

City of Coral Gables, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2020



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

**CORAL
GABLES**[®]
THE CITY BEAUTIFUL

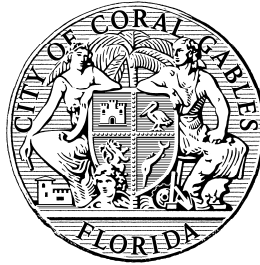
ON THE COVER:

Miracle Mile Gate - located on the intersection of Miracle Mile & Southwest 37th Avenue. Water flows down a fountain in the foreground, and a pink flowering Silk Floss Tree (*Ceiba speciosa*) shines behind it.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

CITY OF CORAL GABLES, FLORIDA

For the
FISCAL YEAR ENDED
September 30, 2020



"The City Beautiful"

Prepared by
FINANCE DEPARTMENT

CITY OF CORAL GABLES, FLORIDA

COMMISSION - MANAGER FORM OF GOVERNMENT

CITY COMMISSION

RAUL VALDES-FAULI, *MAYOR*

VINCE LAGO, *Vice Mayor*
PATRICIA KEON, *Commissioner*

MICHAEL MENA, *Commissioner*
JORGE L. FORS, JR., *Commissioner*

CITY MANAGER

PETER IGLESIAS

FINANCE DIRECTOR

DIANA M. GOMEZ, C.P.A.

ASSISTANT FINANCE DIRECTOR FOR REPORTING AND OPERATIONS

SALLY OLA OLA, C.P.A.

Introductory Section

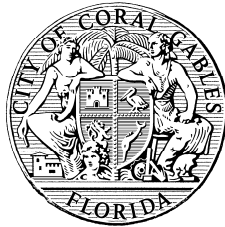
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GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART

LIST OF PRINCIPAL OFFICIALS



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The City of Coral Gables

Finance Department

405 BILTMORE WAY
CORAL GABLES, FLORIDA 33134

March 31, 2021

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 Comprehensive Annual Financial Report of the City of Coral Gables, Florida (the "City") for the fiscal year ended September 30, 2020, 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 51,133 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 Moody’s 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 Money Inc., the City of Coral Gables ranks as the 7th best place to live in South Florida in 2020. The article noted that the City is *"full to the brim with world class restaurants, boutique shops, local businesses, and the kind of schools that are pumping out the next generation of Ivy League scholars seemingly at will."*

Using over two dozen metrics related to affordability, economy, standard of living, and community, the website 24/7 Wall St. identified Coral Gables as one of the top 50 best cities to live in the United States. Data came from a number of sources including the U.S. Census Bureau, the FBI, and the Centers for Disease Control and Prevention.

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.

Quality Progress Magazine, the official publication of the American Society for Quality, featured the City’s Information Technology Department as one of 10 top-performing teams from around the globe in their story “Feats of Strength”. The City’s tech team, which successfully participated in the International Team Excellence Award, regularly uses Lean Six Sigma process improvements to look inward and outward and brainstorm cost-effective tech solutions for government services.

Coral Gables has been named a "Tree City USA" for 35 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 eleven 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 2019-2020, taxable values are the highest in the history of the City at \$16.8 billion which represents a 5% increase over the tax year 2018 taxable values of \$16 billion generating an increase in property tax revenue of approximately \$4.8 million. For fiscal year 2019-2020, the property tax rate was 5.559 which is the fifth consecutive year the City maintained the same millage rate.

The City Commission adopted an annual budget for fiscal year 2019-2020 and a new 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 2019-2020 budget provided for additional funds towards the capital improvement program totaling \$48.5 million. Highlights include replacement of capital equipment of \$2.2 million, facility repairs and maintenance of \$1.6 million, historic facility repairs and restorations of \$2.5 million, motor pool equipment replacement of \$3.7 million, parking system repairs and maintenance of \$12.7 million, parks and recreation amenity improvements of \$4.8 million, public safety improvements of \$8 million, transportation and roadway improvements of \$9.65 million and utility repairs and improvements of \$6.5 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, and came in under budget in fiscal year 2020 in approximate amount of \$8 million. To address this shortfall, the City froze all full and part-time employee vacancies except for sworn police and firefighters, communication operators and essential parks and recreation staff. Additionally, all non-essential operating

expenditures have been restricted and other operational spending reduced to a minimum. Also, spending on certain capital projects were deferred.

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 2020. The City has met the reserve requirement of \$45.78 million as of September 30, 2020. However, approximately \$5.48 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.

During fiscal year 2020 the construction phase of the new Public Safety Building with attached parking garage (PSB Project) was near completion. The new PSB Project will house the City's Police and Fire administration and headquarters, 911 Call Center and First Responders Dispatch Center, Emergency Operation Center, Fire Station and administrative office. The project cost is estimated at \$68 million. The project is located on an assemblage of two city owned sites and newly owned site acquired through a land swap agreement. As of fiscal year 2020, approximately \$59 million has been spent on this project.

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. The former involved the complete overhauling of all interior spaces of Fire Station 2, including the upgrade of electrical, mechanical and life safety systems. It also involved a new two-story addition and a four-story training tower as additions to this facility. The latter, involved the construction of a new Trolley facility that will enable the maintenance and storage of the City's Trolley fleet within City limits. For these projects, approximately \$12 million was spent as of fiscal year 2020.

In fiscal year 2020, the City made it a priority to enhance the neighborhoods' quality of life through ongoing development and landscape beautification of various pocket parks throughout the City. The City continues to engage the surrounding communities in the development of these pocket parks to best suit the needs of the immediate neighborhoods. The on-going project has cumulative cost of \$2.20 million plus purchase of land for \$3.1 million.

The City now has the lowest incidents of reported vehicle and residential burglaries in more than 15 years and has also dramatically reduced traffic homicides and crashes. Greater emphasis has been placed on reducing speeding in the community, school zones, and major roadways. Phases 1-3 of the citywide installation of CCTV cameras at strategic locations was completed as of fiscal year 2020 improving security and public safety through enhanced information gathering and threat assessment to residents and businesses. Phase IV of this project was underway in fiscal year 2020 with a projected cost of approximately \$350,000.

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 \$3.97 million to the Coral Gables Retirement System in October 2019 which was applied towards the unfunded liability. The City has contributed a total of \$17.09 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 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 2020-2021 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 2020-2021 budget provides 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 maintenance 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 maintenance of \$4.9 million, parks and recreation amenity improvements of \$1.4 million, public safety improvements of \$790,000, transportation and roadway improvements of \$1.6 million and utility repairs and improvements of \$8.4 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 51 electric vehicles with a goal of adding 20 more by the end of 2021. Coral Gables was one of 127 cities and 15 counties from across 38 states joining the Climate Mayors Electric Vehicle Purchasing Collaborative, and committed to purchasing more than 2,100 electric vehicles by the end of 2020.

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

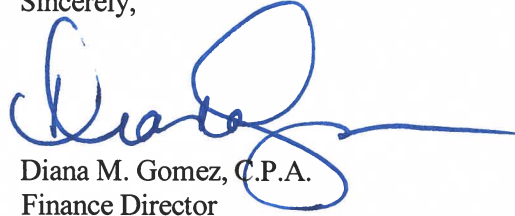
Independent Audit. The City Charter and State Statutes require an annual audit. The accounting firm of RSM US LLP was appointed by the City Commission. The Audit engagement requires the independent auditor to report on the fair presentation of the financial statements and on the City's internal controls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

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the thirty sixth 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 comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

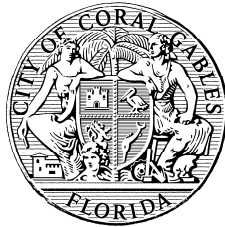
A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Sincerely,

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

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



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Coral Gables
Florida**

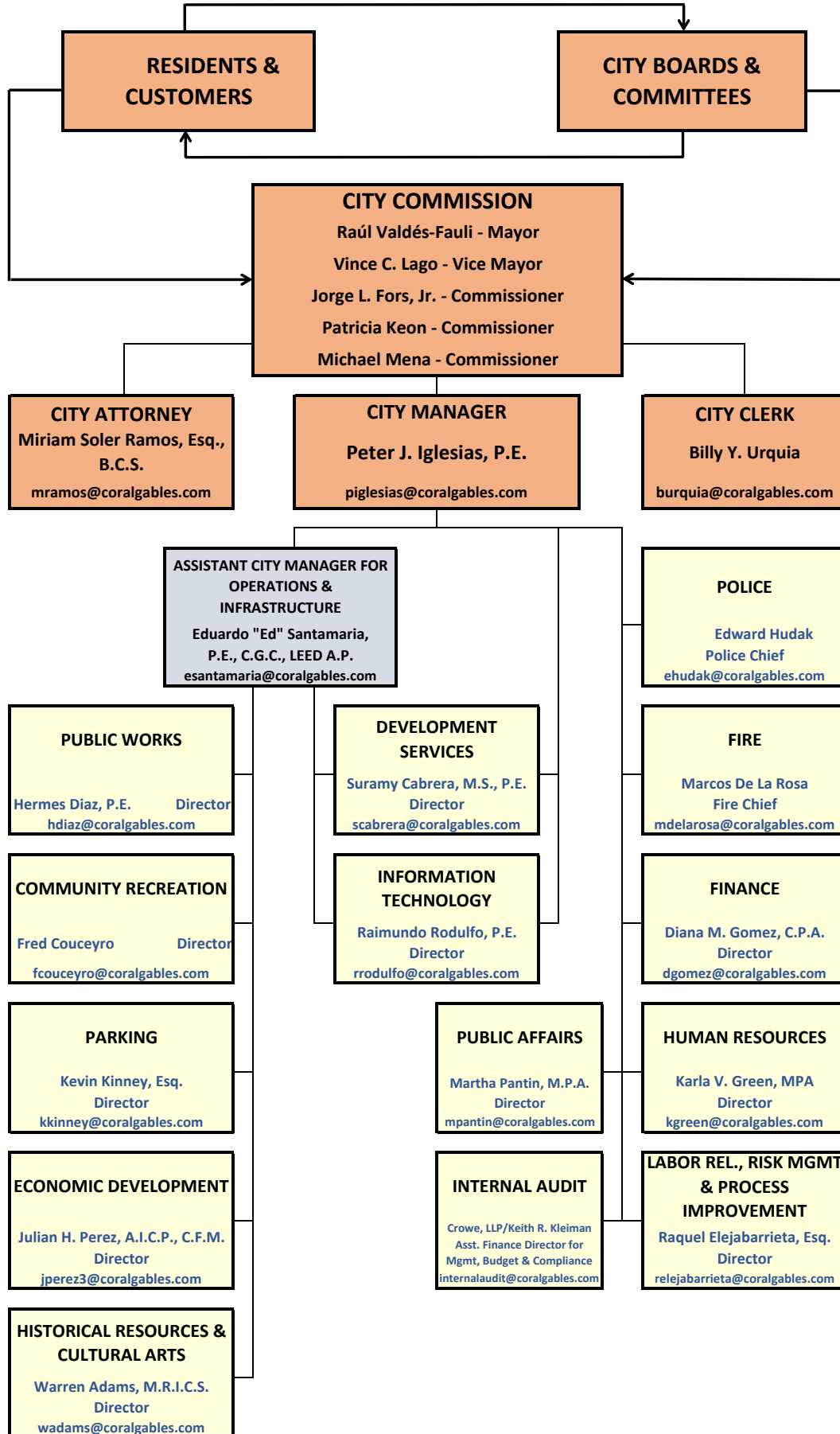
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

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



CITY OF CORAL GABLES LIST OF PRINCIPAL OFFICIALS



RAUL VALDES-FAULI
MAYOR



VINCE C. LAGO
VICE MAYOR



PATRICIA KEON
COMMISSIONER



MICHAEL MENA
COMMISSIONER



JORGE L. FORS, JR.
COMMISSIONER



BILLY Y. URQUIA
CITY CLERK



PETER J. IGLESIAS
CITY MANAGER



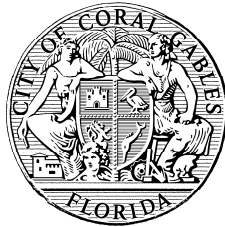
MIRIAM SOLER RAMOS
CITY ATTORNEY

EDUARDO SANTAMARIA
ASSISTANT CITY MANAGER

DEPARTMENT DIRECTORS

Community Recreation
Development Services
Economic Development
Finance
Fire Chief
Historical Resources
Human Resources
Information Technology
Labor Relations & Risk Mgmt.
Parking
Police Chief
Public Affairs
Public Works

Fred Couceyro
Suramy Cabrera
Julian Perez
Diana M. Gomez
Marcos De La Rosa
Warren Adams
Karla Green
Raimundo Rodulfo
Raquel Elejabarrieta
Kevin J. Kinney
Edward Hudak
Martha Pantin
Hermes Diaz



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Financial Section

REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS

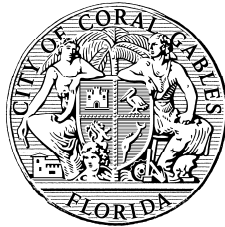
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

BASIC FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION (Unaudited)



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RSM US LLP

Independent Auditor's Report

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, 2020, 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 85% of the total assets/deferred outflows of resources and 66% 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the City of Coral Gables Retirement Fund were not audited in accordance with *Government Auditing Standards*.

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, as of September 30, 2020, 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.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

Miami, Florida
March 31, 2021

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, 2020. 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 2020 by \$196.94 million (net position). Of this amount, unrestricted net position is a deficit of \$50.38 million which decreased by \$4.8 million when compared to prior year mainly due to the positive change in net position of \$25.73 million.
- As of the close of the current fiscal year, the City’s governmental funds reported combined fund balances of \$141.38 million, a decrease of \$21.96 million in comparison with the prior year. General Fund’s unassigned fund balance was 40.68 million or approximately 28.78% 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 2020 which is approximately \$45.78 million. The City met the unassigned fund balance policy, however, \$5.8 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 \$60.56 million or 40.69% of the total general fund expenditures and is available for future spending.
- The City has no general obligation debt outstanding.
- The 2019-2020 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 and the Stormwater Utility Fund.
- During fiscal year 2020, the construction of the new Public Safety (PSB Project) was underway. The new PSB Project will house 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 project cost is estimated at \$68 million. The project is 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.
- As of September 30, 2020, FEMA and State of Florida approved and obligated project worksheets amounted to approximately \$14.82 million of the City’s eligible expenditures related to Hurricane Irma recovery efforts. Of this amount, approximately \$12.93 million has been incurred by the City as of September 30, 2020 and \$9.72 million was received by the City from FEMA and State of Florida. In addition, as of September 30, 2020 the City received a total of \$2.38 million from insurance company and \$1.54 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.
- 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 \$8.2 million of revenue shortfall was projected for fiscal year 2020. 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, 2020, the County approved approximately \$3 million of grant funding to the City for expenditures necessary in response to the public health emergency. Of this amount, \$1.6 million was incurred by the City on personnel costs, telework improvement, disinfection, personal protective equipment, and social distancing measures. The City received \$23 thousand as reimbursement from the County in fiscal year 2020.

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, 2020, the City’s total net position increased by

\$25.73 million when compared to prior year which indicates that the City’s overall financial position has continued to improve.

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

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 222.18	\$ 253.21	\$ 32.71	\$ 31.09	\$ 254.89	\$ 284.30
Capital assets	303.44	259.21	42.16	42.14	345.60	301.35
Total Assets	525.62	512.42	74.87	73.23	600.49	585.65
Total Deferred Outflows of Resource	40.38	39.58	1.30	1.20	41.68	40.78
Current liabilities	32.12	33.31	3.23	3.33	35.35	36.64
Noncurrent liabilities	378.29	373.07	19.13	19.49	397.42	392.56
Total Liabilities	410.41	406.38	22.36	22.82	432.77	429.20
Total Deferred Inflows of Resource	12.08	25.39	0.38	0.63	12.46	26.02
Net Position:						
Net Investment in capital assets	177.29	159.00	29.98	29.75	207.27	188.75
Restricted	32.05	32.42	8.00	5.24	40.05	37.66
Unrestricted (Deficit)	(65.83)	(71.19)	15.45	15.99	(50.38)	(55.20)
Total Net Position	\$ 143.51	\$ 120.23	\$ 53.43	\$ 50.98	\$ 196.94	\$ 171.21

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 \$40.05 million, or 20.34% 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 \$50.38 million.

For the governmental activities, capital assets represent 57.73% of total assets, while noncurrent liabilities represent 92.170% of the total liabilities. For the business-type activities, these capital assets represent 56.31% of total assets, while noncurrent liabilities represent 85.55% of the total liabilities.

Current and other assets decreased \$31.03 million for governmental activities mainly due ongoing use of the proceeds of Series 2018A of \$33.1 million on the construction of the new PSB project. Current and other assets increased \$1.62 million for business-type activities mainly due to positive results of operations of \$2.45 million as shown in the statements of activities on page 19 of this report. More detailed analysis of this change is included in the analysis of the Proprietary Funds that follows.

Current liabilities showed a net decrease of \$1.2 million for governmental activities brought about by (a) decrease in refundable deposit on construction projects of \$1.2 million; (b) increase of \$1.44 million from deferred employer payroll taxes as part of CARES Act; (c) decrease of \$1.1 million in contractor invoices related to various on-going capital. Current liabilities decreased \$100,000 for business-type activities mainly due to an increase 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 increase of \$4.86 million due to (a) increase in net pension liability of \$8.18 million; (b) payment of scheduled annual principal payments of \$6 million and amortization of bond premium of \$990 thousand; (c) repayment of capital lease payable of \$146 thousand; (d) increase in total OPEB liability of \$1.46 million; (e) decrease in claims payable of \$237 thousand; (f) increase in accrued compensated absences of \$970 thousand; (g) increase in advances from insurance company of \$10 thousand; and (h) deferred employer payroll taxes of \$1.46 million.

The deferred outflows of resources consist of deferred outflows related to pension and OPEB, and deferred charge on bond refunding. Deferred outflows related to pension and OPEB of \$41.51 million consists of difference between expected and actual experience and pension and OPEB contributions to be expensed in the subsequent period. Deferred charge on refunding of \$160,000 resulted from issuance of a refunding bond with reacquisition price exceeding the net carrying value of the refunded debt.

