

City Of Coral Gables, Florida Comprehensive Annual Financial Report

Fiscal Year Ended
September 30, 2008



COMPREHENSIVE
ANNUAL FINANCIAL REPORT

CITY OF CORAL GABLES, FLORIDA

For the
FISCAL YEAR ENDED
September 30, 2008



"The City Beautiful"

Prepared by
FINANCE DEPARTMENT

CITY OF CORAL GABLES, FLORIDA

COMMISSION - MANAGER FORM OF GOVERNMENT

CITY COMMISSION

DONALD D. SLESNICK II, *MAYOR*

WILLIAM H. KERDYK, JR., *Vice Mayor* WAYNE "CHIP" WITHERS *Commissioner*
MARIA ELENA ANDERSON, *Commissioner* RAFAEL CABRERA JR., *Commissioner*

CITY MANAGER

PATRICK SALERNO

FINANCE DIRECTOR

DONALD G. NELSON, C.P.A.

ASSISTANT FINANCE DIRECTOR

ADOLFO E. SANORES

Introductory Section

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The City of Coral Gables

Finance Department

CITY HALL 405 BILTMORE WAY
CORAL GABLES, FLORIDA 33134

June 30, 2009

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 City of Coral Gables, Florida Comprehensive Annual Financial Report for the fiscal year ended September 30, 2008, pursuant to Florida state law. The financial statements were prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board ("GASB") and audited by a firm of independent certified public accountants retained by the City and paid from its public funds.

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, is presented in a manner 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 Generally Accepted Accounting Principles ("GAAP"). Because the cost of internal control 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.

ECONOMIC CONDITION AND OUTLOOK

The City has a residential population of over 45,800 and encompasses 14.3 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 experienced a growth in total property value and new construction in 2008 while the rest of the Country and South Florida realized significant decreases in

property value. For 2009, property values are estimated to decline six percent after the addition of new construction.

The City has more than 10.7 million square feet of office space and has developed into an international center of commerce serving as divisional headquarters for 200 multinational companies. The University of Miami, the largest private employer in Coral Gables, instructs over 15,000 students and employs over 3,000 full-time faculty and staff.

The City's economic condition is very good and the outlook is stable with a well diversified business community. The City of Coral Gables continues to have new commercial construction and residential investment.

MAJOR INITIATIVES

For the Year. The City's 2007-2008 Annual Budget included funding of \$1,000,000 for the Roadway Improvement Program.

The Capital Improvement Fund included funding of \$2,815,000 for a comprehensive city wide capital improvement program.

The Stormwater Fund included funding of \$165,000 representing the annual stormwater utility improvement program to maintain utility's infrastructure.

The Sanitary Sewer Fund included funding of \$1,500,000 to replace sanitary sewer lines and lift stations.

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. During the year, user fees are constantly being monitored and adjusted to match increased costs while at the same time being competitive in the market place.

Moody's Investors Service has assigned an Issuer Rating of "Aa2" to the City of Coral Gables. The rating reflects Moody's assessment of Coral Gables' implicit general obligation credit strength. The rating carries a stable outlook and is based on the City's strong economic base which is home to many multinational firms and contains a high quality residential tax base, sound finances, and a modest amount of special tax-supported debt.

Standard & Poor's has assigned its "AA+" Issuer Credit Rating (ICR) to the City. The ICR is an assessment of the City's capacity to repay debt. The "AA+" rating reflects the City's:

- strong economic base characterized by low unemployment, above average income levels and high retail sales activity,
- historically strong financial performance and position, and
- low direct outstanding debt with limited future capital needs.

Long Term Financial Planning. The City Commission developed a central goal for Fiscal Year 2007-2008 for the City Administration to instill upon every City employee to provide excellent and courteous service to our customers.

The City supports both the residential and business sectors with excellent municipal services, having attained the highest possible standard in every field. Coral Gables is among a few privileged cities to have a Class 1 Fire Department and Building and Zoning Department, an accredited Police Department and Parks and Recreation Department, and an award-winning Communications Division.

The City has planned on a \$4.8 million City-wide capital improvement program for 2008-2009. The City Administration will also continue aligning departmental service delivery and continue the delivery of exceptional services.

On January 29, 2008 the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment, referred to as Amendment 1, was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption to \$50,000, except for school district taxes. This results in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their "Save Our Home" benefits to their next homestead when they move. "Save Our Homes" became effective in 1995 and caps the annual increase in assessed value for homestead property to 3 percent or the percentage change in the Consumer Price Index, whichever is less.

With respect to non-homestead property, Amendment 1 caps the annual increase in assessed value for non-homestead property (business, industrial property, rental property, second homes, etc.) to 10 percent, except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 became effective on January 1, 2008 with the exception of the 10 percent assessment cap on non-homestead property which becomes effective on January 1, 2009.

Based on information received from the Miami-Dade Property Appraisers Office, the estimate annual loss of property tax value for the City from the additional homestead exemption and the \$25,000 exemption for tangible personal property is approximately \$348 million resulting in a loss of property tax revenue of \$1.8 million. The impact of the portability and assessment cap on non-homestead property provisions in terms of potential impact on property tax revenues will be determined over time as these provisions take effect.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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. 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.

Debt Administration. At September 30, 2008, the City had \$62,148,905 of special obligation debt outstanding.

Cash Management. Cash temporarily idle during the year was invested in demand deposits, obligations of the U.S. Treasury and repurchase agreements. The City earned interest revenue of approximately \$1,701,708 on all such investments for the year ended September 30, 2008.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on bank deposits was held by the State.

Risk Management. The City has a fully insured risk management program for general liability and workers' compensation. As part of this comprehensive plan, resources are being accumulated in an internal service fund to meet potential losses up to a retention level amount, and then losses are covered by excess insurance. Third-party coverage is maintained for losses exceeding established limits. Various risk control techniques including employee accident prevention training were used to minimize accident-related losses.

OTHER INFORMATION

Independent Audit. The City Charter and State Statutes require an annual audit. The accounting firm of McGladrey & Pullen, LLP was appointed by the City Commission. The Audit engagement requires the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government'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, 2007. This was the twenty-fourth consecutive year that the City has received this prestigious 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 City Commission and City Manager.

Sincerely,

A handwritten signature in dark ink, appearing to read "Donald G. Nelson", with a long, sweeping flourish extending to the right.

Donald G. Nelson, C.P.A.
Finance Director



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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, 2007

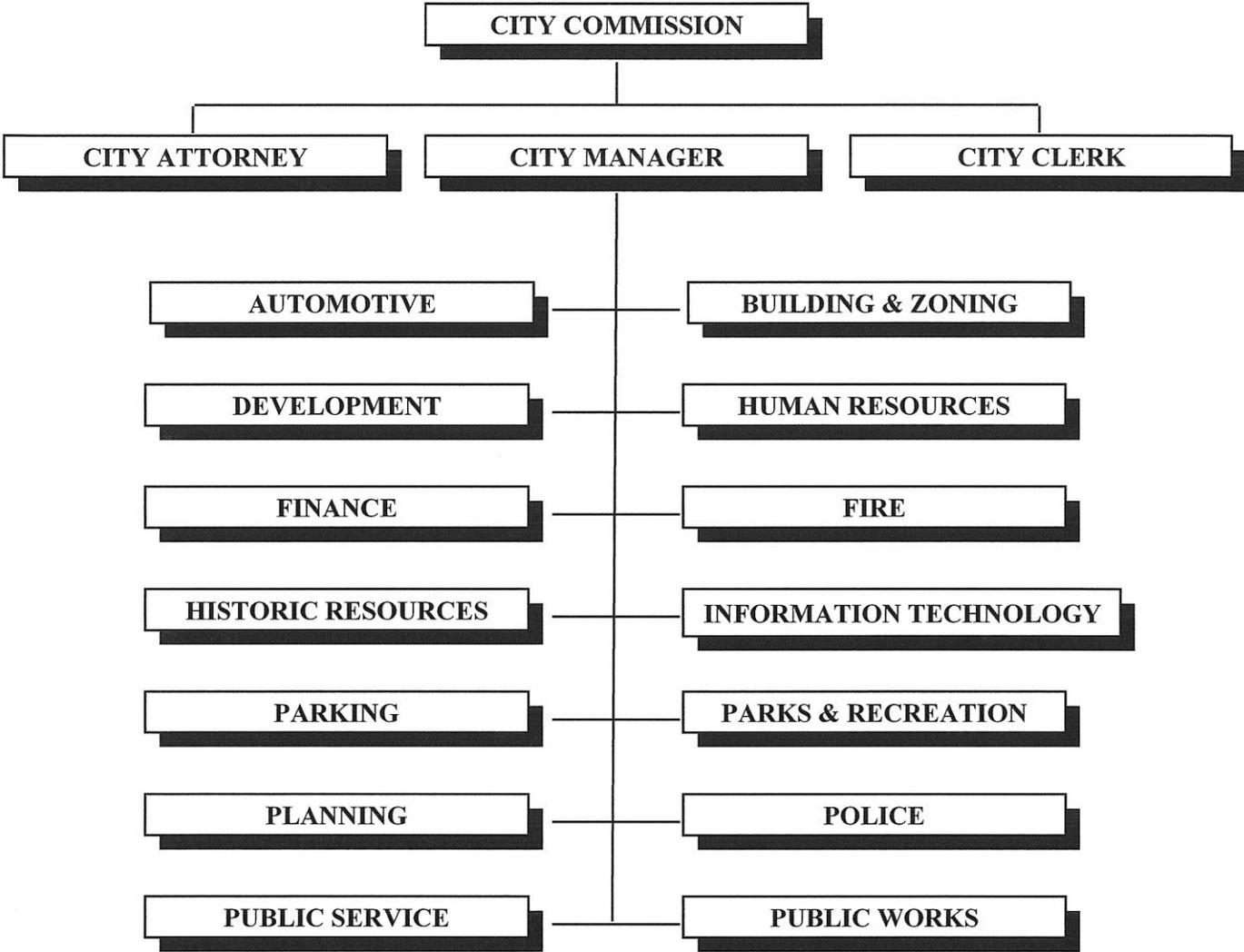
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF CORAL GABLES
- ORGANIZATIONAL CHART -



**CITY OF CORAL GABLES, FLORIDA
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2008**

TITLE	NAME
ELECTED OFFICIALS	
Mayor	Donald D. Slesnick II
Vice Mayor	William H. Kerdyk, Jr.
Commissioner	Rafael Cabrera, Jr.
Commissioner	Maria Elena Anderson
Commissioner	Wayne "Chip" Withers
APPOINTED OFFICIALS	
City Manager	Patrick Salerno
City Attorney	Elizabeth Hernandez
City Clerk	Walter J. Foeman, Jr.
ADMINISTRATION OFFICIAL	
Assistant City Manager	Maria Alberro-Jimenez
Assistant City Manager	Dona M. Spain
DEPARTMENT DIRECTORS	
Automotive Director	Clive A. Cork
Building Director	Edward Weller
Acting Economic Sustainability Director	Maria Alberro-Jimenez
Human Resources Director	Marjorie Adler
Finance Director	Donald G. Nelson
Fire Chief	Walter Reed
Historic Resources Director	Kara N. Kautz
Parking Director	Kevin J. Kinney
Information Technology Director	Gee Ming Chow
Parks & Recreation Director	Fred Couceyro
Planning Director	Eric W. Riel
Police Chief	Richard Naue, Jr.
Public Service Director	Daniel B. Keys
Public Works Director	R. Alberto Delgado



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Financial Section

REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION



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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coral Gables, Florida as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report under separate cover, dated June 30, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information, and the pension fund schedule of funding progress as listed in the table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial 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 and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

McGladrey & Pullen, LLP

Miami-Dade County, Florida
June 30, 2009

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

This section of the City’s financial statements presents management’s analysis of the City’s financial performance during the fiscal year that ended on September 30, 2008. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our Letter of Transmittal.

Financial Highlights

- The financial health of the City is stable as indicated by a 10.6% increase in total assessed property value, attributed to new large-scale commercial construction, residential expansions and renovations.
- The City has no outstanding voter approved debt service.
- The 2007-2008 annual principal and monthly interest payments on loans from the Sunshine State Governmental Financing Commission are totally funded from operating revenues from the General Fund and the Parking System Fund.
- The City’s total principal debt outstanding was decreased from \$65.5 million to \$62.1 million during fiscal year 2008, as a result of \$3.3 million in scheduled principal payments.
- As of the close of the current fiscal year, the City of Coral Gables governmental funds reported combined fund balances of \$11.7 million, a decrease of \$3.3 million in comparison with the prior year due to decreases in interest revenue, building permits, intergovernmental revenue, property taxes and an increase of operating expenditures.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$9.2 million or 7.6% of the total general fund expenditures and is available for new spending.

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 supplementary information that provides more detail to some of the information in the financial statements.

Government-Wide Financial Statements

The government-wide financial statements of the City provide a broad overview of the City's finances and report information about the City using accounting methods similar to those used by private sector companies.

The Statement of Net Assets includes all of the City's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to City creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and long-term assets and liabilities. Net assets, the difference between assets and liabilities, provide the basis for computing rate of return, evaluating the capital structure of the City, and assessing the liquidity and financial flexibility of the City. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities measures the success of the City's operations 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 assets 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 14-15 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 eight individual governmental funds. Information is presented separately for the general fund, as it is considered a major fund. 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 18-21 of this report.

