The adoption of GASB 96, SBITAs

resulted in a restatement of the financial statements as further presented in Note 1 (bb), Summary of Significant Accounting Policies.

The assets acquired and capitalized under the right to use SBITAs is as follows:

| | |
|--------------------------------|---------------------|
| Subscription Asset | \$ 9,615,282 |
| Less: Accumulated Amortization | <u>(1,256,727)</u> |
| | <u>\$ 8,358,555</u> |

See Note 5 – Capital Assets for further information on SBITA assets.

The annual debt service requirements on SBITA liabilities outstanding as of September 30, 2023, are as follows:

| Fiscal Year | Governmental Activities | | |
|-----------------------|-------------------------|-------------------|---------------------|
| | Principal | Interest | Total Payment |
| 2024 | \$ 646,638 | \$ 142,967 | \$ 789,605 |
| 2025 | 651,170 | 116,630 | 767,800 |
| 2026 | 539,148 | 95,851 | 634,999 |
| 2027 | 560,401 | 74,599 | 635,000 |
| 2028 | 613,675 | 51,325 | 665,000 |
| 2029-2031 | 1,340,370 | 29,630 | 1,370,000 |
| Total | <u>4,351,402</u> | <u>\$ 511,002</u> | <u>\$ 4,862,404</u> |
| Less: Current portion | (646,638) | | |
| Long-term portion | <u>\$ 3,704,764</u> | | |

NOTE 16 – 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, 2023 and abated taxes in the amount of \$20 thousand in fiscal year 2023. Estimated property tax of \$74 thousand will be abated over the remaining terms of the tax exemption as of September 30, 2023.

NOTE 17 - PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

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.

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.

GASB Statement No. 102, *Certain Risk Disclosure*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements*. The new standard provides changes to the requirements of GASB Statement No. 34 such as management’s discussion and analysis, unusual and infrequent items, proprietary fund financial statements, definitions of operating and nonoperating revenues and expenses, budgetary comparisons, and reporting of significant reporting units. The requirements of this Statement are effective for fiscal years ending June 30, 2026 and all reporting periods thereafter.

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

NOTE 18 - 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 19 - HURRICANE IRMA

As of September 30, 2023, 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 \$17.67 million has been incurred by the City as of September 30, 2023 and \$15.32 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, 2023, \$1.65 million was recognized as due from government agency, \$148 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 \$551 thousand was recognized as grant revenue. In the Insurance Fund financial statement as of September 30, 2023, \$63 thousand was recognized as advances from insurance company.

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, 2023

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>Final Budget</u> |
|--|-------------------------|------------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | \$ 125,404,437 | \$ 125,404,437 | \$ 130,021,240 | \$ 4,616,803 |
| Licenses | 3,668,125 | 3,668,125 | 3,715,034 | 46,909 |
| Permits | 9,464,000 | 9,541,326 | 19,918,933 | 10,377,607 |
| Fines and Forfeitures | 1,183,000 | 1,183,000 | 1,255,386 | 72,386 |
| Intergovernmental | 6,309,382 | 7,829,804 | 9,223,271 | 1,393,467 |
| Charges for Services | 18,706,000 | 18,706,000 | 21,492,407 | 2,786,407 |
| Recreation Activity Fees | 5,963,000 | 6,133,300 | 7,210,222 | 1,076,922 |
| Rental Income | 6,652,511 | 7,142,338 | 5,872,368 | (1,269,970) |
| Investment Earnings | 900,000 | 900,000 | 6,382,779 | 5,482,779 |
| Contributions and Donations | - | 7,000 | 35,820 | 28,820 |
| Miscellaneous | 70,000 | 199,021 | 423,505 | 224,484 |
| Total Revenues | <u>178,320,455</u> | <u>180,714,351</u> | <u>205,550,965</u> | <u>24,836,614</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 25,428,621 | 24,827,213 | 24,367,154 | 460,059 |
| Public Safety | 94,425,405 | 101,746,697 | 95,473,588 | 6,273,109 |
| Physical Environment | 25,187,149 | 26,698,838 | 23,467,419 | 3,231,419 |
| Transportation | 4,089,408 | 4,439,965 | 3,999,300 | 440,665 |
| Economic Environment | 1,237,718 | 1,861,793 | 1,172,018 | 689,775 |
| Culture and Recreation | 16,236,493 | 18,518,159 | 16,743,774 | 1,774,385 |
| Debt Service: | | | | |
| Retirement of Principal | 1,989,475 | 1,989,475 | 1,989,475 | - |
| Interest | 196,351 | 196,351 | 196,351 | - |
| Capital Outlay | 2,334,127 | 2,521,594 | 1,089,818 | 1,431,776 |
| Total Expenditures | <u>171,124,747</u> | <u>182,800,085</u> | <u>168,498,897</u> | <u>14,301,188</u> |
| Excess (deficiency) of Revenues Over (Under)Expenditures | <u>7,195,708</u> | <u>(2,085,734)</u> | <u>37,052,068</u> | <u>39,137,802</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Finance Purchase | - | - | 216,507 | 216,507 |
| Proceeds from Sale of Capital Assets | 5,000,000 | 1,000,000 | - | (1,000,000) |
| Transfers In | 8,243,507 | 8,145,861 | 11,078,795 | 2,932,934 |
| Transfers Out | (22,752,590) | (23,417,944) | (34,814,074) | (11,396,130) |
| Total Other Financing Sources (Uses) | <u>(9,509,083)</u> | <u>(14,272,083)</u> | <u>(23,518,772)</u> | <u>(9,246,689)</u> |
| Net Change in Fund Balance* | <u>\$ (2,313,375)</u> | <u>\$ (16,357,817)</u> | 13,533,296 | <u>\$ 29,891,113</u> |
| Fund Balance - Beginning | | | <u>90,764,727</u> | |
| Fund Balance - Ending | | | <u>\$ 104,298,023</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.

REQUIRED SUPPLEMENTARY INFORMATION

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

(Unaudited)

Last Nine Years

Year Ended September 30,

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total pension liability | | | | | | | | | |
| Service cost | \$ 7,893,821 | \$ 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 | 43,466,615 | 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 | 1,671,660 | 181,933 | 684,775 | 1,269,118 | 3,580,739 | (2,863,731) | 1,319,342 | 50,400 | 5,822,419 |
| Changes of assumptions | 8,203,138 | (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 | (53,695,533) | (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 | 7,539,701 | (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 | 606,340,628 | 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 | 613,880,329 | 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 | 29,657,355 | 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 | 145,830 |
| Contributions - Employees | 5,164,756 | 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 (loss) | (78,323,083) | 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 | (53,695,533) | (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 | (543,348) | (683,208) | (419,510) | (489,845) | (472,543) | (402,793) | (352,193) | (431,707) | (334,272) |
| Net change in plan fiduciary net position | (97,594,023) | 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 | 499,267,700 | 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 | \$ 401,673,677 | \$ 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 | \$ 212,206,652 | \$ 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 | 65.43% | 82.34% | 69.40% | 65.38% | 66.76% | 65.49% | 60.92% | 59.01% | 61.27% |
| 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 |
| Net Pension liability as percentage of covered payroll | 479.69% | 242.08% | 419.06% | 477.51% | 461.45% | 458.10% | 588.47% | 622.94% | 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 Ten Years

Year Ended September 30,

| | <u>2023</u> | <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 | \$ 22,543,805 | \$ 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>30,173,902</u> | <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>\$ (7,630,097)</u> | <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 | \$ 44,988,374 | \$ 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>67.07%</u> | <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

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 Ten Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return (loss), net of investment expense | 12.35% | (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.