The deferred inflows of resources consist of business tax receipts of \$2.9 million received in advance for fiscal year 2021, and deferred inflows related to pension of \$4.3 million representing the net difference between projected and actual earnings on pension plan investments, the deferred inflows related to OPEB of \$5.3 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 Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Revenues:						
Taxes	\$ 111.05	\$ 107.35	\$ -	\$ -	\$ 111.05	\$ 107.35
Intergovernmental	4.97	5.57	-	-	4.97	5.57
Investment Earnings	3.74	5.66	0.40	0.53	4.14	6.19
Gain on Sale of Capital Assets	1.05	10.40	-	-	1.05	10.40
Insurance Recoveries	1.54	0.18	-	-	1.54	0.18
Miscellaneous	0.20	0.43	-	-	0.20	0.43
Program Revenues:						
Charges for Services	48.29	47.12	27.79	30.31	76.08	77.43
Operating	4.81	10.67	-	-	4.81	10.67
Capital	2.52	1.98	-	-	2.52	1.98
Total Revenues	178.17	189.36	28.19	30.84	206.36	220.20
Expenses:						
General Government	25.39	28.53	-	-	25.39	28.53
Public Safety	87.85	92.00	-	-	87.85	92.00
Physical Environment	22.16	22.72	-	-	22.16	22.72
Transportation	8.01	7.44	-	-	8.01	7.44
Economic Environment	1.13	1.57	-	-	1.13	1.57
Culture and Recreation	12.02	14.01	-	-	12.02	14.01
Interest Expense	4.11	4.33	-	-	4.11	4.33
Sanitary Sewer System	-	-	10.53	8.40	10.53	8.40
Parking System	-	-	6.86	6.34	6.86	6.34
Stormwater Utility	-	-	2.57	2.62	2.57	2.62
Total Expenses	160.67	170.60	19.96	17.36	180.63	187.96
Increase (decrease) in net position before transfers	17.50	18.76	8.23	13.48	25.73	32.24
Transfers	5.78	9.05	(5.78)	(9.05)	-	-
Change in Net Position	23.28	27.81	2.45	4.43	25.73	32.24
Net Position - Beginning	120.23	92.42	50.98	46.55	171.21	138.97
Net Position - Ending	\$ 143.51	\$ 120.23	\$ 53.43	\$ 50.98	\$ 196.94	\$ 171.21

Governmental Activities:

The most significant increase of revenue in governmental activities for the fiscal year 2019-2020 was taxes with an increase of \$3.7 million or 3% mainly due to an increase of \$4.5 million in ad valorem taxes collected during the year attributable to the increase in property values in 2019.

Gain on sale of capital assets showed the most significant decrease in revenue of \$9.35 million due to sale of a property in 2019 previously leased to a not-for-profit entity.

Charges for services showed an increase of \$1.17 million. However, certain revenue streams showed significant decreases as a direct impact of the COVID-19 pandemic such as (a) recreation fee revenue decreased by \$2.7 million due to closures and/or limited re-openings of certain park facilities and programs; (b) passport processing and acceptance fees decreased by \$370 thousand as direct result of closure of the facility from March 2020 to June 2020. These

decreases were offset by an increase in permit revenue of \$1.4 million and an increase in special assessments of \$2.6 million which are direct effect of timing and size of new construction projects within the City.

Operating grants and contributions decreased by \$5.86 million due to the timing of grant reimbursements and receivables from FEMA, the State of Florida, and Miami-Dade County related to Hurricane Irma, COVID-19 and the CARES Act.

Investment earnings decreased by \$1.92 million mainly due to the use of the proceeds of the Series 2018A for the new public safety building and improvement and partly 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 \$3.37 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 \$168.99 million of revenue during the fiscal year, offset by \$148.85 million of expenditures. Taxes represent the largest portion of revenues and public safety represents the largest portion of expenditures. In fiscal year 2020, general government function decreased \$2.88 million mainly due to interdepartmental allocation of certain expenditures from administrative departments to building department included in the public safety function. Also contributing to the decrease was the decrease in professional service related to legal matters, police and fire recruitment services and expenditures incurred for the 2019 general elections. Culture and recreation decreased \$1.58 due to COVID-19 related closures and/or limited re-openings of certain park facilities and programs. Public safety function increased by \$3.2 million due to the ongoing repairs and rehabilitation costs related to Hurricane Irma and expenditures incurred in response to the COVID-19 public health emergency. In addition, the increase is due to interdepartmental allocation of certain expenses from administrative departments to building department included in the public safety function.

In order to respond to the fiscal challenges brought by COVID-19, the City enacted certain measures at the start of the pandemic to identify revenue shortfalls, formulate a plan to balance the fiscal year 2020 budget and evaluate the long-range impact of the pandemic.

Debt Service Fund – In fiscal year 2020, the City paid \$4.65 million in scheduled principal payments including full redemption of bonds with par value of \$10,000 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 \$3.3 million in revenues and offset by \$49 million in capital expenditures. Significant capital project expenditures include the construction of the new of Public Safety building, trolley depot/fire station², sidewalk extensions and additions, improvements to various park, as well as other construction and improvements to City facilities.

Proprietary Funds

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

Sanitary Sewer - Operating revenues increased by approximately \$266,000 and operating expenses increased by approximately \$2.1 million from the prior year. There was no change in rates in fiscal year 2020. The net increase in operating revenue is mainly due to outside sewer connection fee of \$635K collected in fiscal year 2020 which was offset by decrease in fee charged to a major customer of approximately \$440,000, i.e., the reclassification of the type of wastewater service and rates applied to the customer. The increase in the operating expenses is attributable to an increase in sewer infrastructure repair of \$1.0 million and an increase in waste disposal fee of \$1.2 million. During the current year, the Sanitary Sewer Fund transferred approximately \$738,000 to the General Fund to subsidize the cost of the utility's operations.

Parking System - Operating revenues decreased by approximately \$3.15 million due to the negative economic impacts of COVID-19. The operating expense indicates an increase of \$560,000 mainly related to an increase in the OPEB and net pension liabilities. During the year, the Parking Fund transferred to the General Fund approximately \$5.08 million to subsidize the cost of General Fund operations, as well as a reimbursement for use of the City's administrative departments. This amount is a 50% reduction compared to the prior fiscal year's contribution and is directly related to the parking revenue shortfall caused by the pandemic. The Parking Fund also received \$183,000 from Capital Project General Improvement Fund to provide additional funding for acquisition of new parking pay stations.

Stormwater Utility Fund - Operating revenues increased by approximately \$370,000 from the prior year. In fiscal year 2019, the City increased the system user rates by approximately 10.75% 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 2020, \$2.40 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 2020 the Stormwater Utility Fund transferred approximately \$144,000 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 \$160.44 million to \$161.02 million from the original to the final budget. The City's budgeted expenditures increased from \$159.80 million to \$160.72 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 \$515,000 and \$24,000 of rental income from interactive kiosks installed on the City's rights of way.

The City budgeted \$161.02 million in revenue and recognized \$169.0 million. The City budgeted \$160.72 million in expenditures and incurred \$148.85 million.

The budget to actual positive variances in revenue were due to receipt of approximately \$9 million of grant funds from FEMA and State of Florida related to Hurricane Irma, increase in the receipts of delinquent and homestead property taxes, utility franchise taxes, 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 contribution from developer which was not received in fiscal year due to timing of the completion of the project.

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, 2020 amounted to \$345.60 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks, roads, highways, and bridges. The City's investment in net capital assets increased by \$44.26 million from the prior year.

During the current fiscal year, significant additions in governmental activities included \$33.1 million for the construction of the new public safety building, \$8.0 million for the construction of the trolley depot/fire station, \$3 million for land acquisition for passive parks and new fire station; and \$2.4 million of various construction projects in progress, and \$3.7 million in machinery and equipment. Significant additions for business-type activities included \$1.2 in

construction in progress relating to various pump stations and \$240,000 in machinery and equipment.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Land	\$ 67.26	\$ 64.09	\$ 3.70	\$ 3.70	\$ 70.96	\$ 67.79
Construction in Progress	63.63	37.30	2.13	0.94	65.76	38.24
Infrastructure	113.07	113.07	32.01	31.89	145.08	144.96
Building	69.70	67.91	30.23	30.22	99.93	98.13
Improvements Other Than Buildings	110.12	92.75	0.82	0.82	110.94	93.57
Machinery and Equipment	66.35	62.62	4.74	4.50	71.09	67.12
Total Capital Assets	490.13	437.74	73.63	72.07	563.76	509.81
Accumulated Depreciation	186.69	178.54	31.47	29.93	218.16	208.47
Net Capital Assets	\$ 303.44	\$ 259.20	\$ 42.16	\$ 42.14	\$ 345.60	\$ 301.34

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, 2020.

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 Sunshine State Governmental Financing Commission principal debt outstanding as of September 30, 2020 was \$123.01 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 obligation on purchase and sale of land, 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 \$4.86 million. This decrease is primarily due to the net effect of the following: (a) an increase in net pension liability of \$8.18 million; (b) the payment of scheduled annual principal payments and amortization of bond premium of \$6.91 million; (c) the repayment of capital lease payable of \$140,000; (d) an increase in total OPEB liability of \$1.4 million; (e) a decrease in claims payable of \$240,000; (f) an increase in accrued compensated absences of \$970,000; (g) the deferment of employer payroll taxes of \$1.44 million; and (h) an increase in advances from insurance company of \$10,000 related to damages incurred on City property covered by insurance.

Table A-4

Long-Term Liabilities (In millions of dollars)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Special Obligation Debt	\$ 111.33	\$ 116.91	\$ 11.68	\$ 13.01	\$ 123.01	\$ 129.92
Estimated Insurance Claims	12.56	12.80	-	-	12.56	12.80
Accrued Compensated Absences	11.96	11.00	0.34	0.33	12.30	11.33
Capital Lease	0.19	0.33	-	-	0.19	0.33
Obligation on Purchase and Sale of Land	11.50	11.50	-	-	11.50	11.50
Pollution Remediation Obligation	0.16	0.16	-	-	0.16	0.16
Advances from Insurance Company	0.85	0.75	-	-	0.85	0.75
Deferred Employer Payroll Taxes	1.44	-	-	-	1.44	-
Total OPEB Liability	26.71	26.03	1.41	0.63	28.12	26.66
Net Pension Liability	201.59	193.59	5.70	5.52	207.29	199.11
Total	\$ 378.29	\$ 373.07	\$ 19.13	\$ 19.49	\$ 397.42	\$ 392.56

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 COVID-19 pandemic negatively impacted the global economy, it has also affected the local businesses and livelihood in the City of Coral Gables. The City experienced shortfalls in revenue streams and had to implement action plans to balance the budget for fiscal year 2021. The City made over \$12 million in hard budget cuts to conservatively balance the budget to address the unknown impacts of COVID-19. Additionally, the City identified an additional \$7 million in soft reductions that remain funded in a holding code until sufficient revenue activity is confirmed.

Local, national, and international economic factors influence the City’s revenue. However, until the COVID-19 pandemic is under control, 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

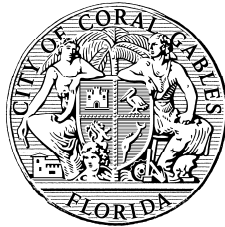
may be measured by a variety of indicators such as employment growth, unemployment rate, new construction and assessed property valuation. Net assessed value of real and personal property within the Miami-Dade County increased by 5.1%.

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 2020-2021 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 \$593,743, has increased by nearly 99% since 1970 and has increased by nearly 86% 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, 2020

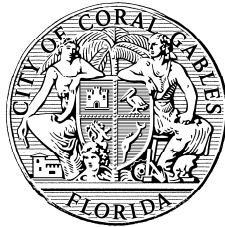
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 89,511,478	\$ 10,909,181	\$ 100,420,659
Restricted Cash and Cash Equivalents	13,491,253	3,347,701	16,838,954
Investments	66,595,726	5,733,668	72,329,394
Restricted Investments	22,781,286	5,719,927	28,501,213
Accounts Receivable, Net	14,678,241	4,415,578	19,093,819
Interest Receivable	341,348	46,172	387,520
Assessment Liens Receivable	7,466,915	69,696	7,536,611
Internal Balances	(2,448,787)	2,448,787	-
Due from Other Governments	8,071,534	21,363	8,092,897
Inventory	43,399	-	43,399
Prepaid and Deposits	1,645,810	-	1,645,810
Capital Assets Not Being Depreciated:			
Land	67,255,684	3,701,838	70,957,522
Construction in Progress	63,629,220	2,131,661	65,760,881
Capital Assets, Net of Accumulated Depreciation:			
Infrastructure	19,362,637	18,536,185	37,898,822
Buildings	40,461,307	15,807,569	56,268,876
Improvements Other Than Buildings	87,575,617	247,351	87,822,968
Machinery and Equipment	25,156,968	1,737,812	26,894,780
Total Assets	<u>525,619,636</u>	<u>74,874,489</u>	<u>600,494,125</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	96,395	63,861	160,256
Deferred Outflows Related to Pension	36,302,353	1,026,545	37,328,898
Deferred Outflows Related to OPEB	3,974,604	209,190	4,183,794
Total Deferred Outflows of Resources	<u>40,373,352</u>	<u>1,299,596</u>	<u>41,672,948</u>
LIABILITIES			
Accounts Payable	14,873,967	2,585,352	17,459,319
Accrued Payroll	4,299,388	133,805	4,433,193
Unearned Revenue	7,197,419	222,260	7,419,679
Due to Other Governments	150,116	-	150,116
Deposits Payable	5,600,525	284,606	5,885,131
Noncurrent Liabilities:			
Due Within One Year	27,837,702	1,420,664	29,258,366
Due In More Than One Year	350,450,865	17,711,649	368,162,514
Total Liabilities	<u>410,409,982</u>	<u>22,358,336</u>	<u>432,768,318</u>
DEFERRED INFLOWS OF RESOURCES			
Revenues Received in Advance	2,857,117	-	2,857,117
Deferred Inflows Related to Pension	4,163,395	117,730	4,281,125
Deferred Inflows Related to OPEB	5,059,772	266,304	5,326,076
Total Deferred Inflows of Resources	<u>12,080,284</u>	<u>384,034</u>	<u>12,464,318</u>
NET POSITION			
Net Investment in Capital Assets	177,292,863	29,980,820	207,273,683
Restricted for:			
Debt Service	48,758	-	48,758
Public Safety	2,563,153	-	2,563,153
Streetscape Assessment Projects	7,404,255	-	7,404,255
Mobility Improvements	4,142,978	-	4,142,978
Capital Improvements	9,194,942	8,004,193	17,199,135
Law Enforcement	2,583,408	-	2,583,408
Public and Historic Art	4,619,046	-	4,619,046
Records Management	1,482,140	-	1,482,140
Unrestricted (Deficit)	(65,828,821)	15,446,702	(50,382,119)
Total Net Position	<u>\$ 143,502,722</u>	<u>\$ 53,431,715</u>	<u>\$ 196,934,437</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, 2020

FUNCTION/PROGRAM	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 25,385,357	\$ 26,556,864	\$ -	\$ -	\$ 1,171,507	\$ -	\$ 1,171,507
Public Safety	87,849,534	6,040,212	4,463,977	2,072,054	(75,273,291)	-	(75,273,291)
Physical Environment	22,161,496	10,414,374	115,555	390,775	(11,240,792)	-	(11,240,792)
Transportation	8,014,795	896,706	225,692	-	(6,892,397)	-	(6,892,397)
Economic Environment	1,128,135	825,000	-	-	(303,135)	-	(303,135)
Culture and Recreation	12,022,657	3,554,534	1,965	55,842	(8,410,316)	-	(8,410,316)
Interest on Long-term Debt	4,109,452	-	-	-	(4,109,452)	-	(4,109,452)
Total Governmental Activities	160,671,426	48,287,690	4,807,189	2,518,671	(105,057,876)	-	(105,057,876)
Business-type Activities:							
Sanitary Sewer System	10,527,634	10,246,589	-	-	-	(281,045)	(281,045)
Parking System	6,863,695	11,799,439	-	-	-	4,935,744	4,935,744
Stormwater Utility	2,574,973	5,749,419	-	-	-	3,174,446	3,174,446
Total Business-type Activities	19,966,302	27,795,447	-	-	-	7,829,145	7,829,145
Total	\$ 180,637,728	\$ 76,083,137	\$ 4,807,189	\$ 2,518,671	(105,057,876)	7,829,145	(97,228,731)
General Revenues:							
Taxes:							
Property Taxes					90,002,211	-	90,002,211
Franchise Fees					6,916,545	-	6,916,545
Utilities Service Taxes					11,186,658	-	11,186,658
Other Taxes					2,948,432	-	2,948,432
Intergovernmental, not restricted for specific programs					4,973,303	-	4,973,303
Investment Earnings					3,737,473	400,956	4,138,429
Miscellaneous					204,440	616	205,056
Gain on Sale of Capital Assets					1,047,085	-	1,047,085
Insurance Recoveries					1,538,961	-	1,538,961
Transfers					5,778,249	(5,778,249)	-
Total General Revenues and Transfers					128,333,357	(5,376,677)	122,956,680
Change in Net Position					23,275,481	2,452,468	25,727,949
Net Position - Beginning					120,227,241	50,979,247	171,206,488
Net Position - Ending					\$ 143,502,722	\$ 53,431,715	\$ 196,934,437