Proprietary Funds – The City maintains two different types of proprietary 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 a stormwater utility, a sanitary sewer collection system and a parking system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its maintenance facility for automotive and other City equipment, its building maintenance, utilities and general housekeeping services for City property and for its general, automobile and workers' compensation insurance programs. Because 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, only in more detail. 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 24-26 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 27-28 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 29 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 progress in funding its obligation to provide pension benefits to its employees. 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 55 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 63 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 Assets 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 assets of the City and changes in them. You can think of the City’s net assets – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the City’s net assets 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.

To begin our analysis, a summary of the City’s government-wide statement of net assets is presented in Table A-1.

Table A-1

Condensed Statement of Net Assets (In millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 38.6	\$ 39.1	\$ 12.7	\$ 13.0	\$ 51.3	\$ 52.1
Capital assets	185.0	187.6	36.3	36.7	221.3	224.3
Total Assets	223.6	226.7	49.0	49.7	272.6	276.4
Current liabilities	19.2	18.2	2.2	2.6	21.4	20.8
Noncurrent liabilities	63.5	65.7	17.1	18.0	80.6	83.7
Total Liabilities	82.7	83.9	19.3	20.6	102.0	104.5
Net Assets						
Invested in capital assets, net of related debt	140.9	139.5	19.4	18.9	160.3	158.4
Unrestricted	-	3.3	10.3	10.2	10.3	13.5
Total Net Assets	\$ 140.9	\$ 142.8	\$ 29.7	\$ 29.1	\$ 170.6	\$ 171.9

As shown in Table A-1, total net assets amounted to \$170.6 million in fiscal 2008. The major component of this category is “invested in capital assets, net of related debt”, which represents the City’s investment in its capital assets, net of the amounts borrowed

to purchase these assets. These capital assets also represent 82.7% of total assets, while long-term liabilities represent 76.8% of the City's liabilities for the governmental activities. Capital assets represent 74.1% of total assets of business-type activities.

Current and other assets decreased \$.5 million for governmental and decreased \$.3 million for business-type activities due to a decrease in revenues and an increase of operating expenses. Current liabilities increased \$1.0 million for governmental and a decrease of \$.4 million for business-type activities due to an increase of accrued payroll and a decrease of accounts payable. Total Non-current liabilities decreased \$3.1 million for cash used to pay principal on debt.

While the statement of net assets shows the change in financial position of net assets, 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	
	2008	2007	2008	2007	2008	2007
General Revenues:						
Taxes	\$ 86.5	\$ 89.8	\$ -	\$ -	\$ 86.5	\$ 89.8
Intergovernmental	4.1	4.3	-	-	4.1	4.3
Investment Earnings	1.4	2.1	0.2	0.1	1.6	2.2
Bad Debt Expense	-	(4.2)	-	-	-	(4.2)
Miscellaneous	0.5	0.3	-	0.2	0.5	0.5
Program Revenues:						
Charges for Services	28.1	29.1	17.4	18.1	45.5	47.2
Operating	0.2	2.5	-	-	0.2	2.5
Capital	1.3	2.2	-	0.6	1.3	2.8
Total Revenues	122.1	126.1	17.6	19.0	139.7	145.1
Expenses:						
General Government	22.9	21.7	-	-	22.9	21.7
Public Safety	70.0	69.8	-	-	70.0	69.8
Physical Environment	19.4	20.8	-	-	19.4	20.8
Transportation	6.1	6.4	-	-	6.1	6.4
Economic Environment	0.7	0.7	-	-	0.7	0.7
Culture and Recreation	10.2	10.3	-	-	10.2	10.3
Interest Expense	1.9	1.8	-	-	1.9	1.8
Sanitary Sewer System	-	-	4.3	4.2	4.3	4.2
Parking System	-	-	4.2	4.3	4.2	4.3
Stormwater Utility	-	-	1.3	1.3	1.3	1.3
Total Expenses	131.2	131.5	9.8	9.8	141.0	141.3
Increase/(Decrease) in net assets before transfers	(9.1)	(5.4)	7.8	9.2	(1.3)	3.8
Transfers	7.2	4.6	(7.2)	(4.6)	-	-
Increase/(Decrease) in net assets	(1.9)	(0.8)	0.6	4.6	(1.3)	3.8
Beginning Net Assets	142.8	143.6	29.1	24.5	171.9	168.1
Ending Net Assets	\$ 140.9	\$ 142.8	\$ 29.7	\$ 29.1	\$ 170.6	\$ 171.9

Governmental activities:

The most significant decreases of revenue of governmental activities for the fiscal year 2007-2008 were taxes, intergovernmental, investment earnings and program revenues with decreases of 3.67%, 4.65%, 33.33% and 12.43%, respectively from the fiscal year 2006-2007. Property tax revenues decreased due to both reduction of sales and decreased assessed values of property within the city. Investment earnings decreased due to deflated performance and interest rate decreases.

The largest outflow of resources for the City is represented in the public safety function, with an increase of 0.29% from the fiscal year 2006-2007. This 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. The increase is mainly due to personnel related costs, such as refund of firefighter retirement contributions approximately \$700,000; earned vacation and sick leave balances paid at retirement or termination approximately \$200,000 plus unanticipated overtime amounts of approximately \$400,000.

Business-Type activities:

The City's business-type activities contributed approximately \$.6 million to the City's increase in net assets. Further analysis of this change is included in the analysis of the Proprietary Funds that follows.

Financial Analysis of the Government's Major Funds

Governmental Funds

General Fund – The General Fund recognized \$116.7 million of revenue during the year, offset by \$121.2 million of expenditures. As noted above, taxes represent the largest portion of revenues and public safety represents the largest portion of expenditures. The City was able to maintain its property tax millage rate constant from the prior year due to the positive growth of its tax base. This trend is not expected to continue into the future. Public safety expenditures continue to be the largest outflow of resources for the City.

Proprietary Funds

Sanitary Sewer – 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. Operating revenues decreased approximately by \$0.7 million from the prior year, while operating expenses increased approximately by \$0.1 million. This is attributable to a decrease in use and increased personnel costs. Additionally, during the current year the Sanitary Sewer Fund transferred approximately \$2.3 million to the General Fund.

Parking System – Operating revenues decreased approximately \$0.1 million, while operating expenses increased approximately \$0.1 million. Additionally, during the

current year the Parking Fund transferred approximately \$4.9 million to the General Fund. This is attributable to decreased use of parking garages and personnel costs respectively.

General Fund Budgetary Highlights

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

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

Differences between the original budget and the final amended budget for the General Fund were relatively minor and can be summarized as follows:

The City's budgeted revenues increased from \$118.3 million to \$118.4 million from the original to the final budget. The City's budgeted expenditures increased from \$118.8 million to \$119.3 million from the original to the final budget. The revenue increases were due to property taxes, permits, intergovernmental, charges for services, recreation activity fees revenue from property and investment earnings. The expenditure increases were due to increased personnel costs.

The City budgeted for \$118.4 million in revenues and recognized \$116.7. The City budgeted for \$119.3 million in expenditures, but actually incurred \$121.2 million.

The revenue budget to actual variances were due to decreases of licenses, permits, intergovernmental, charges for services, recreation activity fees, revenue from property and investment earnings.

The expenditures budget to actual variances were due to increases in general government and public safety.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental and business type activities as of September 30, 2008 amounted to \$221.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, parks roads, highways, and bridges. The total decrease in the City's investment in capital assets for the current fiscal year was \$3.0 million from the end of last year. The decrease

was due to current year's depreciation expense which was in excess of current year's additions. Significant additions included \$3 million in improvements other than building which related to various improvements in City parks and recreational facilities.

Table A-3

Capital Assets (In millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 43.1	\$ 43.1	\$ 3.7	\$ 3.7	\$ 46.8	\$ 46.8
Construction in Progress	3.0	3.7	-	1.3	3.0	5.0
Infrastructure	113.1	113.1	15.8	11.9	128.9	125.0
Improvements Other Than Buildings	36.0	33.0	0.4	0.4	36.4	33.4
Building	57.0	57.0	31.4	31.4	88.4	88.4
Machinery and Equipment	53.0	51.5	3.2	5.3	56.2	56.8
Total Capital Assets	305.2	301.4	54.5	54.0	359.7	355.4
Accumulated Depreciation	120.2	113.8	18.2	17.3	138.4	131.1
Net Capital Assets	\$ 185.0	\$ 187.6	\$ 36.3	\$ 36.7	\$ 221.3	\$ 224.3

Additional information on the City's capital assets can be found in Note 5 on page 38 of this report.

Debt Administration

The City has received a AA+ Implied Credit Rating from Standard & Poor's Corporation and a "Aa2" Implied Rating from Moody's Investors Service. The City has no general obligation or revenue bonds outstanding as of September 30, 2008.

The City's total outstanding Sunshine State Governmental Financing Commission principal debt outstanding as of September 30, 2008 was \$62.1 million. Financing is provided by a general pledge of resources other than property taxes and the amount needed is transferred from other funds.

The City has utilized the Sunshine State Governmental Financing Commission since 1987 as its source to finance the acquisition and construction of City facilities. The Sunshine State Governmental Financing Commission was created in November 1985 to provide a limited number of qualifying governments 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 participating city. There are twelve cities and three counties in Florida that are members of the Commission.

Additional long-term liabilities include customer and contractor deposits, compensated absences payable and an estimated claims liability related to the City's self-insurance programs. The City's General Fund is primarily utilized for the payment of these

liabilities for the governmental activities. Overall long term liabilities decreased by \$3.1 million. \$1.3 million is due to an increase in claims payable, \$0.8 million decrease in compensated absences, \$3.4 million decrease in principal repayment for special obligation debt and \$0.2 million decrease in capital leases.

Table A-4

Long-Term Liabilities (In millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Special Obligation Debt	\$45.3	\$47.7	\$16.8	\$17.8	\$62.1	\$65.5
Estimated Insurance Claims	9.9	8.6	–	–	9.9	8.6
Accrued Compensated Absences	8.1	9.0	0.3	0.2	8.4	9.2
Capital Lease	0.2	0.4	–	–	0.2	0.4
Total	\$63.5	\$65.7	\$17.1	\$18.0	\$80.6	\$83.7

Additional information on the City’s long-term debt can be found in Note 7 on pages 40-41 of this report.

Economic Factors and Next Year’s Budget and Rates

Local, national and international economic factors influence the revenues. Positive economic growth is correlated with increased revenues 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, new construction and assessed valuation. Net assessed value of real and personal property within the County increased 10.6%.

The City is considered one of the premium office markets in South Florida, with 10.7 million square feet of existing prime office space and 600,000 square feet of Class “A” office space under construction for the Coral Gables submarket. The submarket is desirable due to proximity to Miami International Airport and downtown Miami, while also being convenient to executive housing, allowing officers to live and work in the City Beautiful. Access to client entertaining, with world-class restaurants and first class hotels, rich cultural offerings and a broad range of retail establishments are also looked on as important amenities.

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 significantly greater than many of the surrounding areas. The City’s property tax millage rate will be 5.250 for the 2008-2009 budget year. It is the eleventh lowest combined tax rate of 36 taxing entities in Miami-Dade County. The median house value, estimated at \$581,573 has increased by nearly 72.0% since 1970 and has more than doubled since 1980. Strict zoning laws, a

favorable property tax rate and responsible municipal services, together with beautiful residential areas, make 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 Finance Director, 405 Biltmore Way, Coral Gables, Florida 33134.