REQUIRED SUPPLEMENTARY INFORMATION

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

(Unaudited)

Last Six Years

Year Ended September 30,

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Total OPEB liability | | | | | | |
| Service cost | \$ 1,313,920 | \$ 1,459,293 | \$ 1,349,916 | \$ 1,125,511 | \$ 1,190,160 | \$ 1,075,954 |
| Interest | 564,750 | 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 | (6,066,648) | (3,308,826) | 345,760 | 3,820,946 | (1,211,078) | (1,323,222) |
| Benefit payment, including refunds of member contributions | (984,072) | (930,137) | (881,403) | (779,767) | (730,846) | (831,764) |
| Net change in total OPEB liability | (5,172,050) | (4,763,761) | 1,612,504 | 1,450,628 | 203,329 | (1,011,609) |
| Total OPEB liability - beginning | 24,963,191 | 29,726,952 | 28,114,448 | 26,663,820 | 26,460,491 | 27,472,100 |
| Total OPEB liability - ending | 19,791,141 | 24,963,191 | 29,726,952 | 28,114,448 | 26,663,820 | 26,460,491 |
| Covered Payroll | \$ 62,265,046 | \$ 60,775,347 | \$ 60,360,297 | \$ 58,859,738 | \$ 55,770,204 | \$ 54,887,335 |
| Total OPEB liability as percentage of covered payroll | 31.79% | 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, 2023 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, 2022 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 | 7.25% |
| 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 assumed investment rate of return was lowered from 7.40% to 7.25%. The effect of these assumption change caused a \$8,203,136 increase in the Total Pension Liability as of September 30, 2022.
- Effective as of October 1, 2022, the assumed investment rate of return was lowered from 7.25% to 7.20%. This assumption change occurred after the September 30, 2022 measurement date, and is therefore not required to be recognized in this report. If this assumption change had been recognized as of the September 30, 2022 measurement date, the Total Pension Liability would have increased by \$2,806,104, as shown in the October 1, 2022 actuarial valuation report dated April 12, 2023.

Note 3 – Other Post-Employment Benefit

The City’s total OPEB liability was measured as of September 30, 2022, rolled forward to September 30, 2023, 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* | 4.40% |
| 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.

In 2023, the assumed discount rate was changed from 2.19% to 4.40% 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.

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, 2023

| | 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 | \$ - | \$ - | \$ 1,359,520 | \$ 828,454 | \$ 88,591 | \$ - | \$ 2,276,565 |
| Restricted Pooled Cash and Cash Equivalents | 1,084,204 | 85,209 | - | - | - | 531,406 | 1,700,819 |
| Pooled Investments | - | - | 1,953,980 | 1,464,516 | - | - | 3,418,496 |
| Restricted Pooled Investments | - | - | - | - | - | 8,683,252 | 8,683,252 |
| Accounts Receivable, Net | - | - | 165,294 | - | - | - | 165,294 |
| Interest Receivable | - | - | 14,805 | 12,908 | - | 76,557 | 104,270 |
| Due from Other Governments | 161,466 | - | 172,659 | 910,580 | 63,676 | - | 1,308,381 |
| Total Assets | <u>1,245,670</u> | <u>85,209</u> | <u>3,666,258</u> | <u>3,216,458</u> | <u>152,267</u> | <u>9,291,215</u> | <u>17,657,077</u> |
| LIABILITIES | | | | | | | |
| Accounts Payable | 369,680 | - | 227,862 | 422,687 | - | 848,801 | 1,869,030 |
| Accrued Payroll | - | - | - | 7,520 | - | - | 7,520 |
| Due to Other Funds | 380,754 | - | - | - | 115,000 | - | 495,754 |
| Total Liabilities | <u>750,434</u> | <u>-</u> | <u>227,862</u> | <u>430,207</u> | <u>115,000</u> | <u>848,801</u> | <u>2,372,304</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue - Grants and Contributions | - | - | - | - | 63,676 | - | 63,676 |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>63,676</u> | <u>-</u> | <u>63,676</u> |
| FUND BALANCES (DEFICIT) | | | | | | | |
| Restricted to: | | | | | | | |
| Public Safety | 495,236 | - | - | - | - | 1,910,614 | 2,405,850 |
| Parks and Recreation | - | 85,209 | - | - | - | 3,495,200 | 3,580,409 |
| Other Physical Environment | - | - | - | - | - | 368,063 | 368,063 |
| Mobility Improvement Projects | - | - | - | - | - | 1,851,988 | 1,851,988 |
| Impact Fee Administration | - | - | - | - | - | 816,549 | 816,549 |
| Assigned to: | | | | | | | |
| Other Capital Projects | - | - | 3,438,396 | 2,786,251 | - | - | 6,224,647 |
| Unassigned | | | | | | | |
| Total Fund Balances (Deficit) | <u>495,236</u> | <u>85,209</u> | <u>3,438,396</u> | <u>2,786,251</u> | <u>(26,409)</u> | <u>8,442,414</u> | <u>15,221,097</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit) | <u>\$ 1,245,670</u> | <u>\$ 85,209</u> | <u>\$ 3,666,258</u> | <u>\$ 3,216,458</u> | <u>\$ 152,267</u> | <u>\$ 9,291,215</u> | <u>\$ 17,657,077</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, 2023

| | Special Revenue | Capital Projects | | | | | Total Nonmajor Governmental Funds |
|---|-------------------------------|--|--------------------------------|------------------------|-------------------------------|---------------------|---|
| | Special Taxing District | Neighborhood Renaissance Program Fund | Roadway Improvement Fund | Transportation Fund | BBC GOB Program Fund | | |
| REVENUES | | | | | | | |
| Gasoline Sales Tax | \$ - | \$ - | \$ 1,271,466 | \$ - | \$ - | \$ - | \$ 1,271,466 |
| Municipal Surtax | - | - | - | 3,077,119 | - | - | 3,077,119 |
| Special Assessments | 3,081,256 | - | - | - | - | 1,954,177 | 5,035,433 |
| Rental Income | - | - | - | 3,223 | - | - | 3,223 |
| Intergovernmental | - | - | - | 391,198 | - | - | 391,198 |
| Investment Earnings | - | 794 | 85,174 | 56,525 | 390 | 408,988 | 551,871 |
| Miscellaneous | 82,487 | - | - | - | - | - | 82,487 |
| Total Revenues | <u>3,163,743</u> | <u>794</u> | <u>1,356,640</u> | <u>3,528,065</u> | <u>390</u> | <u>2,363,165</u> | <u>10,412,797</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General Government | 318,534 | - | - | - | - | 46 | 318,580 |
| Transportation | - | - | 495,741 | 3,261,316 | - | - | 3,757,057 |
| Public Safety | 2,928,857 | - | - | - | - | - | 2,928,857 |
| Culture and Recreation | - | - | - | - | - | - | - |
| Physical Environment | 225,336 | - | - | - | - | 5,001,558 | 5,226,894 |
| Capital Outlay | 601,316 | 136,207 | 40,301 | 54,000 | - | 409,082 | 1,240,906 |
| Total Expenditures | <u>4,074,043</u> | <u>136,207</u> | <u>536,042</u> | <u>3,315,316</u> | <u>-</u> | <u>5,410,686</u> | <u>13,472,294</u> |
| Excess (Deficiency) of Revenues Over(Under) Expenditures | <u>(910,300)</u> | <u>(135,413)</u> | <u>820,598</u> | <u>212,749</u> | <u>390</u> | <u>(3,047,521)</u> | <u>(3,059,497)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers In | - | - | - | - | - | 214,074 | 214,074 |
| Transfers Out | - | - | - | - | - | (2,717,780) | (2,717,780) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,503,706)</u> | <u>(2,503,706)</u> |
| Net Change in Fund Balances | <u>(910,300)</u> | <u>(135,413)</u> | <u>820,598</u> | <u>212,749</u> | <u>390</u> | <u>(5,551,227)</u> | <u>(5,563,203)</u> |
| Fund Balances (Deficits) - Beginning | <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> |
| Fund Balances (Deficits) - Ending | <u>\$ 495,236</u> | <u>\$ 85,209</u> | <u>\$ 3,438,396</u> | <u>\$ 2,786,251</u> | <u>\$ (26,409)</u> | <u>\$ 8,442,414</u> | <u>\$ 15,221,097</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|--------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Special Assessments | \$ 673,108 | \$ 673,108 | \$ 680,342 | \$ 7,234 |
| Investment Earnings | - | - | 27,686 | 27,686 |
| Total Revenues | <u>673,108</u> | <u>673,108</u> | <u>708,028</u> | <u>34,920</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | 23,854 | (23,854) |
| Debt Service: | | | | |
| Retirement of Principal | 5,090,628 | 5,090,628 | 5,110,628 | (20,000) |
| Interest | 3,633,053 | 3,633,053 | 3,510,329 | 122,724 |
| Debt Issuance Costs | - | - | - | - |
| Total Expenditures | <u>8,723,681</u> | <u>8,723,681</u> | <u>8,644,811</u> | <u>78,870</u> |
| Deficiency of Revenues Under Expenditures | <u>(8,050,573)</u> | <u>(8,050,573)</u> | <u>(7,936,783)</u> | <u>113,790</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 8,050,573 | 8,050,573 | 8,050,573 | - |
| Total Other Financing Sources | <u>8,050,573</u> | <u>8,050,573</u> | <u>8,050,573</u> | <u>-</u> |
| Net Change in Fund Balances* | <u>\$ -</u> | <u>\$ -</u> | 113,790 | <u>\$ 113,790</u> |
| Fund Balances - Beginning | | | <u>3,180</u> | |
| Fund Balances - Ending | | | <u>\$ 116,970</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, 2023