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, 2020

	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	\$ 46,073,972	\$ -	\$ 29,196,497	\$ 2,427,929	\$ 77,698,398
Restricted Pooled Cash and Cash Equivalents	-	29,525	5,223,037	8,238,691	13,491,253
Pooled Investments	27,328,053	-	23,894,887	2,386,502	53,609,442
Restricted Pooled Investments	14,320,004	2,056,963	1,025,568	5,378,751	22,781,286
Accounts Receivable, Net	14,243,276	11,000	75,941	193,800	14,524,017
Interest Receivable	159,447	6,153	91,351	31,394	288,345
Streetscape Projects Assessment Liens Receivable	-	7,404,255	-	-	7,404,255
Other Liens Receivable	60,476	2,184	-	-	62,660
Due from Other Funds	215,000	-	-	-	215,000
Due from Other Governments	7,073,332	702	160,062	837,438	8,071,534
Prepaid and Deposits	127,078	-	75,380	500	202,958
Total Assets	<u>109,600,638</u>	<u>9,510,782</u>	<u>59,742,723</u>	<u>19,495,005</u>	<u>198,349,148</u>
LIABILITIES					
Accounts Payable	4,873,416	2,055,585	5,589,884	1,219,827	13,738,712
Accrued Payroll	4,140,836	-	-	6,468	4,147,304
Due to Other Funds	-	-	-	215,000	215,000
Unearned Revenue	7,170,619	-	26,800	-	7,197,419
Refundable Deposits	5,600,525	-	-	-	5,600,525
Due to Other Governments	1,591,301	-	-	-	1,591,301
Total Liabilities	<u>23,376,697</u>	<u>2,055,585</u>	<u>5,616,684</u>	<u>1,441,295</u>	<u>32,490,261</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	13,958,364	7,406,439	50,912	208,320	21,624,035
Revenues Received in Advance	2,857,117	-	-	-	2,857,117
Total Deferred Inflow of Resources	<u>16,815,481</u>	<u>7,406,439</u>	<u>50,912</u>	<u>208,320</u>	<u>24,481,152</u>
FUND BALANCES					
Nonspendable:					
Prepaid Items	127,078	-	75,380	500	202,958
Restricted to:					
Law Enforcement	2,583,408	-	-	-	2,583,408
Public and Historic Art	4,619,046	-	386,396	-	5,005,442
Records Management	1,482,140	-	-	-	1,482,140
Public Safety Communication System	-	-	187,731	-	187,731
Debt Service Reserve	-	48,758	-	-	48,758
Police and Fire System Improvements	-	-	-	2,563,153	2,563,153
Parks System Improvements	-	-	200,000	3,145,489	3,345,489
Miracle Mile/Giralda Streetscape Project	-	-	82,708	-	82,708
New Public Safety Complex	-	-	4,588,188	-	4,588,188
Mobility Improvement Projects	-	-	-	3,180,223	3,180,223
Fire Station/Trolley Garage	-	-	168,733	-	168,733
Other Physical Environment	34,885	-	634,849	3,858,027	4,527,761
Impact Fee Administration	-	-	-	381,448	381,448
Assigned to:					
Pension Stabilization	2,000,000	-	-	-	2,000,000
Historical Preservation	68,415	-	-	-	68,415
Other Public Safety Projects	76,698	-	11,004,757	-	11,081,455
Other Parks and Recreation Projects	-	-	6,497,451	-	6,497,451
Other Physical Environment	-	-	1,454,683	-	1,454,683
Other Capital Projects	-	-	12,947,964	4,896,212	17,844,176
Other Purposes	17,733,676	-	15,846,287	-	33,579,963
Unassigned	40,683,114	-	-	(179,662)	40,503,452
Total Fund Balances	<u>69,408,460</u>	<u>48,758</u>	<u>54,075,127</u>	<u>17,845,390</u>	<u>141,377,735</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 109,600,638</u>	<u>\$ 9,510,782</u>	<u>\$ 59,742,723</u>	<u>\$ 19,495,005</u>	<u>\$ 198,349,148</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, 2020

Total Fund Balances - Governmental Funds \$ 141,377,735

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. 290,186,802

Other long-term assets are not available to pay current period expenditures and, therefore are reported as unavailable revenue in the governmental funds. 21,624,035

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. 17,468,160

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. (2,448,787)

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

Compensated Absences	\$	(11,580,119)	
Special Obligations Debt Payable		(106,345,375)	
Premium on Special Obligation Debt Issued		(4,980,665)	
Deferred Charge on Bond Refunding		96,395	
Obligation on Purchase and Sale of Land		(11,500,000)	
Capital Lease Payable		(185,130)	
Pollution Remediation Obligation		(160,000)	
Total OPEB Liability		(25,584,148)	
Net Pension Liability		(194,422,210)	(354,661,252)

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

Deferred Outflows of Resources Related to Pension		35,010,773	
Deferred Inflows of Resources Related to Pension		(4,015,268)	
Deferred Outflows of Resources Related to OPEB		3,807,252	
Deferred Inflows of Resources Related to OPEB		(4,846,728)	29,956,029

Total Net Position - Governmental Activities \$ 143,502,722

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, 2020

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Fund	Debt Service Fund	Capital Project General Improvement Fund	Other Governmental Funds	
REVENUES					
Taxes	\$ 108,105,414	\$ -	\$ -	\$ 2,948,432	\$ 111,053,846
Licenses	3,445,502	-	-	-	3,445,502
Permits	9,924,817	-	-	-	9,924,817
Fines and Forfeitures	2,892,156	-	-	-	2,892,156
Intergovernmental	16,513,912	-	1,671,060	225,692	18,410,664
Charges for Services	19,083,143	-	-	-	19,083,143
Recreation Activity Fees	1,996,419	-	-	-	1,996,419
Rental Income	4,523,610	-	-	62,160	4,585,770
Investment Earnings	2,242,790	45,099	1,182,165	267,419	3,737,473
Special Assessments	-	619,492	10,982	6,246,221	6,876,695
Contributions and Donations	62,100	-	440,775	-	502,875
Miscellaneous	201,034	176	3,000	2,095	206,305
Total Revenues	168,990,897	664,767	3,307,982	9,752,019	182,715,665
EXPENDITURES					
Current:					
General Government	20,870,820	21,935	1,077,076	180,041	22,149,872
Public Safety	89,355,058	-	173,656	2,172,567	91,701,281
Physical Environment	21,334,915	-	775,116	127,224	22,237,255
Transportation	4,006,104	-	635,777	3,788,630	8,430,511
Economic Environment	1,167,442	-	32,188	-	1,199,630
Culture and Recreation	10,267,852	-	827,486	-	11,095,338
Debt Service:					
Retirement of Principal	83,011	4,651,550	-	-	4,734,561
Interest	8,366	4,101,086	-	-	4,109,452
Capital Outlay	1,756,954	-	45,530,121	4,461,683	51,748,758
Total Expenditures	148,850,522	8,774,571	49,051,420	10,730,145	217,406,658
Excess (deficiency) of Revenues Over (Under)					
Expenditures before Other Financing Sources (Uses)	20,140,375	(8,109,804)	(45,743,438)	(978,126)	(34,690,993)
OTHER FINANCING SOURCES (Uses)					
Proceeds from Sale of Capital Assets	-	-	1,740,096	-	1,740,096
Insurance Recoveries	1,364,563	-	174,398	-	1,538,961
Transfers In	9,165,781	8,109,804	22,012,236	-	39,287,821
Transfers Out	(29,650,694)	-	(183,912)	-	(29,834,606)
Total Other Financing Sources (Uses)	(19,120,350)	8,109,804	23,742,818	-	12,732,272
Net Change in Fund Balances	1,020,025	-	(22,000,620)	(978,126)	(21,958,721)
Fund Balances - Beginning	68,388,435	48,758	76,075,747	18,823,516	163,336,456
Fund Balances - Ending	\$ 69,408,460	\$ 48,758	\$ 54,075,127	\$ 17,845,390	\$ 141,377,735

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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (21,958,721)

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	\$ (9,024,206)	
Capital Outlay	51,748,758	
Disposal of Assets	<u>(693,011)</u>	42,031,541

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

Contributed Assets	178,000	
Change in unavailable revenues	<u>(7,311,053)</u>	(7,133,053)

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	<u>4,734,561</u>	4,734,561
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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.

-

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.

(257,248)

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

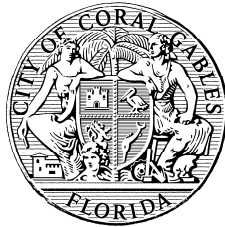
Compensated Absences	(983,104)	
Amortization of Premium on Special Obligations		
Debt Issued	934,270	
Amortization of Deferred Charge on Refunding	<u>(20,756)</u>	(69,590)

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	434,509	
Pension expense	<u>5,493,482</u>	<u>5,927,991</u>

Change in Net Position of Governmental Activities \$ 23,275,481

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, 2020

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	\$ 3,655,514	\$ 2,801,795	\$ 4,451,872	\$ 10,909,181	\$ 11,813,080
Pooled Investments	4,225,726	1,353,451	154,491	5,733,668	12,986,284
Accounts Receivable, Net	2,272,892	580,795	1,561,891	4,415,578	154,224
Interest Receivable	21,166	7,824	17,182	46,172	53,003
Inventories	-	-	-	-	43,399
Assessment Liens Receivable	69,696	-	-	69,696	-
Due from Other Governments	-	-	21,363	21,363	-
Prepaid and Deposits	-	-	-	-	1,442,852
Total Current Assets	<u>10,244,994</u>	<u>4,743,865</u>	<u>6,206,799</u>	<u>21,195,658</u>	<u>26,492,842</u>
Noncurrent Assets:					
Restricted Pooled Cash and Cash Equivalents	747,586	-	2,600,115	3,347,701	-
Restricted Pooled Investments	778,829	413,106	4,527,992	5,719,927	-
Capital Assets:					
Land	97,980	3,603,858	-	3,701,838	-
Buildings	-	30,223,473	-	30,223,473	-
Construction in Progress	1,576,925	478,086	76,650	2,131,661	-
Infrastructure	26,916,955	-	5,093,007	32,009,962	-
Improvements Other Than Buildings	-	819,926	-	819,926	-
Machinery and Equipment	189,267	4,527,286	25,072	4,741,625	34,512,110
Accumulated Depreciation	(11,991,728)	(17,876,386)	(1,597,955)	(31,466,069)	(21,257,479)
Total Noncurrent Assets	<u>18,315,814</u>	<u>22,189,349</u>	<u>10,724,881</u>	<u>51,230,044</u>	<u>13,254,631</u>
Total Assets	<u>28,560,808</u>	<u>26,933,214</u>	<u>16,931,680</u>	<u>72,425,702</u>	<u>39,747,473</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	-	63,861	-	63,861	-
Deferred Outflows Related to Pensions	380,755	406,885	238,905	1,026,545	1,291,580
Deferred Outflows Related to OPEB	83,676	83,676	41,838	209,190	167,352
Total Deferred Outflows of Resources	<u>464,431</u>	<u>554,422</u>	<u>280,743</u>	<u>1,299,596</u>	<u>1,458,932</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,776,700	458,766	349,886	2,585,352	1,135,255
Accrued Payroll and Other Expenses	57,604	52,997	23,204	133,805	152,084
Deposits Payable	-	284,606	-	284,606	-
Unearned Revenue	-	222,260	-	222,260	-
Accrued Compensated Absences	74,629	91,220	43,388	209,237	227,171
Estimated Liability for Claims Payable	-	-	-	-	4,536,000
Special Obligations Debt Payable	380,000	750,520	80,907	1,211,427	-
Total Current Liabilities	<u>2,288,933</u>	<u>1,860,369</u>	<u>497,385</u>	<u>4,646,687</u>	<u>6,050,510</u>
Noncurrent Liabilities:					
Accrued Compensated Absences	36,731	64,138	38,918	139,787	148,225
Estimated Liability for Claims Payable	-	-	-	-	8,032,000
Advances from Insurance Company	-	-	-	-	849,343
Special Obligations Debt Payable	1,620,000	7,461,044	1,137,154	10,218,198	-
Premium on Special Obligations Debt Payable	-	160,044	87,282	247,326	-
Total OPEB Liability	562,289	562,289	281,144	1,405,722	1,124,578
Net Pension Liability	2,114,407	2,259,518	1,326,691	5,700,616	7,172,418
Total Noncurrent Liabilities	<u>4,333,427</u>	<u>10,507,033</u>	<u>2,871,189</u>	<u>17,711,649</u>	<u>17,326,564</u>
Total Liabilities	<u>6,622,360</u>	<u>12,367,402</u>	<u>3,368,574</u>	<u>22,358,336</u>	<u>23,377,074</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Pensions	43,667	46,664	27,399	117,730	148,127
Deferred Inflows Related to OPEB	106,522	106,522	53,260	266,304	213,044
Total Deferred Inflows of Resources	<u>150,189</u>	<u>153,186</u>	<u>80,659</u>	<u>384,034</u>	<u>361,171</u>
NET POSITION					
Net Investment in Capital Assets	14,340,874	13,552,067	2,087,879	29,980,820	13,124,182
Restricted for Capital Improvements	747,586	128,500	7,128,107	8,004,193	-
Unrestricted	7,164,230	1,286,481	4,547,204	12,997,915	4,343,978
Total Net Position	<u>\$ 22,252,690</u>	<u>\$ 14,967,048</u>	<u>\$ 13,763,190</u>	<u>\$ 50,982,928</u>	<u>\$ 17,468,160</u>
Adjustment to reflect the allocation of internal service fund activities related to enterprise funds.				2,448,787	
Net position of business-type activities				<u>\$ 53,431,715</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, 2020

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	\$ 10,246,589	\$ -	\$ -	\$ 10,246,589	\$ -
Service Use Charges	-	-	5,749,419	5,749,419	-
Billings to Departments for Insurance Protection	-	-	-	-	11,473,442
Parking Fees:					
On Street Meters	-	6,562,686	-	6,562,686	-
Meter and Permit Lots	-	1,692,613	-	1,692,613	-
Parking Garages	-	2,937,021	-	2,937,021	-
Parking Leases	-	607,119	-	607,119	-
Rental of Equipment and Facilities to Various Funds	-	-	-	-	16,695,095
Total Operating Revenues	<u>10,246,589</u>	<u>11,799,439</u>	<u>5,749,419</u>	<u>27,795,447</u>	<u>28,168,537</u>
OPERATING EXPENSES					
Administration	1,743,755	1,581,554	762,851	4,088,160	4,535,039
Cost of Sales and Services	8,372,630	4,204,642	1,702,849	14,280,121	7,717,507
Benefit Payments	-	-	-	-	2,059,365
Insurance	-	-	-	-	8,498,841
Depreciation	468,185	960,497	110,455	1,539,137	2,471,007
Total Operating Expenses	<u>10,584,570</u>	<u>6,746,693</u>	<u>2,576,155</u>	<u>19,907,418</u>	<u>25,281,759</u>
Operating Income (Loss)	<u>(337,981)</u>	<u>5,052,746</u>	<u>3,173,264</u>	<u>7,888,029</u>	<u>2,886,778</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	167,383	65,735	167,838	400,956	428,295
Interest Expense	(58,825)	(222,474)	(34,833)	(316,132)	-
Miscellaneous	251	229	136	616	7,789
Intergovernmental	-	-	-	-	-
Gain on Disposal of Capital Assets	-	-	-	-	352,104
Total Nonoperating Revenues (Expenses)	<u>108,809</u>	<u>(156,510)</u>	<u>133,141</u>	<u>85,440</u>	<u>788,188</u>
Income (Loss) Before Transfers	<u>(229,172)</u>	<u>4,896,236</u>	<u>3,306,405</u>	<u>7,973,469</u>	<u>3,674,966</u>
Transfers In	-	183,912	-	183,912	-
Transfers Out	<u>(737,754)</u>	<u>(5,080,148)</u>	<u>(144,259)</u>	<u>(5,962,161)</u>	<u>(3,674,966)</u>
Change In Net Position	<u>(966,926)</u>	<u>-</u>	<u>3,162,146</u>	<u>2,195,220</u>	<u>-</u>
Net Position - Beginning	<u>23,219,616</u>	<u>14,967,048</u>	<u>10,601,044</u>		<u>17,468,160</u>
Net Position - Ending	<u>\$ 22,252,690</u>	<u>\$ 14,967,048</u>	<u>\$ 13,763,190</u>		<u>\$ 17,468,160</u>
Adjustment to reflect the allocation of internal service fund activities related to enterprise funds.				<u>257,248</u>	
Change in net position of business-type activities				<u>\$ 2,452,468</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, 2020

	BUSINESS -TYPE ACTIVITIES-ENTERPRISE FUNDS				
	MAJOR FUNDS			TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	SANITARY SEWER SYSTEM FUND	PARKING SYSTEM FUND	STORMWATER UTILITY FUND		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 10,049,002	\$ 11,635,863	\$ 5,663,897	\$ 27,348,762	\$ 28,162,362
Payments to Employees	(1,385,434)	(1,382,316)	(742,799)	(3,510,549)	(4,008,106)
Payments to Suppliers	(8,147,417)	(4,325,879)	(1,731,308)	(14,204,604)	(18,561,776)
Net Cash Provided by Operating Activities	516,151	5,927,668	3,189,790	9,633,609	5,592,480
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances from Insurance Company	-	-	-	-	99,343
Transfers in from Other Funds	-	183,912	-	183,912	-
Transfers out to Other Funds	(737,754)	(5,080,148)	(144,259)	(5,962,161)	(3,674,966)
Net Cash Used in Noncapital Financing Activities	(737,754)	(4,896,236)	(144,259)	(5,778,249)	(3,575,623)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(1,185,952)	(294,906)	(76,650)	(1,557,508)	(4,493,730)
Proceeds from Sale of Capital Assets	-	-	-	-	352,104
Principal Paid on Debt	(370,000)	(828,305)	(130,643)	(1,328,948)	(63,168)
Interest Paid on Debt	(58,825)	(207,123)	(34,833)	(300,781)	-
Net Cash Used in Capital and Related Financing Activities	(1,614,777)	(1,330,334)	(242,126)	(3,187,237)	(4,204,794)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	(4,664,994)	(3,057,087)	(5,980,317)	(13,702,398)	(16,988,544)
Proceeds from Sale of Investments	7,595,879	5,170,598	6,987,895	19,754,372	21,907,300
Interest and Dividends Received	175,625	71,840	170,607	418,072	444,646
Net Cash Provided by Investing Activities	3,106,510	2,185,351	1,178,185	6,470,046	5,363,402
Net Increase in Cash and Cash Equivalents	1,270,130	1,886,449	3,981,590	7,138,169	3,175,465
Cash and Cash Equivalents - Beginning	3,132,970	915,346	3,070,397	7,118,713	8,637,615
Cash and Cash Equivalents - Ending	\$ 4,403,100	\$ 2,801,795	\$ 7,051,987	\$ 14,256,882	\$ 11,813,080
Reconciliation to the statement of net position					
Cash and Cash Equivalents	\$ 3,655,514	\$ 2,801,795	\$ 4,451,872	\$ 10,909,181	\$ 8,637,615
Restricted Cash and Cash Equivalents	747,586	-	2,600,115	3,347,701	-
Total	\$ 4,403,100	\$ 2,801,795	\$ 7,051,987	\$ 14,256,882	\$ 8,637,615
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating Income (Loss)	\$ (337,981)	\$ 5,052,746	\$ 3,173,264	\$ 7,888,029	\$ 2,886,778
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation Expense	468,185	960,497	110,455	1,539,137	2,471,007
Change in Assets and Liabilities:					
Accounts Receivable	(197,587)	(16,904)	(85,522)	(300,013)	(6,175)
Inventory	-	-	-	-	(7,182)
Prepaid and Deposits	-	-	-	-	560,491
Net pension liability and related deferred inflows/outflow	(4,008)	(115,941)	(72,368)	(192,317)	1,238
OPEB liability and related deferred inflows/outflow	366,534	287,042	133,584	787,160	514,472
Accounts Payable	225,213	(121,237)	(28,459)	75,517	(602,372)
Deposits Payable	-	(27,988)	-	(27,988)	-
Accrued Payroll and Other Expenses	(15,928)	14,954	(31,658)	(32,632)	37,899
Accrued Compensated Absences	11,723	13,183	(9,506)	15,400	(26,676)
Unearned Revenues	-	(118,684)	-	(118,684)	-
Claims Payable	-	-	-	-	(237,000)
Total Adjustments	854,132	874,922	16,526	1,745,580	2,705,702
Net Cash Provided by Operating Activities	\$ 516,151	\$ 5,927,668	\$ 3,189,790	\$ 9,633,609	\$ 5,592,480
Noncash Capital and Related Financing Activities:					
Capital Assets Retirement, net	-	-	-	-	(2,698,452)