Basic Financial Statements

Government-Wide Financial Statements

Fund Financial Statements

Notes to the Financial Statements

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 25,028,107	\$ 12,386,044	\$ 37,414,151
Restricted Cash and Cash Equivalents	-	273,278	273,278
Accounts Receivable, Net	6,214,060	1,499,095	7,713,155
Interest Receivable	12,320	-	12,320
Assessment Liens Receivable	160,969	72,960	233,929
Internal Balances	2,242,754	(2,242,754)	-
Due from Other Governments	3,403,619	743,004	4,146,623
Inventory	96,193	-	96,193
Prepaid Items	1,493,521	-	1,493,521
Capital Assets not being depreciated:			
Land	43,152,999	3,701,838	46,854,837
Construction in Progress	2,938,036	-	2,938,036
Capital Assets, net of accumulated depreciation:			
Infrastructure	55,617,685	8,725,267	64,342,952
Buildings	42,394,142	23,509,022	65,903,164
Improvements Other Than Buildings	28,545,700	180,478	28,726,178
Machinery and Equipment	12,351,672	142,003	12,493,675
Total Assets	<u>223,651,777</u>	<u>48,990,235</u>	<u>272,642,012</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable	5,875,128	1,206,810	7,081,938
Accrued Payroll	3,322,603	417,316	3,739,919
Unearned Revenue	2,461,041	235,346	2,696,387
Due to Other Governments	75,180	-	75,180
Net Pension Obligation	4,527,223	-	4,527,223
Deposits Payable	3,007,379	273,278	3,280,657
Noncurrent Liabilities:			
Due Within One Year	11,990,703	1,074,207	13,064,910
Due After One Year	51,479,580	16,064,123	67,543,703
Total Liabilities	<u>82,738,837</u>	<u>19,271,080</u>	<u>102,009,917</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	140,912,940	19,399,108	160,312,048
Unrestricted	-	10,320,047	10,320,047
Total Net Assets	<u>\$ 140,912,940</u>	<u>\$ 29,719,155</u>	<u>\$ 170,632,095</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, 2008

FUNCTION/PROGRAM	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General Government	\$ 22,880,968	\$ 15,224,883	\$ -	\$ -	\$ (7,656,085)	\$ -	\$ (7,656,085)
Public Safety	70,019,943	2,298,024	238,033	48,755	(67,435,131)	-	(67,435,131)
Physical Environment	19,427,236	7,036,996	-	1,026,975	(11,363,265)	-	(11,363,265)
Transportation	6,068,973	-	-	181,735	(5,887,238)	-	(5,887,238)
Economic Environment	691,803	-	-	-	(691,803)	-	(691,803)
Culture and Recreation	10,226,932	3,576,441	-	24,200	(6,626,291)	-	(6,626,291)
Interest on Long-term Debt	1,935,947	-	-	-	(1,935,947)	-	(1,935,947)
Total Governmental Activities	131,251,802	28,136,344	238,033	1,281,665	(101,595,760)	-	(101,595,760)
Business-type Activities:							
Sanitary Sewer System	4,230,483	6,793,767	-	-	-	2,563,284	2,563,284
Parking System	4,254,921	9,088,332	-	-	-	4,833,411	4,833,411
Stormwater Utility	1,325,574	1,546,412	-	-	-	220,838	220,838
Total Business-type Activities	9,810,978	17,428,511	-	-	-	7,617,533	7,617,533
Total	\$ 141,062,780	\$ 45,564,855	\$ 238,033	\$ 1,281,665	(101,595,760)	7,617,533	(93,978,227)
General Revenues:							
Taxes:							
Property Taxes					66,388,634	-	66,388,634
Franchise Fees					7,161,421	-	7,161,421
Utilities Service Taxes					10,422,786	-	10,422,786
Other Taxes					2,569,027	-	2,569,027
Intergovernmental, not restricted for specific programs					4,053,651	-	4,053,651
Investment Earnings					1,390,848	232,392	1,623,240
Miscellaneous					453,448	21,845	475,293
Transfers					7,227,011	(7,227,011)	-
Total General Revenues and Transfers					99,666,826	(6,972,774)	92,694,052
Change in Net Assets					(1,928,934)	644,759	(1,284,175)
Net Assets - Beginning					142,841,874	29,074,396	171,916,270
Net Assets - Ending					\$ 140,912,940	\$ 29,719,155	\$ 170,632,095

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 resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY OF CORAL GABLES, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2008

	Major Fund	Nonmajor Funds	
	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 11,733,608	\$ 5,464,038	\$ 17,197,646
Interest Receivable	12,320	-	12,320
Accounts Receivable, Net	4,662,907	415,513	5,078,420
Assessment Liens Receivable	48,838	112,131	160,969
Due from Other Funds	4,570,692	-	4,570,692
Due from Other Governments	2,252,670	1,150,949	3,403,619
Inventory	96,193	-	96,193
Prepaid Items	27,416	-	27,416
Total Assets	<u>\$ 23,404,644</u>	<u>\$ 7,142,631</u>	<u>\$ 30,547,275</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,776,088	\$ 1,967,565	\$ 4,743,653
Accrued Payroll	3,146,156	16,169	3,162,325
Due to Other Funds	-	2,267,004	2,267,004
Deferred/Unearned Revenue	4,576,734	1,005,944	5,582,678
Refundable Deposits and Bonds	3,007,379	-	3,007,379
Due from Other Governments	75,180	-	75,180
Total Liabilities	<u>13,581,537</u>	<u>5,256,682</u>	<u>18,838,219</u>
FUND BALANCES			
Reserved for:			
Encumbrances	504,291	-	504,291
Inventories	96,193	-	96,193
Prepaid Items	27,416	-	27,416
Unreserved reported in:			
General Fund	9,195,207	-	9,195,207
Special Revenue Fund	-	(13,140)	(13,140)
Debt Service Fund	-	2,301,631	2,301,631
Capital Project Funds	-	(402,542)	(402,542)
Total Fund Balances (Deficit)	<u>9,823,107</u>	<u>1,885,949</u>	<u>11,709,056</u>
Total Liabilities and Fund Balances	<u>\$ 23,404,644</u>	<u>\$ 7,142,631</u>	<u>\$ 30,547,275</u>

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

CITY OF CORAL GABLES, FLORIDA
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 September 30, 2008

Total Fund Balances - Governmental Funds	\$	11,709,056
 Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.		177,907,271
Other revenue is not available and therefore is deferred in the fund financial statements. However, it is recognized in the statements of net assets.		3,121,637
Net Pension Obligation resulting from underfunding in the public employer retirement system is not reported in the Fund Financial Statements.		(4,527,223)
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 assets.		5,888,204
The Statement of Net Assets 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.		(60,934)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the governmental funds.		
	Capital Lease Payable	\$ (182,300)
	Compensated Absences	(7,653,366)
	Special Obligations Debt Payable	(45,289,405)
		<u>(53,125,071)</u>
Total Net Assets - Governmental Activities	\$	<u>140,912,940</u>

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

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2008

	Major Fund	Nonmajor Funds		Total Governmental Funds
	General Fund	Other Governmental Funds		Total Governmental Funds
REVENUES				
Taxes	\$ 83,972,841	\$ 2,569,027	\$	86,541,868
Licenses	2,921,161	-		2,921,161
Permits	5,687,950	-		5,687,950
Fines and Forfeitures	2,593,690	-		2,593,690
Intergovernmental	4,301,020	2,014,364		6,315,384
Charges for Services	8,478,227	-		8,478,227
Recreation Activity Fees	3,576,441	-		3,576,441
Rental Income	3,610,721	-		3,610,721
Investment Earnings	1,250,381	140,467		1,390,848
Special Assessments	-	364,965		364,965
Miscellaneous	304,576	148,872		453,448
Total Revenues	<u>116,697,008</u>	<u>5,237,695</u>		<u>121,934,703</u>
EXPENDITURES				
Current:				
General Government	18,247,668	-		18,247,668
Public Safety	70,422,265	45,079		70,467,344
Physical Environment	19,509,302	-		19,509,302
Transportation	2,570,265	3,607,746		6,178,011
Economic Environment	704,232	-		704,232
Culture and Recreation	8,905,583	708,019		9,613,602
Debt Service:				
Retirement of Principal	177,817	2,439,769		2,617,586
Interest	-	1,935,947		1,935,947
Capital Outlay	666,088	2,531,104		3,197,192
Total Expenditures	<u>121,203,220</u>	<u>11,267,664</u>		<u>132,470,884</u>
Excess (deficiency) of Revenues Over Expenditures before Other Financing Sources (Uses)	<u>(4,506,212)</u>	<u>(6,029,969)</u>		<u>(10,536,181)</u>
OTHER FINANCING SOURCES (Uses)				
Transfers In	7,227,011	3,799,873		11,026,884
Transfers Out	(3,799,873)	-		(3,799,873)
Total Other Financing Sources	<u>3,427,138</u>	<u>3,799,873</u>		<u>7,227,011</u>
Net Change in Fund Balances	(1,079,074)	(2,230,096)		(3,309,170)
Fund Balances (Deficit) - Beginning	10,902,181	4,116,045		15,018,226
Fund Balances (Deficit) - Ending	<u>\$ 9,823,107</u>	<u>\$ 1,885,949</u>	<u>\$</u>	<u>11,709,056</u>

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, 2008

Net Change in Fund Balances - Total Governmental Funds \$ (3,309,170)

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 depreciation expense exceeds capital outlays in the current period

	Depreciation Expense	\$ (6,033,370)	
	Capital Outlay	<u>3,157,232</u>	(2,876,138)

Revenues in the statement of activities that are not available are not recognized in the governmental funds.	161,152
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Net Pension Obligation resulting from underfunding in the public employer retirement is not reported in the Fund Financial Statements.	(1,277,916)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded the amount issued in the current period.	
	Loan Repayments 2,617,586

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.	2,366,909
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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.	(165,684)
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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 <u>554,327</u>

Change in Net Assets of Governmental Activities \$ (1,928,934)

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



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Major Proprietary Funds

Sanitary Sewer System Fund – 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. All activities necessary to provide these services are accounted for in this fund.

Parking System Fund – to account for the provision of on-street and off-street automobile parking facilities, including six 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.

Nonmajor Proprietary Fund

Stormwater Utility Fund – to account for the operation and maintenance of a storm water collection system providing services to all residents of the City, and all commercial properties. All activities necessary to provide these services are accounted for in this fund.

CITY OF CORAL GABLES, FLORIDA
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 September 30, 2008

	BUSINESS -TYPE ACTIVITIES-ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	MAJOR FUNDS			NONMAJOR FUND	TOTALS	
	SANITARY SEWER SYSTEM FUND	PARKING SYSTEM FUND	STORMWATER UTILITY FUND			
	ASSETS					
Current Assets:						
Cash and Cash Equivalents	\$ 10,729,121	\$ 1,453,067	\$ 203,856	\$ 12,386,044	7,830,461	
Restricted Cash and Cash Equivalents	-	273,278	-	273,278	-	
Accounts Receivable, Net	1,414,768	84,327	-	1,499,095	1,135,640	
Assessment Liens Receivable	72,960	-	-	72,960	-	
Due from Other Governments	-	-	743,004	743,004	-	
Prepaid Items	-	-	-	-	1,466,105	
Total Current Assets	12,216,849	1,810,672	946,860	14,974,381	10,432,206	
Noncurrent Assets:						
Capital Assets:						
Land	97,980	3,603,858	-	3,701,838	-	
Buildings	-	31,401,988	-	31,401,988	-	
Infrastructure	13,614,650	-	3,463,313	17,077,963	-	
Improvements other than Buildings	-	417,537	-	417,537	-	
Machinery and Equipment	615,072	1,141,549	104,129	1,860,750	28,008,353	
Accumulated Depreciation	(8,481,241)	(9,151,985)	(568,242)	(18,201,468)	(20,915,390)	
Total Noncurrent Assets	5,846,461	27,412,947	2,999,200	36,258,608	7,092,963	
Total Assets	18,063,310	29,223,619	3,946,060	51,232,989	17,525,169	
LIABILITIES						
Current Liabilities:						
Accounts Payable	701,580	165,565	339,665	1,206,810	1,131,475	
Accrued Payroll and Other Expenses	49,776	326,752	40,788	417,316	160,278	
Due to Other Funds	2,303,688	-	-	2,303,688	-	
Deposits Payable	-	273,278	-	273,278	-	
Unearned Revenue	-	235,346	-	235,346	-	
Accrued Compensated Absences	27,073	70,635	30,599	128,307	156,603	
Estimated Liability for Claims Payable	-	-	-	-	5,721,000	
Special Obligations Debt Payable	-	945,900	-	945,900	-	
Total Current Liabilities	3,082,117	2,017,476	411,052	5,510,645	7,169,356	
Noncurrent Liabilities:						
Accrued Compensated Absences	36,470	78,254	35,799	150,523	310,609	
Estimated Liability for Claims Payable	-	-	-	-	4,157,000	
Special Obligations Debt Payable	-	15,913,600	-	15,913,600	-	
Total Noncurrent Liabilities	36,470	15,991,854	35,799	16,064,123	4,467,609	
Total Liabilities	3,118,587	18,009,330	446,851	21,574,768	11,636,965	
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	5,846,461	10,553,447	2,999,200	19,399,108	7,092,963	
Unrestricted	9,098,262	660,842	500,009	10,259,113	(1,204,759)	
Total Net Assets	\$ 14,944,723	\$ 11,214,289	\$ 3,499,209	29,658,221	\$ 5,888,204	
Adjustment to reflect the allocation of internal service fund activities related to enterprise funds.				60,934		
Net assets of business-type activities				\$ 29,719,155		

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 FUND NET ASSETS
 PROPRIETARY FUNDS
 For the Fiscal Year Ended September 30, 2008

