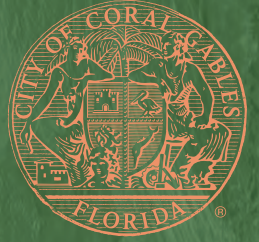


City of Coral Gables, Florida

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2021



*A World-Class City
With A Home-Town Feel*

**CORAL
GABLES**
THE CITY BEAUTIFUL

ON THE COVER:

Public Safety Building – The home of Police, Fire, Emergency Management, 911/Dispatch, Community Intelligence Center, Information Technology, Human Resources and Labor Relations

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

CITY OF CORAL GABLES, FLORIDA

For the
FISCAL YEAR ENDED
September 30, 2021



"The City Beautiful"

Prepared by
FINANCE DEPARTMENT

CITY OF CORAL GABLES, FLORIDA

COMMISSION - MANAGER FORM OF GOVERNMENT

CITY COMMISSION

VINCE C. LAGO, *MAYOR*

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

JORGE L. FORS, JR. *Commissioner*
KIRK R. MENENDEZ, *Commissioner*

CITY MANAGER

PETER J. IGLESIAS, P.E

FINANCE DIRECTOR

DIANA M. GOMEZ, C.P.A.

ASSISTANT FINANCE DIRECTOR FOR REPORTING AND OPERATIONS

SALLY OLA OLA, C.P.A

Introductory Section

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GFOA CERTIFICATE OF ACHIEVEMENT

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LIST OF PRINCIPAL OFFICIALS



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The City of Coral Gables

Finance Department

405 BILTMORE WAY
CORAL GABLES, FLORIDA 33134

March 31, 2022

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

Mayor, Commissioners and City Manager:

We are pleased to present the Annual Comprehensive Financial Report of the City of Coral Gables, Florida (the "City") for the fiscal year ended September 30, 2021, pursuant to Florida state law. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB") and audited by independent certified public accountants, RSM US LLP, retained by the City and paid from its public funds. The independent auditor has issued an unmodified opinion that the financial statements fairly present the financial position of the City and comply with applicable reporting standards.

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

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

PROFILE OF THE CITY

The City has a residential population of approximately 50,693 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 17,000 students and employs approximately 15,100 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 NBCMiami.com., the City of Coral Gables ranks as the 4th best place to live in South Florida in 2021. The factors taken into consideration “include cost of living, property values, job opportunities, night life, cultural and ethnic diversity, crime rates, climate, accessibility to other areas, and access to things like education, recreation and other forms of well-being.”

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 was selected as a 2020 Smart 50 Award recipient by Smart Cities Connect, US Ignite, and the Smart Cities Connect Foundation. Coral Gables is among a selected list of global cities with municipal-scale Smart City projects that “exemplify innovation and concrete influence” in the community. The City was selected for its urban infrastructure project of establishing Coral Gables Smart Districts that include pedestrian and vehicle count sensors, waterway sensors, 3D mapping of City buildings and monuments, a Community Intelligence Center, among other smart and connected urban infrastructure and public platform initiatives.

City of Coral Gables Chief Innovation Officer / Director of Information Technology was selected as a winner in the 2021 Digital Disruptors Globant Awards, in the Transformation Catalyst category. Per the award organization: *“This global award aims to recognize those individuals that stand out and go the extra mile in order to guarantee their companies stay at the frontline of the digital revolution. They drive change within their organizations, motivating their peers to reinvent themselves, encouraging a culture of innovation and challenging the status quo.”* *“The Transformation Catalyst award category recognizes those who carry out a business transformation that impacts every aspect of the organization.”*

Coral Gables has been named a "Tree City USA" for 36 consecutive years. To live up to this title, the City joined the Fairchild Tropical Botanic Garden in launching the “Million Orchid Project” with the goal of reintroducing a total of one million orchids across Miami-Dade County; of which 250,000 will be planted throughout the City. The City budgets \$30,000 annually for the next four years towards the project. In addition, to preserve the City’s lush tree canopy, a \$4.5 million Tree Succession Plan has been adopted and implemented with

the ongoing goal of replacing diseased trees as well as adding over 3,000 new trees and palms citywide. The City is also in the process of replacing the 1,000 city trees lost in Hurricane Irma. Lastly, the City has five certified arborists on staff who lead in managing the overall health and protection of about 39,000 trees planted on City property and rights-of-way.

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

For twelve 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 2020-2021, taxable values are the highest in the history of the City at \$17.4 billion (based on January 2020 taxable values) which represents a 4% increase over the previous tax year of \$16.8 billion (based on January 2019 taxable values) generating an increase in property tax revenue of approximately \$2.7 million. For fiscal year 2020-2021, the property tax rate was 5.559 which is the sixth consecutive year the City maintained the same millage rate.

The City Commission adopted an annual budget for fiscal year 2020-2021 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 2020-2021 budget provided for additional funds towards the capital improvement program totaling \$25.4 million. Highlights include replacement of capital equipment of \$1.1 million, facility repairs and improvements of \$1.6 million, historic facility repairs and restorations of \$2.7 million, motor pool equipment replacement of \$2.9 million, parking system repairs and improvements of \$4.9 million, parks and recreation amenity improvements of \$1.4 million, public safety improvements of \$790K, transportation and roadway improvements of \$1.6 million and utility repairs and improvements of \$8.4 million.

As COVID-19 negatively impacted the health and livelihood of many Coral Gables residents, it also affected the City’s financial resources. Major revenue streams such as recreation fees, parking fees and citations, building services, passport processing fees, and all revenue directly related to sales tax collections, have decreased. However, starting toward the end of March 2021 revenues have been rebounding on a fairly upward trend, signaling a hopeful near end to the economic downturn.

For fiscal year 2020-2021, a revenue shortfall was projected at approximately \$12.6 million and the budget balanced with a combination of operating and capital reductions. Additionally, the City identified another \$7 million in soft reductions that remain funded but are held in a holding code until budgeted revenue performance can be confirmed. This innovative two-layer approach addresses the many unknowns related to the impact of

the pandemic. More specifically, staff balanced the budget using conservative revenue projections based on immediately experienced revenue trends and identified certain actual reductions to the expense and capital budgets to balance the budget with projected revenue; and a second layer of items identified in the budget to be scheduled for reductions/elimination only if adopted revenues under-perform. These reductions were implemented without major effects to resident services.

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 2021. The City has met the reserve requirement of \$46.71 million as of September 30, 2021. However, approximately \$1.62 million of reserve has been used to cover Hurricane Irma expenditures and is expected to be reimbursable from Federal Emergency Management Agency (FEMA), the State of Florida, and insurance proceeds. The City's required share of expenditures has already been funded with available resources.

Under the oversight of the City Manager's Office, the City's new Public Safety Building, was completed in fiscal year 2021. The building is 190,000 sq. ft., which includes 120,000 sq. ft. for the office building and 70,000 sq. ft. for the 163-space secured parking garage. This building will function as the City's Police Headquarters and Administration Department, 911 Call Center and First Responders Dispatch Center, EOC Command and Operations, Fire Station 1, and IT Department.

The renovation of Fire Station 2 as well as the new construction of the adjacent two-story Trolley Maintenance Facility were completed in fiscal year 2020. In addition to the renovations of the existing facility, a new 11,860 sq. ft. two-story building was completed to include four additional bays on the ground floor for fire trucks, training rooms and a gym for firefighters on the second floor, and a new rescue training tower. The project also includes a 12,600 sq. ft., eight-bay Trolley Maintenance Building to service the trolley fleet with corresponding administrative and support offices.

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 \$5.02 million to the Coral Gables Retirement System in October 2020 which was applied towards the unfunded liability. The City has contributed a total of \$22.11 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. With the City's available fund balance, the staff was able to fund approximately \$18.25 million of emergency preparedness, clean-up and restoration costs brought about by Hurricane Irma while maintaining stable and fully funded current operations.

The City Commission adopted an annual budget for fiscal year 2021-2022 and a 5-year capital plan which chart out a deliberate and measurable response to the fiscal challenges caused by COVID-19 pandemic while continuing its path to world class excellence that support the steadfast implementation of the City's sound financial policies.

The fiscal year 2021-2022 budget provides for additional funds towards the capital improvement program totaling \$84.7 million. Highlights include replacement of capital equipment of \$4.4 million, facility repairs and improvements of \$2.3 million, historic facility repairs and restorations of \$3.7 million, motor pool equipment replacement of \$3.4 million, parking garage (mobility hub) construction of \$44.3 million, parks and recreation amenity improvements of \$9.6 million, public safety improvements of \$3.4 million, transportation and roadway improvements of \$4.6 million and utility repairs and improvements of \$9.1 million.

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

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

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

The City is proud to have the largest municipal fleet of electric vehicles (EV) in the State of Florida. The City currently has 65 electric vehicles with a goal of adding 13 more by the end of calendar year 2021.

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

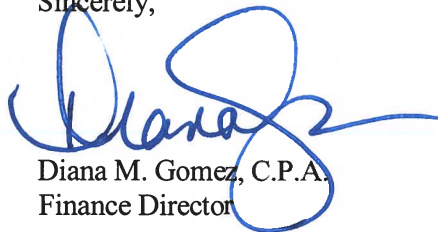
Independent Audit. The City Charter and State Statutes require an annual audit. The accounting firm of RSM US LLP was appointed by the City Commission. The Audit engagement requires the independent auditor to report on the fair presentation of the financial statements and on the City's internal controls 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, 2020. This was the thirty seventh consecutive year that the City has received this award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Coral Gables
Florida**

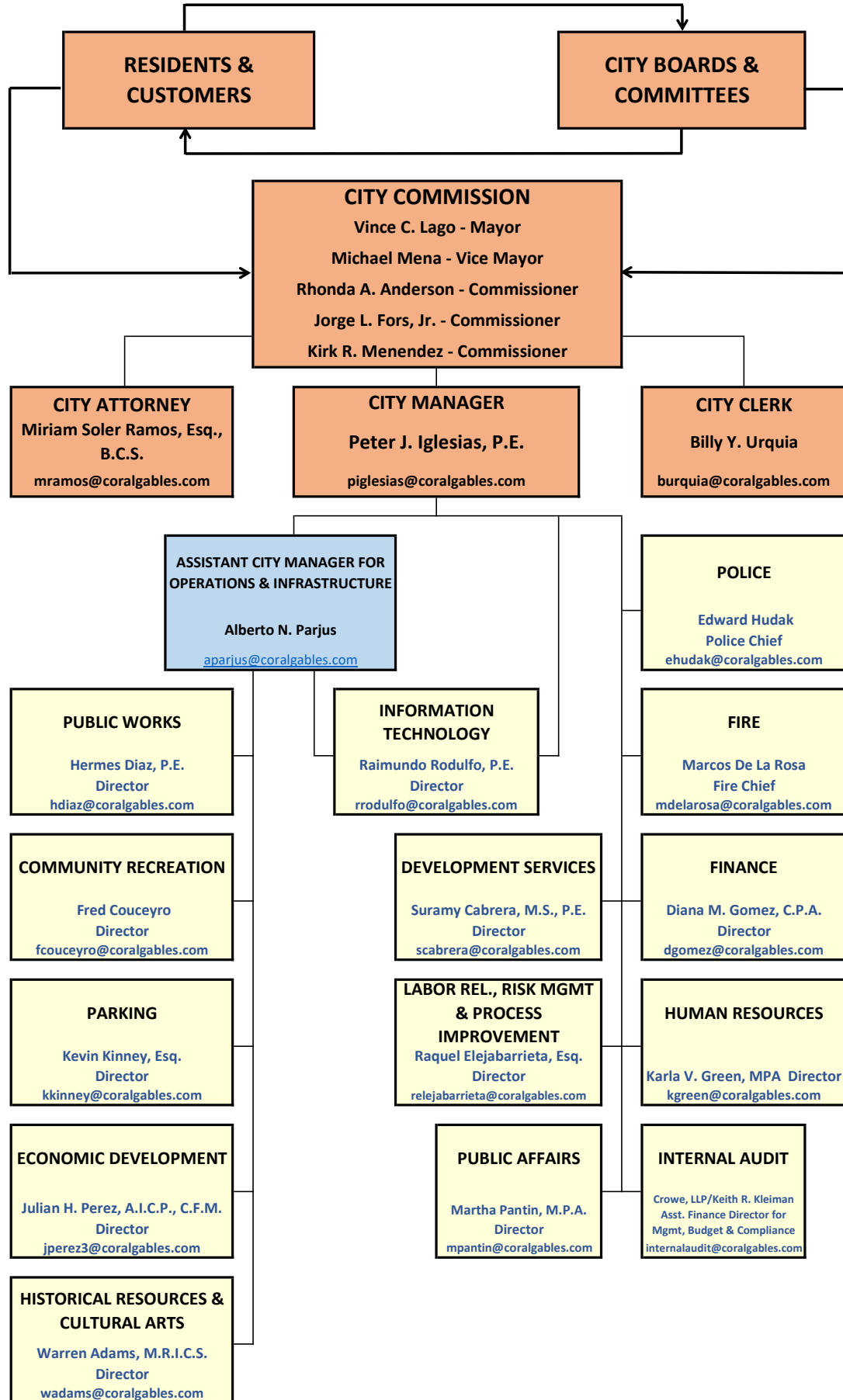
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

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



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



VINCE C. LAGO
MAYOR



MICHAEL MENA
VICE MAYOR



JORGE L. FORS, JR.
COMMISSIONER



RHONDA ANDERSON
COMMISSIONER



KIRK R. MENENDEZ
COMMISSIONER



BILLY Y. URQUIA
CITY CLERK



PETER J. IGLESIAS
CITY MANAGER



MIRIAM SOLER RAMOS
CITY ATTORNEY

ALBERTO N. PARJUS
ASSISTANT CITY MANAGER

DEPARTMENT DIRECTORS

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



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RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Coral Gables Retirement Fund and Police Officers' Pension Fund, which represent 87% of the total assets/deferred outflows of resources and 75% of the total revenues/additions of the aggregate remaining fund information. 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 City of Coral Gables Retirement Fund and Police Officers' Pension Fund, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coral Gables, Florida, as of September 30, 2021, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The beginning net position of the aggregate remaining fund information as of October 1, 2020, have been restated. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the general fund, and other post-employment benefits and pension related schedules be presented to supplement the basic financial statements. Such information, 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.

Other 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 introductory section, the combining individual fund statements and schedules, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining individual fund statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Miami, Florida
March 31, 2022

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, 2021. 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 2021 by \$236.22 million (net position). Of this amount, unrestricted net position is a deficit of \$33.83 million which decreased by \$16.55 million when compared to prior year mainly due to the positive change in net position of \$39.28 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 \$139.91 million, a decrease of \$1.47 million in comparison with the prior year. General Fund’s unassigned fund balance was \$45.09 million or approximately 32.23% of the City’s total governmental funds combined fund balances. The City’s formal policy of unassigned fund balance set the amount at 25% of the City’s operating budget plus debt service requirement of fiscal year 2022 which is approximately \$46.71 million. The City met the unassigned fund balance policy, however, \$1.62 million was used to fund Hurricane Irma recovery efforts and yet to be reimbursed from FEMA and State of Florida.
- At the end of the current year, the total of the committed, assigned, and unassigned components of fund balances for the general fund which includes the aforementioned 25% reserve, was \$64.68 million or 43.15% of the total general fund expenditures and is available for future spending.
- The City has no general obligation debt outstanding.
- The 2020-2021 annual principal and semi-annual interest payments on loans from the Sunshine State Governmental Financing Commission are 100% funded from the non-ad valorem revenues of the General Fund; and operating revenues of the Parking System Fund, Sanitary Sewer System Fund; and the Stormwater Utility Fund.
- During fiscal year 2021, the construction of the new Public Safety Building (the “PSB”) was completed. The new PSB houses the City’s Police and Fire administration and headquarters, 911 Call Center and First Responders Dispatch Center, Emergency Operation Center, Fire Station, and administrative offices. The total project cost was approximately \$68 million and located on an assemblage of two city owned sites and newly owned site acquired through a purchase and sale agreement.

- To finance the cost of the PSB Project, the City issued Capital Improvement Revenue Bonds Series 2018A with total principal and premium amount of \$50.4 million. The 2018A Bonds are secured by a covenant to budget and appropriate from legally available non ad valorem revenue. Developer Fees, Impact Fees, Miami-Dade County GOB funds and General Capital Improvement Funds covered the remainder of the construction costs on this project.
- During fiscal year 2021, the City issued Capital Improvement and Refunding Bonds Series 2021A and Series 2021B in the total combined amount of \$32.31 million principal and \$3.63 million in premium. The refunding bonds refunded several direct borrowings from Sunshine State Governmental Financing Commission with total outstanding balance of \$21.70 million. The capital improvement revenue bond proceeds of \$14.43 million is to finance the cost of certain capital improvements related to the City’s sewer system.
- The outbreak of COVID-19 in March 2020 significantly impacted the economic activity in the U.S. It negatively affected the City’s revenue streams such as state revenue sharing and sales tax; parking fees; recreation fees, and permit fees. Approximately \$12.6 million of revenue shortfall was projected for fiscal year 2021. To address the shortfall in revenues, the City implemented budget cut initiatives such as: hiring freeze except for sworn police and fire ranks, communication operators and essential parks recreation staff; non-essential operating expenditures were restricted to a minimum. More detailed analysis of the financial impact of COVID-19 to the City is included in the analysis of each fund that follows.
- As part of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), the Miami-Dade County (“County”) and the City executed an interlocal agreement in August 2020 for the City as sub-recipient of the Coronavirus Relief Fund. As of September 30, 2021, the County approved approximately \$5.09 million of grant funding and \$5.02 million was incurred by the City on personnel costs, telework improvement, disinfection, personal protective equipment, and social distancing measures. The City received \$5.02 million as reimbursement from the County as of end of fiscal year 2021.
- As part of the American Rescue Plan Act of 2021 (“ARPA”), the City’s local funding allocation was \$8.52 million, of which \$4.26 million was received by the City in June 2021. As of September 30, 2021, the City has yet to spend the funds received and the amount was reported as unearned revenue in the general fund financial statement and government-wide financial statements.
- As of September 30, 2021, FEMA and State of Florida approved and obligated project worksheets amounted to approximately \$18.25 million of the City’s eligible expenditures related to Hurricane Irma recovery efforts. Of this amount, approximately \$16.16 million has been incurred by the City as of September 30, 2021 and \$14.40 million was received by the City from FEMA and State of Florida. In addition, the City received a total of \$2.60 million from insurance company and \$1.76 million was applied against damages incurred on city property covered by insurance. The City funded the hurricane related expenditures from the unassigned fund balance of the General 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 96 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 106 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, 2021, the City’s total net position increased by \$39.28 million when compared to prior year which indicates that the City’s overall financial position has continued to improve.

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

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 218.17	\$ 222.18	\$ 65.53	\$ 32.71	\$ 283.70	\$ 254.89
Capital assets	296.78	303.44	44.55	42.16	341.33	345.60
Total Assets	514.95	525.62	110.08	74.87	625.03	600.49
Total Deferred Outflows of Resource	37.43	40.38	1.51	1.30	38.94	41.68
Current liabilities	33.56	32.12	3.10	3.23	36.66	35.35
Noncurrent liabilities	341.93	378.29	34.30	19.13	376.23	397.42
Total Liabilities	375.49	410.41	37.40	22.36	412.89	432.77
Total Deferred Inflows of Resource	14.25	12.08	0.61	0.38	14.86	12.46
Net Position:						
Net Investment in capital assets	188.48	177.29	34.81	29.98	223.29	207.27
Restricted	35.81	32.05	10.95	8.00	46.76	40.05
Unrestricted (Deficit)	(61.65)	(65.83)	27.82	15.45	(33.83)	(50.38)
Total Net Position	\$ 162.64	\$ 143.51	\$ 73.58	\$ 53.43	\$ 236.22	\$ 196.94

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 \$46.76 million, or 19.80% of the net position, is restricted due to external restrictions on how they may be used. The City’s unrestricted net position is a deficit of \$33.83 million.

For the governmental activities, capital assets represent 57.63% of total assets, while noncurrent liabilities represent 91.06% of the total liabilities. For the business-type activities, these capital assets represent 40.47% of total assets, while noncurrent liabilities represent 91.71% of the total liabilities.

Current and other assets showed a net decrease of \$4.01 million for governmental activities mainly due to (a) increase in cash payments made to contractor and vendors related to various capital projects of approximately \$5.36 million and personnel costs of \$2.9 million; and (b) offset with receipt of \$4.26 million of ARPA grant funding which was unspent as of year-end. Current and other assets increased \$32.82 million for business-type activities mainly due (a) \$16.9 million proceeds from issuance of Series 2021B Capital Improvement Bonds for improvements to sewer systems and was unspent as of year-end; (b) transfer of \$14.12 million to Parking Fund from Capital Improvement Funds for the construction of a new garage. More detailed analysis of this change is included in the analysis of the Proprietary Funds that follows.

Current liabilities showed a net increase of \$1.44 million for governmental activities brought about by (a) decrease in outstanding contractor invoices related to various improvement projects of approximately \$4.5 million and personnel costs of \$2.9 million; (b) receipt of \$4.26 million of ARPA grant funding which was unspent as of year-end; and (c) increase in refundable deposit on construction projects of \$1.5 million. Current liabilities decreased \$130 thousand for business-type activities mainly due decrease in outstanding contractor invoices related to various improvement projects, i.e., sanitary sewer system inflow and infiltration maintenance projects and stormwater infrastructure maintenance and upgrades.

Total Non-current liabilities had a net decrease of \$21.19 million mainly due to (a) decrease in net pension liability of \$21.55 million; (b) new refunding debt issued and related premium of \$35.94 million; (c) total debt refunded of \$21.17 million, payment of scheduled annual principal payments of \$5.53 million, and amortization of bond premium of \$902 thousand; (d) repayment of capital lease payable of \$90 thousand; (e) increase in total OPEB liability of \$1.61 million; (f) increase in claims payable of \$1.27 million; (g) settlement of obligation related to purchase and sale of land of \$11.5 million; (h) decrease in advances from insurance company of \$280 thousand; and (h) increase in deferred employer payroll taxes of \$750 thousand.

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 \$38.94 million consists of difference between expected and actual experience and pension and OPEB contributions to be expensed in the subsequent period.

The deferred inflows of resources consist of deferred inflows related to pension of \$10.16 million representing the net difference between projected and actual earnings on pension plan investments and the deferred inflows related to OPEB of \$4.09 million represents the difference between actual and expected experience and changes in assumptions.

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			
	2021	2020	2021	2020	2021	2020
General Revenues:						
Taxes	\$ 115.09	\$ 111.05	\$ -	\$ -	\$ 115.09	\$ 111.05
Intergovernmental	5.86	4.97	-	-	5.86	4.97
Investment Earnings (Losses)	0.27	3.74	(0.01)	0.40	0.26	4.14
Gain on Sale of Capital Assets	2.50	1.05	-	-	2.50	1.05
Insurance Recoveries	0.50	1.54	-	-	0.50	1.54
Miscellaneous	0.29	0.20	-	-	0.29	0.20
Program Revenues:						
Charges for Services	49.49	48.29	33.26	27.79	82.75	76.08
Operating	7.66	4.81	-	-	7.66	4.81
Capital	3.29	2.52	0.14	-	3.43	2.52
Total Revenues	184.95	178.17	33.39	28.19	218.34	206.36
Expenses:						
General Government	26.82	25.39	-	-	26.82	25.39
Public Safety	85.18	87.85	-	-	85.18	87.85
Physical Environment	22.62	22.16	-	-	22.62	22.16
Transportation	6.50	8.01	-	-	6.50	8.01
Economic Environment	1.13	1.13	-	-	1.13	1.13
Culture and Recreation	12.53	12.02	-	-	12.53	12.02
Interest Expense	3.13	4.11	-	-	3.13	4.11
Sanitary Sewer System	-	-	9.02	10.53	9.02	10.53
Parking System	-	-	9.08	6.86	9.08	6.86
Stormwater Utility	-	-	3.05	2.57	3.05	2.57
Total Expenses	157.91	160.67	21.15	19.96	179.06	180.63
Increase (decrease) in net position before transfers	27.04	17.50	12.24	8.23	39.28	25.73
Transfers, net	(7.91)	5.78	7.91	(5.78)	-	-
Change in Net Position	19.13	23.28	20.15	2.45	39.28	25.73
Net Position - Beginning	143.51	120.23	53.43	50.98	196.94	171.21
Net Position - Ending	\$ 162.64	\$ 143.51	\$ 73.58	\$ 53.43	\$ 236.22	\$ 196.94

Governmental Activities:

The most significant increase of revenue in governmental activities for the fiscal year 2020-2021 was taxes with an increase of \$4.04 million or 4% mainly due to (a) increase of \$2.9 million in ad valorem taxes collected during the year attributable to the increase in property values in 2020; (b) increase of \$361 thousand in electric franchise tax; and (c) increase of \$406 thousand in municipal surtax from the County.