| | Motor Pool Fund | Public Facilities Fund | Insurance Fund | Total Internal Service Funds |
|---------------------------------------|--------------------------------|---------------------------------------|---------------------------|---|
| ASSETS | | | | |
| Current Assets: | | | | |
| Pooled Cash and Cash Equivalents | \$ 1,588,861 | \$ 649,851 | \$ 342,787 | \$ 2,581,499 |
| Pooled Investments | 5,530,881 | 2,820,531 | 11,856,677 | 20,208,089 |
| Accounts Receivable, Net | 26,918 | 4,824 | 113,656 | 145,398 |
| Interest Receivable | 50,566 | 25,549 | 100,268 | 176,383 |
| Inventories | 66,430 | - | - | 66,430 |
| Prepaid and Deposits | 739,725 | - | 2,122,168 | 2,861,893 |
| Total Current Assets | <u>8,003,381</u> | <u>3,500,755</u> | <u>14,535,556</u> | <u>26,039,692</u> |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Equipment | 38,373,521 | 123,674 | - | 38,497,195 |
| Accumulated Depreciation | (25,232,310) | (106,356) | - | (25,338,666) |
| Total Noncurrent Assets | <u>13,141,211</u> | <u>17,318</u> | <u>-</u> | <u>13,158,529</u> |
| Total Assets | <u>21,144,592</u> | <u>3,518,073</u> | <u>14,535,556</u> | <u>39,198,221</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Outflows Related to Pensions | 1,706,494 | 1,284,361 | - | 2,990,855 |
| Deferred Outflows Related to OPEB | 91,068 | 60,712 | - | 151,780 |
| Total Deferred Outflows of Resources | <u>1,797,562</u> | <u>1,345,073</u> | <u>-</u> | <u>3,142,635</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 275,883 | 966,828 | 373,796 | 1,616,507 |
| Accrued Payroll | 34,753 | 26,583 | - | 61,336 |
| Accrued Compensated Absences | 114,967 | 90,294 | - | 205,261 |
| Claims Payable | - | - | 3,868,000 | 3,868,000 |
| Total OPEB Liability | 27,956 | 18,638 | - | 46,594 |
| Net Pension Liability | 440,360 | 331,429 | - | 771,789 |
| Total Current Liabilities | <u>893,919</u> | <u>1,433,772</u> | <u>4,241,796</u> | <u>6,569,487</u> |
| Noncurrent Liabilities: | | | | |
| Accrued Compensated Absences | 71,721 | 63,417 | - | 135,138 |
| Claims Payable | - | - | 7,231,000 | 7,231,000 |
| Advances from Insurance Company | - | - | 62,760 | 62,760 |
| Total OPEB Liability | 565,778 | 377,185 | - | 942,963 |
| Net Pension Liability | 3,591,566 | 2,703,126 | - | 6,294,692 |
| Total Noncurrent Liabilities | <u>4,229,065</u> | <u>3,143,728</u> | <u>7,293,760</u> | <u>14,666,553</u> |
| Total Liabilities | <u>5,122,984</u> | <u>4,577,500</u> | <u>11,535,556</u> | <u>21,236,040</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Inflows Related to Pensions | 18,037 | 13,575 | - | 31,612 |
| Deferred Inflows Related to OPEB | 359,549 | 239,699 | - | 599,248 |
| Total Deferred Inflows of Resources | <u>377,586</u> | <u>253,274</u> | <u>-</u> | <u>630,860</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 13,141,211 | 17,318 | - | 13,158,529 |
| Unrestricted | 4,300,373 | 15,054 | 3,000,000 | 7,315,427 |
| Total Net Position | <u>\$ 17,441,584</u> | <u>\$ 32,372</u> | <u>\$ 3,000,000</u> | <u>\$ 20,473,956</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, 2023

| | Motor Pool Fund | Public Facilities Fund | Insurance Fund | Total Internal Service Funds |
|--|--------------------------------|---------------------------------------|---------------------------|---|
| OPERATING REVENUES | | | | |
| Charges for Services: | | | | |
| Billings to Departments for Insurance Protection | \$ - | \$ - | \$ 14,176,885 | \$ 14,176,885 |
| Rental of Equipment and Facilities to Various Funds: | | | | |
| Equipment Operation and Maintenance | 6,365,949 | - | - | 6,365,949 |
| Equipment Replacement Charges | 3,606,436 | - | - | 3,606,436 |
| Facilities | - | 8,535,117 | - | 8,535,117 |
| Total Operating Revenues | <u>9,972,385</u> | <u>8,535,117</u> | <u>14,176,885</u> | <u>32,684,387</u> |
| OPERATING EXPENSES | | | | |
| Administration | 2,034,560 | 1,838,353 | - | 3,872,913 |
| Cost of Sales and Services | 3,903,281 | 6,530,939 | - | 10,434,220 |
| Benefit Payments | - | - | 3,144,690 | 3,144,690 |
| Insurance | - | - | 8,712,070 | 8,712,070 |
| Depreciation | 2,841,250 | 5,560 | - | 2,846,810 |
| Total Operating Expenses | <u>8,779,091</u> | <u>8,374,852</u> | <u>11,856,760</u> | <u>29,010,703</u> |
| Operating Income (Loss) | <u>1,193,294</u> | <u>160,265</u> | <u>2,320,125</u> | <u>3,673,684</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest Earnings (Loss) | 200,174 | 102,081 | 481,702 | 783,957 |
| Miscellaneous | 10,000 | - | - | 10,000 |
| Gain from Disposal of Capital Assets | 162,746 | - | - | 162,746 |
| Total Nonoperating Revenues (Expenses) | <u>372,920</u> | <u>102,081</u> | <u>481,702</u> | <u>956,703</u> |
| Income (Loss) Before Transfers | 1,566,214 | 262,346 | 2,801,827 | 4,630,387 |
| Transfers In | 112,932 | - | - | 112,932 |
| Transfers Out | - | (262,346) | (2,801,827) | (3,064,173) |
| Change In Net Position | 1,679,146 | - | - | 1,679,146 |
| Net Position - Beginning | 15,762,438 | 32,372 | 3,000,000 | 18,794,810 |
| Net Position - Ending | <u>\$ 17,441,584</u> | <u>\$ 32,372</u> | <u>\$ 3,000,000</u> | <u>\$ 20,473,956</u> |