	BUSINESS -TYPE ACTIVITIES-ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS	
	MAJOR FUNDS		NONMAJOR FUND			TOTALS
	SANITARY SEWER SYSTEM FUND	PARKING SYSTEM FUND	STORMWATER UTILITY FUND			
OPERATING REVENUES						
Charges for Services:						
Sewer Use Charges	\$ 6,793,767	\$ -	\$ -	\$ 6,793,767	\$ -	
Service Use Charges	-	-	1,546,412	1,546,412	-	
Billings to Departments for Insurance Protection	-	-	-	-	11,854,254	
Parking Fees:						
On Street Meters	-	4,548,075	-	4,548,075	-	
Meter and Permit Lots	-	1,279,337	-	1,279,337	-	
Parking Garages	-	2,835,911	-	2,835,911	-	
Parking Leases	-	425,009	-	425,009	-	
Rental of Equipment and Facilities to Various Funds	-	-	-	-	12,966,494	
Other Operating Revenues	-	-	-	-	103,571	
Total Operating Revenues	<u>6,793,767</u>	<u>9,088,332</u>	<u>1,546,412</u>	<u>17,428,511</u>	<u>24,924,319</u>	
OPERATING EXPENSES						
Administration	1,150,855	1,664,071	1,135,634	3,950,560	4,390,184	
Cost of Sales and Services	2,998,407	1,165,569	165,106	4,329,082	5,906,891	
Benefit Payments	-	-	-	-	3,459,224	
Insurance	-	-	-	-	7,368,399	
Depreciation	149,151	719,826	48,030	917,007	1,954,130	
Total Operating Expenses	<u>4,298,413</u>	<u>3,549,466</u>	<u>1,348,770</u>	<u>9,196,649</u>	<u>23,078,828</u>	
Operating Income	<u>2,495,354</u>	<u>5,538,866</u>	<u>197,642</u>	<u>8,231,862</u>	<u>1,845,491</u>	
NONOPERATING REVENUES (EXPENSES)						
Interest	168,476	63,605	311	232,392	78,454	
Interest Expense	-	(780,013)	-	(780,013)	-	
Miscellaneous	97	21,748	-	21,845	276,037	
Gain from Sale of Capital Assets	-	-	-	-	166,927	
Total Nonoperating Revenues (Expenses)	<u>168,573</u>	<u>(694,660)</u>	<u>311</u>	<u>(525,776)</u>	<u>521,418</u>	
Income Before Transfers	<u>2,663,927</u>	<u>4,844,206</u>	<u>197,953</u>	<u>7,706,086</u>	<u>2,366,909</u>	
Transfers Out	<u>(2,303,688)</u>	<u>(4,923,323)</u>	<u>-</u>	<u>(7,227,011)</u>	<u>-</u>	
Change In Net Assets	<u>360,239</u>	<u>(79,117)</u>	<u>197,953</u>	<u>479,075</u>	<u>2,366,909</u>	
Net Assets - Beginning	<u>14,584,484</u>	<u>11,293,406</u>	<u>3,301,256</u>		<u>3,521,295</u>	
Net Assets - Ending	<u>\$ 14,944,723</u>	<u>\$ 11,214,289</u>	<u>\$ 3,499,209</u>		<u>\$ 5,888,204</u>	
Adjustment to reflect the allocation of internal service fund activities related to enterprise funds.				<u>165,684</u>		
Change in net assets of business-type activities				<u>\$ 644,759</u>		

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

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2008

	BUSINESS -TYPE ACTIVITIES-ENTERPRISE FUNDS					
	MAJOR FUNDS			NONMAJOR FUND	TOTALS	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	SANITARY SEWER SYSTEM	PARKING SYSTEM FUND	STORMWATER UTILITY FUND			
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 7,045,932	\$ 9,252,094	\$ 1,600,314	\$ 17,898,340	\$ 25,345,672	
Payments to employees	(1,133,971)	(1,622,038)	(1,121,145)	(3,877,154)	(4,313,967)	
Payments to suppliers	(2,861,439)	(1,621,964)	(351,620)	(4,835,023)	(15,568,194)	
Net cash provided by operating activities	3,050,522	6,008,092	127,549	9,186,163	5,463,511	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Contributions from Other Governments			-	-	276,037	
Transfers in from (out to) Other Funds	-	(4,923,323)	-	(4,923,323)	-	
Net cash provided by (used in) noncapital financing activities	-	(4,923,323)	-	(4,923,323)	276,037	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(392,409)	(77,281)	-	(469,690)	(2,273,400)	
Proceeds from sale of capital assets	-	-	-	-	212,107	
Principal paid on debt	-	(915,500)	-	(915,500)	-	
Interest paid on debt	-	(780,013)	-	(780,013)	-	
Net cash used in capital and related financing activities	(392,409)	(1,772,794)	-	(2,165,203)	(2,061,293)	
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES						
Interest and dividends received	168,573	85,353	311	254,237	78,454	
Net increase (decrease) in cash and cash equivalents	2,826,686	(602,672)	127,860	2,351,874	3,756,709	
Cash and Cash Equivalents - Beginning	7,902,435	2,329,017	75,996	10,307,448	4,073,752	
Cash and Cash Equivalents - Ending	\$ 10,729,121	\$ 1,726,345	\$ 203,856	\$ 12,659,322	\$ 7,830,461	
Reconciliation to the statement of net assets						
Cash and Cash Equivalents	\$ 10,729,121	\$ 1,453,067	\$ 203,856	\$ 12,386,044	\$ 7,830,461	
Restricted assets, Cash and Cash Equivalents	-	273,278	-	273,278	-	
Total	\$ 10,729,121	\$ 1,726,345	\$ 203,856	\$ 12,659,322	\$ 7,830,461	
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	\$ 2,495,354	\$ 5,538,866	\$ 197,642	\$ 8,231,862	\$ 1,845,491	
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation Expense	149,151	719,826	48,030	917,007	1,954,130	
Change in assets and liabilities:						
Accounts Receivable	252,165	158,573	-	410,738	(583,532)	
Due from Other Governments	-	-	53,903	53,903	-	
Due from Other Funds	-	-	-	-	1,004,885	
Prepays	-	25,700	-	25,700	58,686	
Accounts Payable	136,968	(482,095)	(186,514)	(531,641)	277,634	
Deposits Payable	-	12,576	-	12,576	-	
Accrued Payroll and Other Expenses	22,318	17,712	16,917	56,947	52,136	
Accrued Compensated Absences	(5,434)	24,321	(2,428)	16,459	24,081	
Due to Other Funds	-	-	-	-	(75,000)	
Unearned Revenues	-	(7,388)	-	(7,388)	-	
Claims Payable	-	-	-	-	905,000	
Total adjustments	555,168	469,225	(70,092)	954,301	3,618,020	
Net cash provided by operating activities	\$ 3,050,522	\$ 6,008,091	\$ 127,550	\$ 9,186,163	\$ 5,463,511	
Noncash noncapital financing activities:						
Due to\Transfer to General Fund	\$ (2,303,688)	\$ -	\$ -	\$ (2,303,688)	\$ -	

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

CITY OF CORAL GABLES, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2008

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 8,765,383	\$ 13,612,762
Interest Receivable	820,850	-
Accounts Receivable, Net	190,274	-
Due from the City of Coral Gables	3,249,308	-
Pending Trade Receivable	1,301,558	-
Due from Other Government	1,321,562	-
Investments at fair value:		
Money Market Funds	1,257,400	-
Government and Agency	9,070,820	-
Corporate Bonds	21,035,147	-
Common Stock	129,810,628	-
Government Mortgage Backed Securities	21,741,201	-
Commercial Mortgage Backed Securities	4,904,578	-
Asset Backed Securities	1,113,200	-
Real Estate Investment Trust (REIT)	26,762,634	-
Non-Government Backed CMOs	294,536	-
Mutual Funds	7,833,568	-
Total Investments	<u>223,823,712</u>	<u>-</u>
Total Assets	<u>239,472,647</u>	<u>13,612,762</u>
LIABILITIES		
Accounts Payable	650,243	-
Pending Trade Payable	1,887,772	-
Deferred Compensation Payable	-	1,120,062
Due to Other Governments	-	12,492,700
Total Liabilities	<u>2,538,015</u>	<u>\$ 13,612,762</u>
NET ASSETS		
Assets Held in Trust for Pension Benefits	<u>\$ 236,934,632</u>	

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

CITY OF CORAL GABLES, FLORIDA
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 For the Fiscal Year Ended September 30, 2008

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 29,570,045
Employees	2,106,557
Total Contributions	31,676,602
Investment Income (Loss):	
Depreciation in the Fair Value of Investments	(50,021,147)
Interest	5,691,126
Dividends	2,698,835
Other	8,523
Total Investment Loss	(41,622,663)
Less Investment Expense	2,325,302
Net Investment Loss	(43,947,965)
Total	(12,271,363)
DEDUCTIONS	
Employee Benefits	28,825,632
Change In Net Assets	(41,096,995)
Net Assets - Beginning	
Net Assets - Ending	278,031,627
	\$ 236,934,632

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 (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 applicable funds governed by the City Commission of the City of Coral Gables. For financial reporting purposes, all funds, organizations, institutions, agencies, departments, and offices that make up the City’s legal entity and constitute its primary government are included. The City of Coral Gables Health Facility Authority (Authority) is a related organization because the City Commission has the responsibility of appointing the members of the Authority Board. However, it is not included as a part of the financial reporting entity because it is fiscally independent and it has no financial accountability to the City. The Authority is not exclusively for the benefits of City residents and the City Commission cannot impose its will over operations, cannot hire, reassign or dismiss management, and cannot remove Authority Board members without cause. The City does not have any component units as defined by GASB Codification of Government Accounting and Financial Reporting Standards, Section 2100.

(b) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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 that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. 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 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 government-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.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statement. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial 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 Fund 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 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 and claims and judgments, are recorded only when payment is due.

Revenues considered measurable and recognized, if available are as follows: Property Taxes when levied for, 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. Only the

portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be available 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 and liabilities, the fund equity, 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:

The City reports General Fund as a major governmental fund.

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 of those required to be accounted for in another fund.

Additionally, the City reports the following nonmajor governmental funds:

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources 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.

Special Revenue Hurricane Fund – The Special Revenue Hurricane Fund is used to account for financial resources and uses related to hurricane preparedness, debris clean up, replanting trees, renewals and replacement of City's assets damaged during the hurricane season.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (general and roadway improvement projects), projects toward enhancement / expansion of public parks and plazas; enhance residential and commercial areas; homeland security and to construct Coral Gables Museum, other than those financed by enterprise operations.

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 provision of on-street and off-street automobile parking facilities, including six parking garages, to the residents, merchants, and visitors of the City.

Additionally, the City reports the following nonmajor proprietary fund:

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.

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 fire fighters, and, consequently, are not reflected in the government-wide statements because the resources are not available to support the City's own programs.

Agency Fund – 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 South Florida Money Laundering Strike Force (Strike Force) which have been released by the judicial courts to be placed in the fund, 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) Pooled Cash and Temporary Investments

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 "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. Additionally, each fund's equity in the City's investment pool is considered to be a cash equivalent since the funds can be deposited or effectively withdrawn at any time without prior notice or penalty in accordance with GASB Statement No. 9.

(e) Investments

The Local Government Surplus Funds Trust Fund operates in accordance with appropriate state laws and regulations. The investments held by Local Government Surplus Fund Trust Fund are allocated among two funds, Fund A and Fund B (hereinafter referred to as "LGIP-A" and "LGIP-B"). For LGIP-A, a 2a7-like pool, the value of the City's position is the same as the value of the pool shares and is recorded at amortized cost. At September 30, 2008, the City's investment in LGIP-A is \$5,171,826. LGIP-B is accounted for as a fluctuating Net Asset Value (NAV) pool. The balance of the City's investment in LGIP-B as of September 30, 2008 amounted to \$1,440,139, with NAV factor of 0.798385.

The City's investments in money market funds are accounted for as fluctuating Net Asset Value (NAV)

pool. The balance as of September 30, 2008 amounted to \$31,516,036, with NAV factor of 0.99.

(f) Receivables

All receivables are shown net of an allowance for uncollectibles. 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, 2008:

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, 2008, but not collected as of that date;
2. Waste Fees – This amount represents the unpaid, billed charges for various fines and municipal services.

(g) Inventories

Inventories are stated at the lower cost or market using the weighted average method.

Inventory is accounted for using the consumption method whereby inventories are recorded as expenditures when they are used.

(h) Prepaid Items

Expenditures for goods or services extending over more than one accounting period are accounted for as prepaid items and allocated between accounting period.

(i) 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 financial statements and proprietary fund financial statements. In the case of gifts or contributions, such assets are recorded at fair value at the date of receipt. Capital assets are defined as assets with an initial, individual cost of more than \$1,000 plus life 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. Interest incurred during the construction phase of capital assets for

business-type activities and proprietary funds is included as part of the capitalized value of the assets 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>Year</u>
Buildings	50
Improvements other than Buildings	15-45
Machinery and Equipment	4-10
Infrastructure	15-80

(j) Accounts Payable and Accrued Payroll

Accounts payable primarily consists 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.

(k) 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 Assets. Bonds payable are reported net of the applicable bond premiums or discounts and deferred refunding amounts. Bond premiums, discounts, and issuance costs are amortized over the life of the bonds using the interest method. Deferred amounts 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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 is reported as an expenditure.

(l) Deferred and Unearned Revenues

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the fund financial statements. In addition, amounts related to governmental fund receivables that are measurable, but not available, are recorded as deferred revenue in the governmental fund financial statement.

(m) Inter-Fund Transactions

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.

(n) 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.

(o) Restricted Assets

The Parking Fund has restricted assets which are set aside for customer deposits.

(p) Fund Balance/Net Assets

1) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated by outside parties for use for a specific purpose. Designations of fund balance represent tentative managerial plans that are subject to change.

2) Net Assets

Net assets of the government-wide and proprietary funds are categorized as invested in capital assets, net of related debt, restricted or unrestricted. The first category represents net assets related to property, plant, equipment and infrastructure reduced by depreciation and outstanding debt used to construct or purchase the capital asset. The restricted category represents the

balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. All remaining amounts are considered to be unrestricted.

(q) 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 for 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.

(r) Use of Restricted 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.

(s) 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.

(t) Application of FASB Standards

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type and enterprise funds, subject to the same limitations. The City has elected not to follow subsequent private-sector guidance.

(u) 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 and liabilities and disclosures of contingent assets and liabilities 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.

(v) New Accounting Pronouncement Adopted

At September 30, 2008, the City adopted the provision of GASB Statement No. 50, *Pension Disclosures*. The reporting changes required by this Statement amended applicable note disclosures and RSI requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plan and Note Disclosures for Defined Contribution Plans*, and Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, to conform with requirements of Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*.