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, 2020

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 13,750,717	\$ 4,291,543
Receivables:		
Accrued Interest and Dividends	275,528	-
Buyback Receivable	4,246	-
Share Plan Contributions	1,692,264	-
Other Receivables	29,117	-
Total Receivables	2,001,155	-
Securities Lending Cash Collateral - Invested	26,639,776	-
Investments:		
U.S. Government and Agency	32,304,668	-
Domestic Fixed Income Fund	200,291	-
Global fixed income	2,609,206	-
Corporate Bonds	28,618,223	-
Common Stocks	160,706,822	-
International Equity	59,302,682	-
Real Estate Investment Trust (REIT)	53,308,341	-
Alternative Investments	71,909,471	-
Guaranteed Investment Contract	7,301,145	-
Mutual Funds	11,023,654	-
Total Investments	427,284,503	-
Total Assets	469,676,151	4,291,543
LIABILITIES		
Accounts Payable	173,558	-
Payable for Securities Purchased	994,007	-
Due to Coral Gables Retirement Fund	239,389	-
Obligations under Securities Lending	26,639,776	-
Deferred Compensation Payable	-	509,440
Due to Other Governments	-	3,782,103
Total Liabilities	28,046,730	\$ 4,291,543
NET POSITION		
Net Position Restricted for Pension Benefits	\$ 441,629,421	

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, 2020

	Pension Trust Funds
Additions:	
City Contributions	\$ 29,706,222
Share Plan Contributions	145,830
Total Government Contributions	29,852,052
Employees:	
Employee contributions	4,920,649
Total Employee Contributions	4,920,649
Total Contributions	34,772,701
Investment Income:	
Net Appreciation in the Fair Value of Investments	40,741,183
Interest and Dividends	5,960,366
Other Income	5,378
Total Investment Income	46,706,927
Less Investment Expenses	(2,384,437)
Total Investment Income before Securities Lending Activity	44,322,490
Securities Lending Activities:	
Security Lending Income	118,202
Security Lending Fees and Rebates	(35,411)
Net Income from Security Lending Activities	82,791
Total Net Investment Income	44,405,281
Total Additions	79,177,982
Deductions:	
Pension Benefits Paid	47,933,305
Refund of Contributions	525,780
Administrative Expenses	491,112
Total Deductions	48,950,197
Increase in Net Position	30,227,785
Net Position Restricted for Pension Benefits:	
Beginning of Year	411,401,636
End of Year	\$ 441,629,421

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 nine (9) 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.

(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 Agency Funds are prepared using the accrual basis of accounting. Agency Funds are purely custodial and thus do not involve measurement of result of operations. 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 mature.

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.

Agency Funds - Agency Funds are custodial in nature and do not involve measurement of results of operations:

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 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 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/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, 2020, the City's investment in LGIP-A is \$1,077 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, 2020:

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, 2020, 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 ten (10) 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 has two items that qualifies for reporting in this category: (a) deferred charge on bond refunding and 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. The City has two items recognized as deferred inflow of resources under a modified accrual basis of accounting. In the governmental funds, revenues that are measurable, but are not available; and revenues received in advance which are applicable to future period, 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. The government-wide Statement of Net Position – Governmental Activities

reports deferred inflow of resources for revenues received in advance which are applicable to future periods, such as business taxes payments received in advance.

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/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/Net Position

1) Fund Equity

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

There were no new accounting pronouncements adopted in fiscal year 2020.

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, 2019, upon which the 2019-2020 levy was based, was approximately \$16.94 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, 2020

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	\$ 960,182	\$ -
False Alarms	271,042	-
Utility Taxes	885,083	-
Delinquent Waste Fees	809,575	-
Ambulance Transport Fees	428,599	-
Biltmore Hotel and Golf Course	321,624	-
Billable Off-Duty Salaries	194,822	-
Leased Properties - Rent Receivable	175,453	-
University of Miami Development Agreement Fee	9,295,000	-
Other	966,010	-
	<u>14,307,390</u>	<u>-</u>
Less: Allowance	(64,114)	-
Total	<u>14,243,276</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	75,941	-
Total	<u>75,941</u>	<u>-</u>
<u>Other Governmental Funds</u>		
BID Accounts Receivable	193,800	-
Total	<u>193,800</u>	<u>-</u>
<u>Parking Fund</u>		
Parking Leased Space	-	566,278
Parking – General	-	402,736
		<u>969,014</u>
Less: Allowance	-	(388,219)
Total	<u>-</u>	<u>580,795</u>
<u>Sanitary Sewer Fund</u>		
Customer Receivable	-	2,158,534
Miscellaneous	-	114,773
		<u>2,273,307</u>
Less Allowance	-	(415)
Total	<u>-</u>	<u>2,272,892</u>
<u>Stormwater Fund</u>		
Service Use Charges	-	1,561,891
Total	<u>-</u>	<u>1,561,891</u>
Total Governmental Funds	<u>14,524,017</u>	
Total Business-Type Activities/Proprietary Funds		<u>\$ 4,415,578</u>
<u>Internal Service Fund</u>		
Miscellaneous	154,224	
Total Internal Service Funds	<u>154,224</u>	
Total	<u>\$ 14,678,241</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
2021	\$ 1,025,000
2022	1,025,000
2023	1,025,000
2024	1,025,000
2025	1,025,000
2026-2030	5,125,000
Total payments due to the City	10,250,000
Less: Amount representing imputed interest	(955,000)
Present value of total remaining payments due to the City	<u>\$ 9,295,000</u>

(c) Deferred Inflows/Unearned Revenue

The components of deferred inflow of resources (unavailable revenues and revenues received in advance) and unearned revenues as of September 30, 2020 are as follows:

	<u>Unavailable Revenues</u>	<u>Unearned Revenues</u>
<u>General Fund</u>		
False Alarms	\$ 259,300	\$ -
Delinquent Waste Fees	462,273	-
Ambulance Transport Fees	428,599	-
University of Miami		
Development Agreement Fee	9,295,000	-
Liens and Other Receivables	547,314	-
Prepaid Business Tax Receipts	2,857,117	-
Prepaid Waste Fees	-	6,120,851
Other fees	-	221,546
Grants and Contributions	2,965,878	828,222
Total	<u>16,815,481</u>	<u>7,170,619</u>
<u>Debt Service Fund</u>		
Miracle Mile/Giralda Streetscape		
Improvement Assessment	7,404,255	-
Liens and Other Receivables	2,184	-
Total	<u>7,406,439</u>	<u>-</u>
<u>General Improvement Fund</u>		
Grants and Contributions	13,978	26,800
Liens and Other Receivables	36,934	-
Total	<u>50,912</u>	<u>26,800</u>
<u>Other Governmental Funds</u>		
Grants and Contributions	208,320	-
Total	<u>208,320</u>	<u>-</u>
Total Governmental Funds	<u>\$ 24,481,152</u>	
Total Governmental Activities/Funds		<u>\$ 7,197,419</u>
Total Governmental Activities:		
Prepaid Business Tax Receipts	<u>\$ 2,857,117</u>	
<u>Parking Fund</u>		
Prepaid Parking Fees	-	222,260
Total Proprietary Funds		
Business-Type Activities	<u>\$ -</u>	<u>\$ 222,260</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 \$569,520, of which \$318,518 represents interest cost and other annual cost, was included in the November 2019 tax bill as non-ad valorem special assessment. As of September 30, 2020, a total amount of \$543,461 was collected from the November 2019 tax bill. In addition, \$10,278 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
2021	\$ 569,770
2022	569,770
2023	569,770
2024	569,770
2025	569,770
2026-2030	2,848,850
2031-2035	2,848,850
2036-2037	1,139,540
Total assessments due to the City	<u>9,686,090</u>
Less: Amount representing interest and other costs	<u>(3,704,488)</u>
Present value of total remaining assessments due to the City	<u>\$ 5,981,602</u>

The total remaining special assessment of \$5.98 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 \$67,544 represents interest cost and other annual cost, was included in November 2019 tax bill as non-ad valorem special assessment. As of September 30, 2020, a total amount of \$119,739 was collected from the November 2019 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
2021	\$ 125,160
2022	125,160
2023	125,160
2024	125,160
2025	125,160
2026-2030	625,800
2031-2035	625,800
2036-2037	250,320
Total payments due to the City	<u>2,127,720</u>
Less: Amount representing interest and other costs	<u>(705,067)</u>
Present value of total remaining assessments due to the City	<u><u>\$ 1,422,653</u></u>

The total remaining special assessment of \$1.42 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 2020, the City issued the solid waste assessment bill for the annual assessment for fiscal year 2020-2021 to allow resident owners the option of a discounted rate if paid by August 15, 2020. As of September 30, 2020, the City collected \$6.12 million of advance payments related to the annual assessment for fiscal year 2020-2021 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, 2020, the City’s cash, cash equivalents and investments were as follows:

	Cash and Cash Equivalents	Investments	Total
Governmental activities	\$ 102,087,578	\$ 89,377,012	\$ 191,464,590
Business-type activities	15,172,035	11,453,595	26,625,630
Pension Trust Funds	13,750,717	427,284,503	441,035,220
Agency Funds	4,291,543	-	4,291,543
Total Cash, Cash Equivalents and Investments	\$ 135,301,873	\$ 528,115,110	\$ 663,416,983
Deposits			\$ 135,301,873
Investments			528,115,110
Total Deposits and Investments			\$ 663,416,983

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 net fiduciary position. Investments more than 5% of the net fiduciary position consisted of Vanguard Intermediate-Term Corporate Fund (10.59%); Vanguard Short Term Bond ETF (8.29%); Vanguard 500 Index Fund (21.51%) and American Funds Europacific Growth Fund (13.49%).

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 fair value hierarchy for investments at fair value as of September 30, 2020:

	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	\$ 70,621,745	\$ 70,621,745	\$ -
US Agency Fixed Rate Debentures	30,207,785	-	30,207,785
Total Investment by fair value level	100,829,530	\$ 70,621,745	\$ 30,207,785
Investment measured at amortized cost*	1,077		
Total Investments	\$ 100,830,607		
<u>Firefighters' Pension Fund</u>			
Mutual Funds	\$ 5,834,383	\$ 5,834,383	\$ -
Investment by fair value level	5,834,383	\$ 5,834,383	\$ -
Guaranteed Investment Contract	7,301,145		
Total Investments	\$ 13,135,528		
<u>Police Officers' Pension Fund</u>			
Equity securities:			
Mutual Funds	\$ 3,324,515	\$ 3,324,515	\$ -
Total	3,324,515	3,324,515	-
Debt securities:			
Fixed income mutual funds	1,864,756	1,864,756	-
Total Investment by fair value level	5,189,271	\$ 5,189,271	\$ -
Money market funds (exempt)*	804,673		
Total Investments	\$ 5,993,944		
<u>City of Coral Gables Retirement Fund</u>			
Equity securities:			
Domestic equities	\$ 160,706,822	\$ 131,020,734	\$ 29,686,088
International equities	14,947,888	14,947,888	-
Total equity securities	175,654,710	145,968,622	29,686,088
Debt securities:			
Government and agency	32,304,668	-	32,304,668
Fixed income fund	200,291	-	200,291
Corporate bonds	28,618,223	-	28,618,223
Total debt securities	61,123,182	-	60,922,891
Alternative investments:			
Real estate	53,308,341	-	53,308,341
Venture capital	2,020,537	-	2,020,537
Total alternative investments	55,328,878	-	55,328,878
Total investments by fair value level	292,106,770	\$ 145,968,622	\$ 60,922,891
Investment measured at the net asset value (NAV)			
Commingled international equity fund	44,354,794		
Commingled global fixed income fund	2,609,206		
Hedge funds	69,888,934		
Total investment measured at the NAV	116,852,934		
Total investments	\$ 408,959,704		

* 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, 2019. 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, 2019. 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, 2020 are as follows:

	Investments Measured at the NAV		
	Fair Value	Redemption Frequency	Redemption Notice Period
Commingled international equity fund ⁽¹⁾	\$ 44,354,794	Daily	Same Day
Commingled global fixed income fund ⁽²⁾	2,609,206	Daily	Same Day
Hedge funds ⁽³⁾	69,888,934	Daily	Quarterly
Total investments measured at the NAV	<u>\$ 116,852,934</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.

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 Fund – 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 fund – 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 \$7,301,145 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, 2020 is 3.00%.

Information about the sensitivity of the fair value of the City’s investments (including Agency 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	\$ 100,829,530	\$ -	\$ 100,829,530
*State Board of Administration	1,077	1,077	-
	<u>100,830,607</u>	<u>\$ 1,077</u>	<u>\$ 100,829,530</u>
Deposits	121,551,156		
Total Cash, Cash Equivalents and Investments	<u>\$ 222,381,763</u>		

*Weighted average portfolio maturity limited to 90 days

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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Money market fund	\$ 7,662,575	\$ 7,662,575	\$ -	\$ -	\$ -
U.S. government and agency	32,304,668	10,333,983	8,154,281	4,520,462	9,295,942
Corporate bonds	28,618,223	1,472,382	12,489,230	12,839,499	1,817,112
Global fixed income	2,609,206	-	-	-	2,609,206
Other fixed income	200,291	-	-	-	200,291
	<u>\$ 71,394,963</u>	<u>\$ 19,468,940</u>	<u>\$ 20,643,511</u>	<u>\$ 17,359,961</u>	<u>\$ 13,922,551</u>

The Police Officers’ Pension Fund’s investment policy does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the distribution of the Plan’s investments by maturity at September 30, 2020 is provided by the following table:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Fixed income mutual funds	\$ 1,864,756	\$ 36,159	\$ 1,056,452	\$ 660,816	\$ 111,329

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	*	\$ 70,621,745	\$ -
US Agency Fixed Rate Debentures	*	30,207,785	-
Mutual Funds	Not Rated	-	5,834,383
		<u>\$ 100,829,530</u>	<u>\$ 5,834,383</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, 2020 as applicable:

	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 20,760,833	29.08%
Rating of credit risk debt securities by S&P:		
AAA	3,423	0.00%
AA+	10,826,710	15.17%
AA	341,904	0.48%
AA-	714,650	1.00%
A+	839,879	1.18%
A	4,714,992	6.60%
A-	9,960,391	13.95%
BBB+	10,943,001	15.33%
BBB	428,277	0.60%
Not rated	11,860,903	16.61%
Total credit risk debt securities	50,634,130	70.92%
Total fixed income securities	\$ 71,394,963	100%

*Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

The following table discloses Police Officers’ Pension Fund’s credit ratings by investment type, at September 30, 2020 as applicable:

	Fair Value	Percentage of Portfolio
Rating of credit risk debt securities by Moody's :		
Aaa	\$ 62,941	3.38%
Aa	47,933	2.57%
A	315,387	16.91%
Baa	39,752	2.13%
Not rated	1,398,743	75.01%
Total credit risk fixed income investments	\$ 1,864,756	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, 2020. 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, 2020 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 14.38% 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, 2020, 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, 2020:

Securities Lent:	Market Value of Securities on Loan for Cash	Fair Value of Cash Collateral Invested
U.S. government and agency obligations	\$ 4,177,555	\$ 4,269,987
Domestic corporate stocks	16,605,544	16,852,784
Domestic corporate bonds	5,386,334	5,517,005
Total Securities Lent	\$ 26,169,433	\$ 26,639,776

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, 2020:

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental Activities:				
Nondepreciable Assets:				
Land	\$ 64,091,947	\$ 3,163,737	\$ -	\$ 67,255,684
Construction in Progress	37,303,845	45,996,537	(19,671,162)	63,629,220
Total Non-depreciable Assets	<u>101,395,792</u>	<u>49,160,274</u>	<u>(19,671,162)</u>	<u>130,884,904</u>
Depreciable Assets:				
Infrastructure	113,068,020	-	-	113,068,020
Buildings	67,911,747	2,690,465	(897,171)	69,705,041
Improvements Other Than Buildings	92,752,333	17,648,603	(282,837)	110,118,099
Machinery and Equipment	62,622,049	6,592,308	(2,860,626)	66,353,731
Total Depreciable Assets	<u>336,354,149</u>	<u>26,931,376</u>	<u>(4,040,634)</u>	<u>359,244,891</u>
Less Accumulated Depreciation for:				
Infrastructure	90,684,129	3,021,254	-	93,705,383
Buildings	28,269,843	1,332,759	(358,868)	29,243,734
Improvements Other Than Buildings	20,388,874	2,285,904	(132,296)	22,542,482
Machinery and Equipment	39,197,926	4,855,296	(2,856,459)	41,196,763
Total Accumulated Depreciation	<u>178,540,772</u>	<u>11,495,213</u>	<u>(3,347,623)</u>	<u>186,688,362</u>
Total Depreciable Assets, net	<u>157,813,377</u>	<u>15,436,163</u>	<u>(693,011)</u>	<u>172,556,529</u>
Governmental Activities Capital Assets, net	<u>\$ 259,209,169</u>	<u>\$ 64,596,437</u>	<u>\$ (20,364,173)</u>	<u>\$ 303,441,433</u>
Business-Type Activities:				
Nondepreciable Assets:				
Land	\$ 3,701,838	-	-	\$ 3,701,838
Construction in Progress	935,357	1,196,304	-	2,131,661
Total Non-depreciable Assets	<u>4,637,195</u>	<u>1,196,304</u>	<u>-</u>	<u>5,833,499</u>
Depreciable Assets:				
Infrastructure	31,894,042	115,920	-	32,009,962
Buildings	30,223,473	-	-	30,223,473
Improvements Other Than Buildings	819,926	-	-	819,926
Machinery and Equipment	4,496,342	245,283	-	4,741,625
Total Depreciable Assets	<u>67,433,783</u>	<u>361,203</u>	<u>-</u>	<u>67,794,986</u>
Less Accumulated Depreciation for:				
Infrastructure	12,923,313	550,464	-	13,473,777
Buildings	13,831,505	584,399	-	14,415,904
Improvements Other Than Buildings	539,355	33,220	-	572,575
Machinery and Equipment	2,632,760	371,053	-	3,003,813
Total Accumulated Depreciation	<u>29,926,933</u>	<u>1,539,136</u>	<u>-</u>	<u>31,466,069</u>
Total Depreciable Assets, net	<u>37,506,850</u>	<u>(1,177,933)</u>	<u>-</u>	<u>36,328,917</u>
Business-Type Activities Capital Assets, net	<u>\$ 42,144,045</u>	<u>\$ 18,371</u>	<u>\$ -</u>	<u>\$ 42,162,416</u>

Depreciation expense was charged to functions/programs of the City as follows for the fiscal year ended September 30, 2020:

Governmental Activities:	
General Government	\$ 5,279,886
Public Safety	2,770,423
Transportation	349,115
Culture and Recreation	1,620,303
Physical Environment	1,475,486
Total depreciation expense – Governmental Activities	<u>\$ 11,495,213</u>
Business-Type Activities:	
Sanitary Sewer System Fund	\$ 468,185
Parking System Fund	960,496
Stormwater Utility Fund	110,455
Total depreciation expense – Business-Type Activities	<u>\$ 1,539,136</u>

Sale of City Property

On July 14, 2020, the City Commission approved Ordinance No. 2020-21 authorizing a purchase and sale agreement for the sale of the city-owned property for a purchase price of \$1.74 million. The sale of the property was closed on August 21, 2020.