CITY OF CORAL GABLES, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2023

| | Motor Pool Fund | Public Facilities Fund | Insurance Fund | Total Internal Service Funds |
|--|-----------------------|------------------------------|---------------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Customers and Users | \$ 9,962,218 | \$ 8,532,412 | \$ 14,133,175 | \$ 32,627,805 |
| Payments to Employees | (2,161,624) | (1,906,955) | - | (4,068,579) |
| Payments to Suppliers | (3,913,038) | (6,590,349) | (14,561,681) | (25,065,068) |
| Net Cash Provided by (Used In) Operating Activities | <u>3,887,556</u> | <u>35,108</u> | <u>(428,506)</u> | <u>3,494,158</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers in from Other Funds | 112,932 | - | - | 112,932 |
| Transfers out to Other Funds | - | (262,346) | (2,801,827) | (3,064,173) |
| Net Cash Provided By (Used In) Noncapital Financing Activities | <u>112,932</u> | <u>(262,346)</u> | <u>(2,801,827)</u> | <u>(2,951,241)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition and Construction of Capital Assets | (3,626,681) | (7,300) | - | (3,633,981) |
| Proceeds from Sale of Capital Assets | 162,746 | - | - | 162,746 |
| Contributions from private sources | 10,000 | - | - | 10,000 |
| Net Cash Provided by (Used In) Capital and Related Financing Activities | <u>(3,453,935)</u> | <u>(7,300)</u> | <u>-</u> | <u>(3,461,235)</u> |
| CASH FLOWS PROVIDED BY INVESTING ACTIVITIES | | | | |
| Purchase of Investments | (21,841,638) | (11,531,868) | (43,178,366) | (76,551,872) |
| Proceeds from Sale of Investments | 20,472,678 | 11,555,148 | 42,252,517 | 74,280,343 |
| Interest and Dividends Received | 150,666 | 77,260 | 385,117 | 613,043 |
| Net Cash Provided by (Used In) Investing Activities | <u>(1,218,294)</u> | <u>100,540</u> | <u>(540,732)</u> | <u>(1,658,486)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (671,741) | (133,998) | (3,771,065) | (4,576,804) |
| Cash and Cash Equivalents - Beginning | 2,260,602 | 783,849 | 4,113,852 | 7,158,303 |
| Cash and Cash Equivalents - Ending | <u>\$ 1,588,861</u> | <u>\$ 649,851</u> | <u>\$ 342,787</u> | <u>\$ 2,581,499</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating Income (Loss) | \$ 1,193,294 | \$ 160,265 | \$ 2,320,125 | \$ 3,673,684 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities: | | | | |
| Depreciation/Amortization Expense | 2,841,250 | 5,560 | - | 2,846,810 |
| Change in Assets and Liabilities and Deferred Inflows and Outflows: | | | | |
| Accounts Receivable | - | (2,705) | (43,710) | (46,415) |
| Inventory | 26,313 | - | - | 26,313 |
| Due from Other Governments | (10,167) | - | - | (10,167) |
| Prepaid Items | - | 5,591 | (404,679) | (399,088) |
| Net pension liability and related deferred inflows/outflow | (60,125) | (61,911) | - | (122,036) |
| OPEB liability and related deferred inflows/outflow | (37,464) | (24,975) | - | (62,439) |
| Accounts Payable | (36,070) | (65,001) | 273,758 | 172,687 |
| Accrued Payroll and Other Expenses | 3,045 | (4,098) | - | (1,053) |
| Accrued Compensated Absences | (32,520) | 22,382 | - | (10,138) |
| Claims Payable | - | - | (2,574,000) | (2,574,000) |
| Total Adjustments | <u>2,694,262</u> | <u>(125,157)</u> | <u>(2,748,631)</u> | <u>(179,526)</u> |
| Net Cash Provided by (Used In) Operating Activities | <u>\$ 3,887,556</u> | <u>\$ 35,108</u> | <u>\$ (428,506)</u> | <u>\$ 3,494,158</u> |
| Noncash Capital and Related Financing Activities: | | | | |
| Capital Assets Retirement, net | (1,459,700) | - | - | (1,459,700) |

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, 2023

| | Coral Gables Retirement Fund | Police Officers' Pension Fund | Firefighters' Pension Fund | Total Pension Trust Funds |
|---|---|--|---|--|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 12,574,328 | \$ 433,651 | \$ 914,611 | \$ 13,922,590 |
| Receivables: | | | | |
| Accrued Interest and Dividends | 350,676 | - | - | 350,676 |
| Buyback Receivable | 26,483 | - | - | 26,483 |
| Share Plan Contributions | 520,066 | 814,827 | 426,416 | 1,761,309 |
| Receivable for securities sold | 538,983 | - | - | 538,983 |
| Other receivables | 474,142 | - | - | 474,142 |
| Total Receivables | 1,910,350 | 814,827 | 426,416 | 3,151,593 |
| Securities Lending Cash Collateral - Invested | 36,521,993 | - | - | 36,521,993 |
| Investments: | | | | |
| U.S. Government and Agency | 38,406,061 | - | - | 38,406,061 |
| Corporate Bonds | 10,063,582 | - | - | 10,063,582 |
| Common Stocks | 174,965,901 | - | - | 174,965,901 |
| International Equity | 64,421,358 | - | - | 64,421,358 |
| Real Estate Investment Trust (REIT) | 39,085,975 | - | - | 39,085,975 |
| Alternative Investments | 99,299,047 | - | - | 99,299,047 |
| Guaranteed Investment Contract | - | - | 8,596,783 | 8,596,783 |
| Mutual Funds | - | 6,511,007 | 4,618,943 | 11,129,950 |
| Total Investments | 426,241,924 | 6,511,007 | 13,215,726 | 445,968,657 |
| Total Assets | 477,248,595 | 7,759,485 | 14,556,753 | 499,564,833 |
| LIABILITIES | | | | |
| Accounts Payable | 239,686 | - | - | 239,686 |
| Payable for Securities Purchased | 431,641 | - | - | 431,641 |
| Due to Coral Gables Retirement Fund | - | 467,795 | 52,271 | 520,066 |
| Obligations under Securities Lending | 36,521,993 | - | - | 36,521,993 |
| Total Liabilities | 37,193,320 | 467,795 | 52,271 | 37,713,386 |
| NET POSITION | | | | |
| Net Position Restricted for Pension Benefits | \$ 440,055,275 | \$ 7,291,690 | \$ 14,504,482 | \$ 461,851,447 |