Charges for services showed an increase of \$1.20 million. However, certain revenue streams showed significant increases such as (a) permit revenue of \$3.2 million which was a direct effect of timing and size of new construction projects within the City; (b) recreation fee revenue

increased by \$1.6 million due to re-opening of park facilities and programs. These increases were offset by decrease in traffic and parking violation fines of \$1.8 million due to the transfer of this revenue stream to Parking Fund and decrease in rental income of \$1.10 million due to impact of COVID-19 particularly on the revenue received from Biltmore Hotel.

Operating grants and contributions showed an increase of \$2.85 million mainly due to the CARES Act grant funding receipt in FY2021 of \$3.35 million.

Gain on sale of capital assets showed an increase of \$1.45 million mainly due to gain realized on the completion of the land exchange agreement pertaining to the land where the PSB was built.

Investment earnings decreased by \$3.47 million mainly due to the impact of COVID-19 in the financial market.

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

Business-Type Activities:

The City's business-type activities showed an increase of approximately \$20.15 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 \$170.88 million of revenue during the fiscal year, offset by \$149.90 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 \$1.05 million which is not considered significant considering the size of the city operation. This minimal increase in expenditures is the direct result of the measures enacted by the management to address the financial impact of COVID-19. In fiscal year 2021, general government function increased \$1.04 million mainly due to increase in personnel costs and operating expenses such as telecommunication expense, credit card administrative charges and expenditures incurred for the 2021 general elections. Physical environment function increased mainly due to repairs and maintenance of various city facilities. Culture and recreation function showed increase of \$671 thousand due to re-opening of park facilities and programs.

Debt Service Fund – During fiscal year 2021, the City issued Capital Improvement and Refunding Bonds Series 2021A and Series 2021B in the total combined amount of \$32.31 million principal and \$3.63 million in premium. Portion of the refunding bonds refunded \$14.18 million outstanding bonds of the governmental funds. Also, in fiscal year 2021, the City paid \$4.32 million in scheduled principal payments including full redemption of bonds with par value of \$10 thousand from Series 2016A. The full redemption is funded from full prepayments of

special assessments received from property owners as part of the Streetscape Improvement Assessment Program.

Capital Project General Improvement Fund - This fund recognized \$3.41 million in revenues and offset by \$18.70 million in capital expenditures. Significant capital project expenditures include the construction of the new of Public Safety building, renovation of the Fink Studio Building, sidewalk extensions and additions, improvements to various park, as well as other construction and improvements to City facilities. During the fiscal year, this fund transferred \$13.5 million to the Parking Fund to fund the construction of a new parking garage.

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 \$353 thousand and operating expenses decreased by approximately \$1.51 million from the prior year. For fiscal year 2021, the fee was increased by approximately 11% which generated an increase in total fees charged to customers by \$966 thousand. When compared to fiscal year 2021, the total operating revenue increased by only \$353 thousand which was mainly due to the one-time outside sewer connection fee of \$635 thousand collected in fiscal year 2020. The decrease in the operating expenses is attributable to decrease in waste disposal fee of \$670 thousand and decrease in sewer infrastructure repair of \$500 thousand. During the current year, the Sanitary Sewer Fund transferred approximately \$508 thousand to the General Fund to as a reimbursement for use of the City's administrative departments.

Parking System - Operating revenues increased by approximately \$4.46 million which indicates that the parking revenue is on track to post-pandemic recovery of revenue. Also contributing to the increase was the traffic and parking fines revenue of \$1.4 million which used to be part of General Fund revenues. The operating expense showed an increase of \$2.22 million mainly related to an increase in the net pension liabilities of \$1.05 million and total expenditures of \$1.3 million of the Violation Enforcement Division which was the new division for the new revenue source. During the year, the Parking Fund transferred to the General Fund approximately \$5.55 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 \$13.5 million from the Capital Project General Improvement Fund to fund the construction of a new parking garage.

Stormwater Utility Fund - Operating revenues increased by approximately \$647 thousand from the prior year. In fiscal year 2021, the City increased the system user rates by approximately 8.96% as a funding strategy to provide and accumulate funds for sea level rise mitigation and capital infrastructure improvements. With this City Commission approved funding strategy in place, the goal is to accumulate \$100 million by fiscal year 2040. For fiscal year 2021, \$2.90 million of operating revenue related to this rate increase was recognized as addition to restricted net position and presented as Net Position - Restricted for Capital Improvements in Statement of Net Position. In addition, during fiscal year 2021 the Stormwater Utility Fund transferred approximately \$140 thousand to the General Fund as a reimbursement for use of the City's administrative departments.

General Fund Budgetary Highlights

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

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

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

The City's budgeted revenues increased from \$152.55 million to \$154.25 million from the original to the final budget. The budget amendments are mainly due to unanticipated public safety grant activity of \$608 thousand and \$860 thousand of CARES Act grant funding for small business recovery assistance grant.

The City's budgeted expenditures increased from \$157.50 million to \$160.96 million from the original to the final budget. For the fiscal year, the budget amendments are mainly due to unanticipated public safety grant activity of \$608 thousand, \$860 thousand of CARES Act grant funding for small business recovery assistance grant, and reappropriation of expenditures for purchase orders commitments which are funded from available fund balance.

The City budgeted \$154.25 million in revenue and recognized \$170.88 million. The City budgeted \$160.96 million in expenditures and incurred \$149.90 million.

The budget to actual positive variances in revenue were mainly due to improved trend compared to the anticipated shortfall caused by COVID-19. Revenue sources that showed significant variance are building permit and fees due to timing and level of activity in the construction industry, franchise and utility service taxes; receipt of approximately \$6.56 million of grant funds from FEMA and State of Florida related to CARES Act and Hurricane Irma, passport processing fees, and contributions for arts in public places. The budget to actual negative variances in revenue were due to COVID-19 related closures and/or limited re-openings of certain park facilities and programs which resulted to decreased recreation activity fees; and decrease in investment earnings.

The budget to actual expenditure variances are the direct results of measures taken to balance the budget with strict expenditure cutbacks and monitoring levels due to revenue shortfalls caused by COVID-19, while still providing essential and quality services to 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, 2021 amounted to \$341.33 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads,

highways, and bridges. The City’s investment in net capital assets decreased by \$4.27 million from the prior year.

During the current fiscal year, significant additions in governmental activities included \$8.3 million for the construction of the new public safety building, \$1.45 million for the renovation of the Fink Studio, and \$2.44 million for improvements to parks and other recreation facilities. Significant reduction in the land cost pertains to the removal of the \$11.5 million value assigned to the land acquired by the City in prior year, at the time the land exchange was not yet completed and replaced by \$5.85 million which is the recorded value in fiscal year 2021 upon completion of such agreement.

Significant additions for business-type activities included \$3.74 million in construction in progress relating to various pump stations and \$180 thousand in machinery and equipment.

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 61.02	\$ 67.26	\$ 3.70	\$ 3.70	\$ 64.72	\$ 70.96
Construction in Progress	8.32	63.63	3.45	2.13	11.77	65.76
Infrastructure	113.07	113.07	34.43	32.01	147.50	145.08
Building	134.21	69.70	30.23	30.23	164.44	99.93
Improvements Other Than Buildings	96.87	110.12	0.82	0.82	97.69	110.94
Machinery and Equipment	64.39	66.35	4.92	4.74	69.31	71.09
Total Capital Assets	477.88	490.13	77.55	73.63	555.43	563.76
Accumulated Depreciation	181.10	186.69	33.00	31.47	214.10	218.16
Net Capital Assets	\$ 296.78	\$ 303.44	\$ 44.55	\$ 42.16	\$ 341.33	\$ 345.60

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, 2021.

The City has utilized the Sunshine State Governmental Financing Commission (the “Commission”) since 1987 as its primary funding source to finance the acquisition and construction of City facilities. The Commission was created in November 1985 to provide a limited number of qualifying governments the ability to participate in pooled debt financings with pricing and cost structures not normally available to governmental entities acting individually. The loans issued from the Commission are the obligation and debt of the individually participating city. There are twelve cities and three counties in Florida that are members of the Commission.

The City’s total outstanding principal debt outstanding as of September 30, 2021 was \$131.35 million. Financing is provided by a general pledge of resources other than property taxes and the amount needed is transferred from other funds. In addition, the Capital Improvement Revenue Bonds Series 2016A and Series 2016B are also secured by special assessment imposed on benefited property owners.

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, deferred employer payroll taxes as provided by the CARES Act, and net pension liability. The City’s General Fund is primarily utilized for the payment of these liabilities for the governmental activities. Overall, long-term liabilities decreased by \$21.19 million mainly due to (a) decrease in net pension liability of \$21.55 million; (b) new refunding debt issued and related premium of \$35.94 million; (c) total debt refunded of \$21.17 million, payment of scheduled annual principal payments of \$5.53 million, and amortization of bond premium of \$902 thousand; (d) repayment of capital lease payable of \$90 thousand; (e) increase in total OPEB liability of \$1.61 million; (f) increase in claims payable of \$1.27 million; (g) settlement of obligation related to purchase and sale of land of \$11.5 million; (h) decrease in advances from insurance company of \$280 thousand; and (h) increase in deferred employer payroll taxes of \$750 thousand.

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Special Obligation Debt	\$ 105.90	\$ 111.33	\$ 25.45	\$ 11.68	\$ 131.35	\$ 123.01
Estimated Insurance Claims	13.83	12.56	-	-	13.83	12.56
Accrued Compensated Absences	11.99	11.96	0.39	0.34	12.38	12.30
Capital Lease	0.10	0.19	-	-	0.10	0.19
Obligation on Purchase and Sale of Land	-	11.50	-	-	-	11.50
Pollution Remediation Obligation	0.34	0.16	-	-	0.34	0.16
Advances from Insurance Company	0.57	0.85	-	-	0.57	0.85
Deferred Employer Payroll Taxes	2.19	1.44	-	-	2.19	1.44
Total OPEB Liability	28.24	26.71	1.49	1.41	29.73	28.12
Net Pension Liability	178.77	201.59	6.97	5.70	185.74	207.29
Total	\$ 341.93	\$ 378.29	\$ 34.30	\$ 19.13	\$ 376.23	\$ 397.42

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

As the global and local economy enter the post- pandemic recovery phase, the City set the budget for fiscal year 2022 to almost at pre-pandemic levels but made \$3 million of “soft” budget cuts, to conservatively balance the budget and the unknown impacts of the pandemic.

Local, national, and international economic factors influence the City’s revenue. However, until the COVID-19 pandemic is over, the economic outlook will be difficult to predict. Positive economic growth is correlated with increased revenue from property taxes, sales taxes, charges

for services, as well as state and federal grants. 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 4.2%.

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

The City of Coral Gables offers a wide range of housing choices including rental units, condominiums, and single-family homes in a stable residential real estate market. Over the years, homes in the City have appreciated at a rate greater than many of the surrounding areas. The City's property tax millage rate will be 5.559 for FY 2021-2022 and it is the 11th lowest combined tax rate out of 35 taxing entities in Miami-Dade County, Florida. The median just ("market") home value, estimated at \$602,975, has increased by nearly 99% since 1970 and has increased by nearly 76% since 1980. 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.



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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, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 68,020,945	\$ 9,004,298	\$ 77,025,243
Restricted Cash and Cash Equivalents	9,161,912	9,273,355	18,435,267
Investments	81,599,867	22,195,997	103,795,864
Restricted Investments	33,910,627	18,924,630	52,835,257
Accounts Receivable, Net	13,870,374	3,398,905	17,269,279
Interest Receivable	100,266	15,523	115,789
Assessment Liens Receivable	7,123,882	69,696	7,193,578
Internal Balances	(2,523,854)	2,523,854	-
Due from Other Governments	4,309,791	118,878	4,428,669
Inventory	80,895	-	80,895
Prepaid and Deposits	2,509,020	2,537	2,511,557
Capital Assets Not Being Depreciated:			
Land	61,021,039	3,701,838	64,722,877
Construction in Progress	8,319,112	3,454,352	11,773,464
Capital Assets, Net of Accumulated Depreciation:			
Infrastructure	16,341,383	20,399,310	36,740,693
Buildings	106,211,440	15,223,170	121,434,610
Improvements Other Than Buildings	79,382,035	214,131	79,596,166
Machinery and Equipment	25,503,630	1,560,381	27,064,011
Total Assets	<u>514,942,364</u>	<u>110,080,855</u>	<u>625,023,219</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pension	33,612,423	1,309,574	34,921,997
Deferred Outflows Related to OPEB	3,817,068	200,899	4,017,967
Total Deferred Outflows of Resources	<u>37,429,491</u>	<u>1,510,473</u>	<u>38,939,964</u>
LIABILITIES			
Accounts Payable	10,322,975	2,346,113	12,669,088
Accrued Payroll	1,400,834	55,208	1,456,042
Unearned Revenue	14,529,235	309,190	14,838,425
Due to Other Governments	153,442	-	153,442
Deposits Payable	7,149,363	392,683	7,542,046
Noncurrent Liabilities:			
Due Within One Year	17,469,639	1,044,456	18,514,095
Due In More Than One Year	324,465,226	33,252,836	357,718,062
Total Liabilities	<u>375,490,714</u>	<u>37,400,486</u>	<u>412,891,200</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension	10,156,725	395,717	10,552,442
Deferred Inflows Related to OPEB	4,089,020	215,212	4,304,232
Total Deferred Inflows of Resources	<u>14,245,745</u>	<u>610,929</u>	<u>14,856,674</u>
NET POSITION			
Net Investment in Capital Assets	188,478,077	34,813,349	223,291,426
Restricted for:			
Debt Service	48,758	-	48,758
Public Safety	7,672,196	-	7,672,196
Streetscape Assessment Projects	7,069,160	-	7,069,160
Mobility Improvements	4,798,228	-	4,798,228
Capital Improvements	9,964,666	10,946,796	20,911,462
Law Enforcement	2,651,709	-	2,651,709
Public and Historic Art	1,799,333	-	1,799,333
Records Management	1,799,333	-	1,799,333
Unrestricted (Deficit)	(61,646,064)	27,819,768	(33,826,296)
Total Net Position	<u>\$ 162,635,396</u>	<u>\$ 73,579,913</u>	<u>\$ 236,215,309</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, 2021

FUNCTION/PROGRAM	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General Government	\$ 26,817,022	\$ 25,593,849	\$ -	\$ -	\$ (1,223,173)	\$ -	\$ (1,223,173)
Public Safety	85,175,434	8,606,470	7,273,967	648,843	(68,646,154)	-	(68,646,154)
Physical Environment	22,621,461	9,525,662	157,123	2,508,575	(10,430,101)	-	(10,430,101)
Transportation	6,503,069	629,361	215,213	-	(5,658,495)	-	(5,658,495)
Economic Environment	1,133,433	412,000	-	-	(721,433)	-	(721,433)
Culture and Recreation	12,532,519	4,719,481	14,900	128,675	(7,669,463)	-	(7,669,463)
Interest on Long-term Debt	3,129,083	-	-	-	(3,129,083)	-	(3,129,083)
Total Governmental Activities	157,912,021	49,486,823	7,661,203	3,286,093	(97,477,902)	-	(97,477,902)
Business-type Activities:							
Sanitary Sewer System	9,017,040	10,599,800	-	44,190	-	1,626,950	1,626,950
Parking System	9,082,571	16,260,749	-	-	-	7,178,178	7,178,178
Stormwater Utility	3,049,097	6,396,266	-	93,043	-	3,440,212	3,440,212
Total Business-type Activities	21,148,708	33,256,815	-	137,233	-	12,245,340	12,245,340
Total	\$ 179,060,729	\$ 82,743,638	\$ 7,661,203	\$ 3,423,326	(97,477,902)	12,245,340	(85,232,562)
General Revenues:							
Taxes:							
Property Taxes					92,904,533	-	92,904,533
Franchise Fees					7,443,140	-	7,443,140
Utilities Service Taxes					11,360,956	-	11,360,956
Other Taxes					3,380,602	-	3,380,602
Intergovernmental, not restricted for specific programs					5,863,137	-	5,863,137
Investment Earnings (Losses)					267,981	(10,637)	257,344
Miscellaneous					293,287	484	293,771
Gain on Sale of Capital Assets					2,508,635	-	2,508,635
Insurance Recoveries					501,316	-	501,316
Transfers					(7,913,011)	7,913,011	-
Total General Revenues and Transfers					116,610,576	7,902,858	124,513,434
Change in Net Position					19,132,674	20,148,198	39,280,872
Net Position - Beginning					143,502,722	53,431,715	196,934,437
Net Position - Ending					\$ 162,635,396	\$ 73,579,913	\$ 236,215,309

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, 2021

	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	\$ 35,549,585	\$ -	\$ 20,549,362	\$ 1,699,650	\$ 57,798,597
Restricted Pooled Cash and Cash Equivalents	-	1,122,750	699,911	7,339,251	9,161,912
Pooled Investments	45,890,410	-	17,944,700	3,259,194	67,094,304
Restricted Pooled Investments	21,675,875	856,995	3,334,522	8,043,235	33,910,627
Accounts Receivable, Net	13,572,440	11,000	47,225	213,893	13,844,558
Interest Receivable	65,778	306	18,973	6,336	91,393
Streetscape Projects Assessment Liens Receivable	-	7,069,160	-	-	7,069,160
Other Liens Receivable	52,538	2,184	-	-	54,722
Due from Other Funds	117,585	-	-	-	117,585
Due from Other Governments	3,429,308	822	-	879,661	4,309,791
Prepaid and Deposits	76,345	-	68,172	-	144,517
Total Assets	<u>120,429,864</u>	<u>9,063,217</u>	<u>42,662,865</u>	<u>21,441,220</u>	<u>193,597,166</u>
LIABILITIES					
Accounts Payable	3,693,818	1,943,115	2,302,598	917,231	8,856,762
Accrued Payroll	1,350,721	-	-	2,338	1,353,059
Due to Other Funds	-	-	-	117,585	117,585
Unearned Revenue	14,502,435	-	26,800	-	14,529,235
Refundable Deposits	7,149,363	-	-	-	7,149,363
Due to Other Governments	2,340,777	-	-	-	2,340,777
Total Liabilities	<u>29,037,114</u>	<u>1,943,115</u>	<u>2,329,398</u>	<u>1,037,154</u>	<u>34,346,781</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	12,110,290	7,071,344	47,193	112,244	19,341,071
Total Deferred Inflow of Resources	<u>12,110,290</u>	<u>7,071,344</u>	<u>47,193</u>	<u>112,244</u>	<u>19,341,071</u>
FUND BALANCES					
Nonspendable:					
Prepaid Items	76,345	-	68,172	-	144,517
Restricted to:					
Law Enforcement	2,651,709	-	-	-	2,651,709
Public and Historic Art	5,830,774	-	284,304	-	6,115,078
Records Management	1,799,333	-	-	-	1,799,333
Public Safety Communication System	-	-	200,116	-	200,116
Florida Building Code Fund	4,197,646	-	-	-	4,197,646
Debt Service Reserve	-	48,758	-	-	48,758
Police and Fire System Improvements	-	-	50,000	3,255,955	3,305,955
Parks System Improvements	-	-	2,769,865	3,384,203	6,154,068
New Public Safety Complex	-	-	91,313	-	91,313
Mobility Improvement Projects	-	-	-	4,798,228	4,798,228
Fire Station/Trolley Garage	-	-	168,595	-	168,595
Other Physical Environment	47,050	-	470,240	2,977,945	3,495,235
Impact Fee Administration	-	-	-	608,792	608,792
Assigned to:					
Pension Stabilization	1,000,000	-	-	-	1,000,000
Historical Preservation	76,841	-	-	-	76,841
Other Transportation Projects	-	-	3,087,143	-	3,087,143
Other Public Safety Projects	79,498	-	2,859,932	-	2,939,430
Other Parks and Recreation Projects	-	-	7,045,722	-	7,045,722
Other Physical Environment	-	-	1,007,872	-	1,007,872
Other Capital Projects	-	-	13,967,130	5,350,433	19,317,563
Other Purposes	18,428,163	-	8,215,870	-	26,644,033
Unassigned	<u>45,095,101</u>	<u>-</u>	<u>-</u>	<u>(83,734)</u>	<u>45,011,367</u>
Total Fund Balances	<u>79,282,460</u>	<u>48,758</u>	<u>40,286,274</u>	<u>20,291,822</u>	<u>139,909,314</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 120,429,864</u>	<u>\$ 9,063,217</u>	<u>\$ 42,662,865</u>	<u>\$ 21,441,220</u>	<u>\$ 193,597,166</u>

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

CITY OF CORAL GABLES, FLORIDA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 September 30, 2021

Total Fund Balances - Governmental Funds \$ 139,909,314

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. 283,050,062

Other long-term assets are not available to pay current period expenditures and, therefore are reported as unavailable revenue in the governmental funds. 19,341,071

Internal service funds are used by management to charge the costs of certain activities such as insurance and fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 18,040,522

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. (2,523,854)

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

Compensated Absences	\$	(11,630,590)	
Special Obligations Debt Payable		(100,258,002)	
Premium on Special Obligation Debt Issued		(5,640,521)	
Capital Lease Payable		(99,983)	
Pollution Remediation Obligation		(343,500)	
Total OPEB Liability		(27,051,526)	
Net Pension Liability		<u>(172,533,977)</u>	(317,558,099)

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

Deferred Outflows of Resources Related to Pension		32,439,043	
Deferred Inflows of Resources Related to Pension		(9,802,163)	
Deferred Outflows of Resources Related to OPEB		3,656,350	
Deferred Inflows of Resources Related to OPEB		<u>(3,916,850)</u>	<u>22,376,380</u>

Total Net Position - Governmental Activities \$ 162,635,396

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, 2021

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Fund	Debt Service Fund	Capital Project General Improvement Fund	Other Governmental Funds	
REVENUES					
Taxes	\$ 111,708,629	\$ -	\$ -	\$ 3,380,602	\$ 115,089,231
Licenses	3,448,576	-	-	-	3,448,576
Permits	13,144,106	-	-	-	13,144,106
Fines and Forfeitures	1,056,380	-	-	-	1,056,380
Intergovernmental	14,381,327	-	873,595	311,290	15,566,212
Charges for Services	19,312,714	-	-	-	19,312,714
Recreation Activity Fees	3,581,068	-	-	-	3,581,068
Rental Income	3,719,235	-	-	-	3,719,235
Investment Earnings (Loss)	220,330	3,093	50,389	(5,831)	267,981
Special Assessments	-	614,021	3,719	5,633,698	6,251,438
Contributions and Donations	14,900	-	2,485,591	-	2,500,491
Miscellaneous	290,572	-	-	2,715	293,287
Total Revenues	170,877,837	617,114	3,413,294	9,322,474	184,230,719
EXPENDITURES					
Current:					
General Government	21,909,276	39,063	1,434,066	254,714	23,637,119
Public Safety	89,116,954	-	96,645	2,055,623	91,269,222
Physical Environment	22,309,902	-	776,380	137,626	23,223,908
Transportation	3,697,954	-	292,735	2,979,200	6,969,889
Economic Environment	1,240,183	-	750	-	1,240,933
Culture and Recreation	10,939,070	-	896,487	21,813	11,857,370
Debt Service:					
Retirement of Principal	85,147	4,318,573	-	-	4,403,720
Interest	4,142	3,977,095	-	-	3,981,237
Debt Issuance Costs	-	353,924	-	-	353,924
Capital Outlay	600,604	-	15,202,566	856,134	16,659,304
Total Expenditures	149,903,232	8,688,655	18,699,629	6,305,110	183,596,626
Excess (deficiency) of Revenues Over (Under) Expenditures before Other Financing Sources (Uses)	20,974,605	(8,071,541)	(15,286,335)	3,017,364	634,093
OTHER FINANCING SOURCES (USES)					
Refunding Bonds Issued	-	12,413,600	-	-	12,413,600
Premium on Refunding Bonds Issued	-	1,512,010	-	-	1,512,010
Payment to Refunded Bond Escrow Agent	-	(14,182,400)	-	-	(14,182,400)
Proceeds from Sale of Capital Assets	5,200,000	-	-	-	5,200,000
Insurance Recoveries	501,316	-	-	-	501,316
Transfers In	7,834,982	8,328,331	15,046,908	11,487	31,221,708
Transfers Out	(24,636,903)	-	(13,549,426)	(582,419)	(38,768,748)
Total Other Financing Sources (Uses)	(11,100,605)	8,071,541	1,497,482	(570,932)	(2,102,514)
Net Change in Fund Balances	9,874,000	-	(13,788,853)	2,446,432	(1,468,421)
Fund Balances - Beginning	69,408,460	48,758	54,075,127	17,845,390	141,377,735
Fund Balances - Ending	\$ 79,282,460	\$ 48,758	\$ 40,286,274	\$ 20,291,822	\$ 139,909,314

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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (1,468,421)

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 Expense	\$ (9,456,086)	
Capital Outlay	16,659,304	
Net Effect of Various Transactions Involving Capital Assets	(2,839,958)	4,363,260

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

Change in unavailable revenues	(2,282,964)	(2,282,964)
--------------------------------	-------------	-------------

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 and Lease Repayments	18,586,120	
Refunding Bonds Issued	(12,413,600)	
Premium on Refunding Bonds Issued	(1,512,010)	4,660,510

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.