NOTE 6 - INTERFUND TRANSACTIONS

The interfund balance between General Fund and General Obligation Bond 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.

<u>Due from/to other funds</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Major governmental fund:		
General Fund	\$ 215,000	\$ -
Nonmajor governmental fund:		
General Obligation Bond	-	215,000
	<u>\$ 215,000</u>	<u>\$ 215,000</u>

Interfund transfers for the fiscal year ended September 30, 2020 are as follows:

	Transfer In				
	Major Governmental Funds			Major Proprietary Fund	
	General	Debt Service	General Improvement	Parking	Total
Transfer out:					
Major governmental fund:					
General	\$ -	\$ 8,109,804	\$ 21,540,890	\$ -	\$ 29,650,694
General Improvement				183,912	183,912
Major proprietary fund:					
Sanitary Sewer	737,754	-	-	-	737,754
Parking System	5,080,148	-	-	-	5,080,148
Stormwater	144,259	-	-	-	144,259
Internal Service fund:					
Motor Pool	916,636	-	471,346	-	1,387,982
Public Facilities	1,117,658	-	-	-	1,117,658
Insurance Fund	1,169,326	-	-	-	1,169,326
	<u>\$ 9,165,781</u>	<u>\$ 8,109,804</u>	<u>\$ 22,012,236</u>	<u>\$ 183,912</u>	<u>\$ 39,471,733</u>

Transfers out from the General Fund and Motor Pool Fund to General Improvement Fund were primarily to provide additional funding for capital project expenditures. Transfer out from General Fund to the Debt Service Fund is required to provide funds to pay debt service requirements related to the special revenue bonds. Transfers out from Parking Systems Fund, Sanitary Sewer Fund, Stormwater Fund, Motor Pool Fund, Public Facilities Fund, and Insurance Fund to the General Fund were primarily to provide funding as a subsidy for the cost of operations of the General Fund and in accordance with City resolutions. Transfer out from General Improvement Fund to Parking Fund was primarily for the acquisition and installation of new parking pay stations.

NOTE 7 - LONG-TERM DEBT

(a) Following is a summary of the City’s Special Obligation Bonds at September 30, 2020:

Issue Date	Maturity Date	Interest Rate	Amount Authorized	Amount Issued	Amount Retired	Balance Outstanding 09/30/20	Current Portion
Governmental Activities:							
06-30-2011	10-01-2032	1.51%	\$ 4,365,000	\$ 4,365,000	\$ 1,340,000	\$ 3,025,000	190,000
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	2,640,400	5,085,300	512,900
02-28-2013	10-01-2028	3.43%	4,350,000	4,350,000	1,485,000	2,865,000	275,000
12-19-2014	04-01-2030	2.50%	6,500,000	6,500,000	1,905,000	4,595,000	410,000
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	1,405,000	15,570,000	670,000
04-28-2016	04-01-2037	3.045%	4,460,000	4,460,000	510,000	3,950,000	180,000
05-31-2018	04-01-2048	3.640%	48,015,000	48,015,000	600,000	47,415,000	500,000
05-31-2018	10-01-2031	2.840%	28,486,030	28,486,030	4,645,955	23,840,075	1,580,673
			<u>164,543,020</u>	<u>164,543,020</u>	<u>58,197,645</u>	<u>106,345,375</u>	<u>4,318,573</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	3,099,600	5,969,700	602,100
08-12-2014	10-01-2024	2.42%	3,770,000	3,770,000	1,770,000	2,000,000	380,000
05-31-2018	10-01-2031	2.840%	4,133,970	4,133,970	674,045	3,459,925	229,327
			<u>23,226,980</u>	<u>23,226,980</u>	<u>11,797,355</u>	<u>11,429,625</u>	<u>1,211,427</u>
			<u>\$ 187,770,000</u>	<u>\$ 187,770,000</u>	<u>\$ 69,995,000</u>	<u>\$ 117,775,000</u>	<u>5,530,000</u>

The City’s special obligation bonds consist of direct borrowings from the Sunshine State Governmental Financing Commission (SSGFC) 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 2020 debt service was \$8,752,636 while total non-ad valorem tax revenue totaled \$92,670,004. For the business-type special obligation bonds, fiscal year 2020, debt service totaled \$1,589,582 while total non-ad valorem revenue totaled \$27,795,447. All revenue pledges remain in effect for the life of the special obligation bonds through final maturity date of April 1, 2048. Direct borrowings from SSGFC contain a provision that in an event of default by the City the SSGFC have the rights to act and exercise remedies as provided in the agreement to collect amounts due and thereafter to become due.

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. The Commission was created in November 1985, initially by the cities of Tallahassee and Orlando, Florida. As of September 30, 2019, 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.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Total annual debt service requirements on long-term debt outstanding as of September 30, 2020, are as follows:

BUSINESS-TYPE ACTIVITIES							
Fiscal Year	Direct Borrowings			Capital Leases			Business-Type
	Principal	Interest	Total Required	Principal	Interest	Total Required	Total Requirements
2021	\$ 1,211,427	\$ 337,731	\$ 1,549,158	\$ -	\$ -	\$ -	\$ 1,549,158
2022	1,242,530	300,139	1,542,669	-	-	-	1,542,669
2023	1,303,572	260,835	1,564,407	-	-	-	1,564,407
2024	1,338,475	219,725	1,558,200	-	-	-	1,558,200
2025	1,376,078	177,394	1,553,472	-	-	-	1,553,472
2026-2030	4,324,932	391,809	4,716,741	-	-	-	4,716,741
2031-2033	632,611	19,054	651,665	-	-	-	651,665
Total	11,429,625	\$ 1,706,687	\$ 13,136,312	-	\$ -	\$ -	\$ 13,136,312
Less: Current portion	(1,211,427)			-			
Long-term portion	\$ 10,218,198			\$ -			

GOVERNMENTAL ACTIVITIES							
Fiscal Year	Direct Borrowings			Capital Leases			Governmental
	Principal	Interest	Total Required	Principal	Interest	Total Required	Total Requirements
2021	\$ 4,318,573	\$ 4,100,143	\$ 8,418,716	\$ 85,147	\$ 4,142	\$ 89,289	\$ 8,508,005
2022	4,637,470	3,927,450	8,564,920	99,983	745	100,728	8,665,648
2023	5,141,429	3,735,183	8,876,612	-	-	-	8,876,612
2024	5,426,526	3,523,224	8,949,750	-	-	-	8,949,750
2025	5,638,923	3,297,650	8,936,573	-	-	-	8,936,573
2026-2030	29,725,067	12,648,505	42,373,572	-	-	-	42,373,572
2031-2035	19,727,387	7,597,753	27,325,140	-	-	-	27,325,140
2036-2040	12,375,000	4,967,888	17,342,888	-	-	-	17,342,888
2041-2045	11,395,000	2,845,550	14,240,550	-	-	-	14,240,550
2046-2048	7,960,000	583,988	8,543,988	-	-	-	8,543,988
Total	106,345,375	\$ 47,227,334	\$ 153,572,709	185,130	\$ 4,887	\$ 190,017	\$ 153,762,726
Less: Current portion	(4,318,573)			(85,147)			
Long-term portion	\$ 102,026,802			\$ 99,983			

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, 2020, 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	\$ 10,999,087	\$ 6,290,271	\$ 5,333,843	\$ 11,955,515	\$ 6,548,640
Claims Payable	12,805,000	2,590,271	2,827,271	12,568,000	4,536,000
Special Obligation Debt from direct borrowings	110,996,925	-	4,651,550	106,345,375	4,318,573
Premium on Special Obligation Debt from direct borrowings	5,914,935	-	934,270	4,980,665	-
Capital Lease	331,309	-	146,179	185,130	85,147
Obligation on Purchase and Sale of Land	11,500,000	-	-	11,500,000	11,500,000
Pollution Remediation Obligation	160,000	-	-	160,000	-
Deferred Employment Taxes	-	1,441,186	-	1,441,186	-
Advances from Insurance Company	750,000	1,638,304	1,538,962	849,342	849,342
Total OPEB Liability	26,029,219	679,507	-	26,708,726	-
Net Pension Liability	193,586,778	8,007,850	-	201,594,628	-
	\$ 373,073,253	\$ 20,647,389	\$ 15,432,075	\$ 378,288,567	\$ 27,837,702

During the year ended September 30, 2020, 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	\$ 333,624	\$ 174,683	\$ 159,283	\$ 349,024	\$ 209,237
Special Obligation Debt from direct borrowings	12,703,075	-	1,273,450	11,429,625	1,211,427
Premium on Special Obligation Debt from direct borrowings	302,824	-	55,498	247,326	-
Total OPEB Liability	634,601	771,121	-	1,405,722	-
Net Pension Liability	5,515,123	185,493	-	5,700,616	-
	\$ 19,489,247	\$ 1,131,297	\$ 1,488,231	\$ 19,132,313	\$ 1,420,664

(b) Deferred Charge on Refunding/Deferred Outflow

The City has refunded certain special obligation bonds in prior years that resulted in a deferred loss on refunding in total amount of \$530,801. This amount is reported as deferred charge on refunding in the statement of net position and amortized over the life of the refunding debt. As of September 30, 2020, the unamortized amounts of deferred charge on refunding are \$96,395 for governmental activities and \$63,861 for business-type activities.

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

(c) Obligation on Purchase and Sale of Land

In 2017, the City entered into a Purchase and Sale Agreement ("PSA") with a private developer (the "Developer") related to a land exchange. As provided in the terms of the PSA, including all amendments entered into in succeeding fiscal years, the City agreed to sell, and the Developer agreed to purchase the City's existing public safety building and land ("Salzedo Parcel"); and the Developer agreed to sell and the City agreed to purchase the Developer's vacant land ("Minorca Parcel"). In consideration for the conveyance of the Minorca Parcel to the City, the Developer shall receive from the City the conveyance of the Salzedo Parcel and impact fee credit of \$2 million. The City has three (3) years to complete the construction project and to convey the Salzedo Parcel to the Developer no later March 23, 2021 which is the Salzedo Closing date. In the event that the Developer exercises its right to terminate the Agreement after the City took possession of the Minorca Parcel, the City has two years after the delivery of termination notice by the Developer, to pay the Developer \$11.5 million for the Minorca Parcel and the Developer forfeits its right to the impact fee credit. On the proposed Salzedo Parcel Closing date, the Developer shall pay the City the purchase price of \$5.2 million for the Salzedo Parcel. In the event that the Salzedo Parcel closing did not occur on or before March 23, 2021, the purchase price of \$5.2 million will be decreased by certain amounts based on the purchase price reduction schedule provided in the Agreement.

The PSA, including all amendments, also provides for additional land exchange terms in the event the Developer elects, in the exercise of its sole discretion to acquire certain parcel of real property ("Valencia/Almeria Parcels") and conveys the Salzedo Parcel to the owner of Valencia/Almeria Parcels ("Mercedes). The Developer shall provide written notice to the City, at least thirty (30) day prior to the Salzedo Parcel Closing Date, of its intent to acquire the Valencia/Almeria Parcels or the Salzedo Parcel. In the event that the Salzedo Parcel is conveyed to Mercedes by Developer, (a) the City's right of first offer for a period of one year would only apply to any conveyance of the Valencia/Almeria Parcel by Developer to any unaffiliated entity and not to the Salzedo Parcel; (b) the use restriction set forth in the PSA shall be applicable to the Valencia/Almeria Parcels and not to the Salzedo Parcel; (c) the impact fee credit set forth in the PSA shall not be applicable to the Salzedo Parcel and instead the Developer may use the impact fee credit with the development of the Valencia/Almeria Parcels; (d) should the Developer acquire the Valencia/Almeria Parcels prior to the Salzedo Closing Date, then upon thirty (30) days prior written notice by Developer, the City shall convey the Salzedo Parcel to Mercedes directly on the Salzedo Closing Date, and Developer would pay the purchase price (subject to adjustments, as provided in the PSA) to the City.

The first closing that occurred was the Minorca Parcel closing which took place on December 23, 2017. The City took possession of the Minorca Parcel where the new public safety building and parking garage are being built. The City recognized an obligation to the Developer in the amount of \$11.5 million as of

September 30, 2020 since the final settlement and Developer’s exercise of its right to close on the Salzedo Parcel, or terminate the Agreement, has not occurred as of year-end.

On March 23, 2021, which is the Salzedo Closing Date, the Developer exercised its right as provided in the PSA, acquired the Valencia/Almeria Parcels and conveyed the Salzedo Parcel to Mercedes; and the City conveyed the Salzedo Parcel to Mercedes. The Developer paid the City the purchase price of \$5.2 million for the Salzedo Parcel at the closing date as provided in the PSA. Lastly, a Termination of Memorandum of Purchase Agreement was entered into by the City and the Developer at the closing date.

(d) 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 both governmental activities and business-type 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 \$5,153,479 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	\$ 190,017
Less: Amount representing interest	(4,887)
Present value of minimum lease payments	<u>\$ 185,130</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, 2019:

Retirees and beneficiaries currently receiving benefits, including DROP, and terminated employees entitled to benefits, but not yet receiving them	986
<hr/>	
Current Employees:	
Vested	289
Non-vested	333
Total	622

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, 2019, the maximum participation in the DROP shall be 5 years for police members entering the DROP on or after September 30, 2019.

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, 2020 was \$27,746,523.

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, 2020 is as follows:

Beginning balance	\$	27,707,831
Additions		5,983,149
Distributions		(7,610,003)
Interest earned		1,665,546
Ending balance	\$	<u>27,746,523</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 three-year term (October 1, 2017 through September 30, 2020). 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, 2020.

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	598,789,622
Plan fiduciary net position	(391,494,378)
Total net pension liability	207,295,244
Plan fiduciary net position as a percentage of the total pension liability	65.38%

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	7.60%
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.

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, 2016 actuarial valuation of the Florida Retirement System (FRS), as required under Florida Statutes Chapter 112.63.

The actuarial assumptions used in the October 1, 2018 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 as of the valuation date of September 30, 2019 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 7.60%. This single discount rate was based on the expected rate of return on pension plan investment of 7.60%. 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	\$ 599,056,362	\$ 399,954,461	199,101,901
Changes for the year:			
Service cost	6,666,376	-	6,666,376
Interest on the total pension liability	44,214,048	-	44,214,048
Changes of benefit terms	461,420	-	461,420
Difference between expected and actual experience	1,269,118	-	1,269,118
Changes of assumptions	2,644,957	-	2,644,957
Contributions - employer	-	27,566,259	(27,566,259)
Contributions - nonemployer	-	145,830	(145,830)
Contributions - member	-	4,970,732	(4,970,732)
Net investment income	-	14,869,600	(14,869,600)
Benefit payments	(54,941,086)	(54,941,086)	-
Refunds	(581,573)	(581,573)	-
Administrative expense	-	(489,845)	489,845
Net changes	(266,740)	(8,460,083)	8,193,343
Ending Net Pension Liability	\$ 598,789,622	\$ 391,494,378	\$ 207,295,244

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 percent of 7.60%, 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 (6.60 percent) or 1-percentage-point higher (7.60 higher) than the current rate as of September 30, 2019 and rolled-forward to September 30, 2020:

	City's Net Pension Liability		
	1% Decrease	Current Discount Rate	1% Increase
	(6.60%)	(7.60%)	(8.60%)
September 30, 2019	\$ 266,078,567	\$ 207,295,244	\$ 157,689,230

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

For the year ended September 30, 2020, the City recognized pension expense of \$22,714,972 as follows:

Amounts recognized in pension expense:

Changes for the year:

Service cost	\$ 6,666,376
Interest on the total pension liability	44,214,048
Current period benefit changes	461,420
Contributions - member	(4,970,732)
Projected earnings on plan investments	(30,557,529)
Administrative expense	489,845
Recognition of outflow (inflow) of resources due to liabilities	6,281,692
Recognition of outflow (inflow) of resources due to assets	129,852
Net changes	<u>\$ 22,714,972</u>

As of September 30, 2020, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,571,318	\$ 477,288
Changes in assumptions	6,358,403	-
Employer contributions made subsequent to the measurement date	28,399,177	-
Net difference between projected and actual earnings on pension plan investments	-	3,803,837
Total	<u>\$ 37,328,898</u>	<u>\$ 4,281,125</u>

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:	<u>Net Deferred Inflow of Resources</u>
2021	\$ 1,097,436
2022	(1,097,057)
2023	1,510,632
2024	3,137,585
Total	<u>\$ 4,648,596</u>

The deferred outflow of resources of \$28,399,177 resulting from City contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability/net pension expense for the fiscal year ending September 30, 2021.

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, 2020, the Plan membership consisted of 261 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 \$585,930 representing 3.8% of total covered payroll of police officers participating in the Plan of \$15,420,822.

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, 2020, there are 141 active and 35 inactive plan members with combined participating shares of 985 in the Plan.

The City contributions for the fiscal year were \$866,945 representing 6.0% of total covered payroll of firefighters participating in the plan of \$14,431,717.