At September 30, 2008, the City adopted the provisions for GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The standard requires that the City disclose pledged revenues, which are revenues that secure debt of the City. For each period in which the secured debt remains outstanding, the pledging governments should disclose, in the notes to the financial statements, information about specific revenues pledged.

NOTE 2 — REAL AND PERSONAL PROPERTY TAXES

Property taxes are levied to support the fiscal period commencing October 1, each year. Taxes are payable beginning November 1 and become delinquent the following April 1. Unpaid taxes represent a lien against the property until paid. The City's real and personal property taxes for all property located within the City are levied each October 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, 2007, upon which the 2007-2008 levy was based, was approximately \$11.7 billion. A tax levy of 5.25 mills (\$5.25 per \$1,000 of taxable value) was required to finance general operations for the fiscal year ended September 30, 2008.

NOTE 3 — ACCOUNTS RECEIVABLE

Accounts receivable are summarized below and are shown net of allowance for doubtful accounts as follows:

	Governmental Activities	Business- Type Activities
General Fund		
Franchise Taxes	\$ 1,177,113	\$ -
False Alarms	572,896	-
Utility Taxes	591,572	-
Delinquent Waste Fees	1,384,647	-
Biltmore Golf Course	533,296	-
Other	467,033	-
	<u>4,726,557</u>	-
Less: Allowance	(63,650)	-
Total	<u>4,662,907</u>	-
Other Governmental Funds		
Municipal Surtax	330,723	-
BID Accounts	73,790	-
Debt Service	11,000	-
Total	<u>415,513</u>	-
Parking Fund		
Parking Leased Space	-	72,701
Parking – General	-	399,848
	-	<u>472,549</u>
Less: Allowance	-	(388,222)
Total	-	<u>84,327</u>
Sanitary Sewer Fund		
General Waterworks	-	820,637
Contractors Use Charge	-	25,390
Miami-Dade Public School	-	463,648
Miscellaneous	-	105,508
	-	<u>1,415,183</u>
Less Allowance	-	(415)
Total	-	<u>1,414,768</u>
Total Governmental Funds	<u>5,078,420</u>	
Total Business-Type Activities/Proprietary Funds		<u>\$ 1,499,095</u>
Internal Service Fund		
Insurance recovery from excess insurance carrier	1,098,156	
Miscellaneous	37,484	
	<u>1,135,640</u>	
Total	<u>\$ 6,214,060</u>	

NOTE 4 — CASH AND INVESTMENTS

Deposits. As of September 30, 2008, the City’s cash, cash equivalents and investments were as follows:

	Cash and Cash Equivalents	Investments
Governmental activities	\$ 25,028,107	\$ -
Business-type activities	12,659,322	-
Pension Trust Funds	8,765,383	223,823,712
Agency Funds	13,612,762	-
Total	<u>\$ 60,065,574</u>	<u>\$ 223,823,712</u>
Total Cash, Cash Equivalents and Investments		<u>\$ 283,889,286</u>
Deposits	\$ 21,937,573	
Investments	<u>261,951,713</u>	
Total Deposits and Investments		<u>\$ 283,889,286</u>

The City maintains interest-bearing and non-interest-bearing bank deposits, which are carried on the statement of net assets and balance sheets as cash and cash equivalent, which were entirely insured by Federal depository insurance 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 market value equal to or greater than the depository’s collateral pledging level. As described above, the City’s policy does not allow for any custodial credit risk for deposits.

Authorized Investments. State statutes authorize the City to invest any surplus funds in obligations, which are unconditionally guaranteed by the U.S. Government, or to invest in a pool of investments administered by the State of Florida known as the Local Government Surplus Funds Trust Fund. The investments held by Local Government Surplus Fund Trust are allocated among two funds, Fund A and Fund B (hereinafter referred to as “LGIP-A” and “LGIP-B”). For LGIP-A, a 2a7-like pool, the value of the City’s position is the same as the value of the pool shares and is recorded at amortized cost. For LGIP-B, the investment is accounted for as a fluctuating Net Asset Value (NAV) pool. 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. The City of Coral Gables Pension Plan authorized investments may consist of the following: domestic large cap equity, domestic small/mid cap equity, foreign equity, direct real estate and fixed income. Prohibited Securities: Investments in interest only or principal only CMOs, interest rate swaps, precious metals, limited partnerships of any kind, venture capital, futures contracts or options contracts are prohibited. Trading on margin and short selling are also prohibited.

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. In accordance with the City's pension plan investment policy, the City limits the market interest rate risk of investments in the portfolio by structuring its investment portfolio so that securities mature to meet cash requirements for benefit payments, thereby avoiding the need to sell securities in the open market prior to maturity.

Pension Trust Funds by type:

<u>Investment Type</u>	<u>Fair Value</u>
Money Market Funds	\$ 1,257,400
Government and Agency	9,070,820
Corporate Bonds	21,035,147
Common Stock	129,810,628
Government Mortgage	
Backed Securities	21,741,201
Commercial Mortgage	
Backed Securities	4,904,578
Asset Backed Securities	1,113,200
Real Estate Investment Trust (REIT)	26,762,634
Non-Government Backed	
CMOs	294,536
Mutual Funds	7,833,568
Total Investments	<u>\$ 223,823,712</u>

Information about the sensitivity of the fair value of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by investment type:

Investment Type	Fair Value	Investment Maturities (in Years)			More Than 10
		Less Than 1	1-5	6-10	
U.S. Government and Agency	\$ 1,227,316	\$ -	\$ -	\$ 1,104,809	\$ 122,507
Government Bonds	7,843,504	1,047,510	3,213,992	2,856,072	725,930
Corporate Bonds	21,035,147	2,055,704	6,485,309	7,687,222	4,806,912
Commercial Mortgage-Back Securities	4,904,578	-	-	-	4,904,578
Asset Backed Securities	1,113,200	-	-	898,163	215,037
Government Mtg-Backed Securities (AGY)	21,741,201	-	-	3,108,217	18,632,984
Non-Government Backed CMOs	294,536	-	-	-	294,536
Mutual Funds	7,833,568	-	7,833,568	-	-
Money Market Funds	1,257,400	1,257,400	-	-	-
Federated US Treasury Cash Reserve					
Money Market Fund	31,516,036	31,516,036	-	-	-
*State Board of Administration	6,611,965	6,611,965	-	-	-
	<u>\$ 105,378,451</u>	<u>\$ 42,488,615</u>	<u>\$ 17,532,869</u>	<u>\$ 15,654,483</u>	<u>\$29,702,484</u>

*Weighted average portfolio maturity limited to 90 days

The City's investments as of September 30, 2008 total \$37,687,429, the balance of \$67,250,451 pertain to the City's Trust Funds.

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 policy (and those of its pension plans) to limit its investments to the top rating issued by NRSRO's. U.S. Government and Agency obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. The Coral Gables Retirement Fund requires that the average credit quality rating for fixed income securities be "A" or higher, and those securities rated below "BBB" shall not exceed 15% of the entire fixed income portfolio. Information about the sensitivity of the fair value of the City's investments to credit ratings is provided by the following table that shows the distribution of the City's investments by investment type:

Investment Type	Quality Credit Rating Moody's	Fair Value
U.S. Government and Agency	Aaa	\$ 1,227,316
Government Bonds	Aaa	7,743,504
	A	100,000
		<u>7,843,504</u>
Corporate Bonds	A1	2,901,729
	A2	4,862,569
	A3	2,937,645
	Aa2	811,953
	Aa3	1,855,251
	Aaa	91,815
	B2	188,501
	Ba1	223,347
	Baa1	2,114,792
	Baa2	3,180,094
	Baa3	807,221
	Not Rated	1,060,230
		<u>21,035,147</u>
Commercial Mortgage-Backed Securities	Aaa	4,469,219
	Not Rated	435,359
		<u>4,904,578</u>
Asset Backed Securities	Aaa	717,381
	Baa2	395,819
		<u>1,113,200</u>
Non-Government Backed C.M.O.s	A3	261,354
	Caa3	33,182
		<u>294,536</u>
Government Mtg-Backed Securities (AGY)	Not Rated	21,695,063
	Aaa	46,138
		<u>21,741,201</u>
Mutual Funds	Not Rated	7,833,568
Money Market Funds	AAAm	31,516,036
	Not Rated	1,257,400
		<u>32,773,436</u>
State Board of Administration	Not Rated	6,611,965
		<u>\$105,378,451</u>

The Pension Trust Funds also own common stock in the amount of \$129,810,628 and an investment in a real estate investment trust in the amount of \$26,762,634 which are not subject to credit risk categorization.

Concentration of Credit Risk: The City Policy for Pension Investments limits investments in equities and fixed income securities to no more than 5% and 10% respectively in any one issue.

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, with the exception of its pension investments, which are held by the various pension funds' trustees pursuant to trustee agreements. These investments are uninsured and unregistered

NOTE 5 — CAPITAL ASSETS

The following summarizes capital asset activity for the fiscal year ended September 30, 2008:

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental Activities:				
Nondepreciable Assets:				
Land	\$ 43,152,999	\$ -	\$ -	\$ 43,152,999
Construction in Progress	3,695,369	994,778	1,752,111	2,938,036
Total Non-depreciable Assets	<u>46,848,368</u>	<u>994,778</u>	<u>1,752,111</u>	<u>46,091,035</u>
Depreciable Assets:				
Infrastructure	113,068,020	-	-	113,068,020
Buildings	57,057,675	-	-	57,057,675
Improvements Other Than Buildings	32,971,110	2,985,135	-	35,956,245
Machinery and Equipment	51,454,104	3,202,830	1,628,697	53,028,237
Total Depreciable Assets	<u>254,550,909</u>	<u>6,187,965</u>	<u>1,628,697</u>	<u>259,110,177</u>
Less Accumulated Depreciation for:				
Infrastructure	54,405,799	3,044,536	-	57,450,335
Buildings	13,540,469	1,123,064	-	14,663,533
Improvements Other Than Buildings	6,529,277	881,268	-	7,410,545
Machinery and Equipment	39,321,450	2,938,632	1,583,517	40,676,565
Total Accumulated Depreciation	<u>113,796,995</u>	<u>7,987,500</u>	<u>1,583,517</u>	<u>120,200,978</u>
Total Depreciable Assets, net	<u>140,753,914</u>	<u>(1,799,535)</u>	<u>1,460,103</u>	<u>138,909,199</u>
Governmental Activities Capital Assets, net	<u>\$ 187,602,282</u>	<u>\$ (804,757)</u>	<u>\$ 3,212,214</u>	<u>\$ 185,000,234</u>
Business-Type Activities:				
Nondepreciable Assets:				
Land	\$ 3,701,838	\$ -	\$ -	\$ 3,701,838
Construction in Progress	1,306,840	-	1,306,840	-
Total Non-depreciable Assets	<u>5,008,678</u>	<u>-</u>	<u>1,306,840.00</u>	<u>3,701,838</u>
Depreciable Assets:				
Buildings	31,401,988	-	-	31,401,988
Improvements Other Than Buildings	341,667	75,870	-	417,537
Machinery and Equipment	5,284,029	1,410	3,424,689	1,860,750
Infrastructure	11,954,024	5,123,939	-	17,077,963
Total Depreciable Assets	<u>48,981,708</u>	<u>5,201,219</u>	<u>3,424,689</u>	<u>50,758,238</u>
Less Accumulated Depreciation for:				
Buildings	7,243,823	649,143	-	7,892,966
Improvements Other Than Buildings	227,645	9,414	-	237,059
Machinery and Equipment	2,338,034	67,627	686,914	1,718,747
Infrastructure	7,474,959	877,737	-	8,352,696
Total Accumulated Depreciation	<u>17,284,461</u>	<u>1,603,921</u>	<u>686,914</u>	<u>18,201,468</u>
Total Depreciable Assets, net	<u>31,697,247</u>	<u>3,597,298</u>	<u>2,737,775</u>	<u>32,556,770</u>
Business-Type Activities Capital Assets, net	<u>\$ 36,705,925</u>	<u>\$ 3,597,298</u>	<u>\$ 4,044,615</u>	<u>\$ 36,258,608</u>

Depreciation expense was charged to functions/programs of the City as follows for the fiscal year ended September 30, 2008:

Governmental Activities:	
General Government	\$ 4,191,809
Public Safety	800,263
Transportation	1,087,763
Culture and Recreation	783,003
Physical Environment	1,124,662
Total depreciation expense – Governmental Activities	<u>\$ 7,987,500</u>
Business-Type Activities:	
Sanitary Sewer System Fund	\$ 149,151
Parking System Fund	719,826
Stormwater Utility Fund	48,030
Total depreciation expense – Business-Type Activities	<u>\$ 917,007</u>

In the business-type activities, assets with a total cost of \$3,424,689 and accumulated depreciation of \$686,914 were transferred from Machinery and Equipment to Infrastructure category as of September 30, 2008.

NOTE 6 — INTERFUND TRANSACTIONS

The interfund balances below represent short-terms loans to cover temporary negative balances in each funds' equity in pooled cash at year end. The composition of interfund balances at September 30, 2008 is as follows:

<u>Due to/from other funds</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Governmental Activities:		
Major governmental fund:		
General	\$ 4,570,692	\$ —
Other governmental funds	—	2,267,004
Major proprietary fund:		
Sanitary Sewer	—	2,303,688
	<u>\$ 4,570,692</u>	<u>\$ 4,570,692</u>

Interfund transfers for the fiscal year ended September 30, 2008 are as follows:

<u>Interfund Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 7,227,011	\$ 3,799,873
Debt Service	3,649,873	—
General Improvement	150,000	—
Parking System	—	4,923,323
Sanitary Sewer	—	2,303,688
	<u>\$ 11,026,884</u>	<u>\$ 11,026,884</u>

The interfund transfer balances are the result of operating subsidies and transfers for debt service, capital project and insurance fund expenditures.