572,362

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.

(75,067)

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	(50,471)	
Pollution Remediation	(183,500)	
Amortization of Premium on Special Obligations Debt Issued	852,154	
Amortization of Deferred Charge on Refunding	(96,395)	521,788

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	(688,402)	
Pension expense	13,529,608	12,841,206

Change in Net Position of Governmental Activities \$ 19,132,674

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, 2021

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	\$ 1,842,844	\$ 6,014,895	\$ 1,146,559	\$ 9,004,298	\$ 10,222,348
Pooled Investments	5,408,115	12,684,017	4,103,865	22,195,997	14,505,563
Accounts Receivable, Net	1,639,324	683,125	1,076,456	3,398,905	25,816
Interest Receivable	5,191	5,452	4,880	15,523	8,873
Inventories	-	-	-	-	80,895
Assessment Liens Receivable	69,696	-	-	69,696	-
Due from Other Governments	4,472	-	114,406	118,878	-
Prepaid and Deposits	2,537	-	-	2,537	2,364,503
Total Current Assets	8,972,179	19,387,489	6,446,166	34,805,834	27,207,998
Noncurrent Assets:					
Restricted Pooled Cash and Cash Equivalents	6,001,942	1,042,991	2,228,422	9,273,355	-
Restricted Pooled Investments	11,122,595	-	7,802,035	18,924,630	-
Capital Assets:					
Land	97,980	3,603,858	-	3,701,838	-
Buildings	-	30,223,473	-	30,223,473	-
Construction in Progress	804,170	2,315,132	335,050	3,454,352	-
Infrastructure	29,333,120	-	5,093,007	34,426,127	-
Improvements Other Than Buildings	-	819,926	-	819,926	-
Machinery and Equipment	370,142	4,527,286	25,072	4,922,500	36,282,800
Accumulated Depreciation	(12,463,723)	(18,822,901)	(1,708,410)	(32,995,034)	(22,554,223)
Total Noncurrent Assets	35,266,226	23,709,765	13,775,176	72,751,167	13,728,577
Total Assets	44,238,405	43,097,254	20,221,342	107,557,001	40,936,575
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to Pensions	408,587	639,072	261,915	1,309,574	1,173,380
Deferred Outflows Related to OPEB	80,359	80,359	40,181	200,899	160,718
Total Deferred Outflows of Resources	488,946	719,431	302,096	1,510,473	1,334,098
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,342,941	698,333	304,839	2,346,113	1,466,213
Accrued Payroll and Other Expenses	16,179	31,221	7,808	55,208	47,775
Deposits Payable	66,192	326,491	-	392,683	-
Unearned Revenue	-	309,190	-	309,190	-
Accrued Compensated Absences	67,567	89,745	61,734	219,046	220,653
Estimated Liability for Claims Payable	-	-	-	-	4,532,000
Special Obligations Debt Payable	462,960	278,862	83,588	825,410	-
Total Current Liabilities	1,955,839	1,733,842	457,969	4,147,650	6,266,641
Noncurrent Liabilities:					
Accrued Compensated Absences	39,035	67,690	72,644	179,369	138,888
Estimated Liability for Claims Payable	-	-	-	-	9,301,000
Advances from Insurance Company	-	-	-	-	566,945
Special Obligations Debt Payable	15,192,040	6,058,982	1,053,566	22,304,588	-
Premium on Special Obligations Debt Payable	1,238,908	1,008,553	69,816	2,317,277	-
Total OPEB Liability	594,539	594,539	297,270	1,486,348	1,189,078
Net Pension Liability	2,173,159	3,399,044	1,393,051	6,965,254	6,240,867
Total Noncurrent Liabilities	19,237,681	11,128,808	2,886,347	33,252,836	17,436,778
Total Liabilities	21,193,520	12,862,650	3,344,316	37,400,486	23,703,419
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Pensions	123,464	193,110	79,143	395,717	354,562
Deferred Inflows Related to OPEB	86,085	86,085	43,042	215,212	172,170
Total Deferred Inflows of Resources	209,549	279,195	122,185	610,929	526,732
NET POSITION					
Net Investment in Capital Assets	17,693,726	14,812,176	2,307,447	34,813,349	13,728,577
Restricted for Capital Improvements	199,839	716,500	10,030,457	10,946,796	-
Unrestricted	5,430,717	15,146,164	4,719,033	25,295,914	4,311,945
Total Net Position	\$ 23,324,282	\$ 30,674,840	\$ 17,056,937	71,056,059	\$ 18,040,522
Adjustment to reflect the allocation of internal service fund activities related to enterprise funds.				2,523,854	
Net position of business-type activities				<u>\$ 73,579,913</u>	

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

CITY OF CORAL GABLES, FLORIDA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 For the Fiscal Year Ended September 30, 2021

BUSINESS -TYPE ACTIVITIES-ENTERPRISE FUNDS					
	MAJOR FUNDS			TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	SANITARY SEWER SYSTEM FUND	PARKING SYSTEM FUND	STORMWATER UTILITY FUND		
OPERATING REVENUES					
Charges for Services:					
Sewer Use Charges	\$ 10,599,800	\$ -	\$ -	\$ 10,599,800	\$ -
Service Use Charges	-	-	6,396,266	6,396,266	-
Billings to Departments for Insurance Protection	-	-	-	-	12,228,367
Parking Fees:					
On Street Meters	-	9,456,254	-	9,456,254	-
Meter and Permit Lots	-	1,969,953	-	1,969,953	-
Parking Garages	-	2,799,274	-	2,799,274	-
Parking Leases	-	597,502	-	597,502	-
Fines and Forfeitures	-	1,437,766	-	1,437,766	-
Rental of Equipment and Facilities to Various Funds	-	-	-	-	16,320,091
Total Operating Revenues	<u>10,599,800</u>	<u>16,260,749</u>	<u>6,396,266</u>	<u>33,256,815</u>	<u>28,548,458</u>
OPERATING EXPENSES					
Administration	1,454,068	3,728,406	990,451	6,172,925	3,624,395
Cost of Sales and Services	6,936,834	4,071,602	1,925,066	12,933,502	8,346,084
Benefit Payments	-	-	-	-	2,416,670
Insurance	-	-	-	-	11,246,864
Depreciation	471,995	946,515	110,455	1,528,965	2,339,061
Total Operating Expenses	<u>8,862,897</u>	<u>8,746,523</u>	<u>3,025,972</u>	<u>20,635,392</u>	<u>27,973,074</u>
Operating Income	<u>1,736,903</u>	<u>7,514,226</u>	<u>3,370,294</u>	<u>12,621,423</u>	<u>575,384</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income (Loss)	(17,292)	3,561	3,094	(10,637)	(7,161)
Interest Expense	(183,419)	(372,080)	(32,884)	(588,383)	-
Miscellaneous	-	484	-	484	-
Gain on Disposal of Capital Assets	-	-	-	-	180,510
Total Nonoperating Revenues (Expenses)	<u>(200,711)</u>	<u>(368,035)</u>	<u>(29,790)</u>	<u>(598,536)</u>	<u>173,349</u>
Income Before Contributions	1,536,192	7,146,191	3,340,504	12,022,887	748,733
Capital Contributions from Federal, State and Local Grants	44,190	-	93,043	137,233	189,600
Income Before Transfers	1,580,382	7,146,191	3,433,547	12,160,120	938,333
Transfers In	-	14,115,845	-	14,115,845	1,250,177
Transfers Out	(508,790)	(5,554,244)	(139,800)	(6,202,834)	(1,616,148)
Change In Net Position	1,071,592	15,707,792	3,293,747	20,073,131	572,362
Net Position - Beginning	22,252,690	14,967,048	13,763,190		17,468,160
Net Position - Ending	<u>\$ 23,324,282</u>	<u>\$ 30,674,840</u>	<u>\$ 17,056,937</u>		<u>\$ 18,040,522</u>
Adjustment to reflect the allocation of internal service fund activities related to enterprise funds.				75,067	
Change in net position of business-type activities				<u>\$ 20,148,198</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, 2021

	BUSINESS -TYPE ACTIVITIES-ENTERPRISE FUNDS				
	MAJOR FUNDS			TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	SANITARY SEWER SYSTEM FUND	PARKING SYSTEM FUND	STORMWATER UTILITY FUND		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 11,299,560	\$ 16,287,234	\$ 6,881,701	\$ 34,468,495	\$ 28,676,866
Payments to Employees	(1,374,404)	(2,679,190)	(851,116)	(4,904,710)	(4,321,215)
Payments to Suppliers	(7,370,593)	(3,832,035)	(1,970,113)	(13,172,741)	(21,372,807)
Net Cash Provided by Operating Activities	2,554,563	9,776,009	4,060,472	16,391,044	2,982,844
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances from Insurance Company	-	-	-	-	(282,398)
Transfers in from Other Funds	-	14,115,845	-	14,115,845	-
Transfers out to Other Funds	(508,790)	(5,554,244)	(139,800)	(6,202,834)	(176,370)
Net Cash Provided By (Used In) Noncapital Financing Activities	(508,790)	8,561,601	(139,800)	7,913,011	(458,768)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(1,824,285)	(1,837,046)	(258,400)	(3,919,731)	(2,813,006)
Proceeds from Sale of Capital Assets	-	-	-	-	180,510
Contributions from Other Governments	39,718	-	-	39,718	-
Proceeds from Debt	16,893,908	5,124,986	-	22,018,894	-
Principal Paid on Debt	(2,000,000)	(6,118,120)	(98,373)	(8,216,493)	-
Interest Paid on Debt	(183,419)	(340,296)	(32,884)	(556,599)	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	12,925,922	(3,170,476)	(389,657)	9,365,789	(2,632,496)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	(16,217,405)	(12,434,590)	(12,660,981)	(41,312,976)	(13,901,723)
Proceeds from Sale of Investments	4,691,250	1,517,129	5,437,564	11,645,943	12,382,442
Interest and Dividends Received	(3,854)	6,417	15,396	17,959	36,969
Net Cash Used In Investing Activities	(11,530,009)	(10,911,044)	(7,208,021)	(29,649,074)	(1,482,312)
Net Increase (Decrease) in Cash and Cash Equivalents	3,441,686	4,256,091	(3,677,006)	4,020,770	(1,590,732)
Cash and Cash Equivalents - Beginning	4,403,100	2,801,795	7,051,987	14,256,882	11,813,080
Cash and Cash Equivalents - Ending	\$ 7,844,786	\$ 7,057,886	\$ 3,374,981	\$ 18,277,652	\$ 10,222,348
Reconciliation to the statement of net position					
Cash and Cash Equivalents	\$ 1,842,844	\$ 6,014,895	\$ 1,146,559	\$ 9,004,298	\$ 11,813,080
Restricted Cash and Cash Equivalents	6,001,942	1,042,991	2,228,422	9,273,355	-
Total	\$ 7,844,786	\$ 7,057,886	\$ 3,374,981	\$ 18,277,653	\$ 11,813,080
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating Income	\$ 1,736,903	\$ 7,514,226	\$ 3,370,294	\$ 12,621,423	\$ 575,384
Adjustments to Reconcile Operating Income to Net Cash					
Provided by Operating Activities:					
Depreciation Expense	471,995	946,515	110,455	1,528,965	2,339,061
Change in Assets and Liabilities and Deferred Inflows and Outflows:					
Accounts Receivable	633,568	(102,330)	485,435	1,016,673	140,853
Inventory	-	-	-	-	(37,496)
Due from Other Governments	-	-	-	-	(12,445)
Prepaid and Deposits	-	-	-	-	(921,651)
Net pension liability and related deferred inflows/outflow	110,717	1,053,785	95,094	1,259,596	(606,916)
OPEB liability and related deferred inflows/outflow	15,130	15,130	7,565	37,825	30,260
Accounts Payable	(433,759)	239,567	(45,047)	(239,239)	330,958
Deposits Payable	66,192	41,885	-	108,077	-
Accrued Payroll and Other Expenses	(41,425)	(21,776)	(15,396)	(78,597)	(104,309)
Accrued Compensated Absences	(4,758)	2,077	52,072	49,391	(15,855)
Unearned Revenues	-	86,930	-	86,930	-
Claims Payable	-	-	-	-	1,265,000
Total Adjustments	817,660	2,261,783	690,178	3,769,621	2,407,460
Net Cash Provided by Operating Activities	\$ 2,554,563	\$ 9,776,009	\$ 4,060,472	\$ 16,391,044	\$ 2,982,844
Noncash Capital and Related Financing Activities:					
Capital Assets Retirement, net	-	-	-	-	(1,048,477)

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, 2021

	Pension Trust Funds	Custodial Funds
ASSETS	<u> </u>	<u> </u>
Cash and Cash Equivalents	\$ 18,639,016	\$ 4,605,933
Receivables:		
Accrued Interest and Dividends	353,326	-
Buyback Receivable	814	-
Share Plan Contributions	910,420	-
Receivable for Securities Sold	256,335	-
Other Receivables	29,301	-
Total Receivables	<u>1,550,196</u>	<u>-</u>
Securities Lending Cash Collateral - Invested	<u>35,185,059</u>	<u>-</u>
Investments:		
U.S. Government and Agency	48,855,996	-
Domestic Fixed Income Fund	4,956,696	-
Global fixed income	2,924,030	-
Corporate Bonds	15,417,233	-
Common Stocks	149,290,102	-
International Equity	116,340,398	-
Real Estate Investment Trust (REIT)	46,968,374	-
Alternative Investments	97,443,660	-
Guaranteed Investment Contract	9,447,260	-
Mutual Funds	11,534,320	-
Total Investments	<u>503,178,069</u>	<u>-</u>
Total Assets	<u>558,552,340</u>	<u>4,605,933</u>
LIABILITIES		
Accounts Payable	144,388	183,020
Payable for Securities Purchased	1,653,973	-
Due to Coral Gables Retirement Fund	332,948	-
Obligations under Securities Lending	35,185,059	-
Total Liabilities	<u>37,316,368</u>	<u>183,020</u>
NET POSITION		
Restricted for Pension Benefits	<u>\$ 521,235,972</u>	
Restricted for Individuals and Other Governments		<u>\$ 4,422,913</u>

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, 2021

	Pension Trust Funds	Custodial Funds
Additions:		
City Contributions	\$ 30,286,324	\$ -
Share Plan Contributions	145,830	-
Total Government Contributions	<u>30,432,154</u>	<u>-</u>
Employees:		
Employee contributions	4,891,103	88,974
Total Contributions	<u>35,323,257</u>	<u>88,974</u>
Investment Income:		
Net Appreciation in the Fair Value of Investments	94,917,413	-
Interest and Dividends	6,325,346	-
Other Income	3,404	-
Total Investment Income	<u>101,246,163</u>	<u>-</u>
Less Investment Expenses	<u>(2,650,333)</u>	<u>-</u>
Total Investment Income before Securities Lending Activity	<u>98,595,830</u>	<u>-</u>
Securities Lending Activities:		
Security Lending Income	89,986	-
Security Lending Fees and Rebates	<u>(26,960)</u>	<u>-</u>
Net Income from Security Lending Activities	<u>63,026</u>	<u>-</u>
Total Net Investment Income	<u>98,658,856</u>	<u>-</u>
Equitable Sharing Funds	<u>-</u>	<u>1,957,325</u>
Total Additions	<u>133,982,113</u>	<u>2,046,299</u>
Deductions:		
Pension Benefits Paid	53,115,492	-
Refund of Contributions	660,821	-
Administrative Expenses	599,249	-
Sick Leave Benefits Paid to Employees	-	84,456
Law Enforcement Operations and Administration	<u>-</u>	<u>1,830,473</u>
Total Deductions	<u>54,375,562</u>	<u>1,914,929</u>
Increase in Net Position	79,606,551	131,370
Net Position		
Beginning of Year, as restated (Note 1aa)	441,629,421	4,291,543
End of Year	<u>\$ 521,235,972</u>	<u>\$ 4,422,913</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 financial statements of the City of Coral Gables, Florida (the “City”) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

(a) Reporting Entity

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

Blended component unit - Special Taxing Districts created in designated areas within the City to provide special services that are funded through the levy of non-ad valorem assessment. Beginning October 1, 2018, the City assumed from Miami-Dade County, Florida the responsibility 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 inter-fund 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, 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 Income, Occupational License, Interest Income, and Ambulance Transport Fees of the current period. All other revenue items are considered to be measurable only when cash is received by the City.

1) Governmental Fund Types

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

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

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

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

Additionally, the City reports the following nonmajor governmental funds:

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

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

2) Proprietary Fund Types

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City also reports the following fund types:

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

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

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

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

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

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

(d) Cash and Cash Equivalents

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

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

Fair Value Investments

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

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

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

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

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

Net Asset Value Per Share Measurements

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

(f) Investments

The City's investments are reported at fair value as defined by GASB Statement 72 except for the position in the Local Government Surplus Funds Trust Fund. The investments held by Local Government Surplus Fund Trust Fund are allocated among two funds, LGIP (formerly known as LGIP-A) and Fund B (formerly known as LGIP-B). The value of the City's investments in LGIP funds is the same as the value of the pool shares and is recorded at amortized cost. At September 30, 2021, the City's investment in LGIP-A is \$1,081 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 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, 2021:

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, 2021, but not collected as of that date.
2. Waste Fees, Ambulance Transport Fees – This amount represents the unpaid, billed charges for various fines and municipal services.
3. University of Miami Development Agreement Fee – This amount represents the remaining balance of the development agreement fee assessed to the University of Miami and is to be collected over the remaining term of nine (9) 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.

(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 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 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.

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

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

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

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

(k) Accounts Payable and Accrued Payroll

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

(l) Pensions

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

(m) Long-Term Obligations

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

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

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to pension and other postemployment benefits which are reported in the government-wide Statement of Net Position and Statement of Net Position of the proprietary funds.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the governmental funds, revenues that are measurable, but are not available, are recognized as *deferred inflows* and are reported in this category. The governmental funds report unavailable revenue from various sources which primarily include grants and contributions, charges for services and special assessments. The government-wide Statement of Net Position and Statement of Net Position of the proprietary funds report deferred inflows of resources related to pension and other postemployment benefits.

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) Inter-Fund 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) 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.

(t) 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.

(u) 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.

(v) 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.

(w) 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.

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

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

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

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.

(y) 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.

(z) 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.

(aa) New Accounting Pronouncements Adopted

The City implemented GASB Statement 84, *Fiduciary Activities*, which resulted in the restatement of the beginning net position of the fiduciary funds, which are part of the aggregate remaining funds’ opinion unit. The implementation resulted in reporting Agency Funds as a custodial funds beginning October 1, 2020. Accordingly, beginning net position was restated as follows for each fund:

	Employee Benefits Fund	Law Enforcement Fund	Total Custodial Funds
Total Net Position, October 1, 2020, as reported	\$ -	\$ -	\$ -
Reclass amounts from liabilities to net position	509,440	3,782,102	4,291,542
Total Net Position, October 1, 2020, as restated	<u>\$ 509,440</u>	<u>\$ 3,782,102</u>	<u>\$ 4,291,542</u>

In fiscal year 2021, the City implemented GASB Statement No. 98 and started the use of the term Annual Comprehensive financial report and its acronym ACFR in naming financial reports.

In addition, the following statements were implemented in fiscal year 2021 and had no impact on the City’s financial statements:

GASB Statement No. 90, *Majority Equity Interest – an amendment of GASB No. 14 and 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligation by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit obligations, and (3) related note disclosures.

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

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, 2020, upon which the 2020-2021 levy was based, was approximately \$17.45 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, 2021.

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	\$ 1,019,237	\$ -
False Alarms	248,141	-
Utility Taxes	900,322	-
Delinquent Waste Fees	797,316	-
Ambulance Transport Fees	644,399	-
Biltmore Hotel and Golf Course	167,892	-
Billable Off-Duty Salaries	311,020	-
Leased Properties - Rent Receivable	95,082	-
University of Miami Development Agreement Fee	8,682,000	-
Other	771,144	-
	<u>13,636,553</u>	<u>-</u>
Less: Allowance	(64,113)	-
Total	<u>13,572,440</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	47,225	-
Total	<u>47,225</u>	<u>-</u>
<u>Other Governmental Funds</u>		
BID Accounts Receivable	213,893	-
Total	<u>213,893</u>	<u>-</u>
<u>Parking Fund</u>		
Parking Leased Space	-	537,403
Parking – General	-	533,941
		<u>1,071,344</u>
Less: Allowance	-	(388,219)
Total	<u>-</u>	<u>683,125</u>
<u>Sanitary Sewer Fund</u>		
Customer Receivable	-	1,508,171
Miscellaneous	-	131,568
		<u>1,639,739</u>
Less Allowance	-	(415)
Total	<u>-</u>	<u>1,639,324</u>
<u>Stormwater Fund</u>		
Service Use Charges	-	1,076,456
Total	<u>-</u>	<u>1,076,456</u>
Total Governmental Funds	<u>13,844,558</u>	
Total Business-Type Activities/Proprietary Funds		<u>\$ 3,398,905</u>
<u>Internal Service Fund</u>		
Miscellaneous	25,816	
Total Internal Service Funds	<u>25,816</u>	
Total	<u>\$ 13,870,374</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
2022	\$ 1,025,000
2023	1,025,000
2024	1,025,000
2025	1,025,000
2026	1,025,000
2027-2030	4,100,000
Total payments due to the City	9,225,000
Less: Amount representing imputed interest	(543,000)
Present value of total remaining payments due to the City	<u>\$ 8,682,000</u>

(c) Deferred Inflows and Unearned Revenue

The components of deferred inflow of resources - unavailable revenues and unearned revenues as of September 30, 2021 are as follows:

	<u>Unavailable Revenues</u>	<u>Unearned Revenues</u>
<u>General Fund</u>		
False Alarms	\$ 236,513	\$ -
Delinquent Waste Fees	422,546	-
Ambulance Transport Fees	644,399	-
University of Miami		
Development Agreement Fee	8,682,000	-
Liens and Other Receivables	196,963	-
Prepaid Business Tax Receipts	-	2,620,182
Prepaid Waste Fees	-	6,055,955
Other fees	-	573,090
American Rescue Plan Act (ARPA) Grant	-	4,259,228
Other Grants and Contributions	1,927,869	993,980
Total	<u>12,110,290</u>	<u>14,502,435</u>
<u>Debt Service Fund</u>		
Miracle Mile/Giralda Streetscape		
Improvement Assessment	7,069,160	-
Liens and Other Receivables	2,184	-
Total	<u>7,071,344</u>	<u>-</u>
<u>General Improvement Fund</u>		
Grants and Contributions	13,978	26,800
Liens and Other Receivables	33,215	-
Total	<u>47,193</u>	<u>26,800</u>
<u>Other Governmental Funds</u>		
Grants and Contributions	112,244	-
Total	<u>112,244</u>	<u>-</u>
Total Governmental Funds	<u>\$ 19,341,071</u>	
Total Governmental Activities/Funds		<u>\$ 14,529,235</u>
<u>Parking Fund</u>		
Prepaid Parking Fees	-	309,190
Total Proprietary Funds		
Business-Type Activities	<u>\$ -</u>	<u>\$ 309,190</u>

(d) Capital Project and Related Services Assessment Program

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

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

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

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

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

Total annual assessment of \$568,543, of which \$310,142 represents interest cost and other annual cost, was included in the November 2020 tax bill as non-ad valorem special assessment. As of September 30, 2021, a total amount of \$540,267 was collected from the November 2020 tax bill. In addition, \$7,220 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
2022	\$ 569,770
2023	569,770
2024	569,770
2025	569,770
2026	569,770
2027-2031	2,848,850
2032-2036	2,848,850
2037	569,770
Total assessments due to the City	<u>9,116,320</u>
Less: Amount representing interest and other costs	<u>(3,400,339)</u>
Present value of total remaining assessments due to the City	<u>\$ 5,715,981</u>

The total remaining special assessment of \$5.71 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 \$55,686 represents interest cost and other annual cost, was included in November 2020 tax bill as non-ad valorem special assessment. As of September 30, 2021, a total amount of \$119,182 was collected from the November 2020 tax bill.