(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, 2020

ASSETS	
Cash and Cash Equivalents	\$ 52,626
Due from Other Governments	866,945
Investments:	
Guaranteed Investment Contract	7,301,145
Mutual Funds	5,834,383
Total Assets	14,055,099
LIABILITIES	
Due to Coral Gables Retirement Fund	52,271
NET POSITION	
Restricted for Pension Benefits	\$ 14,002,828

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIREFIGHTERS' PENSION FUND
For the Fiscal Year Ended September 30, 2020

ADDITIONS	
Contributions:	
Employer	\$ 866,945
Investment Income:	
Appreciation in the Fair Value of Investments	319,677
Investment Earnings	226,169
Total Investment Income	545,846
Less Investment Expense	(25,934)
Net Investment Income	519,912
Total Additions	1,386,857
DEDUCTIONS	
Employee Benefits	1,396,925
Administrative expense	31,140
Total Deductions	1,428,065
Change in Net Position	(41,208)
Net Position Restricted for Pension Benefits – Beginning	14,044,036
Net Position Restricted for Pension Benefits – Ending	\$ 14,002,828

(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, 2020, the City’s total contribution to the 401(a) defined contribution plans was \$494,130.

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

Actuarial Assumptions

The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Discount rate*	2.75%
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 2.75% was used to measure the September 30, 2019 total OPEB Liability. The rate is based on the Fidelity 20-Year Municipal GO AA Index – daily rate closest or equal to but not later than the respective measurement date.

Changes in Total OPEB Liability

Beginning Total OPEB Liability	\$ 26,663,820
Changes for the year:	
Service cost	1,125,511
Interest	1,049,539
Changes of benefit terms	71,903
Difference between actual and expected experience	(3,837,504)
Changes of assumptions	3,820,946
Benefit payments	(779,767)
Net changes	<u>1,450,628</u>
Ending Total OPEB Liability	<u>\$ 28,114,448</u>

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

The following presents the total OPEB liability of the City calculated using the discount rate of 2.75%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current rate:

City's Total OPEB Liability		
1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
\$ 32,582,852	\$ 28,114,448	\$ 24,546,549

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	\$ 24,372,951	\$ 28,114,448	\$ 32,876,419

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$1,753,388 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between actual and expected experience	\$ -	\$ 3,739,353
Changes in assumptions	3,297,529	1,586,723
Employer contributions made subsequent to the measurement date	886,265	-
Total	<u>\$ 4,183,794</u>	<u>\$ 5,326,076</u>

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:	<u>Net Deferred Inflow of Resources</u>
2021	\$ 498,427
2022	498,427
2023	498,427
2024	298,929
2025	165,928
Thereafter	68,409
Total	<u>\$ 2,028,547</u>

The deferred outflow of resources of \$886,265 resulting from City contributions to OPEB Plan subsequent to the measurement date will be recognized as a reduction of the total OPEB liability/expense for the fiscal year ending September 30, 2021.

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, 2020, 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. The City estimates the remaining costs for this entire obligating event to be \$75,000 and requested extension of time to complete the remediation and reporting requirements by December 30, 2021. This has been recorded as a long-term liability in the City’s financial statements for the year ended September 30, 2020.

- 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. In August 2020, FDEP ordered the City to perform additional arsenic sampling at the site and was granted an extension to complete the sampling and submit the report in February 2021. The City estimated the cost to comply with FDEP order to be approximately \$3,800 and recorded as a long-term liability in the City’s financial statements for the year ended September 30, 2020.
- 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. In fiscal year 2020, the City completed site assessment and submitted draft SARA to RER. Based on the draft SARA, RER required the City to perform additional sampling on the site. As of September 30, 2020, the City is in the process of negotiation with a consultant for the cost of these additional services. Accordingly, as of September 30, 2020, the cost of the remedial action plan cannot be reasonably estimated, therefore a liability for this site is not recorded in the financial statements.
- d) Coral Gables Country Club – In May 2002, as part of the renovation of the Country Club, an underground storage tank was removed. The City received a NOV from RER and was required to complete a site assessment report due to release of unknown contamination into the ground as a result of the tank removal activities. As of August 2009, the City completed the remediation activities that included the excavation and removal of all soils surrounding the original tank removal footprint. In 2014, the City completed the required groundwater monitoring and received a notification from RER that there is no additional groundwater sampling requirement for this site. In November 2019, the City completed the source removal, engineering control plan and covenant package; and submitted all the required reports to RER. As of September 30, 2020, the City and its consultant are working with RER on institutional controls required in the restrictive covenants which prohibited the use of groundwater for irrigation. The City estimates the scope and cost of the additional services to be \$85,000. This has been recorded as a long-term liability in the City’s financial statements for the year ended September 30, 2020.

As of September 30, 2020, the City’s total liability related to the pollution remediation obligating events is \$160,000.

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>2020</u>	<u>2019</u>
Unpaid claim payable, beginning	\$ 12,805,000	\$ 13,279,000
Incurred claims and claim adjustments	2,590,271	2,621,657
Claims payments	<u>(2,827,271)</u>	<u>(3,095,657)</u>
Unpaid claims payable, ending	<u>\$ 12,568,000</u>	<u>\$ 12,805,000</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 \$181,762. 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, 2020 was approximately \$10.6 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>
2021	\$ 4,443,914
2022	3,945,670
2023	3,982,847
2024	3,845,494
2025	3,693,940
2026-2030	13,226,336
2031-2035	7,154,120
2036-2040	2,326,395
2041-2042	187,125
	<u>\$ 42,805,841</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, 2020, the City billed to and received from the Palace \$262,669 and \$9,583 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, 2020 percentage rent of \$290,097 for the lease term August 1, 2018 to July 31, 2019. 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 \$48,849,415. Depreciation expense on leased assets was \$590,892 for the fiscal year ended September 30, 2020.

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, 2020, the City billed and collected from the management company \$294,263 as rental income.

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, 2020, the City billed and collected the base fee amount of \$497,295 and the 3.5% of the annual net revenue of \$844,902 for a total fee amount of \$1,342,197. 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, 2020 the City billed and collected from the management company \$299,870 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 loans at September 30, 2020 is \$3.14 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.

The first and second annual payments of the contribution were made in fiscal year 2019 in the amount of \$765,941 and \$702,544 based on 50% of total annual and percentage rent received from Biltmore for calendar year 2017 and 2018 and covered the qualifying expenditures from period from January 1, 2015 to December 31, 2018. The third annual payment of contribution made in fiscal year 2020 amounted to \$750,197 based on 50% of total annual and percentage rent received from Biltmore for calendar year 2019 and covered the qualifying expenditures from period from January 1, 2019 to December 31, 2019. Subsequent annual payments beginning in fiscal year 2021 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, 2020, the City billed and collected from the management company \$177,716 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, 2020, the City billed and collected \$744,628 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, 2020 and abated taxes in the amount of \$35 thousand in fiscal year 2020. Estimated property tax of \$105 thousand will be abated over the remaining terms of the tax exemption as of September 30, 2020.

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. 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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

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. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

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. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

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 Agency Fund. This fund is used to report 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. Accumulated resources from 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 also recognized as a liability.

NOTE 19 - HURRICANE IRMA

As of September 30, 2020, FEMA and State of Florida approved and obligated project worksheets amounted to approximately \$14.82 million of the City’s eligible expenditures related to Hurricane Irma recovery efforts. Of this amount, approximately \$12.93 million has been incurred by the City as of September 30, 2020 and \$9.72 million was received by the City from FEMA and State of Florida. In addition, a total of \$2.38 million was received by the City from its insurance company and \$1.54 million was applied against damages incurred on City property covered by insurance. In the General Fund financial statement as of September 30, 2020, \$4.04 million is recognized as due from government agency, \$828 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 \$9.65 million is recognized as grant revenue. In the Insurance Fund financial statement as of September 30, 2020, \$849 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, 2020, the County approved approximately \$3 million of grant funding to the City for expenditures necessary in response to the public health emergency. Of this amount, \$1.6 million was incurred by the City as of September 30, 2020, on personnel costs, telework improvement, disinfection, personal protective equipment, and social distancing measures. The City received \$23 thousand as reimbursement from the County in fiscal year 2020.

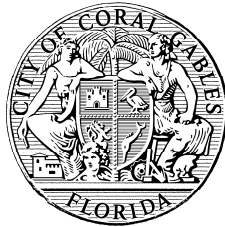
The extent to which the coronavirus will impact the City’s results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

NOTE 21 – SUBSEQUENT EVENT

(a) On March 23, 2021, the City Commission approved the following resolutions for the issuance of the following loans:

- 1) Resolution No. 2021-58 - Capital Improvement Refunding Bonds, Taxable Series 2021A with principal amount not to exceed \$5.6 million with a taxable interest rate of 1.9%, final maturity date of October 1, 2032. The proceeds will be used to refund all or a portion of: (a) Series 2011C which has an outstanding balance of \$2.8 million with variable rate equal to the 1-Month LIBOR + 135 basis points; and (b) Series 2013B loan which has an outstanding balance of \$2.59 million with fixed interest rate of 3.43%.
- 2) Resolution No. 2021-59 - Capital Improvement Revenue and Refunding Bonds Series 2021B with principal amount not to exceed \$32 million to: (a) finance the costs of the construction, reconstruction, and replacement of certain capital improvements in the approximate amount of \$15.25 million; (b) refunding of several outstanding revenue bonds in the combined amount of approximately \$15.74 million; and to pay associated costs of issuance. The Series 2021B Bonds will be sold to interested bidders by competitive sale expected on May 4, 2021. The Series 2021B Bonds will be secured by the City’s Non-Ad Valorem Revenues and are expected to mature on April 1, 2051.

(b) 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 is approximately \$20.89 million. The City has yet to determine the financial impact the local funding will have on the City’s COVID-19 recovery efforts.



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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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 107,650,799	\$ 107,650,799	\$ 108,105,414	\$ 454,615
Licenses	3,533,500	3,533,500	3,445,502	(87,998)
Permits	7,812,000	7,817,000	9,924,817	2,107,817
Fines and Forfeitures	2,452,833	2,452,833	2,892,156	439,323
Intergovernmental	6,078,657	6,593,878	16,513,912	9,920,034
Charges for Services	18,713,094	18,713,094	19,083,143	370,049
Recreation Activity Fees	4,330,500	4,330,500	1,996,419	(2,334,081)
Rental Income	4,666,367	4,690,367	4,523,610	(166,757)
Investment Earnings	2,310,000	2,310,000	2,242,790	(67,210)
Contributions and Donations	2,700,000	2,712,000	62,100	(2,649,900)
Miscellaneous	197,127	211,620	201,034	(10,586)
Total Revenues	<u>160,444,877</u>	<u>161,015,591</u>	<u>168,990,897</u>	<u>7,975,306</u>
EXPENDITURES				
Current:				
General Government	23,662,028	23,647,880	20,870,820	2,777,060
Public Safety	88,279,816	88,988,378	89,355,058	(366,680)
Physical Environment	24,574,998	24,320,726	21,334,915	2,985,811
Transportation	4,123,166	4,123,166	4,006,104	117,062
Economic Environment	1,771,911	1,840,911	1,167,442	673,469
Culture and Recreation	13,193,015	13,577,581	10,267,852	3,309,729
Debt Service:				
Retirement of Principal	83,011	83,011	83,011	-
Interest	8,366	8,366	8,366	-
Capital Outlay	4,102,236	4,129,341	1,756,954	2,372,387
Total Expenditures	<u>159,798,547</u>	<u>160,719,360</u>	<u>148,850,522</u>	<u>11,868,838</u>
Excess (deficiency) of Revenues Over (Under)Expenditures	<u>646,330</u>	<u>296,231</u>	<u>20,140,375</u>	<u>19,844,144</u>
OTHER FINANCING SOURCES (USES)				
Insurance Recoveries	-	-	1,364,563	1,364,563
Transfers In	8,768,670	9,104,398	9,165,781	61,383
Transfers Out	(29,795,352)	(29,791,355)	(29,650,694)	140,661
Total Other Financing Sources (Uses)	<u>(21,026,682)</u>	<u>(20,686,957)</u>	<u>(19,120,350)</u>	<u>1,566,607</u>
Net Change in Fund Balance*	<u>\$ (20,380,352)</u>	<u>\$ (20,390,726)</u>	<u>1,020,025</u>	<u>\$ 21,410,751</u>
Fund Balance - Beginning			<u>68,388,435</u>	
Fund Balance - Ending			<u>\$ 69,408,460</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 Six Years

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 6,666,376	\$ 6,203,806	\$ 5,733,127	\$ 5,758,174	\$ 5,665,063	\$ 6,066,834
Interest	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	1,269,118	3,580,739	(2,863,731)	1,319,342	50,400	5,822,419
Changes of assumptions	2,644,957	5,080,632	12,563,730	-	4,037,514	-
Benefit payment, including refunds of member contributions	(55,522,659)	(47,644,880)	(46,929,589)	(46,388,958)	(41,597,731)	(34,968,554)
Net change in total pension liability	(266,740)	25,653,341	11,681,521	2,664,186	9,567,813	17,288,593
Total pension liability - beginning	599,056,362	573,403,021	561,721,500	559,057,314	549,489,501	532,200,908
Total pension liability - ending	598,789,622	599,056,362	573,403,021	561,721,500	559,057,314	549,489,501
Total fiduciary net position						
Contributions - City	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
Contributions - Employees	4,970,732	5,000,505	4,600,399	4,393,660	4,704,069	4,095,928
Net investment income	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	(55,522,659)	(47,644,880)	(46,929,589)	(46,388,958)	(41,597,731)	(34,968,554)
Administrative expenses	(489,845)	(472,543)	(402,793)	(352,193)	(431,707)	(334,272)
Net change in plan fiduciary net position	(8,460,083)	24,412,031	33,352,880	12,284,143	(6,745,448)	24,914,758
Plan fiduciary net position - beginning	399,954,461	375,542,430	342,189,550	329,905,407	336,650,855	311,736,097
Plan fiduciary net position - ending	\$ 391,494,378	\$ 399,954,461	\$ 375,542,430	\$ 342,189,550	\$ 329,905,407	\$ 336,650,855
City's net pension liability	\$ 207,295,244	\$ 199,101,901	\$ 197,860,591	\$ 219,531,950	\$ 229,151,907	\$ 212,838,646
Plan fiduciary net position as a percentage of the total pension liability	65.38%	66.76%	65.49%	60.92%	59.01%	61.27%
Covered Payroll	\$ 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	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 Seven Years**

	2020	2019	2018	Year Ended September 30, 2017	2016	2015	2014
Actuarially determined contribution	\$ 24,427,468	\$ 25,240,192	\$ 23,290,490	\$ 23,082,353	\$ 23,838,224	\$ 24,288,466	\$ 25,678,422
Contribution made in relation to the actuarially determined contribution	<u>28,399,177</u>	<u>27,712,089</u>	<u>26,583,824</u>	<u>26,364,969</u>	<u>27,924,224</u>	<u>24,297,686</u>	<u>25,700,576</u>
Contribution deficiency (excess)	<u>\$ (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	\$ 44,323,277	\$ 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>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, 2018 (For Fiscal Year 2020)

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	7.60%
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 color 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 CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS*
(Unaudited)
Last Two Years

	2020	2019	2018
Total pension liability			
Service cost	\$ 1,125,511	\$ 1,190,160	\$ 1,075,954
Interest	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	3,820,946	(1,211,078)	(1,323,222)
Benefit payment, including refunds of member contributions	(779,767)	(730,846)	(831,764)
Net change in total OPEB liability	1,450,628	203,329	(1,011,609)
Total OPEB liability - beginning	26,663,820	26,460,491	27,472,100
Total OPEB liability - ending	28,114,448	26,663,820	26,460,491
Covered Payroll	\$ 58,859,738	\$ 55,770,204	\$ 54,887,335
Total OPEB liability as percentage of covered payroll	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.

REQUIRED SUPPLEMENTARY INFORMATION

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

(Unaudited)

Last Six Years

	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	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.

CITY OF CORAL GABLES, FLORIDA

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

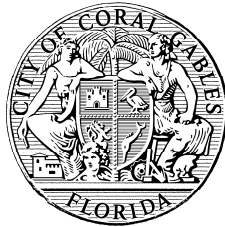
Note 1 – Budgets and Legal Compliance

(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, 2020 that are included in the final amended budget.