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 For the Fiscal Year Ended September 30, 2023

| | Coral Gables Retirement Fund | Police Officers' Pension Fund | Firefighters' Pension Fund | Total Pension Trust Funds |
|---|---|--|---|--|
| Additions (Deductions): | | | | |
| City Contributions | \$ 30,028,072 | \$ 814,827 | \$ 1,319,180 | \$ 32,162,079 |
| Share Plan Contributions | 145,830 | - | - | 145,830 |
| Total Government Contributions | <u>30,173,902</u> | <u>814,827</u> | <u>1,319,180</u> | <u>32,307,909</u> |
| Employees: | | | | |
| Employee contributions | 4,856,197 | - | - | 4,856,197 |
| Total Employee Contributions | <u>4,856,197</u> | <u>-</u> | <u>-</u> | <u>4,856,197</u> |
| Total Contributions | <u>35,030,099</u> | <u>814,827</u> | <u>1,319,180</u> | <u>37,164,106</u> |
| Investment Income (Loss): | | | | |
| Net Appreciation (Depreciation) in the Fair Value of Investments | 43,687,754 | 495,870 | 628,418 | 44,812,042 |
| Interest and Dividends | 7,038,793 | 211,153 | 257,648 | 7,507,594 |
| Other Income (Loss) | (5,672) | - | - | (5,672) |
| Total Investment Loss | <u>50,720,875</u> | <u>707,023</u> | <u>886,066</u> | <u>52,313,964</u> |
| Less Investment Expenses | (2,401,906) | (29,600) | (18,785) | (2,450,291) |
| Total Investment Income before Securities Lending Activity | <u>48,318,969</u> | <u>677,423</u> | <u>867,281</u> | <u>49,863,673</u> |
| Securities Lending Activities: | | | | |
| Security Lending Income | 95,840 | - | - | 95,840 |
| Security Lending Fees and Rebates | (28,804) | - | - | (28,804) |
| Net Income from Security Lending Activities | <u>67,036</u> | <u>-</u> | <u>-</u> | <u>67,036</u> |
| Total Net Investment Loss | <u>48,386,005</u> | <u>677,423</u> | <u>867,281</u> | <u>49,930,709</u> |
| Total Additions (Deductions) | <u>83,416,104</u> | <u>1,492,250</u> | <u>2,186,461</u> | <u>87,094,815</u> |
| Deductions: | | | | |
| Pension Benefits Paid | 43,092,130 | 341,900 | 993,906 | 44,427,936 |
| Refunds of Contributions | 1,362,393 | - | - | 1,362,393 |
| Administrative Expense | 579,983 | 40,660 | 24,964 | 645,607 |
| Total Deductions | <u>45,034,506</u> | <u>382,560</u> | <u>1,018,870</u> | <u>46,435,936</u> |
| Change in Net Position | 38,381,598 | 1,109,690 | 1,167,591 | 40,658,879 |
| Net Position Restricted for Pension Benefits: | | | | |
| Beginning of Year | 401,673,677 | 6,182,000 | 13,336,891 | 421,192,568 |
| End of Year | <u>\$ 440,055,275</u> | <u>\$ 7,291,690</u> | <u>\$ 14,504,482</u> | <u>\$ 461,851,447</u> |

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF NET POSITION
 CUSTODIAL FUNDS
 September 30, 2023

| | Employee Benefits Fund | Law Enforcement Fund | Total Custodial Funds |
|-----------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 628,810 | \$ 1,834,579 | \$ 2,463,389 |
| Total Assets | <u>628,810</u> | <u>1,834,579</u> | <u>2,463,389</u> |
| LIABILITIES | | | |
| Accounts Payable | <u>-</u> | <u>58,995</u> | <u>58,995</u> |
| Total Liabilities | <u>-</u> | <u>58,995</u> | <u>58,995</u> |
| NET POSITION | | | |
| Restricted for: | | | |
| Individuals and Other Governments | <u>\$ 628,810</u> | <u>\$ 1,775,584</u> | <u>\$ 2,404,394</u> |

-

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 September 30, 2023

| | Employee Benefits Fund | Law Enforcement Fund | Total Custodial Funds |
|--|---------------------------------------|-------------------------------------|--------------------------------------|
| Additions: | | | |
| Employee Contributions | \$ 98,032 | \$ - | \$ 98,032 |
| Equitable Sharing Funds | - | 1,051,262 | 1,051,262 |
| Total Additions | 98,032 | 1,051,262 | 1,149,294 |
| Deductions: | | | |
| Sick Leave Benefits Paid to Employees | 60,955 | - | 60,955 |
| Law Enforcement Operations and Administration | - | 1,846,211 | 1,846,211 |
| Total Deductions | 60,955 | 1,846,211 | 1,907,166 |
| Change in Net Position | 37,077 | (794,949) | (757,872) |
| Net Position Restricted for Individuals and Other Governments: | | | |
| Beginning of Year | 591,733 | 2,570,533 | 3,162,266 |
| End of Year | \$ 628,810 | \$ 1,775,584 | \$ 2,404,394 |



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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)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 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 | \$ 199,561,729 |
| Restricted | 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 | 47,982,990 |
| Unrestricted (Deficit) | 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) | 7,472,831 |
| Total Governmental Activities Net Position | \$ 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 | \$ 255,017,550 |
| Business-type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 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 | \$ 57,325,515 |
| 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 | 18,854,029 |
| Unrestricted | 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 | 28,122,116 |
| Total Business-type Activities Net Position | \$ 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 | \$ 104,301,660 |
| Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 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 | \$ 256,887,244 |
| Restricted | 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 | 66,837,019 |
| Unrestricted (Deficit) | 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 | 35,594,947 |
| Total Primary Government Net Position | \$ 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 | \$ 359,319,210 |