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

Fiscal Year	Amount
2022	\$ 125,160
2023	125,160
2024	125,160
2025	125,160
2026	125,160
2027-2031	625,800
2032-2036	625,800
2037	125,160
Total payments due to the City	<u>2,002,560</u>
Less: Amount representing interest and other costs	<u>(649,381)</u>
Present value of total remaining assessments due to the City	<u><u>\$ 1,353,179</u></u>

The total remaining special assessment of \$1.35 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 2021, the City issued the solid waste assessment bill for the annual assessment for fiscal year 2021-2022 to allow resident owners the option of a discounted rate if paid by August 15, 2021. As of September 30, 2021, the City collected \$6.06 million of advance payments related to the annual assessment for fiscal year 2021-2022 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, 2021, the City’s cash, cash equivalents and investments were as follows:

	Cash and Cash Equivalents	Investments	Total
Governmental activities	\$ 77,182,857	\$ 115,510,494	\$ 192,693,351
Business-type activities	18,277,653	41,120,627	59,398,280
Pension Trust Funds	18,639,016	503,178,070	521,817,086
Custodial Funds	4,605,933	-	4,605,933
Total Cash, Cash Equivalents and Investments	<u>\$ 118,705,459</u>	<u>\$ 659,809,191</u>	<u>\$ 778,514,650</u>
Deposits			\$ 118,705,459
Investments			659,809,191
Total Deposits and Investments			<u>\$ 778,514,650</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 deposits are included in cash and cash equivalents in the Plan’s statement of plan net position. Cash and cash equivalents include demand accounts and short-term investment funds (STIF). The allowable STIF investments are the custodial short-term (money market) commingled funds, commercial paper and U.S. governmental obligations.

Authorized Investments

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

City of Coral Gables Retirement Fund

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

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

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

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

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

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

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

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

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

Police Officers' Pension Fund

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

The Plan limits investment in the securities of any one issuer, other than the U.S. Government and its agencies, to no more than 5% of fiduciary net position. Investments more than 5% of the fiduciary net position consisted of Vanguard Intermediate-Term Corporate Fund (10.03%); Vanguard Real Estate Index Fund (5.48%); Vanguard Short Term Bond ETF (7.48%); Vanguard 500 Index Fund (24.75%) and American Funds Europacific Growth Fund (13.14%).

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 current target asset allocation range of these investments at market is as follows:

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

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

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

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

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

Fair Value Measurements

The following table presents the hierarchy for investments at fair value as of September 30, 2021:

	Total	Fair Value Measurement Using		
		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	\$ 72,959,050	\$ 72,959,050	\$ -	\$ -
US Agency Fixed Rate Debentures	83,670,990	-	83,670,990	-
Total Investment by fair value level	156,630,040	\$ 72,959,050	\$ 83,670,990	\$ -
LGIP - Investment measured at amortized cost*	1,081			
Total Investments	\$ 156,631,121			
<u>Firefighters' Pension Fund</u>				
Mutual Funds	\$ 5,018,689	\$ 5,018,689	\$ -	\$ -
Investment by fair value level	5,018,689	\$ 5,018,689	\$ -	\$ -
Guaranteed Investment Contract	9,447,260			
Total Investments	\$ 14,465,949			
<u>Police Officers' Pension Fund</u>				
Equity securities:				
Mutual Funds	\$ 4,533,959	\$ 4,533,959	\$ -	\$ -
Total	4,533,959	4,533,959	-	-
Debt securities:				
Fixed income mutual funds	1,981,672	1,981,672	-	-
Total Investment by fair value level	6,515,631	\$ 6,515,631	\$ -	\$ -
Money market funds (exempt)*	610,248			
Total Investments	\$ 7,125,879			
<u>City of Coral Gables Retirement Fund</u>				
Equity securities:				
Domestic equities	\$ 149,290,102	\$ 136,808,421	\$ -	\$ 12,481,681
International equities	67,148,238	48,216,218	-	18,932,020
Total equity securities	216,438,340	185,024,639	-	31,413,701
Debt securities:				
Government and agency	48,855,996	-	48,855,996	-
Fixed income fund	4,956,696	-	-	4,956,696
Corporate bonds	15,417,233	-	15,417,233	-
Total debt securities	69,229,925	-	64,273,229	4,956,696
Alternative investments:				
Real estate	46,968,374	-	-	46,968,374
Venture capital	1	-	-	1
Total alternative investments	46,968,375	-	-	46,968,375
Total investments by fair value level	332,636,640	\$ 185,024,639	\$ 64,273,229	\$ 83,338,772
Investment measured at the net asset value (NAV)				
Commingled international equity fund	49,192,161			
Commingled global fixed income fund	2,924,030			
Hedge funds	97,443,659			
Total investment measured at the NAV	149,559,850			
Total investments	\$ 482,196,490			

* 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, 2021. 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, 2021. 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, 2021 are as follows:

	Investments Measured at the NAV		
	Fair Value	Redemption Frequency	Redemption Notice Period
Commingled international equity fund ⁽¹⁾	\$ 49,192,161	Daily	Same Day
Commingled global fixed income fund ⁽²⁾	2,924,030	Daily	Same Day
Hedge funds ⁽³⁾	97,443,659	Daily	Quarterly
Total investments measured at the NAV	<u>\$ 149,559,850</u>		

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

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

City of Coral Gables

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

Firefighters' Pension Fund

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

Following is a description of the valuation methodologies used for assets measured at fair value:

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 \$9,447,260 with a guaranteed interest rate of return and principal. The issuer of the investment assumes the market, credit and interest rate risks related to the investment. The average rate of return on this investment as of September 30, 2021 is 3.00%.

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

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 5
U.S. Government Agencies	\$ 156,630,040	\$ -	\$ 156,630,040
State Board of Administration	1,081	1,081	-
	156,631,121	\$ 1,081	\$ 156,630,040
Deposits	100,066,443		
Total Cash, Cash Equivalents and Investments	\$ 256,697,564		

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, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Money market fund	\$ 9,694,503	\$ 6,689,640	\$ 3,004,863	\$ -	\$ -
U.S. government and agency	48,855,996	-	7,931,760	15,268,103	25,656,133
Corporate bonds	15,417,233	-	4,296,457	8,445,209	2,675,567
Global fixed income	2,924,030	-	-	-	2,924,030
Other fixed income	4,956,696	-	-	-	4,956,696
	\$ 81,848,458	\$ 6,689,640	\$ 15,233,080	\$ 23,713,312	\$ 36,212,426

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, 2021 is provided by the following table:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	More than 10
Fixed income mutual funds	\$ 1,981,672	\$ 56,835	\$ 1,041,461	\$ 765,212
		\$ 118,164		

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	*	\$ 72,959,050	\$ -
US Agency Fixed Rate Debentures	*	83,670,990	-
Mutual Funds	Not Rated	-	5,018,689
		<u>\$ 156,630,040</u>	<u>\$ 5,018,689</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, 2021 as applicable:

	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 50,751,881	62.01%
Rating of credit risk debt securities by S&P:		
AAA	187,760	0.23%
AA+	298,197	0.36%
AA	73,146	0.09%
AA-	559,525	0.68%
A+	1,403,727	1.72%
A	1,459,710	1.78%
A-	4,364,725	5.33%
BBB+	5,982,228	7.31%
BBB	268,193	0.33%
BBB-	-	0.00%
Not rated	16,499,366	20.16%
Total credit risk debt securities	31,096,577	37.99%
Total fixed income securities	\$ 81,848,458	100%

*Credit risk disclosures are not required for obligations of the U.S. government or obligations explicitly or implicitly 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, 2021 as applicable:

	Fair Value	Percentage of Portfolio
Rating of credit risk debt securities by Moody's :		
Aaa	\$ 44,008	2.22%
Aa	37,740	1.90%
A	289,565	14.61%
Baa	39,829	2.01%
Not rated	1,570,530	79.26%
Total credit risk fixed income investments	\$ 1,981,672	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, 2021. 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, 2021 for the City and pension trust fund portfolios.

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

Foreign Currency Risk: Foreign currency risk is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than US Dollars and the carrying value of foreign investments. The Police Officers' Pension Fund's exposure to foreign currency risk derives mainly from its investment in international equity funds. The Plan owns participation in international equity funds as well as individual securities. The investment policy of the Plan limits the foreign investments to no more than 25% of the Plan's investment balance. As of year-end, the foreign investments were 13.69% 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, 2021, 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, 2021:

Securities Lent:	Market Value of Securities on Loan for Cash	Fair Value of Cash Collateral Invested
U.S. government and agency obligations	\$ 15,618,155	\$ 15,912,801
Domestic corporate stocks	14,837,261	15,251,364
Domestic corporate bonds	3,931,973	4,020,894
Total Securities Lent	\$ 34,387,389	\$ 35,185,059

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, 2021:**

	Beginning Balance		Additions/ Transfers		Retirements/ Transfers		Ending Balance
Governmental Activities:							
Nondepreciable Assets:							
Land	67,255,684	\$	5,952,058	\$	(12,186,703)	\$	61,021,039
Construction in Progress	63,629,220		13,364,489		(68,674,597)		8,319,112
Total Non-depreciable Assets	<u>130,884,904</u>		<u>19,316,547</u>		<u>(80,861,300)</u>		<u>69,340,151</u>
Depreciable Assets:							
Infrastructure	113,068,020		-		-		113,068,020
Buildings	69,705,041		67,360,913		(2,852,171)		134,213,783
Improvements Other Than Buildings	110,118,099		2,229,701		(15,475,327)		96,872,473
Machinery and Equipment	66,353,731		5,197,965		(7,161,821)		64,389,875
Total Depreciable Assets	<u>359,244,891</u>		<u>74,788,579</u>		<u>(25,489,319)</u>		<u>408,544,151</u>
Less Accumulated Depreciation for:							
Infrastructure	93,705,383		3,021,254		-		96,726,637
Buildings	29,243,734		1,365,707		(2,607,098)		28,002,343
Improvements Other Than Buildings	22,542,482		2,711,635		(7,763,679)		17,490,438
Machinery and Equipment	41,196,763		4,696,551		(7,007,069)		38,886,245
Total Accumulated Depreciation	<u>186,688,362</u>		<u>11,795,147</u>		<u>(17,377,846)</u>		<u>181,105,663</u>
Total Depreciable Assets, net	<u>172,556,529</u>		<u>62,993,432</u>		<u>(8,111,473)</u>		<u>227,438,488</u>
Governmental Activities Capital Assets, net	<u>303,441,433</u>	\$	<u>82,309,979</u>	\$	<u>(88,972,773)</u>	\$	<u>296,778,639</u>
Business-Type Activities:							
Nondepreciable Assets:							
Land	3,701,838	\$	-	\$	-	\$	3,701,838
Construction in Progress	2,131,661		3,738,856		(2,416,165)		3,454,352
Total Non-depreciable Assets	<u>5,833,499</u>		<u>3,738,856</u>		<u>(2,416,165)</u>		<u>7,156,190</u>
Depreciable Assets:							
Infrastructure	32,009,962		2,416,165		-		34,426,127
Buildings	30,223,473		-		-		30,223,473
Improvements Other Than Buildings	819,926		-		-		819,926
Machinery and Equipment	4,741,625		180,875		-		4,922,500
Total Depreciable Assets	<u>67,794,986</u>		<u>2,597,040</u>		<u>-</u>		<u>70,392,026</u>
Less Accumulated Depreciation for:							
Infrastructure	13,473,777		553,040		-		14,026,817
Buildings	14,415,904		584,399		-		15,000,303
Improvements Other Than Buildings	572,575		33,220		-		605,795
Machinery and Equipment	3,003,813		358,306		-		3,362,119
Total Accumulated Depreciation	<u>31,466,069</u>		<u>1,528,965</u>		<u>-</u>		<u>32,995,034</u>
Total Depreciable Assets, net	<u>36,328,917</u>		<u>1,068,075</u>		<u>-</u>		<u>37,396,992</u>
Business-Type Activities Capital Assets, net	<u>42,162,416</u>	\$	<u>4,806,931</u>	\$	<u>(2,416,165)</u>	\$	<u>44,553,182</u>

Depreciation expense was charged to functions/programs of the City as follows for the fiscal year ended September 30, 2021:

Governmental Activities:	
General Government	\$ 5,122,979
Public Safety	2,893,441
Transportation	338,826
Culture and Recreation	1,746,425
Physical Environment	1,693,476
Total depreciation expense – Governmental Activities	<u>\$ 11,795,147</u>
Business-Type Activities:	
Sanitary Sewer System Fund	\$ 471,995
Parking System Fund	946,515
Stormwater Utility Fund	110,455
Total depreciation expense – Business-Type Activities	<u>\$ 1,528,965</u>

Purchase and Sale of Land

On March 23, 2021, the Purchase and Sale Agreement with a private developer related to a land exchange was completed and a Termination of Memorandum of Purchase Agreement was entered into by the City and the developer at the closing date. The City took possession of the parcel of land owned by the developer where the new public safety building and parking garage were built, and the City conveyed to the developer its own land and building which was the former public safety facility. In addition, the developer paid the City \$5.2 million as provided in the agreement. As a result of the land exchange and monetary consideration received, the City recognized \$5.95 million as the recorded value of the land received and realized a gain on land exchange of \$2.51 million. Lastly, since the developer exercised its right and took possession of the City’s property in exchange to the property conveyed to the City, the previously recognized obligation by the City to the developer of \$11.5 million was substantially settled. (See Note 7(b) for related disclosures.)

NOTE 6 - INTERFUND TRANSACTIONS

The interfund balance between General Fund: (a) BBC GOB Program Fund represents short-term loans to cover temporary negative balance in equity in pooled cash related to grant expenditures pending reimbursement from the Miami-Dade County Building Better Community 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.

<u>Due from/to other funds</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Major governmental fund:		
General Fund	\$ 117,585	\$ -
Nonmajor governmental fund:		
Special Taxing District	-	2,585
BBC GOB Program	-	115,000
	<u>\$ 117,585</u>	<u>\$ 117,585</u>

Interfund transfers for the fiscal year ended September 30, 2021 are as follows:

	Transfer In						Total
	Major Governmental Funds			Non-Major Governmental Fund	Major Proprietary Fund	Internal Service Fund	
	General	Debt Service	General Improvement	Neighborhood Renaissance	Parking	Insurance Fund	
Transfer out:							
Major governmental fund:							
General	\$ -	\$ 8,328,331	\$ 15,046,908	\$ 11,487	\$ -	\$ 1,250,177	\$ 24,636,903
General Improvement	16,000	-	-	-	13,533,426	-	13,549,426
Non-Major governmental fund:							
Impact Fee	-	-	-	-	582,419	-	582,419
Major proprietary fund:							
Sanitary Sewer	508,790	-	-	-	-	-	508,790
Parking System	5,554,244	-	-	-	-	-	5,554,244
Stormwater	139,800	-	-	-	-	-	139,800
Internal Service fund:							
Motor Pool	731,059	-	-	-	-	-	731,059
Public Facilities	885,089	-	-	-	-	-	885,089
	<u>\$ 7,834,982</u>	<u>\$ 8,328,331</u>	<u>\$ 15,046,908</u>	<u>\$ 11,487</u>	<u>\$ 14,115,845</u>	<u>\$ 1,250,177</u>	<u>\$ 46,587,730</u>

Transfers out from the General Fund to: (a) General Improvement Fund and Neighborhood Renaissance Fund were primarily to provide additional funding for capital project expenditures; (b) Debt Service Fund

is required to provide funds to pay debt service requirements; and (c) Insurance Fund was to provide funding for claim reserves. Transfers out from Parking Systems Fund, Sanitary Sewer Fund, Stormwater Fund, Motor Pool Fund, and Public Facilities Fund to the General Fund were primarily to provide funding as a subsidy for the cost of operations of the General Fund and in accordance with City resolutions. Transfers out from General Improvement Fund and Impact Fee Fund to Parking Fund were primarily for the construction of a new parking garage.

NOTE 7 - LONG-TERM DEBT

(a) Following is a summary of the City’s Special Obligation Bonds at September 30, 2021:

Issue Date	Maturity Date	Interest Rate	Amount Authorized	Amount Issued	Amount Retired	Balance Outstanding 09/30/21	Current Portion
Governmental Activities:							
06-30-2011	10-01-2032	1.51%	\$ 4,365,000	\$ 4,365,000	\$ 4,365,000	\$ -	-
06-05-2012	10-01-2031	2.67%	43,096,290	43,096,290	43,096,290	-	-
02-28-2013	10-01-2028	2.40%	7,725,700	7,725,700	7,725,700	-	-
02-28-2013	10-01-2028	3.43%	4,350,000	4,350,000	4,350,000	-	-
12-19-2014	04-01-2030	2.50%	6,500,000	6,500,000	6,500,000	-	-
02-26-2016	04-01-2019	2.00%	570,000	570,000	570,000	-	-
04-28-2016	04-01-2037	2.92%	16,975,000	16,975,000	2,075,000	14,900,000	685,000
04-28-2016	04-01-2037	3.045%	4,460,000	4,460,000	690,000	3,770,000	190,000
05-31-2018	04-01-2048	3.640%	48,015,000	48,015,000	1,100,000	46,915,000	700,000
05-31-2018	10-01-2031	2.840%	28,486,030	28,486,030	6,226,628	22,259,402	1,633,070
03-30-2021	10-01-2032	1.900%	5,258,000	5,258,000	-	5,258,000	280,000
06-10-2021	04-01-2051	2.00%-5.00%	7,155,600	7,155,600	-	7,155,600	211,520
			<u>176,956,620</u>	<u>176,956,620</u>	<u>76,698,618</u>	<u>100,258,002</u>	<u>3,699,590</u>
Business-Type Activities:							
06-05-2012	10-01-2031	2.67%	6,253,710	6,253,710	6,253,710	-	-
02-28-2013	10-01-2028	2.40%	9,069,300	9,069,300	9,069,300	-	-
08-12-2014	10-01-2024	2.42%	3,770,000	3,770,000	3,770,000	-	-
05-31-2018	10-01-2031	2.840%	4,133,970	4,133,970	903,372	3,230,598	236,930
06-10-2021	04-01-2051	2.00%-5.00%	19,899,400	19,899,400	-	19,899,400	588,480
			<u>43,126,380</u>	<u>43,126,380</u>	<u>19,996,382</u>	<u>23,129,998</u>	<u>825,410</u>
			<u>\$ 220,083,000</u>	<u>\$ 220,083,000</u>	<u>\$ 96,695,000</u>	<u>\$ 123,388,000</u>	<u>\$ 4,525,000</u>

The City’s special obligation bonds consist of direct borrowings from the Sunshine State Governmental Financing Commission (SSGFC) and other private sources to provide funds for the acquisition, construction and improvements of capital facilities, and are secured by a covenant to budget and appropriate from available non-ad valorem revenues of the City, with the exception of the Series 2016A and Series 2016B which are also secured by special assessments imposed on local areas within the City. With respect to the governmental special obligation bonds, fiscal year 2021 debt service (excluding bond refunding) was \$8,295,668 while total non-ad valorem tax revenue totaled \$91,326,186. For the business-type special obligation bonds, fiscal year 2021, debt service (excluding bond refunding) totaled \$1,675,216 while total non-ad valorem revenue totaled \$33,256,815. All revenue pledges remain in effect for the life of the special obligation bonds through final maturity date of April 1, 2051. Borrowing agreements contain provision that in an event of default by the City the bondholders have the rights to act and exercise remedies as provided in the agreement to collect amounts due and thereafter to become due.

In fiscal year 2021, the City directly issued the following special obligation bonds:

Series 2021A - On March 30, 2021, the City issued Capital Improvement Refunding Revenue Bonds, Series 2021A with principal amount of \$5,258,000 to accomplish the current refunding of: (a) Series 2011C in the amount of \$2,835,000 with a taxable variable interest rate equal to the 1-month LIBOR plus 135 basis points which was scheduled to mature on October 1, 2032; (b) Series 2013B in the amount of \$2,590,000 with a taxable interest rate of 3.43% which was scheduled to mature on October 1, 2028; and (c) pay costs of issuance related to Series 2021A. The Series 2021A is a taxable bond with a fixed rate of 1.90% payable on April 1 and October 1 of each year and matures on October 1, 2032. The bonds are secured by the City's covenant to budget and appropriate from legally available non ad valorem revenues. The reacquisition price equals the net carrying amount of the debt. Thus, no deferred loss or gain on refunding resulted from the bond refunding. The refunding resulted in economic gain (difference between the present value of the debt service payments on the old debt and new debt) of \$195,000 and allowed the City to consolidate its taxable obligations into single fixed rate loan.

Series 2021B - On June 10, 2021, the City issued Capital Improvement Revenue and Refunding Bonds, Series 2021B with principal amount of \$27,055,000 plus bond premium of \$3,631,503 to (a) finance the cost of certain capital improvements related to the City's sewer system for \$14,425,000; (b) current refunding of Series 2013A bonds with outstanding balance of \$9,940,000 with a fixed interest rate of 2.40% and matures on October 1, 2028; (c) current refunding of Series 2014 with outstanding balance of \$1,620,000 with a fixed rate of 2.42% and matures on October 1, 2024; and (d) Series 2015B with outstanding balance of \$4,185,000 with a fixed rate of 2.503% and matures on April 1, 2030. The bonds are secured by the City's covenant to budget and appropriate from legally available non ad valorem revenues. The Series 2021B is tax-exempt and has an all-in-true interest cost of 1.873% payable on April 1 and October 1 of each year and matures on April 1, 2051. Principal amount is paid annually starting April 1, 2022. The bond premium of \$3.36 million is amortized over the life of the bond beginning April 1, 2022. The reacquisition price equals the net carrying amount of the debt. Thus, no deferred loss or gain on refunding resulted from the bond refunding. The refunding resulted in economic gain (difference between the present value of the debt service payments on the old debt and new debt) of \$596,000.

The City has utilized the Sunshine State Governmental Financing Commission (the "Commission") since 1987 as its source to finance the acquisition and construction of City facilities, except for the Series 2021A & B which were a direct issuance by the City. The Commission was created in November 1985, initially by the cities of Tallahassee and Orlando, Florida. As of September 30, 2015, the Commission's membership consists of the following Florida governmental units: City of Coral Gables; City of Coral Springs; City of Daytona Beach; City of Ft. Lauderdale; City of Jacksonville; City of Lakeland; City of Miami; City of Hollywood; City of Miami Beach; City of Orlando; City of St. Petersburg; City of Tallahassee; City of Vero Beach; Miami-Dade County; Palm Beach County; and Polk County. In addition, the City of Fort Pierce, Leon County, and the City of West Palm Beach participate in the Commission's programs as non-members. Other Florida local governments may in the future become members or non-member participants, including units of government such as special districts or other qualifying public agencies. Each member government appoints a representative to the Commission. These representatives elect a five-member board of directors to administer the loan program.

