

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

Fiscal Year Ended September 30, 2023

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RSM US LLP

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards**

**Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, and have issued our report thereon dated May 31, 2024. Our report includes a reference to other auditors who audited the financial statements of the City of Coral Gables Retirement Fund, Police Officers' Pension Fund and Firefighters' Pension Fund, as described in our report on the City's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the City of Coral Gables Retirement Fund were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the City of Coral Gables Retirement Fund. Our report also included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption of this statement resulted in the restatement of the financial statements as of October 1, 2022. Our opinions were not modified with respect to this matter.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM US LLP*

Coral Gables, Florida  
May 31, 2024



RSM US LLP

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

**Independent Auditor's Report**

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

**Report on Compliance for the Major Federal Program and Major State Financial Assistance Project**

***Opinion on the Major Federal Program and Major State Financial Assistance Project***

We have audited City of Coral Gables, Florida's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the State of Florida's *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on the City's major federal program and major state financial assistance project for the year ended September 30, 2023. The City's major federal program and major state financial assistance project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program and major state financial assistance project for the year ended September 30, 2023.

***Basis for Opinion on the Major Federal Program and Major State Financial Assistance Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Florida Chapter 10.550, *Rules of the Auditor General* (Chapter 10.550). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program and major state financial assistance project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of State Financial Assistance Required by Chapter 10.550**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated May 31, 2024, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the City of Coral Gables Retirement Fund, Police Officers' Pension Fund and Firefighters' Pension Fund. Our report also included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption of this statement resulted in the restatement of the financial statements as of October 1, 2022. Our opinions were not modified with respect to this matter. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*RSM US LLP*

Coral Gables, Florida  
May 31, 2024

City of Coral Gables, Florida

Schedule of Expenditures of Federal Awards  
Fiscal Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	ALN Number	Contract Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Executive Office of the President</b>				
Direct:				
High Intensity Drug Trafficking Areas (HIDTA)	95.001	G20MI0001A, G21, G22 & G23 HIDTA	not applicable	\$ 736,451
<b>U.S. Department of Justice</b>				
Direct:				
Equitable Sharing Program	16.922	None	not applicable	438,729
Body Worn Camera Policy and Implementation	16.835	15PBJA-21-GG-04446-BWCX	not applicable	297,550
<b>Total U.S. Department of Justice</b>				<u>736,279</u>
<b>U.S. Department of Treasury</b>				
Direct:				
Equitable Sharing Program				
South Florida Money Laundering Strike Force	21.000	None	not applicable	334,217
<b>U.S. Department of Homeland Security</b>				
Pass-through Florida Division of Emergency Management:				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	none	072238686	279,462
Homeland Security Grant Program	97.067	EMW-2021-SS-00049	072238686	173,724
<b>Total U.S. Department of Homeland Security</b>				<u>453,186</u>
<b>U.S. Department of Energy</b>				
Pass-through Advanced Research Projects Agency – Energy				
Traffic Technology Services, Inc.	81.000	ARPA-E DE-AR0001565	not applicable	30,000
<b>Total Expenditures of Federal Awards</b>				<u>\$ 2,290,133</u>

See Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.



City of Coral Gables, Florida

Schedule of State Financial Assistance  
 Fiscal Year Ended September 30, 2023

State Grantor/Pass-Through Grantor/Project Title	CSFA Number	Contract Number	State Expenditures
<b>Florida Department of Transportation</b> Public Transit Service Development Program	55.012	G1Z36, G1Z37, G1Z38 & G1Z39	\$ 232,080
<b>Florida Department of State and Secretary of State</b> Specific Cultural Projects	45.062	24.cpr.105.600	6,250
<b>Florida Department of Environmental Protection</b> Statewide Water Quality Restoration Projects	37.039	LPA0156, 15DA2 & LPA0270	654,130
<b>Total Expenditures of State Financial Assistance</b>			\$ 892,460

See Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

**City of Coral Gables, Florida**

**Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance**

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**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance (the Schedules) includes the federal and state award activity of the City of Coral Gables, Florida (the City) under programs of the federal and state government for the year ended September 30, 2023. The information in the Schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General* of the State of Florida (Chapter 10.550). Because the Schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in fund balance/net position or cash flows of the City.

**Note 2. Summary of Significant Accounting Policies**

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

**Note 3. Disaster Grants – Public Assistance**

Expenditures reported in the Schedule for ALN #97.036, Disaster Grants – Public Assistance, include \$279,462 of expenditures incurred by the City in prior years and was awarded during the year ended September 30, 2023.

**Note 4. Indirect Cost Rate**

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

**Note 5. Subrecipient Awards**

The City did not make subawards of federal awards or state financial assistance during the year ended September 30, 2023.

**City of Coral Gables, Florida**

**Schedule of Findings and Questioned Costs  
Fiscal Year Ended September 30, 2023**

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**Section I – Summary of Auditor's Results**

**Financial Statements**

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

Unmodified

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**Internal control over financial reporting:**

Material weakness(es) identified?	<u>          </u> Yes	<u>      X      </u> No
Significant deficiency(ies) identified?	<u>          </u> Yes	<u>      X      </u> None Reported
Noncompliance material to financial statements noted?	<u>          </u> Yes	<u>      X      </u> No

**Federal Awards**

Internal control over major federal program:

Material weakness(es) identified?	<u>          </u> Yes	<u>      X      </u> No
Significant deficiency(ies) identified?	<u>          </u> Yes	<u>      X      </u> None Reported

**Type of auditor's report issued on compliance for major federal program:**

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?

Unmodified

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           Yes                            X       No

**Identification of major federal program:**

Assistance Listing Numbers

Name of Federal Program or Cluster

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95.001

High Intensity Drug Trafficking Areas (HIDTA)

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

      X       Yes                                 No

Continued

**City of Coral Gables, Florida**

**Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended September 30, 2023**

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**State Financial Assistance Projects**

Internal control over major state project:

Material weakness(es) identified?	_____ Yes	_____ X _____ No
Significant deficiency(ies) identified?	_____ Yes	_____ X _____ None Reported

**Type of auditor's report issued on compliance for major state project:**

	_____ Unmodified _____
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the Auditor General</i> ?	_____ Yes _____ X _____ No

**Identification of major state project:**

CSFA Number	Name of State Program or Project
37.039	Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between type A and type B projects:

\$ 300,000

**II – Financial Statement Findings**

None reported.

**III – Federal Awards and State Projects Findings and Questioned Costs**

None reported.

**IV – Summary of Prior Year Audit Findings**

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