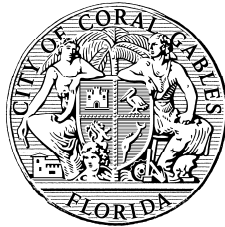


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Combining Individual Fund Statements and Schedules

These financial statements provide a more detailed view of the Special Revenue, Capital Projects, Internal Service, Pension Trust and Agency 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 Miami-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, 2020

	Special Revenue	Capital Projects					Total Nonmajor Governmental Funds
	Special Taxing District	Neighborhood Renaissance Program Fund	Roadway Improvement Fund	Transportation Fund	BBC GOB Program Fund	Impact Fees Fund	
ASSETS							
Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ 1,576,508	\$ 837,099	\$ 14,322	\$ -	\$ 2,427,929
Restricted Pooled Cash and Cash Equivalents	874,818	108,304	-	-	-	7,255,569	8,238,691
Pooled Investments	-	-	1,690,599	669,144	26,759	-	2,386,502
Restricted Pooled Investments	-	252,183	-	-	-	5,126,568	5,378,751
Accounts Receivable, Net	-	-	193,800	-	-	-	193,800
Interest Receivable	-	1,553	7,495	1,749	-	20,597	31,394
Prepaid and Deposits	500	-	-	-	-	-	500
Due from Other Governments	1,497	-	114,219	544,410	177,312	-	837,438
Total Assets	<u>876,815</u>	<u>362,040</u>	<u>3,582,621</u>	<u>2,052,402</u>	<u>218,393</u>	<u>12,402,734</u>	<u>19,495,005</u>
LIABILITIES							
Accounts Payable	106,646	45,804	591,381	109,954	5,743	360,299	1,219,827
Accrued Payroll	-	-	37	6,431	-	-	6,468
Due to Other Funds	-	-	-	-	215,000	-	215,000
Total Liabilities	<u>106,646</u>	<u>45,804</u>	<u>591,418</u>	<u>116,385</u>	<u>220,743</u>	<u>360,299</u>	<u>1,441,295</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - Grants and Contributions	-	-	31,008	-	177,312	-	208,320
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>31,008</u>	<u>-</u>	<u>177,312</u>	<u>-</u>	<u>208,320</u>
FUND BALANCES (DEFICIT)							
Nonspendable							
Prepaid Items	500	-	-	-	-	-	500
Restricted to:							
Public Safety	769,669	-	-	-	-	1,793,484	2,563,153
Parks and Recreation	-	316,236	-	-	-	2,829,253	3,145,489
Other Physical Environment	-	-	-	-	-	3,858,027	3,858,027
Mobility Improvement Projects	-	-	-	-	-	3,180,223	3,180,223
Impact Fee Administration	-	-	-	-	-	381,448	381,448
Assigned to:							
Other Capital Projects	-	-	2,960,195	1,936,017	-	-	4,896,212
Unassigned							
Total Fund Balances (Deficit)	<u>770,169</u>	<u>316,236</u>	<u>2,960,195</u>	<u>1,936,017</u>	<u>(179,662)</u>	<u>12,042,435</u>	<u>17,845,390</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 876,815</u>	<u>\$ 362,040</u>	<u>\$ 3,582,621</u>	<u>\$ 2,052,402</u>	<u>\$ 218,393</u>	<u>\$ 12,402,734</u>	<u>\$ 19,495,005</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, 2020

	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	\$ -	\$ -	\$ 1,055,149	\$ -	\$ -	\$ -	\$ 1,055,149
Municipal Surtax	-	-	-	1,893,283	-	-	1,893,283
Special Assessments	2,999,487	-	-	-	-	3,246,734	6,246,221
Rental Income	-	-	-	62,160	-	-	62,160
Intergovernmental	-	-	-	225,692	-	-	225,692
Investment Earnings	-	8,062	59,147	26,236	2,100	171,874	267,419
Miscellaneous	2,095	-	-	-	-	-	2,095
Total Revenues	<u>3,001,582</u>	<u>8,062</u>	<u>1,114,296</u>	<u>2,207,371</u>	<u>2,100</u>	<u>3,418,608</u>	<u>9,752,019</u>
EXPENDITURES							
Current:							
General Government	179,657	384	-	-	-	-	180,041
Transportation	-	-	1,463,506	2,325,124	-	-	3,788,630
Public Safety	2,172,567	-	-	-	-	-	2,172,567
Physical Environment	127,224	-	-	-	-	-	127,224
Capital Outlay	63,218	165,076	460,926	10,333	-	3,762,130	4,461,683
Total Expenditures	<u>2,542,666</u>	<u>165,460</u>	<u>1,924,432</u>	<u>2,335,457</u>	<u>-</u>	<u>3,762,130</u>	<u>10,730,145</u>
Excess (Deficiency) of Revenues Over(Under)							
Expenditures before Other Financing Sources (Uses)	458,916	(157,398)	(810,136)	(128,086)	2,100	(343,522)	(978,126)
OTHER FINANCING SOURCES							
Transfers In	-	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	458,916	(157,398)	(810,136)	(128,086)	2,100	(343,522)	(978,126)
Fund Balances (Deficit) - Beginning	311,253	473,634	3,770,331	2,064,103	(181,762)	12,385,957	18,823,516
Fund Balances (Deficit) - Ending	<u>\$ 770,169</u>	<u>\$ 316,236</u>	<u>\$ 2,960,195</u>	<u>\$ 1,936,017</u>	<u>\$ (179,662)</u>	<u>\$ 12,042,435</u>	<u>\$ 17,845,390</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Special Assessments	\$ 665,567	\$ 665,567	\$ 619,492	\$ (46,075)
Investment Earnings	55,000	55,000	45,099	(9,901)
Miscellaneous	-	-	176	176
Total Revenues	<u>720,567</u>	<u>720,567</u>	<u>664,767</u>	<u>(55,800)</u>
EXPENDITURES				
Current:				
General Government	-	-	21,935	(21,935)
Debt Service:				
Retirement of Principal	4,641,550	4,641,550	4,651,550	(10,000)
Interest	4,274,482	4,274,482	4,101,086	173,396
Total Expenditures	<u>8,916,032</u>	<u>8,916,032</u>	<u>8,774,571</u>	<u>141,461</u>
Deficiency of Revenues Under Expenditures	<u>(8,195,465)</u>	<u>(8,195,465)</u>	<u>(8,109,804)</u>	<u>85,661</u>
OTHER FINANCING SOURCES				
Transfers In	10,050,465	10,050,465	8,109,804	(1,940,661)
Total Other Financing Sources	<u>10,050,465</u>	<u>10,050,465</u>	<u>8,109,804</u>	<u>(1,940,661)</u>
Net Change in Fund Balances*	<u>\$ 1,855,000</u>	<u>\$ 1,855,000</u>	-	<u>\$ (1,855,000)</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, 2020

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Pooled Cash and Cash Equivalents	\$ 2,753,714	\$ 1,864,628	\$ 7,194,738	\$ 11,813,080
Pooled Investments	3,192,577	2,032,594	7,761,113	12,986,284
Accounts Receivable, Net	27,122	5,129	121,973	154,224
Interest Receivable	12,979	8,278	31,746	53,003
Inventories	43,399	-	-	43,399
Prepaid and Deposits	-	-	1,442,852	1,442,852
Total Current Assets	<u>6,029,791</u>	<u>3,910,629</u>	<u>16,552,422</u>	<u>26,492,842</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	34,237,263	274,847	-	34,512,110
Accumulated Depreciation	(21,050,713)	(206,766)	-	(21,257,479)
Total Noncurrent Assets	<u>13,186,550</u>	<u>68,081</u>	<u>-</u>	<u>13,254,631</u>
Total Assets	<u>19,216,341</u>	<u>3,978,710</u>	<u>16,552,422</u>	<u>39,747,473</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	776,441	515,139	-	1,291,580
Deferred Outflows Related to OPEB	83,676	83,676	-	167,352
Total Deferred Outflows of Resources	<u>860,117</u>	<u>598,815</u>	<u>-</u>	<u>1,458,932</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	323,424	676,752	135,079	1,135,255
Accrued Payroll	85,879	66,205	-	152,084
Accrued Compensated Absences	124,406	102,765	-	227,171
Claims Payable	-	-	4,536,000	4,536,000
Total Current Liabilities	<u>533,709</u>	<u>845,722</u>	<u>4,671,079</u>	<u>6,050,510</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	86,129	62,096	-	148,225
Claims Payable	-	-	8,032,000	8,032,000
Advances from Insurance Company	-	-	849,343	849,343
Total OPEB Liability	562,289	562,289	-	1,124,578
Net Pension Liability	4,311,741	2,860,677	-	7,172,418
Total Noncurrent Liabilities	<u>4,960,159</u>	<u>3,485,062</u>	<u>8,881,343</u>	<u>17,326,564</u>
Total Liabilities	<u>5,493,868</u>	<u>4,330,784</u>	<u>13,552,422</u>	<u>23,377,074</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	89,047	59,080	-	148,127
Deferred Inflows Related to OPEB	106,522	106,522	-	213,044
Total Deferred Inflows of Resources	<u>195,569</u>	<u>165,602</u>	<u>-</u>	<u>361,171</u>
NET POSITION				
Net Investment in Capital Assets	13,066,040	58,142	-	13,124,182
Unrestricted	1,320,981	22,997	3,000,000	4,343,978
Total Net Position	<u>\$ 14,387,021</u>	<u>\$ 81,139</u>	<u>\$ 3,000,000</u>	<u>\$ 17,468,160</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, 2020

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for Services:				
Billings to Departments for Insurance Protection	\$ -	\$ -	\$ 11,473,442	\$ 11,473,442
Rental of Equipment and Facilities to Various Funds:				
Equipment Operation and Maintenance	5,263,137	-	-	5,263,137
Equipment Replacement Charges	3,328,910	-	-	3,328,910
Facilities	-	8,103,048	-	8,103,048
Total Operating Revenues	<u>8,592,047</u>	<u>8,103,048</u>	<u>11,473,442</u>	<u>28,168,537</u>
OPERATING EXPENSES				
Administration	2,532,572	2,002,467	-	4,535,039
Cost of Sales and Services	2,678,740	5,038,767	-	7,717,507
Benefit Payments	-	-	2,059,365	2,059,365
Insurance	-	-	8,498,841	8,498,841
Depreciation	2,456,500	14,507	-	2,471,007
Total Operating Expenses	<u>7,667,812</u>	<u>7,055,741</u>	<u>10,558,206</u>	<u>25,281,759</u>
Operating Income	<u>924,235</u>	<u>1,047,307</u>	<u>915,236</u>	<u>2,886,778</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earnings	111,003	63,214	254,078	428,295
Miscellaneous	640	7,137	12	7,789
Gain from Disposal of Capital Assets	352,104	-	-	352,104
Total Nonoperating Revenues (Expenses)	<u>463,747</u>	<u>70,351</u>	<u>254,090</u>	<u>788,188</u>
Income Before Transfers	1,387,982	1,117,658	1,169,326	3,674,966
Transfers Out	<u>(1,387,982)</u>	<u>(1,117,658)</u>	<u>(1,169,326)</u>	<u>(3,674,966)</u>
Change In Net Position	-	-	-	-
Net Position - Beginning	14,387,021	81,139	3,000,000	17,468,160
Net Position - Ending	<u>\$ 14,387,021</u>	<u>\$ 81,139</u>	<u>\$ 3,000,000</u>	<u>\$ 17,468,160</u>

CITY OF CORAL GABLES, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2020

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 8,591,328	\$ 8,101,271	\$ 11,469,763	\$ 28,162,362
Payments to Employees	(2,321,357)	(1,686,749)	-	(4,008,106)
Payments to Suppliers	(1,960,815)	(5,178,701)	(11,422,260)	(18,561,776)
Net Cash Provided by Operating Activities	<u>4,309,156</u>	<u>1,235,821</u>	<u>47,503</u>	<u>5,592,480</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from Insurance Company	-	-	99,343	99,343
Transfers out to Other Funds	(1,387,982)	(1,117,658)	(1,169,326)	(3,674,966)
Net Cash Used in Noncapital Financing Activities	<u>(1,387,982)</u>	<u>(1,117,658)</u>	<u>(1,069,983)</u>	<u>(3,575,623)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(4,486,096)	(7,634)	-	(4,493,730)
Proceeds from Sale of Capital Assets	352,104	-	-	352,104
Principal Paid on Debt	(63,168)	-	-	(63,168)
Net Cash Used in Capital and Related Financing Activities	<u>(4,197,160)</u>	<u>(7,634)</u>	<u>-</u>	<u>(4,204,794)</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES				
Purchase of Investments	(4,276,314)	(2,185,906)	(10,526,324)	(16,988,544)
Proceeds from Sale of Investments	5,778,029	3,519,176	12,610,095	21,907,300
Interest and Dividends Received	113,847	73,436	257,363	444,646
Net Cash Provided by Investing Activities	<u>1,615,562</u>	<u>1,406,706</u>	<u>2,341,134</u>	<u>5,363,402</u>
Net Increase (Decrease) in Cash and Cash Equivalents	339,576	1,517,235	1,318,654	3,175,465
Cash and Cash Equivalents - Beginning	2,414,138	347,393	5,876,084	8,637,615
Cash and Cash Equivalents - Ending	<u>\$ 2,753,714</u>	<u>\$ 1,864,628</u>	<u>\$ 7,194,738</u>	<u>\$ 11,813,080</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating Income	\$ 924,235	\$ 1,047,307	\$ 915,236	\$ 2,886,778
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Depreciation Expense	2,456,500	14,507	-	2,471,007
Change in Assets and Liabilities:				
Accounts Receivable	(719)	(1,777)	(3,679)	(6,175)
Inventory	(7,182)	-	-	(7,182)
Prepaid Items	713,839	5,964	(159,312)	560,491
Net pension liability and related deferred inflows/outflow	25,706	(24,468)	-	1,238
OPEB liability and related deferred inflows/outflow	207,554	306,918	-	514,472
Accounts Payable	11,268	(145,898)	(467,742)	(602,372)
Accrued Payroll and Other Expenses	17,787	20,112	-	37,899
Accrued Compensated Absences	(39,832)	13,156	-	(26,676)
Claims Payable	-	-	(237,000)	(237,000)
Total Adjustments	<u>3,384,921</u>	<u>188,514</u>	<u>(867,733)</u>	<u>2,705,702</u>
Net Cash Provided by Operating Activities	<u>\$ 4,309,156</u>	<u>\$ 1,235,821</u>	<u>\$ 47,503</u>	<u>\$ 5,592,480</u>
Noncash Capital and Related Financing Activities:				
Capital Assets Retirement, net	(2,698,452)	-	-	(2,698,452)

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.

Agency Fund

Employee Benefits Fund - to account for the value of employees' excess sick leave deposited in a sick leave bank held by the City as 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, 2020

	Coral Gables Retirement Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 12,893,418	\$ 804,673	\$ 52,626	\$ 13,750,717
Receivables:				
Accrued Interest and Dividends	275,528	-	-	275,528
Buyback Receivable	4,246	-	-	4,246
Share Plan Contributions	239,389	585,930	866,945	1,692,264
Receivable for securities sold	-	-	-	-
Other receivables	29,117	-	-	29,117
Total Receivables	548,280	585,930	866,945	2,001,155
Securities Lending Cash Collateral - Invested	26,639,776	-	-	26,639,776
Investments:				
U.S. Government and Agency	32,304,668	-	-	32,304,668
Domestic Fixed Income	200,291	-	-	200,291
Global fixed Income	2,609,206	-	-	2,609,206
Corporate Bonds	28,618,223	-	-	28,618,223
Common Stocks	160,706,822	-	-	160,706,822
International Equity	59,302,682	-	-	59,302,682
Real Estate Investment Trust (REIT)	53,308,341	-	-	53,308,341
Alternative Investments	71,909,471	-	-	71,909,471
Guaranteed Investment Contract	-	-	7,301,145	7,301,145
Mutual Funds	-	5,189,271	5,834,383	11,023,654
Total Investments	408,959,704	5,189,271	13,135,528	427,284,503
Total Assets	449,041,178	6,579,874	14,055,099	469,676,151
LIABILITIES				
Accounts Payable	173,558	-	-	173,558
Payable for Securities Purchased	994,007	-	-	994,007
Due to Coral Gables Retirement Fund	-	187,118	52,271	239,389
Obligations under Securities Lending	26,639,776	-	-	26,639,776
Total Liabilities	27,807,341	187,118	52,271	28,046,730
NET POSITION				
Net Position Restricted for Pension Benefits	\$ 421,233,837	\$ 6,392,756	\$ 14,002,828	\$ 441,629,421

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 For the Fiscal Year Ended September 30, 2020

	Coral Gables Retirement Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
Additions:				
City Contributions	\$ 28,253,347	\$ 585,930	\$ 866,945	\$ 29,706,222
Share Plan Contributions	145,830	-	-	145,830
Total Government Contributions	28,399,177	585,930	866,945	29,852,052
Employees:				
Employee contributions	4,920,649	-	-	4,920,649
Total Employee Contributions	4,920,649	-	-	4,920,649
Total Contributions	33,319,826	585,930	866,945	34,772,701
Investment Income:				
Net Appreciation in the Fair Value of Investments	40,082,288	339,218	319,677	40,741,183
Interest and Dividends	5,605,040	129,157	226,169	5,960,366
Other Income	5,378	-	-	5,378
Total Investment Income	45,692,706	468,375	545,846	46,706,927
Less Investment Expenses	(2,335,063)	(23,440)	(25,934)	(2,384,437)
Total Investment Income before Securities Lending Activity	43,357,643	444,935	519,912	44,322,490
Securities Lending Activities:				
Security Lending Income	118,202	-	-	118,202
Security Lending Fees and Rebates	(35,411)	-	-	(35,411)
Net Income from Security Lending Activities	82,791	-	-	82,791
Total Net Investment Income	43,440,434	444,935	519,912	44,405,281
Total Additions	76,760,260	1,030,865	1,386,857	79,177,982
Deductions:				
Pension Benefits Paid	46,075,511	460,869	1,396,925	47,933,305
Refunds of Contributions	525,780	-	-	525,780
Administrative Expense	419,510	40,462	31,140	491,112
Total Deductions	47,020,801	501,331	1,428,065	48,950,197
Net Increase (Decrease) in Net Position	29,739,459	529,534	(41,208)	30,227,785
Net Position Restricted for Pension Benefits:				
Beginning of Year	391,494,378	5,863,222	14,044,036	411,401,636
End of Year	\$ 421,233,837	\$ 6,392,756	\$ 14,002,828	\$ 441,629,421

CITY OF CORAL GABLES, FLORIDA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended September 30, 2020

	Employee Benefits Fund	Law Enforcement Fund	Total Agency Funds
ASSETS			
Cash and Cash Equivalents			
Beginning	\$ 536,516	\$ 1,684,890	\$ 2,221,406
Additions	87,656	3,830,700	3,918,356
Deductions	(114,732)	(1,733,487)	(1,848,219)
Total Assets	<u>509,440</u>	<u>3,782,103</u>	<u>4,291,543</u>
LIABILITIES			
Deferred Compensation Payable			
Beginning	530,891	-	530,891
Additions	80,080	-	80,080
Deductions	(101,531)	-	(101,531)
Ending	<u>509,440</u>	<u>-</u>	<u>509,440</u>
Due to Other Governments			
Beginning	5,625	1,684,890	1,690,515
Additions	-	3,830,700	3,830,700
Deductions	(5,625)	(1,733,487)	(1,739,112)
Ending	<u>-</u>	<u>3,782,103</u>	<u>3,782,103</u>
Total Liabilities	<u>\$ 509,440</u>	<u>\$ 3,782,103</u>	<u>\$ 4,291,543</u>