All of the City's outstanding loans are tax exempt except for \$4,365,000 loan issued on June 30, 2011; \$4,350,000 issued on February 28, 2013; \$570,000 loan issued on February 26, 2016; and \$5,258,000 loan issued on March 30, 2021; which are taxable.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Total annual debt service requirements on long-term debt outstanding as of September 30, 2021, are as follows:

Fiscal Year	BUSINESS-TYPE ACTIVITIES		
	Direct Borrowings		Business-Type Activities Total Required
	Special Obligation Debt Principal	Interest	
2022	\$ 825,410	\$ 741,815	\$ 1,567,225
2023	1,684,124	872,904	2,557,028
2024	1,761,731	788,415	2,550,146
2025	1,854,050	700,405	2,554,455
2026	1,642,362	607,023	2,249,385
2027-2031	6,871,768	1,800,635	8,672,403
2032-2036	2,019,531	864,806	2,884,337
2037-2041	1,930,950	628,340	2,559,290
2042-2046	2,147,952	416,420	2,564,372
2047-2051	2,392,120	163,932	2,556,052
Total	23,129,998	\$ 7,584,695	\$ 30,714,693
Less: Current portion	(825,410)		
Long-term portion	\$ 22,304,588		

Fiscal Year	GOVERNMENTAL ACTIVITIES						
	Direct Borrowings			Capital Leases			Governmental Activities Total Requirements
	Special Obligation Debt Principal	Interest	Total Required	Principal	Interest	Total Required	
2022	\$ 3,699,590	\$ 3,845,802	\$ 7,545,392	\$ 99,983	\$ 745	\$ 100,728	\$ 7,646,120
2023	4,705,877	3,707,968	8,413,845	-	-	-	8,413,845
2024	4,988,270	3,505,038	8,493,308	-	-	-	8,493,308
2025	5,195,951	3,288,298	8,484,249	-	-	-	8,484,249
2026	5,312,638	3,047,375	8,360,013	-	-	-	8,360,013
2027-2031	27,108,234	11,588,367	38,696,601	-	-	-	38,696,601
2032-2036	18,398,464	7,273,382	25,671,846	-	-	-	25,671,846
2037-2041	11,964,050	4,744,748	16,708,798	-	-	-	16,708,798
2042-2046	12,622,048	2,539,426	15,161,474	-	-	-	15,161,474
2047-2051	6,262,880	354,364	6,617,244	-	-	-	6,617,244
Total	100,258,002	\$ 43,894,768	\$ 144,152,770	99,983	\$ 745	\$ 100,728	\$ 144,253,498
Less: Current portion	(3,699,590)			(99,983)			
Long-term portion	\$ 96,558,412			\$ -			

The City's General Fund is primarily utilized for the payment of long-term liabilities of the governmental funds. During the year ended September 30, 2021, 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	\$ 11,955,515	\$ 6,607,674	\$ 6,573,058	\$ 11,990,131	\$ 6,383,786
Claims Payable	12,568,000	3,936,980	2,671,980	13,833,000	4,532,000
Special Obligation Debt from direct borrowings	106,345,375	12,413,600	18,500,973	100,258,002	3,699,590
Premium on Special Obligation Debt from direct borrowings	4,980,665	1,512,010	852,154	5,640,521	-
Capital Lease	185,130	-	85,147	99,983	99,983
Obligation on Purchase and Sale of Land	11,500,000	-	11,500,000	-	-
Pollution Remediation Obligation	160,000	183,500	-	343,500	-
Deferred Employment Taxes	1,441,186	746,149	-	2,187,335	2,187,335
Advances from Insurance Company	849,342	218,919	501,316	566,945	566,945
Total OPEB Liability	26,708,726	1,531,878	-	28,240,604	-
Net Pension Liability	201,594,628	-	22,819,784	178,774,844	-
	\$ 378,288,567	\$ 27,150,710	\$ 63,504,412	\$ 341,934,865	\$ 17,469,639

During the year ended September 30, 2021, 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	\$ 349,024	\$ 284,518	\$ 235,127	\$ 398,415	\$ 219,046
Special Obligation Debt from direct borrowings	11,429,625	19,899,400	8,199,027	23,129,998	825,410
Premium on Special Obligation Debt from direct borrowings	247,326	2,119,494	49,543	2,317,277	-
Total OPEB Liability	1,405,722	80,626	-	1,486,348	-
Net Pension Liability	5,700,616	1,264,638	-	6,965,254	-
	\$ 19,132,313	\$ 23,648,676	\$ 8,483,697	\$ 34,297,292	\$ 1,044,456

(b) Obligation on Purchase and Sale of Land

On March 23, 2021, the City’s obligation of \$11.5 million related to the land conveyed by a private developer to the City and where the new public safety building and parking garage were built, was settled when the developer exercised its right and took possession of the City’s property in exchange to the property conveyed to the City. See Note 5 for related disclosures.

(c) Capital Lease Obligations

The City has entered into certain lease agreements as lessee for financing the acquisition of certain vehicles and equipment for use by different departments. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The capital lease obligations of governmental activities are payable from non-ad valorem revenues of the City.

The original present value of the minimum payments under the arrangement and the capitalized basis is \$5,780,879 net of accumulated depreciation of \$5,413,142 for governmental activities; and \$858,406 as the capitalized basis and \$858,406 accumulated depreciation for business-type activities.

Future minimum lease obligations are as follows:

Governmental Activities		
<u>Year ending September 30:</u>		<u>Amount</u>
Total minimum lease payments	\$	100,728
Less: Amount representing interest		(745)
Present value of minimum lease payments	\$	<u>99,983</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, 2020:

Retirees and beneficiaries currently receiving benefits, including DROP, and terminated employees entitled to benefits, but not yet receiving them	996
<hr/>	
Current Employees:	
Vested	266
Non-vested	348
<hr/> Total Current Employees	<hr/> 614

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, 2021 was \$25,210,048.

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, 2021 is as follows:

Beginning balance	\$	27,746,523
Additions		6,025,296
Distributions		(10,344,080)
Interest earned		1,782,309
Ending balance	\$	<u>25,210,048</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.

The City entered into a collective bargaining agreement with the Teamsters, Local Union 769, for a four-year term (October 1, 2017 through September 30, 2021). The collective bargaining agreement contains certain changes to the Plan provisions for General employees that have been approved in March 2018, as described below.

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.

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.

(2) Basis of Accounting for Coral Gables Retirement System

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

Cash and Cash Equivalents

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

Investments - See Note 4 for disclosures

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

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

Risks and Uncertainties

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

Net Pension Liability

The City’s net pension liability was measured as of September 30, 2019 and rolled-forward to September 30, 2020, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2019.

The components of the net pension liability of the City at September 30, 2020 were as follows:

	Amount
Total pension liability	606,973,935
Plan fiduciary net position	(421,233,837)
Total net pension liability	185,740,098
Plan fiduciary net position as a percentage of the total pension liability	69.40%

Actuarial Assumptions

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

Actuarial cost method	Entry Age Normal, Level Percent of Pay
Inflation	2.50%
Salary increases	3.25% - 7.25%, depending on age, including inflation.
Investment rate of return	7.55%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for active members and RP-2000 Healthy Annuitant Mortality Table for nondisabled inactive members, with mortality improvements projected to all future years using Scale BB.

For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% white color adjustment / 50% blue collar adjustment for General Employees and a 10% white collar adjustment / 90% blue collar adjustment for Police Officers and Firefighters. These are the same mortality rates used in the July 1, 2018 actuarial valuation of the Florida Retirement System (FRS), as required under Florida Statutes Chapter 112.63.

The actuarial assumptions used in the October 1, 2019 valuation were based on the results of an actuarial experience study for the six-year period ending September 30, 2014.

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

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

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

*Real rate of return adjusted for annual inflation rate of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. This single discount rate was based on the expected rate of return on pension plan investment of 7.55%. The projection of cash flows used to determine the discount rate assumed that plan employee contributions will be made at the current contribution rate and that contributions from the City will be made at rates equal to the difference between the total actuarially determined contribution rates and the employee rate. Based on these assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Coral Gables Retirement Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A)-(B)
Beginning Net Pension Liability 10/1/2020	\$ 598,789,622	\$ 391,494,378	207,295,244
Changes for the year:			
Service cost	7,128,279	-	7,128,279
Interest on the total pension liability	44,278,911	-	44,278,911
Changes of benefit terms	-	-	-
Difference between expected and actual experience	684,775	-	684,775
Changes of assumptions	2,693,639	-	2,693,639
Contributions - employer	-	28,253,347	(28,253,347)
Contributions - nonemployer	-	145,830	(145,830)
Contributions - member	-	4,920,649	(4,920,649)
Net investment income	-	43,440,434	(43,440,434)
Benefit payments	(46,075,511)	(46,075,511)	-
Refunds	(525,780)	(525,780)	-
Administrative expense	-	(419,510)	419,510
Net changes	8,184,313	29,739,459	(21,555,146)
Ending Net Pension Liability 09/30/2021	\$ 606,973,935	\$ 421,233,837	\$ 185,740,098

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 7.55%, 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 (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate.

	City's Net Pension Liability		
	1% Decrease	Current Discount Rate	1% Increase
	(6.55%)	(7.55%)	(8.55%)
September 30, 2021	\$ 245,624,667	\$ 185,740,098	\$ 135,223,969

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

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$16,095,918.

As of September 30, 2021, 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	\$ 1,769,738	\$ -
Changes in assumptions	4,179,413	-
Employer contributions made subsequent to the measurement date	28,972,846	-
Net difference between projected and actual earnings on pension plan investments	-	10,552,442
Total	\$ 34,921,997	\$ 10,552,442

The deferred outflow of resources of \$28,972,846 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, 2022.

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
2022	\$ (2,897,448)
2023	(289,759)
2024	1,250,568
2025	(2,666,652)
Total	\$ (4,603,291)

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

(b) Defined Contribution Plans for Police Officers and Firefighters

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

Police Officers

(1) Plan Description

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

Police Officers participate from the date of employment as a police officer. Contributions to the Plan are distributed to participants based on the years of service for the individual participant as it relates to the total years of service for all participants. Each participant is credited one share for each year in the Plan, up to a maximum of thirty (30) shares. Initial shares will be credited to eligible participants on April 1 of each year. At September 30, 2021, the Plan membership consisted of 332 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 \$577,473 representing 3.51% of total covered payroll of police officers participating in the Plan of \$16,448,590.

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

(2) Summary of Significant Accounting Policies

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

Investments – See Note 4 for disclosures.

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

Firefighters

(1) Plan Description

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

participants. As of September 30, 2021, there are 134 active and 29 inactive plan members with combined participating shares of 996 in the Plan.

The City contributions for the fiscal year were \$881,835 representing 6.58% of total covered payroll of firefighters participating in the plan of \$13,407,335.

(2) Summary of Significant Accounting Policies

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

Investments – See Note 4 for disclosures.

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

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

CITY OF CORAL GABLES, FLORIDA
 STATEMENT OF FIDUCIARY NET POSITION
 FIREFIGHTERS' PENSION FUND
 September 30, 2021

ASSETS	
Cash and Cash Equivalents	\$ 131,919
Investments:	
Guaranteed Investment Contract	9,447,260
Mutual Funds	5,018,689
Total Assets	<u>14,597,868</u>
LIABILITIES	
Due to Coral Gables Retirement Fund	<u>52,271</u>
NET POSITION	
Restricted for Pension Benefits	<u><u>\$ 14,545,597</u></u>

CITY OF CORAL GABLES, FLORIDA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIREFIGHTERS' PENSION FUND
 For the Fiscal Year Ended September 30, 2021

ADDITIONS	
Contributions:	
Employer	<u>\$ 881,835</u>
Investment Income:	
Appreciation in the Fair Value of Investments	2,184,306
Investment Earnings	228,990
Total Investment Income	<u>2,413,296</u>
Less Investment Expense	<u>(27,217)</u>
Net Investment Income	<u>2,386,079</u>
Total Additions	3,267,914
DEDUCTIONS	
Employee Benefits	2,700,728
Administrative expense	24,417
Total Deductions	<u>2,725,145</u>
Change in Net Position	542,769
Net Position Restricted for Pension Benefits – Beginning	<u>14,002,828</u>
Net Position Restricted for Pension Benefits – Ending	<u><u>\$ 14,545,597</u></u>

(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; however, the City has a custodial responsibility to properly administer the plans. 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, 2021, the City’s total contribution to the 401(a) defined contribution plans was \$550,860.

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

NOTE 9 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Employees Covered by Benefit Terms – At September 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	180
Active employees	789
Total	969

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, 2020 and was determined by an actuarial valuation as of September 30, 2019.

Actuarial Assumptions

The total OPEB liability measured as of September 30, 2020 was determined using the following actuarial assumptions:

Inflation	2.50%
Discount rate*	2.41%
Projected salary increases	3.25% - 7.25%
Healthcare cost trend rates	Based on the Getzen Model starting at 6.0% gradually decreasing to an ultimate rate of 4.3% in 2040
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 RP-2000 mortality tables with varying Collar adjustments and generational mortality improvements with Scale BB. Disabled employees based on RP-2000 disabled mortality tables setback 4 years for males and set forward 2 years for females and no projected improvements.

The actuarial assumptions used in the September 30, 2019 actuarial valuation are based on results on experience studies conducted by the Florida Retirement System as of 2014 and the City as of 2014.

Discount Rate

A discount rate of 2.41% was used to measure the September 30, 2020 total OPEB Liability. The rate is based on the Fidelity 20-Year Municipal GO AA Index – daily rate closest or equal to but not later than the respective measurement date.

Change in discount rate assumption

Measurement Date	September 30, 2020	September 30, 2019
Discount Rate	2.41%	2.75%

Changes in Total OPEB Liability

Beginning Total OPEB Liability	\$ 28,114,448
Changes for the year:	
Service cost	1,349,916
Interest	798,231
Changes of benefit terms	-
Difference between actual and expected experience	-
Changes of assumptions	345,760
Benefit payments	(881,403)
Net changes	1,612,504
Ending Total OPEB Liability	\$ 29,726,952

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

The following presents the total OPEB liability of the City calculated using the discount rate of 2.41%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.41 percent) or 1-percentage-point higher (3.41 percent) than the current rate:

City's Total OPEB Liability		
1% Decrease (1.41%)	Current Discount Rate (2.41%)	1% Increase (3.41%)
\$ 34,578,613	\$ 29,726,952	\$ 25,818,564

Sensitivity of the Total OPEB Liability to the 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:

	Sensitivity of the Total OPEB Liability to the Trend Rate Assumption		
	1% Decrease	Current Trend Rate	1% Increase
Trend Rates	5.0% to 3.3%	6.0% to 4.3%	7.0% to 5.3%
Total OPEB Liability	\$ 25,408,984	\$ 29,726,952	\$ 35,212,474

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$1,699,486 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	\$ -	\$ 3,087,921
Changes in assumptions	3,074,968	1,216,311
Employer contributions made subsequent to the measurement date	942,999	-
Total	<u>\$ 4,017,967</u>	<u>\$ 4,304,232</u>

The deferred outflow of resources of \$942,999 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, 2022.

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

Year Ending September 30:	Net Deferred Inflow of Resources
2022	\$ 453,523
2023	453,523
2024	254,025
2025	121,024
2026	22,830
Thereafter	<u>(75,661)</u>
Total	<u>\$ 1,229,264</u>

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

NOTE 10 - POLLUTION REMEDIATION OBLIGATIONS

As of September 30, 2021, 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) (formerly Department of Environmental Resource Management (DERM)) 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 has completed Phase 1 of this project and submitted the report for this phase to RER for review. The city has also completed Phase 2 of this project which consisted of source removal of contaminated soil and placement of an engineering control in the vicinity on 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. DERM response letter dated September 8, 2016, noted that the removal of additional soil is required. DERM also noted that upon completion of soil removal, the City is required to submit a "Monitoring Only Plan in Support of No Further Action with Condition" along with a complete Engineering Control Implementation Report and Engineering Control Maintenance Plan. In addition, DERM required soil removal and groundwater monitoring wells. The City estimates the remaining costs for this entire obligating event to be \$138,000. The City requested extension of time to complete the remediation and reporting requirements by June 30, 2022.
- 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. DERM required Limited Site Assessment for delineation of arsenic contamination. The City estimated the cost to comply with FDEP order to be approximately \$16,500.
- 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, the Miami-Dade RER required the City to submit a Site Assessment Report Addendum (SARA) to address the outstanding environmental assessment and remediation requirements of the former incinerator. The City requested an extension to complete the remediation and reporting requirements by June 1, 2023. The City estimated the cost for this remediation and compliance requirements to be \$189,000.
- 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. In fiscal year 2021, the City conducted testing of samples of contaminants from irrigation well and results indicated that all tested parameters were below detection limits and submitted a revised Site Assessment Summary, Revised Engineering Control and

Maintenance Plan, and a Revised Source Removal Report. As of September 30, 2021, the City is in the process of reviewing the most recent plan for submission to DERM and remedial action plan cannot be reasonably estimated, therefore a liability for this site is not recorded in the financial statements.

As of September 30, 2021, the City’s total liability related to the pollution remediation obligating events is \$343,500.

NOTE 11 - INSURANCE PROGRAM

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

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

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

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

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

	<u>2021</u>	<u>2020</u>
Unpaid claim payable, beginning	\$ 12,568,000	\$ 12,805,000
Incurred claims and claim adjustments	3,936,980	2,590,271
Claims payments	<u>(2,671,980)</u>	<u>(2,827,271)</u>
Unpaid claims payable, ending	<u>\$ 13,833,000</u>	<u>\$ 12,568,000</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 \$83,734. The deficit will be offset 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, 2021 was approximately \$7.64 million.

NOTE 14 - MINIMUM RENTALS RECEIVABLE

Non-cancelable operating leases of property to third parties are accounted for in the Enterprise Funds and General Fund. The operating leases include various short-term leases ranging from less than one year to twenty-eight years as well as a long-term lease with the management company operating the Biltmore Hotel and Golf Courses and development agreements on City owned land parcels. Minimum rental receivables under these leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 4,068,521
2023	4,030,283
2024	3,898,354
2025	3,739,379
2026	3,048,409
2027-2031	11,664,370
2032-2036	7,530,075
2037-2041	1,185,125
	<u>\$ 39,164,516</u>

The Palace at Coral Gables - On July 14, 2008, through the Ordinance No. 2007-36, the City entered into Lease and Development Agreement, and Garage Lease and Development Agreement with the Palace Management Group LLC (“The Palace”) for the development, construction and operation of a senior housing facility and garage on parcels of land owned by the City (as amended, collectively the “Agreements” and each individually an “Agreement”). Following are significant terms of the Agreements:

- (a) Lease and Development Agreement - This Agreement covers the development, construction and operation of the senior housing facility. Based on the Agreement, (a) the initial term of the lease is for thirty (30) years commencing on August 1, 2011 (first day of the month following the Possession Date of July 28, 2011) with an option to renew the lease term for up to two (2) additional terms of

thirty (30) years each and for a third additional term of nine (9) years, for a total possible maximum term of ninety-nine (99) years, (b) a monthly fee of \$950 from August 2008 to July 31, 2011, as pre-possession/good standing fee prior to the start of the lease term, (c) a monthly fixed base rent of \$9,500 from August 1, 2011 through July 31, 2013, (d) starting August 1, 2013, the total yearly fixed base rent is increased yearly by \$9,500 until the total yearly fixed base rent is equal to \$237,500, and thereafter until the end of the initial lease term, (e) during the first renewal of the lease term, the yearly fixed base rent is increased to \$242,250 commencing on the second year of the first renewal term will be increased by 2% per year until the end of the final lease term, including any further renewals thereof, (f) in addition to the yearly fixed base rent, starting August 1, 2014 a percentage base rent is to be paid to the City equal to 0.5% of the project revenue of each rental year. The percentage base rent rate is increased by 0.1% yearly until the rate is equal to 2%, and thereafter remains as the rate for the remainder of the initial lease term and renewal terms.

In addition, as part of the Agreement, the Palace conveyed to the City the title on two parcels of land that became part of the land owned by the City on where the project was built. The agreed market value of the parcels of land was \$1,251,000 at the time of the execution of the agreement.

- (b) Parking Garage Lease and Development Agreement - This Agreement covers the development, construction and operation of the Parking Component of the facility for public parking, private parking and retail spaces. Based on the Agreement, (a) the initial term of the lease is for thirty (30) years commencing on August 1, 2011 (first day of the month following the Possession Date of July 28, 2011) with an option to renew the lease term for up to two (2) additional terms of thirty (30) years each and for a third additional term of nine (9) years, for a total possible maximum term of ninety-nine (99) years, (b) a monthly fee of \$50 from August 2008 to July 31, 2011 as pre-possession/good standing fee, (c) a monthly fixed base rent of \$500 from August 1, 2011 through July 31, 2013, (d) starting August 1, 2013, the total yearly fixed base rent is increased yearly by \$500 until the total yearly fixed base rent is equal to \$12,500, and thereafter until the end of the initial lease term, (e) during the first renewal of the lease term, the yearly fixed base rent is increased to \$12,750 commencing on the second year of the first renewal term and will be increased by 2% per year until the end of the final lease term, including any further renewals thereof, (f) in addition to the yearly fixed base rent, starting August 1, 2014, a percentage base rent is to be paid to the City equal to 0.5% of the project revenue of each rental year. The percentage base rent rate is increased by 0.1% yearly until the rate is equal to 2%, and thereafter remains as the rate for the remainder of the initial lease term and renewal terms.

In relation to the public parking component of the Parking Facility, the Palace petitioned the City and Miami-Dade County to create the "Palace at Coral Gables Community Development District" ("CDD") to assist in the financing of this component. The City supported the creation of the CDD and it was established by the Board of County Commissioners of Miami-Dade County through Ordinance No. 10-49 on July 20, 2010, pursuant to the provision of Chapter 190 of the Florida Statutes. In July 2011, the CDD issued its Special Assessment Revenue Bonds Series 2011 in the amount of \$9.50 million with interest rate of 5% to 5.625% and maturity date of May 1, 2042. The proceeds from issuance of the special assessment bond was used to finance the construction of the public parking facility. The special assessment bonds are payable from CDD's assessments levied on the senior housing facility, retail space, private parking facility, and net revenues of the public parking facility. The Palace is required to maintain an escrow fund and deposit amount approximately equal to three (3) times the maximum annual debt service under the CDD bonds to be used solely for the payment of special assessments levied by the CDD. During the construction of the public parking facility, the bond proceeds were released to the Palace to pay the prorata share of the public parking component construction costs. On July 28, 2011, prior to commencement of construction, the Palace

granted a sublease of the public parking portion to the CDD, and the CDD and the City of Coral Gables entered into an Interlocal Agreement regarding operation and funding of the CDD.

In relation to the CDD special assessment bonds, the City through Resolution No. 2011-56 dated March 22, 2011 agreed to guarantee the payment of the bonds and the City and the Board entered into a Guaranty Agreement. As provided in the guaranty agreement, the City agrees to: (a) irrevocably agree to pay to the Board from any legally available funds, for the benefit of the bondholders, that portion of the principal and interest on the bonds that becomes due for payment but unpaid due to the occurrence and continuation of events calling for guarantor payment; (b) the City's obligation under the guarantee agreement is limited to a maximum annual debt service amount of \$700,000 and a maximum total debt service amount of \$21 million; (c) the obligation of the City will not constitute a general debt, liability or obligation of the City within the meaning of any constitutional or statutory limitation; (d) the City agrees to budget, appropriate and pay to the Board any deficiency amount within ten (10) business days of the receipt of notice of deficiency from the Board while the CDD bonds are outstanding; (e) the City received \$225,000 from the proceeds of the CDD bond in consideration for the City's guaranty; (f) in the event that the City's guaranty is called upon, the Palace is considered in default of the two (2) lease agreements and the City may exercise its rights and remedies, which include but not limited, for the City to initiate a reversion of the Palace's leasehold interest in both the private and public facilities.

For the year ended September 30, 2021, the City billed to and received from the Palace \$286,021 and \$10,083 for the Lease and Development Agreement and Parking Garage Lease and Development Agreement, respectively. Also, the City billed and received from the Palace as of September 30, 2021 percentage rent of \$94,438 for the lease term August 1, 2020 to July 31, 2021. In addition, there are no events or occurrences resulting in the City's guarantee to be called.

