

**City of Coral Gables, Florida  
Management Letter in Accordance  
With Chapter 10.550, *Rules of the  
Florida Auditor General* and  
Independent Accountant's Report  
on the Examination of the City's Compliance  
with Section 218.415, Florida Statutes**

Fiscal Year Ended September 30, 2017

## Contents

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Management Letter in Accordance with Chapter 10.550 of the <i>Rules of the Florida Auditor General</i>	1-2
Appendix A – Status of Prior Years' Findings and Recommendations to Improve Financial Management	3
Independent Accountant's Report on the Examination of the City's Compliance with Section 218.415, Florida Statutes	4

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

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 fiscal year ended September 30, 2017, and have issued our report thereon dated March \_\_, 2018. Our report was modified to include a reference to other auditors. This report does not include the findings and recommendations of the other auditors' that are reported on separately by those auditors.

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.

**Auditor's Responsibility**

We conducted our audit in accordance with 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.

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Grant Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule 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 annual financial audit report. Corrective action was taken to address management letter comment 2016-01 and 2016-02 related to user access controls and capital asset management, respectively, noted in the preceding annual 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 is disclosed in Note 1 of the financial statements.

**Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of 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.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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 the review of financial information provided by same.

### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.566(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

### **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. A recommendation is included in *Appendix A – Current Year's Recommendations to Improve Financial Management, Accounting Procedures and Internal Controls*.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have 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 Mayor, City Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Miami, Florida  
March \_\_, 2018

**City of Coral Gables, Florida**

**Appendix A – Status of Prior Years’ Findings and Recommendations to Improve Financial Management**

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<b>Finding No</b>	<b>Finding Title</b>	<b>Current Year Status</b>
2016-01	User Access Administration	Corrected
2016-02	Capital Asset Management	Corrected

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## Independent Accountant's Report

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 year ended September 30, 2017. Management 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.

In our opinion, the City complied, in all material respects, with *Section 218.415, Florida Statutes, Local Government Investment Policies* during the period October 1, 2016 to September 30, 2017.

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

Miami, Florida  
March \_\_, 2018

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AUDIT | TAX | CONSULTING

March \_\_, 2018

**CONFIDENTIAL**

City of Coral Gables, Florida  
Ms. Sally Ola Ola, Assistant Finance Director  
405 Biltmore Way  
Coral Gables, FL 33134

Dear Ms. Ola Ola:

Enclosed you will find \_\_\_\_\_ (\_\_) bound copies and \_\_\_\_\_ (\_\_) unbound copies of the single audit report for City of Coral Gables, Florida for the year ended September 30, 2017.

If you have received a preliminary draft of this report, please destroy all such copies if they have not been returned to us.

Very truly yours,

RSM US LLP

*Carrie A. DeRosa*