TABLE 2
CITY OF CORAL GABLES, FLORIDA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|-----------------|-----------------|------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 23,034,595 | \$ 22,362,962 | \$ 24,813,095 | \$ 26,145,355 | \$ 29,054,080 | \$ 28,533,480 | \$ 25,385,357 | \$ 26,817,022 | \$ 26,641,231 | \$ 32,037,145 |
| Public Safety | 71,806,825 | 69,415,601 | 74,351,854 | 81,742,619 | 91,048,810 | 92,003,748 | 87,849,534 | 85,175,434 | 79,793,865 | 94,152,458 |
| Physical Environment | 17,166,760 | 16,343,967 | 18,909,774 | 19,613,033 | 21,027,085 | 22,721,905 | 22,161,496 | 22,621,461 | 22,629,509 | 28,296,055 |
| Transportation | 4,578,226 | 6,558,044 | 6,328,566 | 5,589,737 | 5,569,666 | 7,436,869 | 8,014,795 | 6,503,069 | 7,622,037 | 8,000,690 |
| Economic Environment | 849,137 | 770,611 | 911,210 | 1,197,659 | 1,320,427 | 1,569,109 | 1,128,135 | 1,133,433 | 1,042,103 | 1,114,250 |
| Culture and Recreation | 9,924,342 | 10,035,755 | 12,878,923 | 16,081,272 | 12,843,307 | 14,005,394 | 12,022,657 | 12,532,519 | 14,303,540 | 18,337,059 |
| Interest on Long-term Debt | 1,487,807 | 1,388,635 | 1,312,000 | 1,251,516 | 2,986,907 | 4,334,138 | 4,109,452 | 3,129,083 | 2,745,113 | 2,949,982 |
| Total Governmental Activities | 128,847,692 | 126,875,575 | 139,505,422 | 151,621,191 | 163,850,282 | 170,604,643 | 160,671,426 | 157,912,021 | 154,777,398 | 184,887,639 |
| Business-type Activities: | | | | | | | | | | |
| Sanitary Sewer System | 5,889,856 | 6,680,895 | 9,242,508 | 9,909,417 | 5,705,103 | 8,400,959 | 10,527,634 | 9,017,040 | 8,340,450 | 10,042,095 |
| Parking System | 5,009,894 | 5,170,070 | 7,117,985 | 7,619,066 | 6,808,995 | 6,341,553 | 6,863,695 | 9,082,571 | 7,276,357 | 8,743,346 |
| Stormwater Utility | 2,320,104 | 2,024,485 | 2,165,850 | 2,304,339 | 2,143,341 | 2,621,146 | 2,574,973 | 3,049,097 | 2,524,970 | 2,716,809 |
| Total Business-type Activities | 13,219,854 | 13,875,450 | 18,526,343 | 19,832,822 | 14,657,439 | 17,363,658 | 19,966,302 | 21,148,708 | 18,141,777 | 21,502,250 |
| Total Expenses | \$ 142,067,546 | \$ 140,751,025 | \$ 158,031,765 | \$ 171,454,013 | \$ 178,507,721 | \$ 187,968,301 | \$ 180,637,728 | \$ 179,060,729 | \$ 172,919,175 | \$ 206,389,889 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$ 20,984,076 | \$ 23,300,256 | \$ 24,430,334 | \$ 22,518,156 | \$ 27,583,112 | \$ 24,807,885 | \$ 26,556,864 | \$ 25,593,849 | \$ 31,983,813 | \$ 34,571,319 |
| Public Safety | 6,400,967 | 6,582,738 | 6,211,081 | 5,621,211 | 7,253,135 | 6,283,122 | 6,040,212 | 8,606,470 | 8,781,804 | 10,413,421 |
| Physical Environment | 9,625,413 | 8,158,310 | 8,472,957 | 9,363,312 | 10,097,196 | 10,119,136 | 10,414,374 | 9,525,662 | 9,665,817 | 9,831,810 |
| Transportation | - | 18,906 | - | - | 1,523,414 | 79,558 | 896,706 | 629,361 | 845,862 | 535,703 |
| Economic Environment | 1,700,000 | 680,000 | 670,000 | 377,000 | 116,000 | 477,000 | 825,000 | 412,000 | - | 51,988 |
| Culture and Recreation | 4,291,802 | 5,070,153 | 5,362,407 | 4,669,719 | 5,884,954 | 5,357,013 | 3,554,334 | 4,719,481 | 7,366,957 | 8,069,149 |
| Operating Grants and Contributions | 487,387 | 87,157 | 184,308 | 5,732 | 370,478 | 10,672,001 | 4,807,189 | 7,661,203 | - | 2,278,296 |
| Capital Grants and Contributions | 9,462,285 | 1,345,958 | 937,955 | 1,135,027 | 3,672,004 | 1,977,766 | 2,518,671 | 3,286,093 | - | 50,578 |
| Total Governmental Activities | 52,951,930 | 45,243,478 | 46,269,042 | 43,690,157 | 56,500,293 | 59,773,481 | 55,613,550 | 60,434,119 | 58,644,253 | 65,802,264 |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Sanitary Sewer System | 8,739,881 | 9,375,348 | 9,429,516 | 9,766,468 | 10,473,689 | 9,979,697 | 10,246,589 | 10,599,800 | 11,847,168 | 12,503,884 |
| Parking System | 11,625,585 | 13,025,045 | 12,982,960 | 12,927,872 | 15,115,800 | 14,949,334 | 11,799,439 | 16,260,749 | 18,505,481 | 18,510,060 |
| Stormwater Utility | 2,930,270 | 3,198,371 | 3,212,526 | 4,222,466 | 4,827,247 | 5,380,272 | 5,749,419 | 6,396,266 | 7,401,510 | 7,772,131 |
| Operating Grants and Contributions | - | - | - | - | - | - | - | - | - | - |
| Capital Grants and Contributions | - | 463,764 | 429,977 | 8,115 | 4,508 | - | - | 137,233 | - | 654,130 |
| Total Business-type Activity | 23,295,736 | 26,062,528 | 26,054,979 | 26,924,921 | 30,421,244 | 30,309,303 | 27,795,447 | 33,394,048 | 37,754,159 | 39,440,205 |
| Total Program Revenue | \$ 76,247,666 | \$ 71,306,006 | \$ 72,324,021 | \$ 70,615,078 | \$ 86,921,537 | \$ 90,082,784 | \$ 83,408,997 | \$ 93,828,167 | \$ 96,398,412 | \$ 105,242,469 |
| Net(Expense) Revenue | | | | | | | | | | |
| Governmental Activities | \$ (75,895,762) | \$ (81,632,097) | \$ (93,236,380) | \$ (107,931,034) | \$ (107,349,989) | \$ (110,831,162) | \$ (105,057,876) | \$ (97,477,902) | \$ (85,121,402) | \$ (119,085,375) |
| Business-type Activities | 10,075,882 | 12,187,078 | 7,528,636 | 7,092,099 | 15,763,805 | 12,945,645 | 7,829,145 | 12,245,340 | 19,660,620 | 17,937,955 |
| Total Net Expense | \$ (65,819,880) | \$ (69,445,019) | \$ (85,707,744) | \$ (100,838,935) | \$ (91,586,184) | \$ (97,885,517) | \$ (97,228,731) | \$ (85,232,562) | \$ (65,460,782) | \$ (101,147,420) |
| General Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Taxes | \$ 65,257,324 | \$ 68,107,835 | \$ 71,447,141 | \$ 76,024,328 | \$ 80,762,149 | \$ 85,466,164 | \$ 90,002,211 | \$ 92,904,533 | \$ 96,338,744 | \$ 107,249,183 |
| Franchise Fees | 6,850,950 | 6,908,438 | 6,859,844 | 7,013,442 | 6,875,265 | 7,199,722 | 6,916,545 | 7,443,140 | 8,669,524 | 9,417,230 |
| Utility Service Taxes | 11,861,648 | 11,986,127 | 11,423,512 | 11,400,580 | 11,831,188 | 11,343,198 | 11,186,658 | 11,360,956 | 11,996,661 | 13,354,827 |
| Other Taxes | 2,908,745 | 3,077,874 | 3,103,387 | 3,201,429 | 3,316,309 | 3,335,445 | 2,948,432 | 3,380,602 | 4,031,580 | 4,348,585 |
| Intergovernmental | 4,735,934 | 5,034,109 | 5,189,453 | 5,269,308 | 5,456,974 | 5,574,931 | 4,973,303 | 5,863,137 | 7,183,224 | 7,661,089 |
| Investment Earnings | 464,999 | 706,665 | 804,623 | 1,088,333 | 2,502,023 | 5,662,887 | 3,737,473 | 267,981 | (1,032,550) | 8,353,893 |
| Gain on Sale of Capital Assets | - | 3,648,411 | - | - | - | 10,400,000 | 1,047,085 | 2,508,635 | - | - |
| Miscellaneous | 284,566 | 254,373 | 390,552 | 1,566,608 | 352,216 | 426,396 | 204,440 | 293,287 | 197,273 | 505,992 |
| Transfers in/out | 7,372,285 | 7,229,879 | 8,086,399 | 8,508,515 | 8,774,568 | 9,045,559 | 5,778,249 | (7,913,011) | 5,304,806 | 9,016,330 |
| Insurance Recoveries | - | - | - | - | - | - | 1,538,961 | 501,316 | 504,185 | - |
| Special Items (Note 21) | - | - | - | - | - | 183,234 | - | - | - | - |
| Total General Revenues, Transfers and Special Items | 99,736,451 | 106,953,711 | 107,304,911 | 114,072,543 | 119,870,692 | 138,637,536 | 128,333,357 | 116,610,576 | 133,193,447 | 159,907,129 |
| Business-type Activities: | | | | | | | | | | |
| Investment Earnings | 73,698 | 94,112 | 119,408 | 95,965 | 86,091 | 525,189 | 400,956 | (10,637) | (1,383,656) | 1,871,334 |
| Gain on Sale of Capital Assets | - | - | - | - | - | - | - | - | 3,489,830 | 3,466,800 |
| Miscellaneous | 125 | - | - | 2,635 | 46,692 | 478 | 616 | 484 | - | - |
| Transfers in/out | (7,372,285) | (7,229,879) | (8,086,399) | (8,508,515) | (8,774,568) | (9,045,559) | (5,778,249) | 7,913,011 | (5,304,806) | (9,016,330) |
| Total Business-type Activities | (7,298,462) | (7,135,767) | (7,966,991) | (8,409,915) | (8,641,785) | (8,519,892) | (5,376,677) | 7,902,858 | (3,198,632) | (3,678,196) |
| Total Primary Government | \$ 92,437,989 | \$ 99,817,944 | \$ 99,337,920 | \$ 105,662,628 | \$ 111,228,907 | \$ 130,117,644 | \$ 122,956,680 | \$ 124,513,434 | \$ 129,994,815 | \$ 156,228,933 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 23,840,689 | \$ 25,321,614 | \$ 14,068,531 | \$ 6,141,509 | \$ 12,520,703 | \$ 27,806,374 | \$ 23,275,481 | \$ 19,132,674 | \$ 48,072,045 | \$ 40,821,754 |
| Business-type Activities | 2,777,420 | 5,051,311 | (438,355) | (1,317,816) | 7,122,020 | 4,425,753 | 2,452,468 | 20,148,198 | 16,461,988 | 14,259,759 |
| Total Change in Net Position | \$ 26,618,109 | \$ 30,372,925 | \$ 13,630,176 | \$ 4,823,693 | \$ 19,642,723 | \$ 32,232,127 | \$ 25,727,949 | \$ 39,280,872 | \$ 64,534,033 | \$ 55,081,513 |