The cost of assets under operating leases is \$61,634,534 with a net book value of \$48,124,388. Depreciation expense on leased assets was \$725,027 for the fiscal year ended September 30, 2021.

NOTE 15 - MANAGEMENT AGREEMENTS

The City has entered into management agreements with third parties for the management, operation and maintenance of facilities owned by the City. Major terms of these management agreements are as follows:

Country Club of Coral Gables – the agreement was executed on August 6, 2009 and amended on March 30, 2010, with an initial term of up to ten (10) years, with an option to renew the agreement for an additional period of ten (10) years. The rent commencement date was October 1, 2011 and the management company paid \$5,000 each month starting January 2, 2011 through October 1, 2011. Starting October 1, 2011, the monthly base rent is \$20,000 payable in advance on the first day of each month. The monthly base rent for each successive rental year shall be increased by 3.00% annually.

In addition to the base rent, commencing on October 1, 2012 and throughout the initial term of the agreement, the management company shall pay the City additional annual percentage rent equivalent to 6.00% of the amount by which the gross revenue for the rental year exceeds \$4 million, less the amount by which the real estate tax assessed for the rental year exceeds the adjusted base real estate tax. The adjusted base real estate tax is defined as \$26,943 in the first rental year and shall be increased by 3.00% annually.

For the year ended September 30, 2021, the City billed and collected from the management company \$363,810 as rental income.

On January 25, 2022, the City Commission approved Resolution No. 2022-21 authorizing the transfer of the management of the Country Club to community recreation department of the City effective May 2022. The resolution also waived certain procurement and operation regulations of the city for the first year of the management period to ensure the continuity of operation and services of the country club.

Biltmore Hotel - the agreement commenced on February 10, 1986 with a term of up to fifty (50) years. Based on the agreement, the City is entitled to receive on a quarterly basis, \$300,000 as base fee which is adjusted for the effect of cumulative price index over the life of the agreement, and percentage fee equals to 3.5% of the annual net revenue from the operation of the property which is netted against the base fee should it exceeds the base fee.

At September 30, 2021, the City billed and collected the base fee amount of \$830,803 and the 3.5% of the annual net revenue of \$8,606 for a total fee amount of \$839,409. In addition, the City bills the management company rental income which represents reimbursements of principal and interest on loans obtained by the City to renovate the property. For the year ended September 30, 2021 the City billed and collected from the management company \$266,407 as rental income. Total loans obtained and used by the City in prior years to renovate the property amounted to \$7,935,000 and the outstanding balance on September 30, 2021 is \$2.94 million.

Biltmore National Historic Monument Renovation Agreement - In September 2018, the City and Biltmore Management Company entered into a National Historic Monument Renovation Agreement (“Renovation Agreement”) where the City agrees to redirect to Biltmore fifty (50%) of the annual base and percentage rent paid by the Biltmore to the City not to exceed the total of \$5.25 million over seven years through September 2025, for the sole and exclusive purpose of renovating this historic monument. The City’s contribution shall be used for the payment of those qualifying renovation expenditures incurred by the management company based on agreed-upon procedures report from certified public accountant.

As of September 30, 2021, the City’s total annual payments of contribution amounted to \$2,556,407 based on 50% of total annual and percentage rent received from Biltmore for calendar years 2017 to 2020 and covered the qualifying expenditures from January 1, 2015 to December 31, 2020. Subsequent annual payments beginning in fiscal year 2022 shall cover qualifying expenditures incurred by Biltmore during the immediately prior calendar year.

Biltmore and Granada Golf Courses - the agreement commenced on October 1, 2003 with a term of up to twenty-five (25) years. Based on the agreement, as amended, the City is entitled to receive on a quarterly basis, \$160,000 as base fee for the Biltmore Golf Course, which is adjusted for the effect of cumulative price index over the life of the agreement. The quarterly payment of base fee in the amount of \$40,000 is due and payable starting October 1, 2013. For the year ended September 30, 2021, the City billed and collected from the management company \$179,726 as rental income. For the Granada Golf Course, the City is entitled to receive 100% of the golf course revenues and 5% of the revenues of the pro shop. For the year ended September 30, 2021, the City billed and collected \$961,314 from the management company for the Granada Golf Course’s gross revenue.

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 twenty-two (22) historic properties with tax exemption as of September 30, 2021 and abated taxes in the amount of \$29 thousand in fiscal year 2021. Estimated property tax of \$79 thousand will be abated over the remaining terms of the tax exemption as of September 30, 2021.

NOTE 17 - PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans; and (2) paragraph 5 of this Statement

are effective immediately. The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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, 2021, FEMA and State of Florida approved and obligated project worksheets amounted to approximately \$18.25 million of the City’s eligible expenditures related to Hurricane Irma recovery efforts. Of this amount, approximately \$16.16 million has been incurred by the City as of September 30, 2021 and \$14.40 million was received by the City from FEMA and State of Florida. In addition, a total of \$2.60 million was received by the City from its insurance company and \$2.04 million was applied against damages incurred on City property covered by insurance. In the General Fund financial statement as of September 30, 2021, \$1.76 million is recognized as due from government agency, \$848 thousand is recognized as unearned grant revenue for funds received in advance for obligated project worksheets where the City has not incurred the eligible expenditures, and \$4.43 million is recognized as grant revenue. In the Insurance Fund financial statement as of September 30, 2021, \$567 thousand is recognized as advances from insurance company.

NOTE 20 – CARES ACT/COVID-19

As part of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), the Miami-Dade County (“County”) and the City executed an interlocal agreement in August 2020 for the City as sub-recipient of the Coronavirus Relief Fund (CRF). As of September 30, 2021, the County approved approximately \$5.09 million of City’s expenditures necessary in response to the public health emergency such personnel costs, telework improvement, disinfection, personal protective equipment, and social distancing measures. The City received \$5.02 million as reimbursement from the County in fiscal year 2021.

On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA”) was signed into law which provides for additional funding for state and local governments to help in the nation’s recovery from the public health and economic impacts of the COVID-19 pandemic. The local funding allocation is approximately \$130 billion, of which, the City’s allocation was \$8.52 million, and \$4.26 million was received on June 1, 2021. As of September 30, 2021, the City has yet to spend the allocation funding received and the amount was reported as unearned revenue in the general fund financial statement and government-wide financial statements.

NOTE 21 – SUBSEQUENT EVENT

On March 18, 2022, the City issued Capital Improvement Refunding Revenue Bonds Taxable Series 2022A and Series 2022B with combined principal amount of \$19.12 million to accomplish the current refunding of Series 2016A and Series 2016B with outstanding principal balance of \$18.66 million. The Series 2022A and Series 2022B are taxable bonds with a fixed rate of 2.59% payable on April 1 and October 1 of each year and matures on April 1, 2037.



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Required Supplementary Information

(Unaudited)

Supplementary Information

Notes to Required Supplementary Information

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, 2021

	<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	\$ 109,743,432	\$ 109,743,432	\$ 111,708,629	\$ 1,965,197
Licenses	3,415,000	3,415,000	3,448,576	33,576
Permits	7,019,000	7,019,000	13,144,106	6,125,106
Fines and Forfeitures	970,833	970,833	1,056,380	85,547
Intergovernmental	5,166,309	6,816,030	14,381,327	7,565,297
Charges for Services	17,636,000	17,648,000	19,312,714	1,664,714
Recreation Activity Fees	3,843,100	3,848,100	3,581,068	(267,032)
Rental Income	4,057,608	4,080,608	3,719,235	(361,373)
Investment Earnings	520,000	520,000	220,330	(299,670)
Contributions and Donations	-	3,000	14,900	11,900
Miscellaneous	177,706	187,682	290,572	102,890
Total Revenues	<u>152,548,988</u>	<u>154,251,685</u>	<u>170,877,837</u>	<u>16,626,152</u>
EXPENDITURES				
Current:				
General Government	25,816,445	25,691,056	21,909,276	3,781,780
Public Safety	88,365,917	90,775,432	89,116,954	1,658,478
Physical Environment	22,993,876	23,767,105	22,309,902	1,457,203
Transportation	3,745,213	3,965,213	3,697,954	267,259
Economic Environment	1,636,051	1,699,051	1,240,183	458,868
Culture and Recreation	13,266,822	13,386,574	10,939,070	2,447,504
Debt Service:				
Retirement of Principal	85,147	85,147	85,147	-
Interest	4,142	4,142	4,142	-
Capital Outlay	1,586,131	1,586,131	600,604	985,527
Total Expenditures	<u>157,499,744</u>	<u>160,959,851</u>	<u>149,903,232</u>	<u>11,056,619</u>
Excess (deficiency) of Revenues Over (Under)Expenditures	<u>(4,950,756)</u>	<u>(6,708,166)</u>	<u>20,974,605</u>	<u>27,682,771</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	5,198,576	5,200,000	1,424
Insurance Recoveries	-	-	501,316	501,316
Transfers In	6,235,450	7,998,769	7,834,982	(163,787)
Transfers Out	(8,676,108)	(15,455,123)	(24,636,903)	(9,181,780)
Total Other Financing Sources (Uses)	<u>(2,440,658)</u>	<u>(2,257,778)</u>	<u>(11,100,605)</u>	<u>(8,842,827)</u>
Net Change in Fund Balance*	<u>\$ (7,391,414)</u>	<u>\$ (8,965,944)</u>	<u>9,874,000</u>	<u>\$ 18,839,944</u>
Fund Balance - Beginning			<u>69,408,460</u>	
Fund Balance - Ending			<u>\$ 79,282,460</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 Seven Years

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 7,128,279	\$ 6,666,376	\$ 6,203,806	\$ 5,733,127	\$ 5,758,174	\$ 5,665,063	\$ 6,066,834
Interest	44,278,911	44,214,048	43,073,290	42,159,212	41,975,628	41,412,567	40,360,719
Benefit changes	-	461,420	15,359,754	1,018,772	-	-	7,175
Differences between expected and actual experience	684,775	1,269,118	3,580,739	(2,863,731)	1,319,342	50,400	5,822,419
Changes of assumptions	2,693,639	2,644,957	5,080,632	12,563,730	-	4,037,514	-
Benefit payment, including refunds of member contributions	(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	8,184,313	(266,740)	25,653,341	11,681,521	2,664,186	9,567,813	17,288,593
Total pension liability - beginning	598,789,622	599,056,362	573,403,021	561,721,500	559,057,314	549,489,501	532,200,908
Total pension liability - ending	606,973,935	598,789,622	599,056,362	573,403,021	561,721,500	559,057,314	549,489,501
Total fiduciary net position							
Contributions - City	28,253,347	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
Contributions - Employees	4,920,649	4,970,732	5,000,505	4,600,399	4,393,660	4,704,069	4,095,928
Net investment income	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	(46,601,291)	(55,522,659)	(47,644,880)	(46,929,589)	(46,388,958)	(41,597,731)	(34,968,554)
Administrative expenses	(419,510)	(489,845)	(472,543)	(402,793)	(352,193)	(431,707)	(334,272)
Net change in plan fiduciary net position	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	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	\$ 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	\$ 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	69.40%	65.38%	66.76%	65.49%	60.92%	59.01%	61.27%
Covered Payroll	\$ 44,323,277	\$ 43,411,406	\$ 43,147,050	\$ 43,191,753	\$ 37,305,296	\$ 35,930,984	\$ 35,930,984
Net Pension liability as percentage of covered payroll	419.06%	477.51%	461.45%	458.10%	588.47%	637.76%	592.35%

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	Year Ended September 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 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	28,972,846	28,399,177	27,712,089	26,583,824	26,364,969	27,924,224	24,297,686	25,700,576
Contribution deficiency (excess)	<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	\$ 44,231,011	\$ 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>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>

Notes to Schedule:

Valuation Date: October 1, 2019 (For Fiscal Year 2021)

Note Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal, level percent of pay
Amortization method	Level dollar, closed
Remaining amortization period	25 years (longest remaining period); 18 years (single equivalent period)
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	2.50%
Salary increases	3.25% to 7.25% depending on age, including inflation
Investment rate of return	7.55%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for active members and RP-2000 Healthy Annuitant Mortality Table for nondisabled inactive members, with mortality improvements projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% white collar adjustment / 50% blue collar adjustment for General Employees and a 10% white collar adjustment / 90% blue collar adjustment for Police Officers and Firefighters. These are the same mortality rates used in the July 1, 2018 actuarial valuation of the Florida Retirement System (FRS), as required under Florida Statutes Chapter 112.63.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

(Unaudited)

Last Eight Years

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

(Unaudited)
 Last Four Years

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 1,349,916	\$ 1,125,511	\$ 1,190,160	\$ 1,075,954
Interest	798,231	1,049,539	955,093	872,196
Benefit changes	-	71,903	-	-
Differences between actual and expected experience	-	(3,837,504)	-	(804,773)
Changes of assumptions	345,760	3,820,946	(1,211,078)	(1,323,222)
Benefit payment, including refunds of member contributions	(881,403)	(779,767)	(730,846)	(831,764)
Net change in total OPEB liability	1,612,504	1,450,628	203,329	(1,011,609)
Total OPEB liability - beginning	28,114,448	26,663,820	26,460,491	27,472,100
Total OPEB liability - ending	29,726,952	28,114,448	26,663,820	26,460,491
Covered Payroll	\$ 60,360,297	\$ 58,859,738	\$ 55,770,204	\$ 54,887,335
Total OPEB liability as percentage of covered payroll	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.

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, 2021 that are included in the final amended budget.



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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, 2021

	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	\$ -	\$ -	\$ 952,076	\$ 708,011	\$ 39,563	\$ -	\$ 1,699,650
Restricted Pooled Cash and Cash Equivalents	1,450,196	284,221	-	-	-	5,604,834	7,339,251
Pooled Investments	-	-	2,197,834	1,061,360	-	-	3,259,194
Restricted Pooled Investments	-	24,963	-	-	-	8,018,272	8,043,235
Accounts Receivable, Net	-	-	213,893	-	-	-	213,893
Interest Receivable	-	-	1,668	589	-	4,079	6,336
Due from Other Governments	3,002	-	128,401	667,023	81,235	-	879,661
Total Assets	<u>1,453,198</u>	<u>309,184</u>	<u>3,493,872</u>	<u>2,436,983</u>	<u>120,798</u>	<u>13,627,185</u>	<u>21,441,220</u>
LIABILITIES							
Accounts Payable	190,133	15,755	491,572	55,504	8,296	155,971	917,231
Accrued Payroll	-	-	37	2,301	-	-	2,338
Due to Other Funds	2,585	-	-	-	115,000	-	117,585
Total Liabilities	<u>192,718</u>	<u>15,755</u>	<u>491,609</u>	<u>57,805</u>	<u>123,296</u>	<u>155,971</u>	<u>1,037,154</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - Grants and Contributions	-	-	31,008	-	81,236	-	112,244
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>31,008</u>	<u>-</u>	<u>81,236</u>	<u>-</u>	<u>112,244</u>
FUND BALANCES (DEFICIT)							
Restricted to:							
Public Safety	1,260,480	-	-	-	-	1,995,475	3,255,955
Parks and Recreation	-	293,429	-	-	-	3,090,774	3,384,203
Other Physical Environment	-	-	-	-	-	2,977,945	2,977,945
Mobility Improvement Projects	-	-	-	-	-	4,798,228	4,798,228
Impact Fee Administration	-	-	-	-	-	608,792	608,792
Assigned to:							
Other Capital Projects	-	-	2,971,255	2,379,178	-	-	5,350,433
Unassigned							
Total Fund Balances (Deficit)	<u>1,260,480</u>	<u>293,429</u>	<u>2,971,255</u>	<u>2,379,178</u>	<u>(83,734)</u>	<u>13,471,214</u>	<u>20,291,822</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 1,453,198</u>	<u>\$ 309,184</u>	<u>\$ 3,493,872</u>	<u>\$ 2,436,983</u>	<u>\$ 120,798</u>	<u>\$ 13,627,185</u>	<u>\$ 21,441,220</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, 2021

	Special Revenue	Capital Projects				Impact Fees Fund	Total Nonmajor Governmental Funds
	Special Taxing District	Neighborhood Renaissance Program Fund	Roadway Improvement Fund	Transportation Fund	BBC GOB Program Fund		
REVENUES							
Gasoline Sales Tax	\$ -	\$ -	\$ 1,082,085	\$ -	\$ -	\$ -	\$ 1,082,085
Municipal Surtax	-	-	-	2,298,517	-	-	2,298,517
Special Assessments	3,082,401	-	-	-	-	2,551,297	5,633,698
Intergovernmental	-	-	-	215,213	96,077	-	311,290
Investment Earnings (Loss)	-	(517)	(41)	462	(149)	(5,586)	(5,831)
Miscellaneous	2,715	-	-	-	-	-	2,715
Total Revenues	<u>3,085,116</u>	<u>(517)</u>	<u>1,082,044</u>	<u>2,514,192</u>	<u>95,928</u>	<u>2,545,711</u>	<u>9,322,474</u>
EXPENDITURES							
Current:							
General Government	254,425	289	-	-	-	-	254,714
Transportation	-	-	968,081	2,011,119	-	-	2,979,200
Public Safety	2,055,623	-	-	-	-	-	2,055,623
Culture and Recreation	-	21,813	-	-	-	-	21,813
Physical Environment	137,626	-	-	-	-	-	137,626
Capital Outlay	147,131	11,675	102,903	59,912	-	534,513	856,134
Total Expenditures	<u>2,594,805</u>	<u>33,777</u>	<u>1,070,984</u>	<u>2,071,031</u>	<u>-</u>	<u>534,513</u>	<u>6,305,110</u>
Excess (Deficiency) of Revenues Over(Under)							
Expenditures before Other Financing Sources (Uses)	490,311	(34,294)	11,060	443,161	95,928	2,011,198	3,017,364
OTHER FINANCING SOURCES (USES)							
Transfers In	-	11,487	-	-	-	-	11,487
Transfers Out	-	-	-	-	-	(582,419)	(582,419)
Total Other Financing Sources (Uses)	<u>-</u>	<u>11,487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(582,419)</u>	<u>(570,932)</u>
Net Change in Fund Balances	490,311	(22,807)	11,060	443,161	95,928	1,428,779	2,446,432
Fund Balances (Deficits) - Beginning	770,169	316,236	2,960,195	1,936,017	(179,662)	12,042,435	17,845,390
Fund Balances (Deficits) - Ending	<u>\$ 1,260,480</u>	<u>\$ 293,429</u>	<u>\$ 2,971,255</u>	<u>\$ 2,379,178</u>	<u>\$ (83,734)</u>	<u>\$ 13,471,214</u>	<u>\$ 20,291,822</u>

CITY OF CORAL GABLES, FLORIDA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - DEBT SERVICE FUND - SUNSHINE STATE LOANS (Unaudited)
 For the Fiscal Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special Assessments	\$ 659,557	\$ 659,557	\$ 614,021	\$ (45,536)
Investment Earnings	-	-	3,093	3,093
Total Revenues	<u>659,557</u>	<u>659,557</u>	<u>617,114</u>	<u>(42,443)</u>
EXPENDITURES				
Current:				
General Government	-	-	39,063	(39,063)
Debt Service:				
Retirement of Principal	4,308,573	4,308,573	4,318,573	(10,000)
Interest	4,100,143	4,100,143	3,977,095	123,048
Debt Issuance Costs	-	-	353,924	(353,924)
Total Expenditures	<u>8,408,716</u>	<u>8,408,716</u>	<u>8,688,655</u>	<u>(279,939)</u>
Deficiency of Revenues Under Expenditures	<u>(7,749,159)</u>	<u>(7,749,159)</u>	<u>(8,071,541)</u>	<u>(322,382)</u>
OTHER FINANCING SOURCES				
Refunding Bonds Issued	-	-	12,413,600	12,413,600
Premium on Refunding Bonds Issued	-	-	1,512,010	1,512,010
Payment to Refunded Bond Escrow Agent	-	-	(14,182,400)	(14,182,400)
Transfers In	8,349,159	7,749,159	8,328,331	579,172
Total Other Financing Sources	<u>8,349,159</u>	<u>7,749,159</u>	<u>8,071,541</u>	<u>322,382</u>
Net Change in Fund Balances*	<u>\$ 600,000</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances - Beginning			<u>48,758</u>	
Fund Balances - Ending			<u>\$ 48,758</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, 2021

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Pooled Cash and Cash Equivalents	\$ 1,976,961	\$ 2,006,106	\$ 6,239,281	\$ 10,222,348
Pooled Investments	2,745,364	2,091,837	9,668,362	14,505,563
Accounts Receivable, Net	12,445	3,334	10,037	25,816
Interest Receivable	1,813	1,333	5,727	8,873
Inventories	80,895	-	-	80,895
Prepaid and Deposits	756,987	-	1,607,516	2,364,503
Total Current Assets	<u>5,574,465</u>	<u>4,102,610</u>	<u>17,530,923</u>	<u>27,207,998</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	36,075,707	207,093	-	36,282,800
Accumulated Depreciation	(22,367,538)	(186,685)	-	(22,554,223)
Total Noncurrent Assets	<u>13,708,169</u>	<u>20,408</u>	<u>-</u>	<u>13,728,577</u>
Total Assets	<u>19,282,634</u>	<u>4,123,018</u>	<u>17,530,923</u>	<u>40,936,575</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	673,995	499,385	-	1,173,380
Deferred Outflows Related to OPEB	80,359	80,359	-	160,718
Total Deferred Outflows of Resources	<u>754,354</u>	<u>579,744</u>	<u>-</u>	<u>1,334,098</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	322,783	1,012,452	130,978	1,466,213
Accrued Payroll	27,684	20,091	-	47,775
Accrued Compensated Absences	128,426	92,227	-	220,653
Claims Payable	-	-	4,532,000	4,532,000
Total Current Liabilities	<u>478,893</u>	<u>1,124,770</u>	<u>4,662,978</u>	<u>6,266,641</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	80,875	58,013	-	138,888
Claims Payable	-	-	9,301,000	9,301,000
Advances from Insurance Company	-	-	566,945	566,945
Total OPEB Liability	594,539	594,539	-	1,189,078
Net Pension Liability	3,584,784	2,656,083	-	6,240,867
Total Noncurrent Liabilities	<u>4,260,198</u>	<u>3,308,635</u>	<u>9,867,945</u>	<u>17,436,778</u>
Total Liabilities	<u>4,739,091</u>	<u>4,433,405</u>	<u>14,530,923</u>	<u>23,703,419</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	203,662	150,900	-	354,562
Deferred Inflows Related to OPEB	86,085	86,085	-	172,170
Total Deferred Inflows of Resources	<u>289,747</u>	<u>236,985</u>	<u>-</u>	<u>526,732</u>
NET POSITION				
Net Investment in Capital Assets	13,708,169	20,408	-	13,728,577
Unrestricted	1,299,981	11,964	3,000,000	4,311,945
Total Net Position	<u>\$ 15,008,150</u>	<u>\$ 32,372</u>	<u>\$ 3,000,000</u>	<u>\$ 18,040,522</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, 2021

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for Services:				
Billings to Departments for Insurance Protection	\$ -	\$ -	\$ 12,228,367	\$ 12,228,367
Rental of Equipment and Facilities to Various Funds:				
Equipment Operation and Maintenance	5,247,405	-	-	5,247,405
Equipment Replacement Charges	2,936,417	-	-	2,936,417
Facilities	-	8,136,269	-	8,136,269
Total Operating Revenues	<u>8,183,822</u>	<u>8,136,269</u>	<u>12,228,367</u>	<u>28,548,458</u>
OPERATING EXPENSES				
Administration	1,895,605	1,728,790	-	3,624,395
Cost of Sales and Services	2,816,807	5,529,277	-	8,346,084
Benefit Payments	-	-	2,416,670	2,416,670
Insurance	-	-	11,246,864	11,246,864
Depreciation	2,297,548	41,513	-	2,339,061
Total Operating Expenses	<u>7,009,960</u>	<u>7,299,580</u>	<u>13,663,534</u>	<u>27,973,074</u>
Operating Income (Loss)	<u>1,173,862</u>	<u>836,689</u>	<u>(1,435,167)</u>	<u>575,384</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earnings (Loss)	(2,184)	(367)	(4,610)	(7,161)
Gain from Disposal of Capital Assets	180,510	-	-	180,510
Total Nonoperating Revenues (Expenses)	<u>178,326</u>	<u>(367)</u>	<u>(4,610)</u>	<u>173,349</u>
Income (Loss) Before Contributions	1,352,188	836,322	(1,439,777)	748,733
Operating Contributions from Federal Grants	-	-	189,600	189,600
Income (Loss) Before Transfers	1,352,188	836,322	(1,250,177)	938,333
Transfers In	-	-	1,250,177	1,250,177
Transfers Out	(731,059)	(885,089)	-	(1,616,148)
Change In Net Position	621,129	(48,767)	-	572,362
Net Position - Beginning	14,387,021	81,139	3,000,000	17,468,160
Net Position - Ending	<u>\$ 15,008,150</u>	<u>\$ 32,372</u>	<u>\$ 3,000,000</u>	<u>\$ 18,040,522</u>