NOTE 7 — LONG-TERM DEBT

(a) Following is a summary of the City's Special Obligation Bonds at September 30, 2008:

Issue Date	Maturity Date	Interest Rate	Amount Authorized	Amount Issued	Amount Retired	Balance Outstanding 9/30/2008	Current Portion
Governmental Activities:							
05-31-1995	04-01-2010	*3.89%	2,700,000	2,700,000	\$ 2,220,000	\$ 480,000	\$ 235,000
05-19-1999	07-01-2016	*3.89%	20,000,000	20,000,000	8,535,000	11,465,000	1,200,000
04-09-2001	04-01-2026	*1.58%	29,000,000	29,000,000	24,221,000	4,779,000	170,000
05-09-2001	07-01-2016	*3.89%	1,400,000	1,400,000	565,095	834,905	87,433
01-07-2004	10-01-2028	4.03%	10,395,000	10,210,000	954,500	9,255,500	269,100
01-07-2004	10-01-2028	5.44%	5,615,000	5,615,000	480,000	5,135,000	145,000
07-24-2006	04-01-2031	2.39%	1,500,000	1,500,000	120,000	1,380,000	60,000
07-24-2006	04-01-2031	1.58%	4,500,000	4,500,000	360,000	4,140,000	180,000
07-26-2007	04-01-2032	2.39%	3,500,000	3,500,000	70,000	3,430,000	74,000
07-26-2007	04-01-2032	1.58%	4,500,000	4,500,000	110,000	4,390,000	115,000
			83,110,000	82,925,000	37,635,595	45,289,405	2,535,533
Business-Type Activities:							
06-19-1996	04-01-2016	*3.89%	9,300,000	9,300,000	4,325,000	4,975,000	520,000
01-01-2004	07-01-2016	*3.89%	1,500,000	1,500,000	480,000	1,020,000	110,000
01-07-2004	10-01-2028	4.03%	11,800,000	11,985,000	1,120,500	10,864,500	315,900
			22,600,000	22,785,000	5,925,500	16,859,500	945,900
			\$ 105,710,000	\$ 105,710,000	\$ 43,561,095	\$ 62,148,905	\$ 3,481,433

The City's special obligation bonds consist of loans from the Sunshine State Governmental Financing Commission and are collateralized and payable from non-ad valorem tax revenues of the City. With respect to the governmental special obligation bonds, fiscal year 2008 debt service was \$4,553,533 while total non-ad valorem tax revenue totaled \$24,068,885. For the business-type special obligation bonds, fiscal year 2008 debt service totaled \$1,695,513 while total non-ad valorem revenue totaled \$9,088,332. All revenue pledges remain in effect for the life of the special obligation bonds.

All of the loans are tax exempt except for the \$5,615,000 loan issued on January 7, 2004, \$1,500,000 loan issued on July 24, 2006 and \$3,500,000 loan issued July 26, 2007, which are not tax-exempt. The loans have a fixed rate of interest calculated based on the outstanding balance of each bond series.

The City has utilized the Sunshine State Governmental Financing Commission since 1987 as its source to finance the acquisition and construction of City facilities. The Sunshine State Governmental Financing Commission (the Commission) was created in November 1985, initially by the cities of Tallahassee and Orlando, Florida. As of September 30, 2008, 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 Fort Pierce, 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, 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.

*The loans have a variable rate of interest, which is calculated based on a weighted average rate for the entire pool on the amount of bonds and commercial paper outstanding at the end of every trade or maturity period. The rate shown in the above table is the rate at September 30, 2008.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Total annual debt service requirements on-debt outstanding as of September 30, 2008, are as follows:

BUSINESS-TYPE ACTIVITIES			
Fiscal Year	Parking Special Obligation Bonds		
	Principal	Interest	Total Required
2009	\$ 945,900	\$ 692,677	\$ 1,638,577
2010	986,700	658,469	1,645,169
2011	1,029,800	622,147	1,651,947
2012	1,075,600	584,141	1,659,741
2013	1,121,400	544,054	1,665,454
2018	4,561,600	2,031,595	6,593,195
2023	2,832,300	1,281,672	4,113,972
2028	3,504,600	588,547	4,093,147
2032	801,600	18,043	819,643
Total	<u>16,859,500</u>	<u>\$ 7,021,345</u>	<u>\$ 23,880,845</u>
Current portion	(945,900)		
Long-term portion	<u>\$ 15,913,600</u>		

GOVERNMENTAL ACTIVITIES							
Fiscal Year	Special Obligation Bonds			Capital Leases			Governmental Activities
	Principal	Interest	Total Required	Principal	Interest	Total Required	Total Requirements
2009	\$ 2,535,533	\$ 2,000,882	\$ 4,536,415	\$ 182,300	\$ 4,596	\$ 186,896	4,723,311
2010	2,640,104	1,901,007	4,541,111	-	-	-	4,541,111
2011	2,498,595	1,788,657	4,287,252	-	-	-	4,287,252
2012	2,601,614	1,688,000	4,289,614	-	-	-	4,289,614
2013	2,709,875	1,583,989	4,293,864	-	-	-	4,293,864
2018	11,594,184	6,151,730	17,745,914	-	-	-	17,745,914
2023	8,013,700	4,060,241	12,073,941	-	-	-	12,073,941
2028	8,958,400	2,043,573	11,001,973	-	-	-	11,001,973
2032	3,737,400	313,456	4,050,856	-	-	-	4,050,856
Total	<u>45,289,405</u>	<u>\$ 21,531,535</u>	<u>\$ 66,820,940</u>	<u>182,300</u>	<u>\$ 4,596</u>	<u>\$ 186,896</u>	<u>\$ 67,007,836</u>
Current portion	(2,535,533)			(182,300)			
Long-term portion	<u>\$ 42,753,872</u>			<u>\$ -</u>			

During the year ended September 30, 2008, 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	\$ 8,650,824	\$ 3,054,657	\$ 3,584,903	\$ 8,120,578	\$ 3,551,870
Claims Payable	8,973,000	4,364,224	3,459,224	9,878,000	5,721,000
Special Obligation Debt	47,729,174	-	2,439,769	45,289,405	2,535,533
Capital Lease	360,117	-	177,817	182,300	182,300
	<u>\$ 65,713,115</u>	<u>\$ 7,418,881</u>	<u>\$ 9,661,713</u>	<u>\$ 63,470,283</u>	<u>\$ 11,990,703</u>

During the year ended September 30, 2008, 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	\$ 262,371	\$ 181,777	\$ 165,318	\$ 278,830	\$ 128,307
Special Obligation Debt	17,775,000	-	915,500	16,859,500	945,900
	<u>\$ 18,037,371</u>	<u>\$ 181,777</u>	<u>\$ 1,080,818</u>	<u>\$ 17,138,330</u>	<u>\$ 1,074,207</u>

(b) Capital Lease Obligations

The City has entered into certain lease agreements as lessee for financing the acquisition of certain vehicles and equipments for use by different departments. These lease agreements qualify as a 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 original present value of the minimum payments under the arrangement and the capitalized basis is \$786,690, which is included in capital assets as machinery and equipment, net of accumulated depreciation of \$350,080.

Future minimum lease obligations of the governmental activities are as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
Total minimum lease payments -2009	\$ 186,896
Less: Amount representing interest	<u>4,596</u>
Present value of minimum lease payments	<u>\$ 182,300</u>

NOTE 8 — EMPLOYEE PENSION PLANS

(a) Defined Benefit Plan
Coral Gables Retirement Plan

(1) Plan Description

The City maintains one single-employer defined benefit public employee retirement system (PERS) established and administered by the City to provide pension benefits for City employees. This PERS is included in this financial report as the Coral Gables Retirement System pension trust fund.

All regular full-time general, police and fire department employees are covered by this plan. Participation in the plan at October 1, 2007, was as follows:

<u>Active Employees</u>	
Active employees fully vested	406
Active employees non-vested	<u>355</u>
Total	<u>761</u>
 <u>Retired and Terminated Vested Employees</u>	
Retirees currently receiving benefits	455
Beneficiaries currently receiving benefits	98
Drop participants	60
Terminated employees entitled to benefits, but not yet receiving benefits	46
Disabled employees currently receiving benefits	<u>56</u>
Total	<u>715</u>

This PERS provides retirement benefits as well as death and disability benefits. All benefits vest after 10 years of credited service; no partial vesting is provided. Employees become eligible to retire upon the earlier of (1) age 65, or (2) any time the employee's age plus years of service equals or exceeds a total of 70. Members who continue in employment past normal retirement date may freeze their accrued benefit and enter into the City's Deferred Retirement Option Plan (DROP). Each participant in the DROP has an account credited with benefits not received and investment earnings. Annual retirement benefits, payable monthly for life, are equal to 3.0% of final average compensation for each year of credited service. Final average compensation is the average of the highest three years preceding retirement date. Death benefits for beneficiaries of active employees are monthly annuities provided by the single-sum value of the employees' accrued deferred benefit, or a multiple of the employees' current annual compensation based on years of service, whichever is greater. Disabled employees can receive up to 75% of their monthly salary at time of disability if the disability is service incurred, or 2.6% annually of total career compensation if not service incurred. The City is required to contribute the amounts necessary to keep the plan actuarially sound. General Employees' contributions were reinstated October 1, 2003. Fire Fighters contributions were reinstated October 1, 2005. Benefits are established by City ordinance and changes are usually the result of collective bargaining agreements with the employees.

Separate financial reports are not issued for the plan.

(2) Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - The PERS financial statements are prepared using the accrual basis of accounting. Contributions to the PERS are recognized as revenue at the time they are due. Benefits are recognized as expenses as they become payable and administrative expenses are recognized at the time the expense is incurred. Interest and dividend income is recognized when earned. Realized gains and losses on investments sold during the year represent the difference between sale proceeds and cost, less related costs of disposition. Unrealized gains and losses represent the difference between the fair value and cost of investments. The current year unrealized gains and losses represent the year-over-year change in this difference. There were no investments in, loans to, or leases with, any PERS official or other related party.

Adoption of New Accounting Standards – The PERS adopted Government Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures* (GASB50), which amends GASB Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Notes Disclosures for Defined Contribution Plan* and No. 27, *Accounting for Pension by State and Local Government Employers*. GASB 50 requires disclosures in the notes to the financial statements of pension plans and certain employer governments of the current funded status of the plan and other actuarial information which had previously been provided as required supplementary information. The adoption of GASB 50 had an impact on the presentation of notes to the financial statements but no impact on the assets of the PERS.

Cash Equivalents – The PERS considers all highly liquid investment with a maturity of three months or less when purchased, to be cash equivalents.

Investments – Reported at fair value which is based on quoted market price or the best available estimate thereof.

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

Pending trade receivable and payable amounting to \$1,301,558 and \$1,877,772, respectively, at September 30, 2008 account for amounts due from and to the PERS broker for investment sales and purchases made with trade dates prior to the fiscal year end and settlement dates after the fiscal year end. The trades were settled by receiving or liquidating cash equivalents.

(3) Contributions Required and Contributions Made

The PERS funding policy provides for annual employer contributions at actuarially determined rates that are sufficient to accumulate assets to pay benefits when due, using the entry-age normal actuarial funding method. The actuarial gains or losses, as they occur, are amortized over a 30-year period. The required contribution rate of active members is 5%.

The City’s annual pension cost and net pension obligation (NPO) related to the PERS for the fiscal years ended September 30, 2006, 2007 and 2008 are as follows (in thousands):

	2006	2007	2008
Annual required contribution	\$20,595	\$22,367	23,404
Interest on net pension obligation	2,183	717	1,277
Annual pension cost	22,778	23,084	24,681
Actual contribution	20,595	22,867	23,404
Increase in net pension obligation	2,183	217	1,277
Net pension obligation at beginning of year	850	3,033	3,250
Net pension obligation at end of year	\$3,033	\$3,250	\$4,527

Contributions of \$23,403,648 were made during fiscal year 2008, which is 100% of the actuarially determined contribution in accordance with the actuarial valuation performed at October 1, 2006. The 2007-2008 fiscal year contribution consisted of \$9,449,437 and \$13,626,165 for normal cost and amortization of the unfunded actuarial accrued liability, which represents 18.5% and 26.7%, respectively, of covered payroll of \$51,043,831. The unfunded actuarial accrued liability increased by approximately \$3.6 million. On October 20, 2008, the City paid the net pension obligation as of October 1, 2007 in the amount of \$3,249,307.

Total payroll and employer contributions for the fiscal years ended September 30, 2006, 2007 and 2008 were as follows (in thousands):

	2006	2007	2008
Employer Contributions	\$20,595	\$22,867	\$23,404
Total Payroll	57,340	60,299	60,224
Total Covered Payroll	43,061	48,011	51,044
Contributions as a % of Covered Payroll	47.8%	47.7 %	45.1%

Annual Pension Cost

The annual pension cost (“APC”) is a measure of the periodic cost of an employer’s participation in a defined benefit pension plan and the net pension obligation (“NPO”) at the valuation date is the cumulative difference between the APC and actual employer contributions since the adoption date of GASB Statement No. 27.