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 36,678 | \$ 40,866 | \$ 75,288 | \$ 184,327 | \$ 64,344 | \$ 188,512 | \$ 127,078 | \$ 76,345 | \$ 54,871 | \$ 17,996 |
| Restricted | 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 | 31,299,502 |
| Assigned | 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 | 18,198,775 |
| Unassigned | 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 | 54,781,750 |
| Total General Fund | \$ 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 | \$ 104,298,023 |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ - | \$ 169,982 | \$ 23,223 | \$ - | \$ - | \$ 73,402 | \$ 75,880 | \$ 68,172 | \$ - | \$ - |
| Restricted | 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 | 10,720,292 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | 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 | 71,760,307 |
| Unassigned | (3,635) | (51,511) | (394,834) | (153,391) | (772,835) | (181,762) | (179,662) | (83,734) | (26,799) | (26,409) |
| Total All Other Governmental Funds | \$ 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 | \$ 82,454,190 |

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------------|----------------------|----------------------|------------------------|----------------------|-----------------------|------------------------|-----------------------|----------------------|----------------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 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 | \$ 134,369,825 |
| Licenses | 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 | 3,715,034 |
| Permits | 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 | 19,918,933 |
| Fines and Forfeitures | 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 | 1,255,386 |
| Intergovernmental | 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 | 9,614,469 |
| Charges for Services | 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 | 21,492,407 |
| Recreation Activity Fees | 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 | 7,210,222 |
| Rental Income | 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 | 5,875,591 |
| Investment Earnings | 464,999 | 706,665 | 804,623 | 1,088,333 | 2,502,023 | 5,662,885 | 3,737,473 | 267,981 | (1,032,550) | 8,353,893 |
| Special Assessments | 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 | 5,719,931 |
| Contributions and Donations | 185,045 | 58,292 | 70,500 | 81,250 | 2,959,000 | 242,515 | 502,875 | 2,500,491 | 185,663 | 81,586 |
| Miscellaneous | 284,566 | 254,373 | 390,552 | 1,566,609 | 352,216 | 315,194 | 206,305 | 293,287 | 197,273 | 505,992 |
| Total Revenues | 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 | 218,113,269 |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 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 | 27,777,112 |
| Public Safety | 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 | 98,600,388 |
| Physical Environment | 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 | 29,060,826 |
| Transportation | 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 | 8,529,968 |
| Economic Environment | 851,438 | 821,259 | 947,119 | 1,248,157 | 1,395,448 | 1,543,305 | 1,199,630 | 1,240,933 | 1,256,162 | 1,206,322 |
| Culture and Recreation | 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 | 17,966,116 |
| Debt Service: | | | | | | | | | | |
| Retirement of Principal | 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 | 7,100,103 |
| Interest and Other Charges | 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 | 3,706,680 |
| Bond Issuance Cost | - | - | - | - | 1,164,882 | - | - | 353,924 | - | 132,018 |
| Capital outlay | 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 | 6,965,304 |
| Total Expenditures | 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 | 200,912,819 |
| Excess (deficiency) of Revenues Over Expenditures | 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 | 17,200,450 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Special Revenue Bond Issued | - | 6,500,000 | 22,005,000 | - | 48,015,000 | - | - | - | - | - |
| Lease Liabilities Issued | - | - | - | - | - | - | - | - | 565,217 | - |
| Premium on Special Revenue Bonds Issued | - | - | 1,788,626 | - | 2,362,809 | - | - | - | - | - |
| 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 Finance Purchase | 284,022 | - | - | 261,580 | 177,056 | - | - | - | - | 216,507 |
| Refunding Bond Issued | - | - | - | - | 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 | - | - | - | - | - | - | - | (14,182,400) | (18,995,883) | - |
| Principal Repymt.-Current Bond Refunding | - | - | - | - | - | - | - | - | - | - |
| Transfers In | 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 | 49,553,657 |
| Transfers Out | (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) | (37,586,086) |
| Total Other Financing Sources (Uses) | 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 | 12,184,078 |
| Special Items (Note 21) | - | - | - | - | - | 183,234 | - | - | - | - |
| Net Change In Fund Balances | \$ 17,077,069 | \$ 17,079,490 | \$ 11,844,911 | \$ (14,158,393) | \$ 50,926,628 | \$ (5,522,789) | \$ (21,958,721) | \$ (1,468,421) | \$ 17,458,371 | \$ 29,384,528 |
| Debt service as a percentage of noncapital expenditures | 3.80% | 3.71% | 3.95% | 3.89% | 19.34% | 5.67% | 5.34% | 5.02% | 4.45% | 5.57% |

**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% |
| 2023 | 110,823,382 | 107,015,615 | 96.56% | 233,568 | 107,249,183 | 96.77% |

**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 | | |
| 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 |
| 2023 | 19,743,728,759 | 357,280,828 | 20,101,009,587 | 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 | |
| 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 | 0.2892 | 18.8156 |
| 2023 | 5.559 | 0.000 | 5.559 | 5.8867 | 6.589 | 0.2621 | 18.2968 |