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2021

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 8,198,499	\$ 8,138,064	\$ 12,340,303	\$ 28,676,866
Payments to Employees	(2,449,800)	(1,871,415)	-	(4,321,215)
Payments to Suppliers	(3,611,931)	(5,193,577)	(12,567,299)	(21,372,807)
Net Cash Provided by (Used In) Operating Activities	<u>2,136,768</u>	<u>1,073,072</u>	<u>(226,996)</u>	<u>2,982,844</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from Insurance Company	-	-	(282,398)	(282,398)
Transfers in(out) to Other Funds	(731,059)	(885,089)	1,439,778	(176,370)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>(731,059)</u>	<u>(885,089)</u>	<u>1,157,380</u>	<u>(458,768)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(2,819,166)	6,160	-	(2,813,006)
Proceeds from Sale of Capital Assets	180,510	-	-	180,510
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(2,638,656)</u>	<u>6,160</u>	<u>-</u>	<u>(2,632,496)</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES				
Purchase of Investments	(2,633,936)	(2,002,925)	(9,264,862)	(13,901,723)
Proceeds from Sale of Investments	3,081,148	1,943,682	7,357,612	12,382,442
Interest and Dividends Received	8,982	6,578	21,409	36,969
Net Cash Provided by (Used In) Investing Activities	<u>456,194</u>	<u>(52,665)</u>	<u>(1,885,841)</u>	<u>(1,482,312)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(776,753)	141,478	(955,457)	(1,590,732)
Cash and Cash Equivalents - Beginning	2,753,714	1,864,628	7,194,738	11,813,080
Cash and Cash Equivalents - Ending	<u>\$ 1,976,961</u>	<u>\$ 2,006,106</u>	<u>\$ 6,239,281</u>	<u>\$ 10,222,348</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating Income (Loss)	\$ 1,173,862	\$ 836,689	\$ (1,435,167)	\$ 575,384
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Depreciation Expense	2,297,548	41,513	-	2,339,061
Change in Assets and Liabilities and Deferred Inflows and Outflows:				
Accounts Receivable	27,122	1,795	111,936	140,853
Inventory	(37,496)	-	-	(37,496)
Due from Other Governments	(12,445)	-	-	(12,445)
Prepaid Items	(756,987)	-	(164,664)	(921,651)
Net pension liability and related deferred inflows/outflow	(509,896)	(97,020)	-	(606,916)
OPEB liability and related deferred inflows/outflow	15,130	15,130	-	30,260
Accounts Payable	(641)	335,700	(4,101)	330,958
Accrued Payroll and Other Expenses	(58,195)	(46,114)	-	(104,309)
Accrued Compensated Absences	(1,234)	(14,621)	-	(15,855)
Claims Payable	-	-	1,265,000	1,265,000
Total Adjustments	<u>962,906</u>	<u>236,383</u>	<u>1,208,171</u>	<u>2,407,460</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 2,136,768</u>	<u>\$ 1,073,072</u>	<u>\$ (226,996)</u>	<u>\$ 2,982,844</u>
Noncash Capital and Related Financing Activities:				
Capital Assets Retirement, net	(980,723)	(67,754)	-	(1,048,477)

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, 2021

	Coral Gables Retirement Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 17,896,849	\$ 610,248	\$ 131,919	\$ 18,639,016
Receivables:				
Accrued Interest and Dividends	353,326	-	-	353,326
Buyback Receivable	814	-	-	814
Share Plan Contributions	332,947	577,473	-	910,420
Receivable for securities sold	256,335	-	-	256,335
Other receivables	29,301	-	-	29,301
Total Receivables	972,723	577,473	-	1,550,196
Securities Lending Cash Collateral - Invested	35,185,059	-	-	35,185,059
Investments:				
U.S. Government and Agency	48,855,996	-	-	48,855,996
Domestic Fixed Income	4,956,696	-	-	4,956,696
Global fixed Income	2,924,030	-	-	2,924,030
Corporate Bonds	15,417,233	-	-	15,417,233
Common Stocks	149,290,102	-	-	149,290,102
International Equity	116,340,398	-	-	116,340,398
Real Estate Investment Trust (REIT)	46,968,374	-	-	46,968,374
Alternative Investments	97,443,660	-	-	97,443,660
Guaranteed Investment Contract	-	-	9,447,260	9,447,260
Mutual Funds	-	6,515,631	5,018,689	11,534,320
Total Investments	482,196,489	6,515,631	14,465,949	503,178,069
Total Assets	536,251,120	7,703,352	14,597,868	558,552,340
LIABILITIES				
Accounts Payable	144,388	-	-	144,388
Payable for Securities Purchased	1,653,973	-	-	1,653,973
Due to Coral Gables Retirement Fund	-	280,677	52,271	332,948
Obligations under Securities Lending	35,185,059	-	-	35,185,059
Total Liabilities	36,983,420	280,677	52,271	37,316,368
NET POSITION				
Net Position Restricted for Pension Benefits	\$ 499,267,700	\$ 7,422,675	\$ 14,545,597	\$ 521,235,972

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 For the Fiscal Year Ended September 30, 2021

	Coral Gables Retirement Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
Additions:				
City Contributions	\$ 28,827,016	\$ 577,473	\$ 881,835	\$ 30,286,324
Share Plan Contributions	145,830	-	-	145,830
Total Government Contributions	<u>28,972,846</u>	<u>577,473</u>	<u>881,835</u>	<u>30,432,154</u>
Employees:				
Employee contributions	4,891,103	-	-	4,891,103
Total Employee Contributions	<u>4,891,103</u>	<u>-</u>	<u>-</u>	<u>4,891,103</u>
Total Contributions	<u>33,863,949</u>	<u>577,473</u>	<u>881,835</u>	<u>35,323,257</u>
Investment Income:				
Net Appreciation in the Fair Value of Investments	91,844,552	888,555	2,184,306	94,917,413
Interest and Dividends	5,931,028	165,328	228,990	6,325,346
Other Income	3,404	-	-	3,404
Total Investment Income	<u>97,778,984</u>	<u>1,053,883</u>	<u>2,413,296</u>	<u>101,246,163</u>
Less Investment Expenses	<u>(2,581,136)</u>	<u>(41,980)</u>	<u>(27,217)</u>	<u>(2,650,333)</u>
Total Investment Income before Securities Lending Activity	95,197,848	1,011,903	2,386,079	98,595,830
Securities Lending Activities:				
Security Lending Income	89,986	-	-	89,986
Security Lending Fees and Rebates	<u>(26,960)</u>	<u>-</u>	<u>-</u>	<u>(26,960)</u>
Net Income from Security Lending Activities	<u>63,026</u>	<u>-</u>	<u>-</u>	<u>63,026</u>
Total Net Investment Income	<u>95,260,874</u>	<u>1,011,903</u>	<u>2,386,079</u>	<u>98,658,856</u>
Total Additions	<u>129,124,823</u>	<u>1,589,376</u>	<u>3,267,914</u>	<u>133,982,113</u>
Deductions:				
Pension Benefits Paid	49,899,182	515,582	2,700,728	53,115,492
Refunds of Contributions	660,821	-	-	660,821
Administrative Expense	530,957	43,875	24,417	599,249
Total Deductions	<u>51,090,960</u>	<u>559,457</u>	<u>2,725,145</u>	<u>54,375,562</u>
Net Increase in Net Position	78,033,863	1,029,919	542,769	79,606,551
Net Position Restricted for Pension Benefits:				
Beginning of Year	421,233,837	6,392,756	14,002,828	441,629,421
End of Year	<u>\$ 499,267,700</u>	<u>\$ 7,422,675</u>	<u>\$ 14,545,597</u>	<u>\$ 521,235,972</u>

CITY OF CORAL GABLES, FLORIDA
COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS
 For the Fiscal Year Ended September 30, 2021

	Employee Benefits Fund	Law Enforcement Fund	Total Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ 513,958	\$ 4,091,975	\$ 4,605,933
Total Assets	513,958	4,091,975	4,605,933
LIABILITIES			
Accounts Payable	-	183,020	183,020
Total Liabilities	-	183,020	183,020
NET POSITION			
Restricted for:			
Individuals and Other Governments	\$ 513,958	\$ 3,908,955	\$ 4,422,913

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 For the Fiscal Year Ended September 30, 2021

	Employee Benefits Fund	Law Enforcement Fund	Total Custodial Funds
Additions:			
Employee Contributions	\$ 88,974	\$ -	\$ 88,974
Equitable Sharing Funds	-	1,957,325	1,957,325
Total Additions	88,974	1,957,325	2,046,299
Deductions:			
Sick Leave Benefits Paid to Employees	84,456	-	84,456
Law Enforcement Operations and Administration	-	1,830,473	1,830,473
Total Deductions	84,456	1,830,473	1,914,929
Increase in Net Position	4,518	126,852	131,370
Net Position Restricted for Individuals and Other Governments:			
Beginning of Year, as restated	509,440	3,782,103	4,291,543
End of Year	\$ 513,958	\$ 3,908,955	\$ 4,422,913

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
NET POSITION BY COMPONENT

(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 134,659,013	\$ 130,953,750	\$ 127,802,756	\$ 133,586,545	\$ 135,571,942	\$ 141,676,954	\$ 148,623,292	\$ 158,995,281	\$ 177,292,863	\$ 188,478,077
Restricted	10,654,748	11,895,868	21,333,586	21,749,068	23,792,213	24,048,924	31,270,845	32,421,931	32,038,680	35,803,383
Unrestricted (Deficit)	61,902,841	72,103,048	89,657,013	(80,038,802)	(69,998,813)	(70,219,027)	(87,473,270)	(71,189,971)	(65,828,821)	(61,646,064)
Total Governmental Activities Net Position	\$ 207,216,602	\$ 214,952,666	\$ 238,793,355	\$ 75,296,811	\$ 89,365,342	\$ 95,506,851	\$ 92,420,867	\$ 120,227,241	\$ 143,502,722	\$ 162,635,396
Business-type Activities										
Net Investment in Capital Assets	\$ 26,049,636	\$ 26,449,997	\$ 26,722,793	\$ 24,929,687	\$ 29,433,426	\$ 29,256,407	\$ 29,787,242	\$ 29,753,595	\$ 29,980,820	\$ 34,813,349
Restricted	-	-	215,627	299,527	354,664	1,376,410	3,178,131	5,241,426	8,004,193	10,946,796
Unrestricted	12,573,556	13,274,236	15,563,233	16,377,673	11,380,442	9,217,899	13,588,121	15,984,226	(15,446,702)	27,819,768
Total Business-type Activities Net Position	\$ 38,623,192	\$ 39,724,233	\$ 42,501,653	\$ 41,606,887	\$ 41,168,532	\$ 39,850,716	\$ 46,553,494	\$ 50,979,247	\$ 22,538,311	\$ 73,579,913
Primary Government										
Net Investment in Capital Assets	\$ 160,708,649	\$ 157,403,747	\$ 154,525,549	\$ 156,939,127	\$ 165,005,368	\$ 170,933,361	\$ 178,410,534	\$ 188,748,876	\$ 207,273,683	\$ 223,291,426
Restricted	10,654,748	11,895,868	21,549,213	22,157,012	24,146,877	25,425,334	34,448,976	37,663,357	40,042,873	46,750,179
Unrestricted (Deficit)	74,476,397	85,377,284	105,220,246	(62,192,441)	(58,618,371)	(61,001,128)	(73,885,149)	(55,205,745)	(50,382,119)	(33,826,296)
Total Primary Government Net Position	\$ 245,839,794	\$ 254,676,899	\$ 281,295,008	\$ 116,903,698	\$ 130,533,874	\$ 135,357,567	\$ 138,974,361	\$ 171,206,488	\$ 196,934,437	\$ 236,215,309

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$ 16,972,816	\$ 19,363,404	\$ 23,034,595	\$ 22,362,962	\$ 24,813,095	\$ 26,145,355	\$ 29,054,080	\$ 28,533,480	\$ 25,385,357	\$ 26,817,022
Public Safety	71,388,299	70,947,494	71,806,825	69,415,601	74,351,854	81,742,619	91,048,810	92,003,748	87,849,534	85,175,434
Physical Environment	16,926,907	16,443,793	17,166,760	16,343,967	18,909,774	19,613,033	21,027,085	22,721,905	22,161,496	22,621,461
Transportation	5,585,520	7,312,561	4,578,226	6,558,044	6,328,566	5,589,737	5,569,666	7,436,869	8,014,795	6,503,069
Economic Environment	725,712	741,153	849,137	770,611	911,210	1,197,659	1,320,427	1,569,109	1,128,135	1,133,433
Culture and Recreation	9,899,154	10,401,674	9,924,342	10,035,755	12,878,923	16,081,272	12,843,307	14,005,394	12,022,657	12,532,519
Interest on Long-term Debt	2,107,713	1,641,277	1,487,807	1,388,635	1,312,000	1,251,516	2,986,907	4,334,138	4,109,452	3,129,083
Total Governmental Activities	123,606,121	126,851,336	128,847,692	126,875,575	139,505,422	151,621,191	163,850,282	170,604,643	160,671,426	157,912,021
Business-type Activities:										
Sanitary Sewer System	5,004,038	6,073,033	5,889,856	6,680,895	9,242,508	9,909,417	5,705,103	8,400,959	10,527,634	9,017,040
Parking System	3,941,559	3,838,427	5,009,894	5,170,070	7,117,985	7,619,066	6,808,995	6,341,553	6,863,695	9,082,571
Stormwater Utility	2,758,505	1,443,704	2,320,104	2,024,485	2,165,850	2,304,339	2,143,341	2,621,146	2,574,973	3,049,097
Total Business-type Activities	11,704,102	11,355,164	13,219,854	13,875,450	18,526,343	19,832,822	14,657,439	17,363,658	19,966,302	21,148,708
Total Expenses	\$ 135,310,223	\$ 138,206,520	\$ 142,067,546	\$ 140,751,025	\$ 158,031,765	\$ 171,454,013	\$ 178,507,721	\$ 187,968,301	\$ 180,637,728	\$ 179,060,729
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 18,229,888	\$ 17,559,499	\$ 20,984,076	\$ 23,300,256	\$ 24,430,334	\$ 22,518,156	\$ 27,583,112	\$ 24,807,885	\$ 26,556,864	\$ 25,593,849
Public Safety	6,013,738	5,394,421	6,400,967	6,582,738	6,211,081	5,621,211	7,253,135	6,283,122	6,040,212	8,606,470
Physical Environment	9,330,652	9,428,396	9,625,413	8,158,310	8,472,957	9,363,312	10,097,196	10,119,136	10,414,374	9,525,662
Transportation	-	-	-	18,906	-	-	1,523,414	79,558	896,706	629,361
Economic Environment	2,600,000	200,000	1,700,000	680,000	670,000	377,000	116,000	477,000	825,000	412,000
Culture and Recreation	3,688,909	4,357,075	4,291,802	5,070,153	5,362,407	4,669,719	5,884,954	5,357,013	3,554,534	4,719,481
Operating Grants and Contributions	415,718	192,080	487,387	87,157	184,308	5,732	370,478	10,672,001	4,807,189	7,661,203
Capital Grants and Contributions	2,831,825	1,054,644	9,462,285	1,345,958	937,955	1,135,027	3,672,004	1,977,766	2,518,671	3,286,093
Total Governmental Activities	43,110,730	38,186,115	52,951,930	45,243,478	46,269,042	43,690,157	56,500,293	59,773,481	55,613,550	60,434,119
Business-type Activities:										
Charges for Services:										
Sanitary Sewer System	7,605,600	7,725,590	8,739,881	9,375,348	9,429,516	9,766,468	10,473,689	9,979,697	10,246,589	10,599,800
Parking System	10,330,540	10,830,461	11,625,585	13,025,045	12,982,960	12,927,872	15,115,800	14,949,334	11,799,439	16,260,749
Stormwater Utility	2,524,565	2,399,023	2,930,270	3,198,371	3,212,526	4,222,466	4,827,247	5,380,272	5,749,419	6,396,266
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	920,448	37,222	-	463,764	429,977	8,115	4,508	-	-	137,233
Total Business-type Activity	21,381,153	20,992,296	23,295,736	26,062,528	26,054,979	26,924,921	30,421,244	30,309,303	27,795,447	33,594,048
Total Program Revenue	\$ 64,491,883	\$ 59,178,411	\$ 76,247,666	\$ 71,306,006	\$ 72,324,021	\$ 70,615,078	\$ 86,921,537	\$ 90,082,784	\$ 83,408,997	\$ 93,828,167
Net(Expense) Revenue										
Governmental Activities	\$ (80,495,391)	\$ (88,665,241)	\$ (75,895,762)	\$ (81,632,097)	\$ (93,236,380)	\$ (107,931,034)	\$ (107,349,989)	\$ (110,831,162)	\$ (105,057,876)	\$ (97,477,902)
Business-type Activities	9,677,051	9,637,132	10,075,882	12,187,078	7,528,636	7,092,099	15,763,805	12,945,645	7,829,145	12,245,340
Total Net Expense	\$ (70,818,340)	\$ (79,028,109)	\$ (65,819,880)	\$ (69,445,019)	\$ (85,707,744)	\$ (100,838,935)	\$ (91,586,184)	\$ (97,885,517)	\$ (97,228,731)	\$ (85,232,562)
General Revenues										
Governmental Activities:										
Taxes										
Property Taxes	\$ 66,377,589	\$ 62,358,935	\$ 65,257,324	\$ 68,107,835	\$ 71,447,141	\$ 76,024,328	\$ 80,762,149	\$ 85,466,164	\$ 90,002,211	\$ 92,904,533
Franchise Fees	6,763,530	6,392,689	6,850,950	6,908,438	6,859,844	7,013,442	6,875,265	7,199,722	6,916,545	7,443,140
Utility Service Taxes	10,897,549	11,316,446	11,861,648	11,986,127	11,423,512	11,400,580	11,831,188	11,343,198	11,186,658	11,360,956
Other Taxes	2,702,518	2,784,018	2,908,745	3,077,874	3,103,387	3,201,429	3,316,309	3,335,445	2,948,432	3,380,602
Intergovernmental	4,254,993	4,461,004	4,735,934	5,034,109	5,189,453	5,269,308	5,456,974	5,574,931	4,973,303	5,863,137
Investment Earnings	114,070	5,968	464,999	706,665	804,623	1,088,333	2,502,023	5,662,887	3,737,473	267,981
Gain on Sale of Capital Assets	-	-	-	3,648,411	-	-	-	10,400,000	1,047,085	2,508,635
Miscellaneous	482,745	494,871	284,566	254,373	390,552	1,566,608	352,216	426,396	204,440	293,287
Transfers in/out	5,954,456	8,587,374	7,372,285	7,229,879	8,086,399	8,508,515	8,774,568	9,045,559	5,778,249	(7,913,011)
Insurance Recoveries	-	-	-	-	-	-	-	-	1,538,961	501,316
Special Items (Note 21)	-	-	-	-	-	-	-	183,234	-	-
Total General Revenues, Transfers and Special Items	97,547,450	96,401,305	99,736,451	106,953,711	107,304,911	114,072,543	119,870,692	138,637,536	128,333,357	116,610,576
Business-type Activities:										
Investment Earnings	16,670	20,595	73,698	94,112	119,408	95,965	86,091	525,189	400,956	(10,637)
Miscellaneous	31,163	30,688	125	-	-	2,635	46,692	478	616	484
Transfers in/out	(5,954,456)	(8,587,374)	(7,372,285)	(7,229,879)	(8,086,399)	(8,508,515)	(8,774,568)	(9,045,559)	(5,778,249)	7,913,011
Total Business-type Activities	(5,906,623)	(8,536,091)	(7,298,462)	(7,135,767)	(7,966,991)	(8,409,915)	(8,641,785)	(8,519,892)	(5,376,677)	7,902,858
Total Primary Government	\$ 91,640,827	\$ 87,865,214	\$ 92,437,989	\$ 99,817,944	\$ 99,337,920	\$ 105,662,628	\$ 111,228,907	\$ 130,117,644	\$ 122,956,680	\$ 124,513,434
Change in Net Position										
Governmental Activities	\$ 17,052,059	\$ 7,736,064	\$ 23,840,689	\$ 25,321,614	\$ 14,068,531	\$ 6,141,509	\$ 12,520,703	\$ 27,806,374	\$ 23,275,481	\$ 19,132,674
Business-type Activities	3,770,428	1,101,041	2,777,420	5,051,311	(438,355)	(1,317,816)	7,122,020	4,425,753	2,452,468	20,148,198
Total Change in Net Position	\$ 20,822,487	\$ 8,837,105	\$ 26,618,109	\$ 30,372,925	\$ 13,630,176	\$ 4,823,693	\$ 19,642,723	\$ 32,232,127	\$ 25,727,949	\$ 39,280,872

**TABLE 3
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	28,654	28,654	36,678	40,866	75,288	184,327	64,344	188,512	127,078	76,345
Restricted	4,273,043	4,169,504	4,351,576	3,542,544	4,588,352	5,425,028	6,516,083	8,123,690	8,719,479	14,526,512
Assigned	4,012,316	2,404,046	7,006,883	9,851,297	11,347,655	17,055,786	18,624,053	29,385,074	19,878,789	19,584,502
Unassigned	21,111,908	28,701,814	37,438,411	39,305,216	41,628,957	38,177,730	31,211,152	30,691,159	40,683,114	45,095,101
Total General Fund	\$ 29,425,921	\$ 35,304,018	\$ 48,833,548	\$ 52,739,923	\$ 57,640,252	\$ 60,842,871	\$ 56,415,632	\$ 68,388,435	\$ 69,408,460	\$ 79,282,460
All Other Governmental Funds										
Nonspendable	-	-	-	169,982	23,223	-	-	73,402	75,880	68,172
Restricted	26,925,026	25,399,733	25,236,858	25,206,894	32,775,404	14,887,823	68,030,886	49,408,348	19,425,703	19,108,314
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	16,125,829	25,389,424	29,099,838	42,180,811	42,046,965	42,355,314	45,185,562	45,648,033	52,647,354	41,534,102
Unassigned	(41,104)	(3,635)	(3,635)	(51,511)	(394,834)	(153,391)	(772,835)	(181,762)	(179,662)	(83,734)
Total All Other Governmental Funds	\$ 43,009,751	\$ 50,785,522	\$ 54,333,061	\$ 67,506,176	\$ 74,450,758	\$ 57,089,746	\$ 112,443,613	\$ 94,948,021	\$ 71,969,275	\$ 60,626,854