	2006	2007	2008
APC	\$22,778,109	\$23,083,740	\$24,681,564
% of APC Contributed	90%	99%	95%

The required contribution was determined as part of the October 1, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, compounded annually, consisting of 3.75% for inflation and 4.0% for real return, (b) projected salary increases due to wage adjustment, loyalty, merit and overtime 4.25% - 5.75%. COLA increases may be granted only if the system remains in a net positive experience position, compounded annually. In January 1, 2006 a 2.6% COLA increase was granted. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments. Unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed

basis. The remaining amortization period at September 30, 2008, was 30 years.

Funded Status and Funding Progress – as of October 1, 2007, the most recent actuarial valuation date, the plan was 64 percent funded. The actuarial accrued liability for benefits was \$403,073,181, and the actuarial value of assets was \$258,488,666, resulting in an unfunded actuarial accrued liability (UAAL) of \$144,584,515. The covered payroll (annual payroll of active employees covered by the plan) was \$46,125,613, and the ratio of the UAAL to the covered payroll was 31.9 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The following is condensed financial information for the pension plans that do not issue a stand-alone report.

CITY OF CORAL GABLES, FLORIDA
CERTAIN STATEMENTS OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
September 30, 2008

	Coral Gables Retirement Fund	Firefighters' Pension Fund
ASSETS		
Cash and Cash Equivalents	\$ 8,193,827	\$ 571,556
Interest Receivable	820,850	-
Accounts Receivable, Net	190,274	-
Due from City of Coral Gables	3,249,308	-
Pending Trade Receivable	1,301,558	-
Due from City of Coral Gables	-	844,578
Total Receivables	5,561,990	844,578
Investments at Fair Value:		
Government and Agency	8,793,128	-
Corporate Bonds	21,035,147	-
Common Stock	128,040,787	-
Government Mortgage-Backed Securities	21,741,201	-
Commercial Mortgage-Backed Securities	4,904,578	-
Asset Backed Securities	1,113,200	-
Real Estate Investment Trust (REIT)	26,540,739	-
Non-Government Backed CMOs	294,536	-
Mutual Funds	-	7,833,568
Total Investments	212,463,316	7,833,568
Total Assets	226,219,133	9,249,702
LIABILITIES		
Accounts Payable	550,807	-
Pending Trade Payable	1,887,772	-
Total Liabilities	2,438,579	-
NET ASSETS		
Restricted for Employees' Retirement Systems	\$ 223,780,554	\$ 9,249,702

CITY OF CORAL GABLES, FLORIDA
CERTAIN STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
For the Fiscal Year Ended September 30, 2008

	<u>Coral Gables Retirement Fund</u>	<u>Firefighters' Pension Fund</u>
ADDITIONS		
Contributions:		
Employer	\$ 26,652,954	\$ 1,949,181
Employees	2,106,557	-
Total Contributions	<u>28,759,511</u>	<u>1,949,181</u>
Investment Income (Loss):		
Depreciation in the Fair Value of Investments	(48,720,457)	(660,536)
Investment Earnings	5,394,126	192,197
Dividends	2,698,835	-
Other	8,523	-
Total Investment Income (Loss)	<u>(40,618,973)</u>	<u>(468,339)</u>
Less Investment Expense	<u>2,110,774</u>	<u>28,633</u>
Net Investment Loss	<u>(42,729,747)</u>	<u>(496,972)</u>
Total	<u>(13,970,236)</u>	<u>1,452,209</u>
DEDUCTIONS		
Employee Benefits	<u>27,570,474</u>	<u>977,502</u>
Change in Net Assets	<u>(41,540,710)</u>	<u>474,707</u>
Net Assets – Beginning	<u>265,321,264</u>	<u>8,774,995</u>
Net Assets – Ending	<u>\$ 223,780,554</u>	<u>\$ 9,249,702</u>

(5) Required Supplementary Information

Schedules, statistical data and other information are presented after the notes to the financial statements.

(b) Defined Contribution Plans

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**

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.

Employees are fully vested after 10 years of service; no partial vesting is provided. Amounts forfeited by employees who leave employment before 10 years of service are redistributed to the remaining participants.

The employer contribution for the fiscal year was \$476,984 representing 3.1% of total covered payroll of the Police Department of \$15,084,868.

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 Finance Director, 405 Biltmore Way, Coral Gables, Florida 33134.

(2) Summary of Significant Accounting Policies

Basis of accounting – the financial statement of the Fund have 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 Fund. Interest and dividend income are recorded as earned.

Adoption of New Accounting Standards – The Police Fund adopted Government Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures* (GASB50), which amends GASB Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Notes Disclosures for Defined Contribution Plan* and No. 27, *Accounting for Pension by State and Local Government Employers*. GASB 50 requires disclosures in the notes to the financial statements of pension plans and certain employer governments of the current funded status of the plan and other actuarial information which had previously been provided as required supplementary information. The adoption of GASB 50 had an impact on the presentation of notes to the financial statements but no impact on the assets of the Fund.

Investments – Reported at fair value which is based on quoted market price or the best available estimate thereof.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statements of changes in plan net assets 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

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.

The employer contribution for the fiscal year was \$844,578, representing 6.54% of total covered payroll of the Fire Department of \$12,924,188.

(2) Summary of Significant Accounting Policies

Basis of accounting – the financial statement of the Fund have 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 Fund. Interest and dividend income are recorded as earned.

Adoption of New Accounting Standards – The Firefighters’ Fund adopted Government Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures* (GASB50), which amends GASB Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Notes Disclosures for Defined Contribution Plan* and No. 27, *Accounting for Pension by State and Local Government Employers*. GASB 50 requires disclosures in the notes to the financial statements of pension plans and certain employer governments of the current funded status of the plan and other actuarial information which had previously been provided as required supplementary information. The adoption of GASB 50 had an impact on the presentation of notes to the financial statements but no impact on the assets of the Fund.

Investments – Reported at fair value which is based on quoted market price or the best available estimate thereof.

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

NOTE 9 — INSURANCE PROGRAM

The City has an 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 and, as stated in the Scope Limitation section, the City is protected by Florida Statute 768.28 which limits losses to \$100,000 per person / \$200,000 per occurrence except for certain federal causes of action.

The City is fully insured for its employee health program except Police Officers and Firefighters. The Police Officers and Firefighters have individual health care plans.

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

	2008	2007
Unpaid claims payable, beginning	\$8,973,000	\$7,136,000
Incurred claims and claim adjustments	4,364,224	6,050,219
Claims payments	(3,459,224)	(4,213,219)
Unpaid claims payable, ending	<u>\$9,878,000</u>	<u>\$8,973,000</u>

Settled claims have not exceeded coverage in any of the past three years.

NOTE 10 — DEFICIT IN NET ASSETS AND FUND BALANCE OF INDIVIDUAL FUNDS

The deficit in net assets in the Public Facilities Fund of \$40,468 is the result of prior years' operating losses. The deficit will be offset with an increase in service fees to all City facilities within the next five years.

The Capital Project General Obligation Bond Fund deficit of \$919,404 is due to various capital projects which will be reimbursed from Miami-Dade County in the next fiscal year. The Transportation Fund deficit of \$753,447 is attributed to facility improvements. The City will increase its funding through the General Fund. The Hurricane Fund deficit of \$13,140 resulted from repairs of facilities which are to be reimbursed from state agency.

The Insurance Fund deficit of \$1,064,050 resulted from operating losses. The deficit will be offset with an increase in fees for general liability, worker's compensation and health costs charged individually to user funds and departments.

NOTE 11 — 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 Insurance Fund. In the opinion of City management, the ultimate resolution of these claims will not materially exceed the amounts recorded in the financial statements.

Government Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally, the 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, although 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, 2008 was approximately \$8.2 million.

NOTE 12 — MINIMUM RENTALS RECEIVABLE

Non-cancelable operating leases of property to third parties are accounted for in the enterprise funds and General Fund. Minimum rentals receivable under these leases are as follows:

Fiscal Year	Amount
2009	\$ 5,113,299
2010	4,862,922
2011	4,539,607
2012	4,446,759
2013	4,404,003
2014 - 2018	19,777,799
2019 - 2023	17,446,157
2024 - 2028	16,056,611
2029 - 2032	8,857,682
2033 - 2037	6,639,120
Total	\$ 92,143,959

The City negotiated an agreement with a third party to operate the Biltmore Complex as a hotel on January 1, 1988. Since that date, the City receives a percentage of the gross receipts, with a \$300,000 annual minimum, adjusted for increases in the CPI over the next 40 years.

The cost of assets under operating leases is \$21,622,736, with a net book value of \$15,420,685. Depreciation expense on leased assets was \$444,982 for the fiscal year ended September 30, 2008. (See Note 12)

NOTE 13 — BUDGETARY GAAP

For the year ended September 30, 2008, expenditures exceeded appropriations in the General Government, Public Safety, Transportation and Economic Environment (the legal level of budgetary control) of the General Fund by \$1,882,639 mainly due to personnel related costs, such as refund of firefighter retirement contributions approximately \$700,000; earned vacation and sick leave balances paid at retirement or termination approximately \$200,000 plus unanticipated overtime amounts of approximately \$400,000. In addition, legal and other professional services were incurred in excess of the budgeted amount by approximately \$500,000. In the Debt Service Fund, expenditures exceeded appropriations due to interest expense by \$457,368.

NOTE 14 – 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 commenced on July 16, 2001 with a term of up to twenty-five (25) years, including three five-year extension periods. The City advanced \$4 million to the management company for the renovation of the Country Club. The \$4 million is to be repaid to the City over a period of 300 months. The City is entitled to receive 25% of the net operating income of the facility after the payment of principal and interest on the \$4 million advanced by the City.

As of September 30, 2007, the outstanding balances of the City advances to the Country Club are \$3,863,217.

The Country Club ceased operations April 30, 2008 and terminated its arrangement with the current management operator. Due to the uncertainty of collectability of the existing receivable, the City has adjusted the net realizable value of the receivable to \$0 as of 9/30/08.

On June 4, 2009, through the Ordinance No. 09-0104, the City Commission authorized the execution of a lease agreement with new tenant/operator for the long-term management and operations of the Country Club. The agreement has not been formally executed as of June 30, 2009.

Biltmore Hotel – the agreement commenced on January 1, 1998 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, 2008, the City billed the base fee amount of \$523,140 and the 3.5% of the annual net revenue for a total fee amount of \$1,473,707. 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, 2008, the City billed the management company \$413,125 as rental income. Total loans obtained and used by the City in prior years to renovate the property amounted to \$7,935,000.

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, 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 9% of the annual revenue from the operation of the property which is netted against the base fee should it exceeds the base fee. In addition, in 2004, the management company made a payment of \$250,000 to the City for the renovation of the Granada Golf Course. This payment is to be credited to the City as part of the percentage fee should the amount exceeds the base fee. As of September 30, 2008, the percentage fee is below the base fee of \$355,446, thus, the amount is recognized as part of deferred revenue.

NOTE 15 – PRONOUNCEMENT ISSUED BUT NOT YET ADOPTED

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* will be effective for the City beginning with its year ending September 30, 2009. This Statement improves the relevance and usefulness of financial reporting by (a) requiring systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and (b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* issued November 2006, is effective for the City beginning with its fiscal year ending September 30, 2009. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued June 2008, and is effective for the City beginning with its fiscal year ending September 30, 2010. This Statement required that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This Statement also

provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets.

GASB Statement No. 52, *Land and Other Real Estate Held as Investment by Endowments*, issued November 2007, and is effective for the City beginning with its fiscal year ending September 30, 2009. This Statement establishes consistent standards of the reporting of land and other real estate held as investments.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, was issued in June 2008. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2010.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*, was issued March 2009. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2011.

GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The Statement incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. It is intended to make it easier for preparers of state and local government financial statements to identify and apply the "GAAP hierarchy," which consists of sources of accounting principles used in the preparation of financial statements so that they are presented in conformity with GAAP and the framework for selecting those principles. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2009.

GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. This

Statement incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The Statement 56 guidance addresses three issues from the AICPA's literature—related party transactions, going concern considerations, and subsequent events. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2009.

The City's management has not yet determined the effect these Statements will have on the City's financial statements.

NOTE 16 – LINE OF CREDIT

The City has available revolving line of credit demand notes in the principal amount not to exceed \$8 million to provide for the City's emergency needs. The line of credit is to be paid from the City's non-ad valorem revenues. As of September 30, 2008 the City has not used the line of credit.

NOTE 17 – 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 Money Laundering 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 18 SUBSEQUENT EVENTS

On June 4, 2009, through the Ordinance No. 09-0104, the City Commission authorized the execution of a lease agreement with new tenant/operator for the long-term management and operations of the Country Club. The agreement has not been formally executed as of June 30, 2009.