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 139,786,744	\$ 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
Restricted	8,307,036	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
Unrestricted (Deficit)	42,070,763	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)
Total Governmental Activities Net Position	\$ 190,164,543	\$ 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
Business-type Activities										
Net Investment in Capital Assets	\$ 25,118,022	\$ 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
Restricted	-	-	-	215,627	299,527	354,664	1,376,410	3,178,131	5,241,426	8,004,193
Unrestricted	9,734,742	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)
Total Business-type Activities Net Position	\$ 34,852,764	\$ 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
Primary Government										
Net Investment in Capital Assets	\$ 164,904,766	\$ 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
Restricted	8,307,036	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
Unrestricted (Deficit)	51,805,505	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)
Total Primary Government Net Position	\$ 225,017,307	\$ 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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Government	\$ 17,942,595	\$ 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
Public Safety	71,096,529	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
Physical Environment	12,747,191	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
Transportation	10,103,982	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
Economic Environment	547,916	725,712	741,153	849,137	770,611	1,197,659	1,320,427	1,569,109	1,128,135	
Culture and Recreation	9,220,799	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
Interest on Long-term Debt	1,364,343	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
Total Governmental Activities	123,023,355	123,606,121	126,851,356	128,847,692	126,875,575	139,505,422	151,621,191	163,850,282	170,604,634	160,671,426
Business-type Activities:										
Sanitary Sewer System	4,304,721	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
Parking System	4,027,320	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
Stormwater Utility	3,775,173	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
Total Business-type Activities	12,107,214	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
Total Expenses	\$ 135,130,569	\$ 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
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 34,643,739	\$ 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
Public Safety	6,732,024	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
Physical Environment	9,487,606	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
Transportation	-	-	-	-	18,906	-	-	1,523,414	79,536	896,706
Economic Environment	1,962,748	2,600,000	200,000	1,700,000	680,000	670,000	377,000	116,000	477,000	825,000
Culture and Recreation	1,038,967	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
Operating Grants and Contributions	359,559	415,718	192,080	487,387	87,157	184,308	5,732	370,478	10,672,001	4,807,189
Capital Grants and Contributions	4,253,176	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
Total Governmental Activities	58,477,819	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
Business-type Activities:										
Charges for Services:										
Sanitary Sewer System	7,201,475	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
Parking System	10,154,202	10,330,540	10,830,461	11,625,585	13,025,045	12,982,960	12,927,872	15,115,800	14,949,334	11,799,430
Stormwater Utility	2,417,095	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
Operating Grants and Contributions	1,606,542	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	324,445	920,448	37,222	-	463,764	429,977	8,115	4,508	-	-
Total Business-type Activity	21,703,759	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
Total Program Revenue	\$ 80,181,578	\$ 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
Net(Expense) Revenue										
Governmental Activities	\$ (64,545,536)	\$ (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)
Business-type Activities	9,596,545	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
Total Net Expense	\$ (54,948,991)	\$ (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)
General Revenues										
Governmental Activities:										
Taxes										
Property Taxes	\$ 67,078,084	\$ 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
Franchise Fees	6,335,532	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
Utility Service Taxes	10,953,661	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
Other Taxes	2,552,642	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
Intergovernmental	3,990,300	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
Investment Earnings	58,769	114,070	5,968	464,999	706,665	804,623	1,088,333	2,502,023	5,662,887	3,737,473
Gain on Sale of Capital Assets	-	-	-	-	3,648,411	-	-	-	10,400,000	1,047,085
Miscellaneous	603,945	482,745	494,871	284,566	254,373	390,552	1,566,608	352,216	426,396	204,440
Transfers in/out	6,807,873	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
Insurance Recoveries	-	-	-	-	-	-	-	-	-	1,538,961
Special Items (Note 21)	-	-	-	-	-	-	-	-	183,234	-
Total General Revenues, Transfers and Special Items	98,380,806	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
Business-type Activities:										
Investment Earnings	9,266	16,670	20,595	73,698	94,112	119,408	95,965	86,091	525,189	400,956
Miscellaneous	52,767	31,163	30,688	125	-	-	2,635	46,692	478	616
Transfers in/out	(6,807,873)	(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)
Total Business-type Activities	(6,745,840)	(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)
Total Primary Government	\$ 91,634,966	\$ 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
Change in Net Position										
Governmental Activities	\$ 33,825,270	\$ 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
Business-type Activities	2,850,705	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
Total Change in Net Position	\$ 36,675,975	\$ 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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nondisposable	\$ 126,320	\$ 28,654	\$ 28,654	\$ 36,678	\$ 40,866	\$ 75,288	\$ 184,327	\$ 64,344	\$ 188,512	\$ 127,078
Restricted	3,629,399	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
Assigned	3,367,565	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
Unassigned	12,363,979	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
Total General Fund	\$ 19,487,263	\$ 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
All Other Governmental Funds										
Nondisposable	-	-	-	-	169,982	23,223	-	-	73,402	75,880
Restricted	26,367,078	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
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	8,106,937	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
Unassigned	(22,812)	(41,104)	(3,635)	(3,635)	(51,511)	(394,834)	(153,391)	(772,835)	(181,762)	(179,662)
Total All Other Governmental Funds	\$ 34,451,203	\$ 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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Taxes	\$ 86,919,919	\$ 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
Licenses	3,052,875	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
Permits	8,568,709	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
Fines and Forfeitures	3,996,367	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
Intergovernmental	5,000,978	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
Charges for Services	15,680,153	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
Recreation Activity Fees	3,816,728	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
Rental Income	7,355,922	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
Investment Earnings	58,769	114,070	5,968	464,999	706,665	804,623	1,088,333	2,502,023	5,662,885	3,737,473
Special Assessments	2,222,203	476,556	980,246	191,037	2,817,930	1,665,556	271,292	6,133,702	4,246,396	6,876,695
Contributions and Donations	1,140,000	735,131	466,060	185,045	58,292	70,500	81,250	2,959,000	242,515	502,875
Miscellaneous	603,945	482,745	494,871	284,566	254,373	390,552	1,566,609	352,216	315,194	206,305
Total Revenues	138,416,568	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
EXPENDITURES										
Current:										
General Government	14,134,472	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
Public Safety	70,798,025	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
Physical Environment	12,315,830	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
Transportation	10,158,367	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
Economic Environment	558,174	753,151	773,882	851,438	821,259	947,119	1,248,157	1,395,448	1,543,305	1,199,630
Culture and Recreation	8,497,254	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
Debt Service:										
Retirement of Principal	2,984,724	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
Interest and Other Charges	1,364,343	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
Bond Issuance Cost	-	61,456	88,020	-	-	-	-	1,164,882	-	-
Capital outlay	2,922,479	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
Total Expenditures	123,733,668	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
Excess (deficiency) of Revenues Over Expenditures	14,682,900	(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)
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
Insurance Recoveries	-	-	-	-	-	-	-	-	-	1,538,961
Proceeds from Capital Leases	-	-	-	284,022	-	-	261,580	177,056	-	-
Refunding Bond Issued	47,100,483	43,096,290	12,075,700	-	-	-	-	28,486,030	-	-
Premium on Refunding Bond Issued	-	-	-	-	-	-	-	2,781,073	-	-
Payment to Bond Escrow Agent	-	-	(11,996,561)	-	-	-	-	-	-	-
Principal Repymt.-Current Bond Refunding	(24,512,273)	-	-	-	-	-	-	-	-	-
Transfers In	45,548,224	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
Transfers Out	(35,283,005)	(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)
Total Other Financing Sources (Uses)	32,853,429	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
Special Items (Note 21)	-	-	-	-	-	-	-	-	183,234	-
Net Change In Fund Balances	\$ 47,536,329	\$ 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)
Debt service as a percentage of noncapital expenditures										
	3.60%	27.79%	3.90%	3.80%	3.71%	3.95%	3.89%	19.34%	5.67%	5.34%

**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 TO DATE	
		FISCAL YEAR OF THE LEVY			AMOUNT	PERCENTAGE OF LEVY
		AMOUNT	PERCENTAGE OF LEVY			
2011	68,735,926	65,131,368	94.76%	1,946,716	67,078,084	97.59%
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	80,762,149	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%

**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		
2011	11,150,104,798	273,567,777	11,423,672,575	6.072
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

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

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

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

FISCAL YEAR ENDED	CITY TAX RATES			COUNTY	SCHOOL	STATE	TOTAL
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	MILLAGE	MILLAGE	MILLAGE	
2011	6.072	0.000	6.072	6.656	8.249	0.6585	21.6360
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

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 2020				FISCAL YEAR ENDED 2011			
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE VALUE \$16,936,366,618		TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE VALUE 11,423,672,575	
Merrick Park LLC	\$ 184,839,884	1	1.09 %		\$ 72,370,700	3	0.63 %	
City of Coral Gables	147,415,066	2	0.87		82,429,105	1	0.72	
Banyan ST GAP Douglas Ent Own LLC	92,600,000	3	0.55		-	-	-	
LG Coral Gables LLC	89,509,821	4	0.53		-	-	-	
Prisa Ponce de Leon, LLC	85,753,185	5	0.51		69,511,159	4	0.61	
DGE Alhambra LP	77,375,000	6	0.46		-	-	-	
Agave Plaza Trustee LLC	73,331,250	7	0.43		-	-	-	
396 Alhambra LLC	71,813,251	8	0.42		-	-	-	
Coral Gables Associates	70,000,000	9	0.41		51,016,000	8	0.45	
Columbus Center GU LLC	69,997,045	10	0.41		-	-	-	
Wilmington Trust Co Trustee Fo	-	-	-		81,000,000	2	0.71	
CPT 355 Alhambra Circle LLC	-	-	-		55,002,685	6	0.48	
South Florida Equities REIT IN	-	-	-		55,300,000	5	0.48	
The Collection Properties LLC	-	-	-		53,827,162	7	0.47	
DEKA USA Colonnade LP	-	-	-		50,000,000	9	0.44	
CM LeJeune LLLP	-	-	-		-	-	-	
2701 LeJeune LLC	-	-	-		43,703,679	10	0.38	
Totals	<u>\$ 962,634,502</u>		<u>5.68 %</u>		<u>\$ 614,160,490</u>		<u>5.38 %</u>	

Property assessed on January 1, 2019 for 2019-2020 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)
2011	812	862
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

(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			
2011	62,978,533	1,547,084	16,321,467	648,011	81,495,095	3257%	1,742.09
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

* 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
2011	-	-	-	113,984	0%
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%

TABLE 12
CITY OF CORAL GABLES, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
SEPTEMBER 30, 2020
 (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	\$ 134,688	100.0%	\$ 134,688
Total direct debt			<u>\$ 134,688</u>
 Miami-Dade County, Florida	 \$ 2,260,964	 5.47%	 <u>\$ 123,675</u>
Total overlapping debt			<u>\$ 123,675</u>
 Total direct debt and overlapping debt			 <u><u>\$ 258,363</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)	
	Non-Ad Valorem	Maximum Estimated	Maximum Annual	(2)+(3)	200% of Total	(1)-(5)
	Revenues	Sunshine State Loan	Debt Service on Other	Total Projected	Projected	Test Results
		Annual Loan Payments	Non-Ad Valorem Debt	Debt Service	Debt Service	
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
2011	71,338,484	6,451,479	639,113	7,090,592	14,181,184	57,157,300

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
2011	46,780	2,502,262	53,490	38.8	13,469	7.2%
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	51,133	3,236,961	63,305	39.8	13,623	6.1%

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
2011	67,078	6,336	10,954	2,552	86,920
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	102,785
2019	85,466	7,200	11,343	3,335	107,344
2020	90,002	6,916	11,187	2,948	111,053

(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

Employers	Fiscal Year Ended September 30,					
	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
University of Miami *	16,431	1	70.69%	13,822	1	70.00%
Baptist Health South Florida/Corporate Office	2,485	2	10.69%	1,588	2	8.04%
Dade County Public Schools	1,048	3	4.51%	534	6	2.70%
City of Coral Gables	929	4	4.00%	735	5	3.72%
Bayview Asset Management	788	5	3.39%	1,000	3	5.06%
Teneth Health	453	6	1.95%	487	7	2.47%
Bacardi USA	340	7	1.46%	330	8	1.67%
The Collection	298	8	1.28%	250	9	1.27%
Gables Engineering, Inc	261	9	1.12%	-	-	-
HBO Latin America	210	10	0.90%	-	-	-
The Biltmore Hotel	-	-	-	795	4	4.03%
Commercebanc	-	-	-	206	10	1.04%
Total	23,243		100.00%	19,747		100.00%

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City Commission	7	7	7	7	6	6	6	6	6	6
City Attorney	5	5	5	5	5	6	6	6	6	6
City Clerk	5	5	5	5	7	8	8	8	8	8
City Manager	10	10	11	11	9	10	10	11	11	11
Human Resources	10	10	10	10	11	10	10	10	10	10
Labor Relations & Risk Mgmt.	0	0	0	0	0	4	4	4	4	4
Development Services	63	64	64	64	63	62	62	62	62	62
Historic Resources	4	4	4	4	5	6	6	6	6	6
Public Works	179	84	84	204	204	193	194	195	195	203
Automotive	23	0	0	0	0	0	0	0	0	0
Finance	31	33	33	34	32	30	30	27	28	27
Information Technology	15	15	15	15	16	16	16	17	19	19
Police	255	255	256	263	262	266	266	272	272	275
Fire	147	147	147	147	147	147	147	147	147	147
Community Services	26	148	146	26	28	31	31	32	32	32
Economic & Cultural Dev.	4	4	5	5	6	5	5	5	5	5
Nondepartmental	0	0	0	0	0	0	0	1	1	1
Parking	30	0	0	0	0	29	30	28	28	28
Total	814	791	792	800	801	829	831	837	840	850

Source: City of Coral Gables Budget Book

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety:										
Police:										
Physical Arrests	860	847	880	935	876	789	776	770	778	552
Traffic Violations	16,897	20,462	19,863	23,785	19,917	22,084	25,497	31,951	37,754	18,827
Parking Violations	151,703	139,929	96,394	100,674	100,808	90,634	74,207	79,185	98,149	63,211
Fire:										
Emergency Response	6,224	7,621	7,022	7,721	7,886	8,044	8,605	8,063	8,372	7,687
Fire Inspections Conducted	10,345	12,068	13,716	10,769	10,549	10,478	9,319	10,649	11,302	7,962
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%

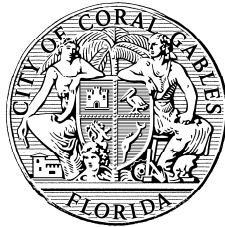
Sources: Various City Departments.

TABLE 18
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	3,506	3,518	3,523	3,533	3,533	3,533	3,515	3,513	3,513	3,513
City owned streetlights	636	636	636	636	636	636	643	643	643	643
Public Safety:										
Fire										
Stations	3	3	3	3	3	3	3	3	3	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	1,005	1,006
Recreation centers	1	1	1	1	1	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	1,260	1,261
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)	0	64	64	64	64	64	64	64	64	64

(1) Sources: 2020 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, 2020

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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

To 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, 2020, 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, 2021. 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 was 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.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests 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 result 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, 2021



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 each of the City's major federal program and major state project for the year ended September 30, 2020. 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 projects 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 each of its major federal program and major state project for the year ended September 30, 2020.

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 as of and for the year ended September 30, 2020, and have issued our report thereon dated March 31, 2021, which contained unmodified opinions on those financial statements, and included a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Miami, Florida

April 12, 2021, except for the Schedule of Expenditures of Federal Awards
and Schedule of State Financial Assistance for which the date is March 31, 2021

City of Coral Gables, Florida

Schedule of Expenditures of Federal Awards
Fiscal Year September 30, 2020

Federal Grantor, Pass-Through Entity Federal Awards	CFDA Number	Contract Number	Pass-Through Entity Identifying Number	Total Expenditures
U.S Department of Homeland Security:				
Pass-through Miami-Dade County, Florida:				
2018 Urban Area Security Initiative (UASI) Grant Program	97.067	19-DS-04 -11-23-02-319 EMW-2018-SS-00064	072220791	\$ 59,085
2019 Urban Area Security Initiative (UASI) Grant Program	97.067	R075 EMW-2019-SS-00049	072220791	32,053
Total U.S. Department of Homeland Security				<u>91,138</u>
Office of National Drug Control Policy:				
High Intensity Drug Trafficking Areas (HIDTA)	95.001	G18MI000IA, G18, G19 & G20	not applicable	297,998
U.S. Department of Justice:				
Department of Justice Forfeiture Program (Equitable Sharing Program)	16.922	None	not applicable	378,705
Coronavirus Emergency Supplemental Funding Program	16.034	None	591264198	20,469
Total U.S. Department of Justice				<u>399,174</u>
U.S. Department of Treasury:				
Department of Treasury Forfeiture Program (Equitable Sharing Program)				
South Florida Money Laundering Strike Force	21.000	None	not applicable	492,662
Pass-through Miami-Dade County, Florida:				
COVID-19 Coronavirus Relief Fund (CARES ACT)	21.019	None	072238686	1,609,916
Total U.S. Department of Treasury				<u>2,102,578</u>
Public Assistance:				
Pass-through entity Florida Division of Emergency Management :				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0506	072238686	2,812,625
United States Department of Health and Human Services (HHS)				
COVID-19 Provider Relief Fund (CARES ACT)	93.498	None	not applicable	22,766
Total expenditures of federal awards				<u>\$ 5,726,279</u>

See accompanying notes to schedule of expenditures of federal awards.

City of Coral Gables, Florida

**Schedule of State Financial Assistance
Fiscal Year Ended September 30, 2020**

State Grantor, Pass-Through Entity State Assistance	CFSA Number	Contract Number	Total Expenditures
Florida Department of Transportation:			
Public Transit Service Development Program	55.012	G1299	\$ 225,692
Department of Financial Services			
Local Government Fire Service Grants	43.007	2367A	<u>1,500,000</u>
Total expenditures of state financial assistance			<u><u>\$ 1,725,692</u></u>

See accompanying notes to schedule of expenditures 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, 2020**

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, 2020. 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, 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 did not recover its indirect costs using the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

City of Coral Gables, Florida

**Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2020**

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?

_____ Yes

 X No

Significant deficiency(ies) identified?

_____ Yes

 X None Reported

Noncompliance material to financial statements noted?

_____ Yes

 X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes

 X No

Significant deficiency(ies) identified?

_____ Yes

 X No

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:

CFDA 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, 2020

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

State Financial Assistance

Internal control over major projects:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> No

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:

The project tested as major were as follows:

CSFA Number(s)

43.007

Name of State Project

Local Government Fire Service Grants

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

\$750,000

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 the Chapter 10.550, *Rules of the Auditor General
of the State of Florida*

Fiscal Year Ended September 30, 2020



RSM US LLP

**Management Letter Required By
Chapter 10.550 of the *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, 2020, and have issued our report thereon dated March 31, 2021. Our report was modified to include a reference to other 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; 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 auditors audited the financial statements of the following funds as described in our report on the City's financial statements:

Funds	Classification
• City of Coral Gables Retirement Fund	aggregate remaining fund information
• Police Officers' Pension Fund	aggregate remaining fund information

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 Each 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*; 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*. Those reports and schedule are dated March 31, 2021, except for the report on compliance for each major federal program and major state project and report on internal control over compliance, for which the date for those reports are April 12, 2021. Disclosures in those reports and schedule should be considered in conjunction with this management letter.

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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 is disclosed in Note 1 of the 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 Mayor, City Commissioners, 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
March 31, 2021, except for the
report on compliance for each major federal program and major state
project and report on internal control over compliance, for which
the date of each report is April 12, 2021



RSM US LLP

Independent Accountant's Report

The Honorable Mayor, Members of the
City Commission, and City Manager
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, 2019 to September 30, 2020. 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 the specified requirements during the period October 1, 2019 to September 30, 2020.

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

RSM US LLP

Coral Gables, Florida
March 31, 2021

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