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Taxes	\$ 86,741,186	\$ 82,852,088	\$ 86,878,667	\$ 90,080,274	\$ 92,671,539	\$ 97,639,779	\$ 102,923,909	\$ 107,344,529	\$ 111,053,846	\$ 115,089,231
Licenses	3,148,148	3,250,589	3,318,725	3,255,125	3,496,840	3,365,902	3,608,199	3,347,817	3,445,502	3,448,576
Permits	7,935,003	7,696,589	8,160,391	8,783,434	9,007,729	9,019,702	11,747,692	8,493,360	9,924,817	13,144,106
Fines and Forfeitures	3,641,890	2,891,719	2,587,073	2,494,796	2,552,563	2,329,161	2,747,967	2,497,086	2,892,156	1,056,380
Intergovernmental	6,884,559	6,144,249	5,959,327	6,091,507	5,832,010	6,490,899	6,224,032	8,932,426	18,410,664	15,566,212
Charges for Services	15,447,479	15,638,624	19,214,525	20,169,601	19,393,779	19,176,388	19,919,339	20,025,158	19,083,143	19,312,714
Recreation Activity Fees	3,534,934	3,979,867	4,211,548	4,377,394	4,575,172	4,520,645	4,643,202	4,672,551	1,996,419	3,581,068
Rental Income	3,638,760	4,269,160	4,724,871	4,886,803	5,862,857	4,989,419	4,426,311	4,512,306	4,585,770	3,719,235
Investment Earnings	114,070	5,968	464,999	706,665	804,623	1,088,333	2,502,023	5,662,885	3,737,473	267,981
Special Assessments	476,556	980,246	191,037	2,817,930	1,665,556	271,292	6,133,702	4,246,396	6,876,695	6,251,438
Contributions and Donations	735,131	466,060	185,045	58,292	70,500	81,250	2,959,000	242,515	502,875	2,500,491
Miscellaneous	482,745	494,871	284,566	254,373	390,552	1,566,609	352,216	315,194	206,305	293,287
Total Revenues	132,780,461	128,670,030	136,180,774	143,976,194	146,323,720	150,539,379	168,187,592	170,292,223	182,715,665	184,230,719
EXPENDITURES										
Current:										
General Government	13,930,147	16,000,917	17,853,021	19,608,296	21,719,236	22,063,409	24,214,402	24,590,453	22,149,872	23,637,119
Public Safety	72,542,153	72,738,499	70,604,331	72,413,164	75,551,003	82,937,666	94,077,878	88,400,264	91,701,281	91,269,222
Physical Environment	16,810,152	16,548,289	16,542,033	17,096,014	18,974,253	19,743,343	21,380,327	21,068,981	22,237,255	23,223,908
Transportation	5,792,162	7,601,909	4,544,357	6,938,914	6,540,889	5,795,129	5,839,305	7,240,882	8,430,511	6,969,889
Economic Environment	753,151	773,882	851,438	821,259	947,119	1,248,157	1,395,448	1,543,305	1,199,630	1,240,933
Culture and Recreation	9,306,731	9,729,332	8,848,478	9,554,012	12,220,223	15,529,205	12,142,574	12,319,068	11,095,338	11,857,370
Debt Service:										
Retirement of Principal	43,762,940	3,368,388	3,217,640	3,352,135	3,781,442	3,776,945	35,431,299	4,999,339	4,734,561	18,586,120
Interest and Other Charges	2,107,713	1,641,277	1,487,807	1,516,080	1,803,435	2,179,370	2,986,907	4,334,138	4,109,452	3,981,237
Bond Issuance Cost	61,456	88,020	-	-	-	-	1,164,882	-	-	353,924
Capital outlay	1,285,402	1,551,289	2,810,907	14,984,777	24,633,460	22,038,809	12,178,232	33,873,594	51,748,758	16,659,304
Total Expenditures	166,352,007	130,041,802	126,760,012	146,284,651	166,171,060	175,312,033	210,811,254	198,370,024	217,406,658	197,779,026
Excess (deficiency) of Revenues Over Expenditures	(33,571,546)	(1,371,772)	9,420,762	(2,308,457)	(19,847,340)	(24,772,654)	(42,623,662)	(28,077,801)	(34,690,993)	(13,548,307)
OTHER FINANCING SOURCES (USES)										
Special Revenue Bond Issued	-	-	-	6,500,000	22,005,000	-	48,015,000	-	-	-
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
Proceeds from Capital Leases	-	-	284,022	-	-	261,580	177,056	-	-	-
Refunding Bond Issued	43,096,290	12,075,700	-	-	-	-	28,486,030	-	-	12,413,600
Premium on Refunding Bond Issued	-	-	-	-	-	-	2,781,073	-	-	1,512,010
Payment to Bond Escrow Agent	-	(11,996,561)	-	-	-	-	-	-	-	-
Principal Repymt.-Current Bond Refunding	-	-	-	-	-	-	-	-	-	-
Transfers In	15,624,666	24,716,096	15,989,837	33,321,551	24,565,217	22,067,901	30,559,692	31,004,349	39,287,821	31,221,708
Transfers Out	(6,652,204)	(9,769,595)	(8,617,552)	(24,333,604)	(16,666,592)	(11,715,220)	(18,831,370)	(19,058,521)	(29,834,606)	(38,768,748)
Total Other Financing Sources (Uses)	52,068,752	15,025,640	7,656,307	19,387,947	31,692,251	10,614,261	93,550,290	22,371,778	12,732,272	12,079,886
Special Items (Note 21)	-	-	-	-	-	-	-	183,234	-	-
Net Change In Fund Balances	\$ 18,497,206	\$ 13,653,868	\$ 17,077,069	\$ 17,079,490	\$ 11,844,911	\$ (14,158,393)	\$ 50,926,628	\$ (5,522,789)	\$ (21,958,721)	\$ (1,468,421)
Debt service as a percentage of noncapital expenditures	27.79%	3.90%	3.80%	3.71%	3.95%	3.89%	19.34%	5.67%	5.34%	12.46%

**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		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	
		FISCAL YEAR OF THE LEVY			TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2012	66,647,377	64,648,342	97.00%	1,729,247	66,377,589	99.60%
2013	65,676,937	61,713,029	93.96%	645,906	62,358,935	94.95%
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%

**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		
2012	11,582,581,921	288,250,994	11,870,832,915	5.869
2013	11,752,319,227	273,243,675	12,025,562,902	5.669
2014	11,996,154,496	284,616,094	12,280,770,590	5.629
2015	12,563,996,934	291,419,796	12,855,416,730	5.589
2016	13,395,162,364	297,441,249	13,692,603,613	5.559
2017	14,091,791,819	297,340,793	14,389,132,612	5.559
2018	14,821,738,983	306,261,017	15,128,000,000	5.559
2019	15,669,652,415	353,724,881	16,023,377,296	5.559
2020	16,595,199,135	341,167,483	16,936,366,618	5.559
2021	17,093,184,916	356,646,565	17,449,831,481	5.559

(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 MILLAGE	SCHOOL MILLAGE	STATE MILLAGE	TOTAL
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE				
2012	5.869	0.000	5.869	5.769	8.005	0.4708	20.1140
2013	5.669	0.000	5.669	5.161	7.998	0.4634	19.2914
2014	5.629	0.000	5.629	5.798	7.977	0.4455	19.8495
2015	5.589	0.000	5.589	5.900	7.974	0.4187	19.8826
2016	5.559	0.000	5.559	5.900	7.612	0.3896	19.4615
2017	5.559	0.000	5.559	5.3509	7.322	0.3627	18.5946
2018	5.559	0.000	5.559	5.8182	6.994	0.3420	18.7132
2019	5.559	0.000	5.559	5.8568	0.000	0.3256	18.4744
2020	5.559	0.000	5.559	5.8969	7.148	0.3115	18.9154
2021	5.559	0.000	5.559	5.8796	7.129	0.2995	18.8671

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 2021			FISCAL YEAR ENDED 2012		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE VALUE \$17,449,831,481	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE VALUE 11,870,832,915
City of Coral Gables	158,285,683	1	0.91 %	85,416,155	1	0.72 %
Merrick Park LLC	142,493,321	2	0.82	81,618,837	2	0.69
Banyan ST GAP Douglas Ent Own LLC	92,011,096	3	0.53	0		-
LG Coral Gables LLC	88,609,850	4	0.51	0		-
Prisa Ponce de Leon, LLC	87,926,875	5	0.50	66,975,322	4	0.56
Agave Plaza Trustee LLC	80,447,725	6	0.46			-
396 Alhambra LLC	78,031,723	7	0.45			-
DGE Alhambra LP	75,100,000	8	0.43			-
Columbus Center GU LLC	73,800,000	9	0.42			-
Coral Gables Associates	71,356,240	10	0.41	46,515,500	9	0.39
Ponte Gadea Gables LCC	-	-	-	45,805,871	10	0.39
Miguel B Fernandez TRS	-	-	-	49,753,040	8	0.42
Wilmington Trust Co Trustee Fo	-	-	-	80,000,000	3	0.67
CPT 355 Alhambra Circle LLC	-	-	-	57,906,500	5	0.49
South Florida Equities REIT IN	-	-	-	55,886,273	6	0.47
The Collection Properties LLC	-	-	-	53,999,492	7	0.45
Totals	<u>\$ 948,062,513</u>		<u>5.44 %</u>	<u>\$ 623,876,990</u>		<u>5.26 %</u>

Property assessed on January 1, 2020 for 2020-2021 present year tax levy.

Taxable Assessed Value provided by: Miami Dade Property Appraiser

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

FISCAL YEAR ENDED	SPECIAL ASSESSMENT BILLINGS	SPECIAL ASSESSMENT COLLECTED (1)
2012	843	836
2013	856	830
2014	875	870
2015	909	945
2016	944	918
2017	988	972
2018	988	930
2019	1015	1148
2020	1064	854
2021	1055	1041

(1) Includes prepayments and foreclosures.

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

FISCAL YEAR ENDED	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME *	PER CAPITA *
	SPECIAL OBLIGATION BONDS	OTHER OBLIGATIONS/ CAPITAL LEASES	SPECIAL OBLIGATION BONDS	OTHER OBLIGATIONS/ CAPITAL LEASES			
2012	62,544,790	1,672,710	15,795,210	532,128	80,544,838	3481%	1,699.22
2013	59,798,120	2,151,541	15,386,880	396,009	77,732,550	2907%	1,573.18
2014	56,761,060	3,166,037	18,513,940	389,659	78,830,696	2837%	1,588.34
2015	60,054,735	254,690	17,785,265	214,599	78,309,289	2695%	1,528.67
2016	78,435,243	97,740	16,704,757	72,315	95,310,055	3260%	1,864.55
2017	74,698,919	318,699	15,601,081	40,575	90,659,274	3060%	1,784.10
2018	122,828,048	11,951,395	14,361,506	8,195	149,149,144	4780%	2,919.06
2019	116,911,860	11,831,309	13,005,899	-	141,749,068	4507%	2,779.45
2020	111,326,040	11,685,130	11,676,951	-	134,688,121	4060%	2,644.52
2021	105,898,523	99,983	25,447,275	-	131,445,781	4018%	2,617.09

* See Table 13 for personal income and population data.

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

FISCAL YEAR ENDED	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	DEBT SERVICE AS PERCENTAGE OF TOTAL GENERAL EXPENDITURES
2012	-	-	-	115,215	0%
2013	-	-	-	117,134	0%
2014	-	-	-	117,390	0%
2015	-	-	-	121,242	0%
2016	-	-	-	129,219	0%
2017	-	-	-	139,712	0%
2018	-	-	-	154,139	0%
2019	-	-	-	148,796	0%
2020	-	-	-	148,850	0%
2021	-	-	-	149,903	0%

TABLE 12
CITY OF CORAL GABLES, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
SEPTEMBER 30, 2021
 (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	\$ 105,999	100.0%	\$ 105,999
Total direct debt			<u>\$ 105,999</u>
 Miami-Dade County, Florida	 \$ 2,339,296	 5.37%	 \$ 125,620
Total overlapping debt			<u>\$ 125,620</u>
 Total direct debt and overlapping debt			 <u><u>\$ 231,619</u></u>

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

TABLE 13
CITY OF CORAL GABLES
PLEDGED-REVENUE COVERAGE

	(1)	(2)	(3)	(4)	(5)	(1)-(5)
	Non-Ad Valorem Revenues	Maximum Estimated Sunshine State Loan 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
2021	91,326,186	11,043,454	800,728	11,844,182	23,688,364	67,637,822
2020	92,713,454	10,507,950	800,728	11,308,678	22,617,356	70,096,099
2019	84,826,059	10,566,138	852,457	11,418,595	22,837,189	61,988,870
2018	87,425,443	10,567,086	899,845	11,466,931	22,933,862	64,491,581
2017	74,515,051	8,494,761	859,215	9,353,976	18,707,952	55,807,099
2016	74,876,579	8,317,026	804,109	9,121,135	18,242,270	56,634,309
2015	75,868,359	7,053,794	950,346	8,004,140	16,008,280	59,860,079
2014	70,923,450	6,785,517	1,818,735	8,604,252	17,208,504	53,714,946
2013	66,311,095	5,876,567	920,080	6,796,647	13,593,294	52,717,801
2012	66,402,872	5,876,567	768,439	6,645,006	13,290,012	53,112,860

Note: Pursuant to loan agreements between Sunshine State Governmental Financing Commission and the City of Coral Gables, 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
2012	47,401	2,313,690	48,811	39.4	13,644	5.7%
2013	49,411	2,674,025	54,118	41.4	13,514	5.3%
2014	49,631	2,778,790	55,989	40.4	15,385	4.5%
2015	51,227	2,905,647	56,721	40.8	13,705	4.9%
2016	51,117	2,923,637	57,195	41.4	14,198	4.8%
2017	50,815	2,962,972	58,309	40.8	14,563	3.8%
2018	51,095	3,120,014	61,063	40.0	14,930	3.4%
2019	50,999	3,145,006	61,668	40.0	14,395	2.9%
2020	49,700	3,236,961	65,130	39.8	13,623	6.1%
2021	50,226	3,271,229	65,130	40.1	13,909	3.7%

DATA SOURCES

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

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

FISCAL YEAR ENDED	GENERAL PROPERTY TAXES (1)	FRANCHISE TAXES	UTILITIES SERVICES TAXES	OTHER TAXES	TOTAL TAXES
2012	66,378	6,764	10,898	2,703	86,743
2013	62,359	6,393	11,316	2,784	82,852
2014	65,257	6,851	11,862	2,909	86,879
2015	68,108	6,908	11,986	3,078	90,080
2016	71,447	6,860	11,423	3,103	92,833
2017	76,024	7,013	11,401	3,201	97,639
2018	80,762	6,875	11,831	3,316	102,784
2019	85,466	7,200	11,343	3,335	107,344
2020	90,002	6,916	11,187	2,948	111,053
2021	92,905	7,443	11,361	3,381	115,090

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

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

Fiscal Year Ended September 30, 2021

<u>Employers</u>	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
University of Miami *	4,895	1	38.82%	13,428	1	70.53%
Baptist Health South Florida/Corporate Office	3,672	2	29.12%	1,100	2	5.78%
City of Coral Gables	965	3	7.65%	789	4	4.14%
Bayview Asset Management	778	4	6.17%	1,000	3	5.25%
Coral Gables Hospital	600	5	4.76%	500	7	2.63%
The Biltmore Hotel	400	6	3.17%	670	5	3.52%
Dade County Public Schools	352	7	2.79%	534	6	2.80%
Bacardi USA	340	8	2.70%	460	8	2.42%
Mastec	324	9	2.57%	N/A		N/A
Del monte Fresh Produce	283	10	2.25%	280	9	1.47%
First Horizon Bank	N/A		N/A	278	10	1.46%
Total	<u>12,609</u>		<u>100.00%</u>	<u>19,039</u>		<u>100.00%</u>

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

* Faculty & Full/Partime Employees

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

FUNCTION / PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Commission	7	7	7	6	6	6	6	6	6	6
City Attorney	5	5	5	5	6	6	6	6	6	6
City Clerk	5	5	5	7	8	8	8	8	8	8
City Manager	10	11	11	9	10	10	11	11	11	11
Human Resources	10	10	10	11	10	10	10	10	10	10
Labor Relations & Risk Mgmt.	0	0	0	0	4	4	4	4	4	4
Development Services	64	64	64	63	62	62	62	62	62	62
Historic Resources	4	4	4	5	6	6	6	6	6	6
Public Works	84	84	204	204	193	194	195	195	203	203
Automotive	0	0	0	0	0	0	0	0	0	0
Finance	33	33	34	32	30	30	27	28	27	27
Information Technology	15	15	15	16	16	16	17	19	19	19
Police	255	256	263	262	266	266	272	272	275	275
Fire	147	147	147	147	147	147	147	147	147	147
Community Services	148	146	26	28	31	31	32	32	32	32
Economic & Cultural Dev.	4	5	5	6	5	5	5	5	5	5
Nondepartmental	0	0	0	0	0	0	1	1	1	1
Parking	0	0	0	0	29	30	28	28	28	28
Total	791	792	800	801	829	831	837	840	850	850

Source: City of Coral Gables Budget Book

TABLE 17
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Police:										
Physical Arrests	847	880	935	876	789	776	770	778	552	489
Traffic Violations	20,462	19,863	23,785	19,917	22,084	25,497	31,951	37,754	18,827	24,301
Parking Violations	139,929	96,394	100,674	100,808	90,634	74,207	79,185	98,149	63,211	77,176
Fire:										
Emergency Response	7,621	7,022	7,721	7,886	8,044	8,605	8,063	8,372	7,687	7,755
Fire Inspections Conducted	12,068	13,716	10,769	10,549	10,478	9,319	10,649	11,302	7,962	8,045
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
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	3,518	3,523	3,533	3,533	3,533	3,515	3,513	3,513	3,513	3,513
City owned streetlights	636	636	636	636	636	643	643	643	643	643
Public Safety:										
Fire										
Stations	3	3	3	3	3	3	3	3	4	4
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Culture and Recreation:										
Recreation										
Public beach (miles)	0	0	0	0	0	0	0	0	0	0
Municipal parks	14	14	14	14	14	14	14	14	14	14
Undeveloped parks	2	2	2	2	2	2	2	2	2	2
Municipal swimming pool	1	1	1	1	1	1	1	1	1	1
18-hole municipal golf course	1	1	1	1	1	1	1	1	1	1
9-hole municipal golf course	1	1	1	1	1	1	1	1	1	1
Recreational areas (acres)	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,005	1,006	1,007
Recreation centers	1	1	1	1	2	2	2	2	2	2
Municipal Water System										
Water mains (miles)	0	0	0	0	0	0	0	0	0	0
Fire hydrants	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,261	1,262
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: 2021 updated Per 2012 U.S. Census

(2) Sources: Various City Departments



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City of Coral Gables, Florida

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

Fiscal Year Ended September 30, 2021

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RSM US LLP

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coral Gables, Florida (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2022. Our report includes a reference to other auditors who audited the financial statements of the City of Coral Gables Retirement Fund and the Police Officers' Pension Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the City of Coral Gables Retirement Fund were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the City of Coral Gables Retirement Fund. Our report also included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The adoption of this statement resulted in the restatement of the financial statements as of October 1, 2020.

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 did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

RSM US LLP

Miami, Florida
March 31, 2022



RSM US LLP

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

Independent Auditor's Report

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

Report on Compliance for the Major Federal Program and Major State Project

We have audited the City of Coral Gables, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Florida 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 project for the year ended September 30, 2021. The City's major federal program and major state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program and major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Chapter 10.550, *Rules of the Florida Auditor General* (Chapter 10.550). Those standards, the Uniform Guidance and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and major state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program and Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and major state project for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and state project, and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the City of Coral Gables, Florida as of and for the year ended September 30, 2021, and have issued our report thereon dated March 31, 2022, which contained an unmodified opinion on those financial statements. Our report included an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The adoption of this statement resulted in the restatement of the financial statements as of October 1, 2020. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General* and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

RSM US LLP

Miami, Florida
April 18, 2022

City of Coral Gables, Florida

Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Contract Number	Pass-Through Entity Identifying Number	Total Expenditures
Executive Office of the President:				
High Intensity Drug Trafficking Areas (HIDTA)	95.001	G17MI0001A, G18, G19 & G20	not applicable	\$ 456,889
U.S. Department of Justice:				
Equitable Sharing Program	16.922	None	not applicable	189,770
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAGD 2019 JAGD-DADE-9-N3-097, JAGD 2021 JAGD-DADE-5-4R-011	not applicable	14,650
Pass-through Florida Department of Law Enforcement:				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-CESF-DADE-1-C9-034	591264198	69,067
Total U.S. Department of Justice				273,487
U.S. Department of Treasury:				
Equitable Sharing Program				
South Florida Money Laundering Strike Force	21.000	None	not applicable	310,565
Pass-through Miami-Dade County, Florida:				
COVID-19 - Coronavirus Relief Fund (CARES ACT)	21.019	None	072238686	3,419,842
Total U.S. Department of Treasury				3,730,407
U.S. Department of Homeland Security:				
Pass-through Florida Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0506	072238686	3,250,281
Hazard Mitigation Grant Program (HMGP)	97.039	H0404	072238686	44,190
Total U.S. Department of Homeland Security				3,294,471
Total expenditures of federal awards				\$ 7,755,254

See notes to schedule of expenditures of federal awards

City of Coral Gables, Florida

**Schedule of State Financial Assistance
Fiscal Year Ended September 30, 2021**

State Grantor / Pass-Through Grantor / Project or Cluster Title	State CFSA Number	Contract Number	Total Expenditures
Florida Department of Transportation:			
Public Transit Service Development Program	55.012	G1299	\$ 215,213
Florida Department of Management Services			
Prepaid Next Generation 911 (NG911)	72.003	S13-19-07-10	648,843
Florida Department of Environmental Protection			
Statewide Water Quality Restoration Projects	37.039	LPA0009	45,170
Florida Recreation Development Assistance Program	37.017	A9107, A9018	225,000
Total Florida Department of Environmental Protection			270,170
Total expenditures of state financial assistance			\$ 1,134,226

See notes to the schedule of state financial assistance

City of Coral Gables, Florida

**Notes to Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance
Fiscal Year Ended September 30, 2021**

Note 1. General and Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the Schedules) presents the activity of all federal awards and state financial assistance of the City of Gables, Florida (the City) for the year ended September 30, 2021. The information in the Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General* of the State of Florida. Therefore, some amounts presented in the Schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net positions/fund balances, or cash flows of the City. The City's reporting entity is defined in Note 1 to the City's basic financial statements.

Note 2. Basis of Accounting

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

Note 3. Subrecipient Awards

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

Note 4. Indirect Cost Recovery

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

City of Coral Gables, Florida

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2021

I – Summary of Independent Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified?	<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 programs:

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 programs: Unmodified

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

Identification of major program:

Assistance Listing Number
21.019

Name of Federal Program
COVID-19 - Coronavirus Relief Fund
(CARES ACT)

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

Auditee qualified as low-risk auditee? X Yes No

(Continued)

City of Coral Gables, Florida

Schedule of Findings and Questioned Costs (Continued)
Fiscal Year Ended September 30, 2021

Section I – Summary of Auditor’s Results (Continued)

State Financial Assistance

Internal control over major projects:

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 projects:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Florida Auditor General*?

 Yes X No

Identification of major project:

State CSFA Number
72.003

Name of State Project
Prepaid Next Generation 911 (NG911)

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

\$300,000

Section II – Financial Statements Findings

No matters to report.

Section III – Federal Awards Findings and Questioned Costs

No matters to report.

Section IV – State Financial Assistance Findings and Questioned Costs

No matters to report.

Section V – Summary Schedule of Prior Audit Findings

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

City of Coral Gables, Florida

Management Letter in Accordance
with Chapter 10.550, *Rules of the Auditor General
of the State of Florida*

Fiscal Year Ended September 30, 2021



RSM US LLP

**Management Letter Required By
Chapter 10.550, Rules of the Auditor General
of the State of Florida**

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

Report on the Financial Statements

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, 2021, and have issued our report thereon dated March 31, 2022. Our report includes a reference to other auditors who audited the financial statements of the City of Coral Gables Retirement Fund and the Police Officers' Pension Fund, as described in our report on the City's financial statements. This management letter does not include the results of the other auditors' testing of compliance and other matters that are reported on separately by those auditors. Our report also includes an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The adoption of this statement resulted in the restatement of the financial statements as of October 1, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for the Major Federal Program and Major State Project, Report on Internal Control Over Compliance and Report on the Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida; Schedule of Findings and Questioned Costs (the schedule); and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedules should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the City's financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Additional Matters

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

Purpose of this Letter

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

RSM US LLP

Miami, Florida
April 18, 2022



RSM US LLP

**Independent Accountant's Report on Compliance
With Local Government Investment
Policies in Accordance With Chapter 10.550,
*Rules of the Auditor General of the State of Florida***

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

We have examined the City of Coral Gables, Florida's (the City) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* during the period October 1, 2020 to September 30, 2021. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the City complied, in all material respects, with specified requirements during the year ended September 30, 2021.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor and Members of the City Commission and applicable management of the City, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
April 18, 2022

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