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 2023 | | | FISCAL YEAR ENDED 2014 | | |
|------------------------------------|------------------------|------|---|------------------------|------|---|
| | TAXABLE ASSESSED VALUE | RANK | PERCENTAGE OF TOTAL CITY TAXABLE VALUE \$20,101,009,587 | TAXABLE ASSESSED VALUE | RANK | PERCENTAGE OF TOTAL CITY TAXABLE VALUE \$12,280,770,590 |
| 251 S Dixie LLC | \$ 231,757,068 | 1 | 1.15% | \$ - | | |
| Agave Plaza Trustee LLC | 205,179,025 | 2 | 1.02% | | | |
| City of Coral Gables | 177,411,444 | 3 | 0.88% | 69,572,014 | 3 | 0.57% |
| Merrick Park LLC | 169,784,269 | 4 | 0.84% | 137,581,665 | 1 | 1.12% |
| 1305 S Dixie LLC | 97,397,580 | 5 | 0.48% | | | |
| LG Coral Gables LLC | 95,258,097 | 6 | 0.47% | | | |
| Prisa Ponce De Leon LLC | 89,195,018 | 7 | 0.44% | 67,872,110 | 4 | 0.55% |
| Banyan ST GAP Douglas Ent. Own LLC | 86,070,000 | 8 | 0.43% | | | |
| Florida Power & Light Co. | 81,752,882 | 9 | 0.41% | | | |
| DGE Alhambra Circle LLC | 80,900,000 | 10 | 0.40% | | | |
| Wilmington Trust Co Trustee Fo | | | | 77,000,000 | 2 | 0.63% |
| South Florida Equities REIT IN | | | | 56,677,290 | 5 | 0.46% |
| Ponte Gadea Gables LLC | | | | 55,423,103 | 6 | 0.45% |
| CPT 355 Alhambra Circle LLC | | | | 52,000,000 | 7 | 0.42% |
| Miguel B Fernandez TRS | | | | 51,076,441 | 8 | 0.42% |
| 396 Alhambra LLC | | | | 49,400,000 | 9 | 0.40% |
| The Collection Properties LLC | | | | 48,966,020 | 10 | 0.40% |
| Totals | \$ 1,314,705,383 | | 6.54% | \$ 665,568,643 | | 5.42% |

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

Taxable Assessed Value provided by: Miami Dade Property Appraiser

**TABLE 9
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 |
|-------------------|----------------------------|-----------------|--------------------------|-------------|-------------|
| 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 |
| 2023 | 107,249 | 9,417 | 13,354 | 4,348 | 134,368 |

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

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/ LEASES | SPECIAL OBLIGATION BONDS | OTHER OBLIGATIONS/ LEASES | | | |
| 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 | 101,960,636 | - | 24,336,504 | - | 126,297,140 | 3474% | 2,488.52 |
| 2023 | 95,550,483 | 4,853,602 | 22,497,455 | - | 122,901,540 | 3254% | 2,465.38 |

* 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 FUND EXPENDITURES | DEBT SERVICE AS PERCENTAGE OF TOTAL GENERAL EXPENDITURES |
|-------------------|-----------|----------|--------------------|---------------------------------|--|
| 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% |
| 2023 | - | - | - | 174,625 | 0% |

TABLE 12
CITY OF CORAL GABLES, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
SEPTEMBER 30, 2023
(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 | \$ 100,404 | 100.0% | \$ 100,404 |
| Total direct debt | | | <u>\$ 100,404</u> |
| Miami-Dade County, Florida | \$ 2,318,944 | 5.28% | \$ 122,386 |
| Total overlapping debt | | | <u>\$ 122,386</u> |
| Total direct debt and overlapping debt | | | <u><u>\$ 222,790</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) | (1)-(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 | Test Results |
| 2023 | \$ 110,864,086 | \$ 11,021,052 | \$ 750,422 | \$ 11,771,474 | \$ 23,542,948 | \$ 87,321,138 |
| 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 |

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 |
|-------------------------|-------------------|---------------------------|--------------------------------|----------------------|-----------------------------|-----------------------------|
| 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% |
| 2023 | 49,851 | 3,658,013 | 72,674 | 39.9 | 14,504 | 1.3% |

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

Fiscal Year Ended September 30, 2023

| <u>Employers</u> | <u>2023</u> | | | <u>2014</u> | | |
|---------------------------------------|------------------|-------------|---------------------------------------|------------------|-------------|---------------------------------------|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> |
| University of Miami * | 4,805 | 1 | 27.63% | 14,025 | 1 | 66.96% |
| Baptist Health South Florida* | 4,445 | 2 | 25.56% | 1,094 | 3 | 5.22% |
| Mastec | 1,053 | 3 | 6.05% | NA | | - |
| City of Coral Gables | 1,106 | 4 | 6.36% | 800 | 5 | 3.82% |
| Dade Country Public Schools | 983 | 5 | 5.65% | 534 | 8 | 2.55% |
| Doctors Hospital Inc. | 924 | 6 | 5.31% | 1,001 | 4 | 4.78% |
| Care Plus Health Plans Inc. | 693 | 7 | 3.98% | NA | | - |
| Steward CGH, Inc. | 555 | 8 | 3.19% | NA | | - |
| B & B Holding Enterprises | 547 | 9 | 3.15% | NA | | - |
| International Business Machines Corp. | 538 | 10 | 3.09% | NA | | - |
| Bayview Asset Management | 459 | | 2.64% | 1,600 | 2 | 7.64% |
| The Biltmore Hotel | 394 | | 2.27% | 657 | 6 | 3.14% |
| Bacardi | 354 | | 2.04% | 325 | 9 | 1.55% |
| The Collection | 282 | | 1.62% | 310 | 10 | 1.48% |
| Gables Engineering, Inc. | 253 | | 1.45% | NA | | - |
| Coral Gables Hospital | | | | 600 | 7 | 2.86% |
| Total | <u>17,391</u> | | <u>100.00%</u> | <u>20,946</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 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| City Commission | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| City Attorney | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 7 |
| City Clerk | 5 | 7 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| City Manager | 11 | 9 | 10 | 10 | 11 | 11 | 11 | 11 | 12 | 12 |
| Human Resources | 10 | 11 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Labor Relations & Risk Mgmt. | 0 | 0 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Development Services | 64 | 63 | 62 | 62 | 62 | 62 | 62 | 62 | 60 | 62 |
| Historic Resources | 4 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Public Works | 204 | 204 | 193 | 194 | 195 | 195 | 203 | 203 | 199 | 202 |
| Automotive | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Finance | 34 | 32 | 30 | 30 | 27 | 28 | 27 | 27 | 26 | 28 |
| Information Technology | 15 | 16 | 16 | 16 | 17 | 19 | 19 | 19 | 19 | 20 |
| Police | 263 | 262 | 266 | 266 | 272 | 272 | 275 | 275 | 275 | 283 |
| Fire | 147 | 147 | 147 | 147 | 147 | 147 | 147 | 147 | 148 | 155 |
| Community Services | 26 | 28 | 31 | 31 | 32 | 32 | 32 | 32 | 40 | 41 |
| Economic & Cultural Dev. | 5 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 |
| Nondepartmental | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parking | 0 | 0 | 29 | 30 | 28 | 28 | 28 | 28 | 30 | 30 |
| Total | 800 | 801 | 829 | 831 | 837 | 840 | 850 | 850 | 855 | 880 |

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 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Physical Arrests | 935 | 876 | 789 | 776 | 770 | 778 | 552 | 489 | 536 | 578 |
| Traffic Violations | 23,785 | 19,917 | 22,084 | 25,497 | 31,951 | 37,754 | 18,827 | 24,301 | 28,620 | 28,899 |
| Parking Violations | 100,674 | 100,808 | 90,634 | 74,207 | 79,185 | 98,149 | 63,211 | 77,176 | 76,675 | 66,164 |
| Fire: | | | | | | | | | | |
| Emergency Response | 7,721 | 7,886 | 8,044 | 8,605 | 8,063 | 8,372 | 7,687 | 7,755 | 8,485 | 8,570 |
| Fire Inspections Conducted | 10,769 | 10,549 | 10,478 | 9,319 | 10,649 | 11,302 | 7,962 | 8,045 | 8,081 | 8,133 |
| 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 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 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 | 3,533 | 3,533 | 3,533 | 3,515 | 3,513 | 3,513 | 3,513 | 3,513 | 3,513 | 3,513 |
| City owned streetlights | 636 | 636 | 636 | 643 | 643 | 643 | 643 | 643 | 643 | 643 |
| Public Safety: | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 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 | 1,006 | 1,007 | 1,008 | 1,008 |
| Recreation centers | 1 | 1 | 2 | 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 | 1,261 | 1,262 | 1,263 | 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



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