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Required Supplementary Information

(Unaudited)

Supplementary Information
Notes to Required Supplementary Information



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CITY OF CORAL GABLES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 82,741,757	\$ 82,741,757	\$ 83,972,841	\$ 1,231,084
Licenses	3,107,557	3,107,557	2,921,161	(186,396)
Permits	6,566,605	6,566,605	5,687,950	(878,655)
Fines and Forfeitures	2,377,500	2,377,500	2,593,690	216,190
Intergovernmental	4,433,838	4,433,838	4,301,020	(132,818)
Charges for Services	9,419,854	9,419,854	8,478,227	(941,627)
Recreation Activity Fees	3,806,000	3,806,000	3,576,441	(229,559)
Revenue from Property	4,092,070	4,092,070	3,610,721	(481,349)
Investment Earnings	1,549,400	1,549,400	1,250,381	(299,019)
Miscellaneous	227,404	262,404	304,576	42,172
Total Revenues	<u>118,321,985</u>	<u>118,356,985</u>	<u>116,697,008</u>	<u>(1,659,977)</u>
EXPENDITURES				
Current:				
General Government	17,352,146	17,517,582	18,247,668	(730,086)
Public Safety	68,639,658	68,756,405	70,422,265	(1,665,860)
Physical Environment	19,862,597	19,894,214	19,509,302	384,912
Transportation	2,512,524	2,521,924	2,570,265	(48,341)
Economic Environment	703,890	703,890	704,232	(342)
Culture and Recreation	9,010,723	9,040,323	8,905,583	134,740
Debt Service:				
Retirement of Principal	177,817	177,817	177,817	-
Interest	-	-	-	-
Capital Outlay	529,208	708,426	666,088	42,338
Total Expenditures	<u>118,788,563</u>	<u>119,320,581</u>	<u>121,203,220</u>	<u>(1,882,639)</u>
Deficiency of Revenues Over Expenditures	<u>(466,578)</u>	<u>(963,596)</u>	<u>(4,506,212)</u>	<u>(3,542,616)</u>
OTHER FINANCING SOURCES (Uses)				
Transfers In	4,923,323	4,923,323	7,227,011	2,303,688
Transfers Out	(3,799,873)	(3,799,873)	(3,799,873)	-
Total Other Financing Sources (Uses)	<u>1,123,450</u>	<u>1,123,450</u>	<u>3,427,138</u>	<u>2,303,688</u>
Net Change in Fund Balance	<u>\$ 656,872</u>	<u>\$ 159,854</u>	<u>(1,079,074)</u>	<u>\$ (1,238,928)</u>
Fund Balance - Beginning			<u>10,902,181</u>	
Fund Balance - Ending			<u>\$ 9,823,107</u>	

**CITY OF CORAL GABLES RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(Unaudited)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)(3)-(2)	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Annual Covered Payroll (4)/(6)
October 1, 2007	\$258,489	\$403,073	\$144,584	64.1%	\$46,126	313.5%
October 1, 2006	\$237,826	\$398,844	\$161,018	59.6%	\$51,044	315.4%
October 1, 2005	\$206,805	\$364,243	\$157,438	57.3%	\$48,012	327.9%
January 1, 2005	\$197,516	\$343,379	\$145,863	57.5%	\$44,782	325.7%
January 1, 2004	\$195,059	\$307,733	\$112,674	63.4%	\$42,380	265.9%
January 1, 2003	\$194,879	\$260,787	\$65,908	74.8%	\$40,841	161.4%

Note: Dollar amounts in thousands

CITY OF CORAL GABLES, FLORIDA

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

Note 1 – Budgets

(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. Project-length financial plans are adopted for all capital projects 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 funds, 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 and must seek City Commission approval to change the total appropriated budget amount.

The amounts shown in the financial statements reflect the original budgeted amounts and all amendments and supplements approved through September 30, 2008 that are included in the final amended budget. For the fiscal year, there was one supplemental appropriation ordinance increasing revenues and appropriations by \$35,000 and \$532,018, respectively.



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Combining Individual Fund Statements and Schedules

These financial statements provide a more detailed view of the Special Revenue, Debt Service, 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

Capital Projects Funds:

General Improvement Fund – to account for all resources used for the acquisition of various major capital improvements except those financed by Enterprise Funds. Money is transferred to this fund from other funds for major capital projects.

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.

General Obligation Fund – to account for 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 to 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.

Special Revenue Hurricane Fund - is used to account for financial resources and uses related to hurricane preparedness, debris clean up, replanting trees, renewals and replacement of City's assets damaged during the hurricane season.

Debt Service Fund - Sunshine State Notes - to accumulate funds for the repayment of eleven loans.

- 1) A \$2,700,000 loan due in annual principal installments of \$125,000 - \$245,000 with variable interest calculated and paid monthly, until final maturity in 2010. Issued in 1995 for the purchase of Miracle Theater building.
- 2) A \$20,000,000 loan due in annual principal installments of \$773,983 - \$1,690,000 with variable interest calculated and paid monthly, until final maturity in 2016. Issued in 1999 for the Biltmore Conference Center and various capital projects.
- 3) A \$29,000,000 loan due in annual principal installments of \$138,000 - 396,000 with variable interest calculated and paid monthly, until final maturity in 2026. Issued in 2001 for the construction of various capital projects.
- 4) A \$4,000,000 loan due in annual principal installments of \$97,000 - \$283,000 with variable interest calculated and paid monthly until final maturity in 2026. Issued in 2001 for the Country Club of Coral Gables.

- 5) A \$1,400,000 loan due in annual principal installments of \$59,176 – \$123,027 with variable interest calculated and paid monthly, until final maturity in 2016. Issued in 2001 for the Biltmore Conference Center.
- 6) A \$10,395,000 loan due in annual principal installments of \$178,000 – 695,000 with fixed interest calculated and paid monthly until final maturity in 2029. Issue in 2004 for Information Technology equipment and applications, renovation of City Hall Anex Building, and relocation of the Public Works Department.
- 7) A \$5,615,000 loan due in annual principal installments of \$85,000 - \$400,000 with fixed interest calculated and paid monthly until final maturity in 2029. Issued in 2004 for the Country Club of Coral Gables and renovations of the Biltmore Golf Course.
- 8) A \$1,500,000 note due in annual principal installments of \$60,000 – with variable interest calculated and paid monthly, until final maturity in 2031. Issued in 2006 for the purchase of 427 Biltmore Way Bldg.. Financing is provided by a general pledge of resources other than property taxes, and the amount needed is transferred from other funds.
- 9) A \$4,500,000 note due in annual principal installments of \$180,000 – with variable interest calculated and paid monthly, until final maturity in 2031. Issued in 2006 for the purchase of 427 Biltmore Way Bldg.. Financing is provided by a general pledge of resources other than property taxes, and the amount needed is transferred from other funds.
- 10) A \$3,500,000 note due in annual principal installments of \$70,000 - \$243,000 with variable interest calculated and paid monthly until final maturity in 2032. Issued in 2007 for the Biltmore Golf Course. Financing is provided by a general pledge of resources other than property taxes, and the amount needed is transferred from other funds.
- 11) A \$4,500,000 note due in annual principal installments of \$110,000 - \$273,000 with variable interest calculated and paid monthly, until final maturity in 2032. Issued in 2007 for various Capital Project and purchase of 286, 292, 294 Miracle Mile properties. Financing is provided by a general pledge of resources other than property taxes and the amount needed is transferred from other funds.

CITY OF CORAL GABLES, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2008

	-----Capital Projects-----							
	General Improvement Fund	Roadway Improvement Fund	Transportation Fund	General Obligation Bond Fund	Impact Fees Fund	Special Revenue Hurricane Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 1,202,111	\$ 236,080	\$ 4,067	\$ 67,973	\$ 292,481	\$ 973,864	\$ 2,687,462	\$ 5,464,038
Accounts Receivable, Net	-	73,790	330,723	-	-	-	11,000	415,513
Assessment Liens Receivable	71,414	-	-	-	-	-	40,717	112,131
Due from Other Governments	21,514	211,166	-	845,128	-	73,141	-	1,150,949
Total Assets	<u>\$ 1,295,039</u>	<u>\$ 521,036</u>	<u>\$ 334,790</u>	<u>\$ 913,101</u>	<u>\$ 292,481</u>	<u>\$ 1,047,005</u>	<u>\$ 2,739,179</u>	<u>\$ 7,142,631</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 718,391	\$ 50,703	\$ 351,315	\$ 450,325	\$ -	\$ -	\$ 396,831	\$ 1,967,565
Accrued Payroll	-	9,247	6,922	-	-	-	-	16,169
Due to Other Funds	-	-	730,000	550,000	-	987,004	-	2,267,004
Deferred/Unearned Revenue	59,906	-	-	832,180	-	73,141	40,717	1,005,944
Total Liabilities	<u>778,297</u>	<u>59,950</u>	<u>1,088,237</u>	<u>1,832,505</u>	<u>-</u>	<u>1,060,145</u>	<u>437,548</u>	<u>5,256,682</u>
FUND BALANCES (DEFICIT)								
Unreserved	516,742	461,086	(753,447)	(919,404)	292,481	(13,140)	2,301,631	1,885,949
Total Fund Balances (Deficit)	<u>516,742</u>	<u>461,086</u>	<u>(753,447)</u>	<u>(919,404)</u>	<u>292,481</u>	<u>(13,140)</u>	<u>2,301,631</u>	<u>1,885,949</u>
Total Liabilities and Fund Balances	<u>\$ 1,295,039</u>	<u>\$ 521,036</u>	<u>\$ 334,790</u>	<u>\$ 913,101</u>	<u>\$ 292,481</u>	<u>\$ 1,047,005</u>	<u>\$ 2,739,179</u>	<u>\$ 7,142,631</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, 2008

	-----Capital Projects-----							
	General Improvement Fund	Roadway Improvement Fund	Transportation Fund	General Obligation Bond Fund	Impact Fees Fund	Special Revenue Hurricane Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES								
Gasoline Sales Tax	\$ -	\$ 1,142,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,142,273
Municipal Surtax	-	-	1,426,754	-	-	-	-	1,426,754
Special Assessments	15,304	-	-	-	292,481	-	57,180	364,965
Intergovernmental	437,514	109,939	72,931	1,362,041	-	31,939	-	2,014,364
Investment Earnings	70,642	-	-	-	-	-	69,825	140,467
Miscellaneous	130,000	300	21	-	-	-	18,551	148,872
Total Revenues	<u>653,460</u>	<u>1,252,512</u>	<u>1,499,706</u>	<u>1,362,041</u>	<u>292,481</u>	<u>31,939</u>	<u>145,556</u>	<u>5,237,695</u>
EXPENDITURES								
Current:								
Transportation	630,292	1,242,903	1,734,551	-	-	-	-	3,607,746
Public Safety	-	-	-	-	-	45,079	-	45,079
Culture and Recreation	708,019	-	-	-	-	-	-	708,019
Debt Service:								
Retirement of Principal	-	-	-	-	-	-	2,439,769	2,439,769
Interest	-	-	-	-	-	-	1,935,947	1,935,947
Capital Outlay	1,545,372	-	69,205	916,527	-	-	-	2,531,104
Total Expenditures	<u>2,883,683</u>	<u>1,242,903</u>	<u>1,803,756</u>	<u>916,527</u>	<u>-</u>	<u>45,079</u>	<u>4,375,716</u>	<u>11,267,664</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,230,223)</u>	<u>9,609</u>	<u>(304,050)</u>	<u>445,514</u>	<u>292,481</u>	<u>(13,140)</u>	<u>(4,230,160)</u>	<u>(6,029,969)</u>
OTHER FINANCING SOURCES								
Transfers In	150,000	-	-	-	-	-	3,649,873	3,799,873
Total Other Financing Sources	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,649,873</u>	<u>3,799,873</u>
Net Change in Fund Balances (Deficit)	<u>(2,080,223)</u>	<u>9,609</u>	<u>(304,050)</u>	<u>445,514</u>	<u>292,481</u>	<u>(13,140)</u>	<u>(580,287)</u>	<u>(2,230,096)</u>
Fund Balances (Deficit) - Beginning	<u>2,596,965</u>	<u>451,477</u>	<u>(449,397)</u>	<u>(1,364,918)</u>	<u>-</u>	<u>-</u>	<u>2,881,918</u>	<u>4,116,045</u>
Fund Balances (Deficit) - Ending	<u>\$ 516,742</u>	<u>\$ 461,086</u>	<u>\$ (753,447)</u>	<u>\$ (919,404)</u>	<u>\$ 292,481</u>	<u>\$ (13,140)</u>	<u>\$ 2,301,631</u>	<u>\$ 1,885,949</u>

CITY OF CORAL GABLES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND - SUNSHINE STATE LOANS
 For the Fiscal Year Ended September 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Special Assessments	\$ 44,689	\$ 44,689	\$ 57,180	\$ 12,491
Investment Earnings	55,000	55,000	69,825	14,825
Miscellaneous	303,736	303,736	18,551	(285,185)
Total Revenues	<u>403,425</u>	<u>403,425</u>	<u>145,556</u>	<u>(257,869)</u>
EXPENDITURES				
Debt Service:				
Retirement of Principal	2,574,719	2,574,719	2,439,769	134,950
Interest	1,478,579	1,478,579	1,935,947	(457,368)
Total Expenditures	<u>4,053,298</u>	<u>4,053,298</u>	<u>4,375,716</u>	<u>(322,418)</u>
Deficiency of Revenues Under Expenditures	(3,649,873)	(3,649,873)	(4,230,160)	(580,287)
OTHER FINANCING SOURCES				
Transfers In	3,649,873	3,649,873	3,649,873	-
Total Other Financing Sources	<u>3,649,873</u>	<u>3,649,873</u>	<u>3,649,873</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (580,287)</u>	<u>\$ (580,287)</u>
Fund Balances - Beginning			<u>2,881,918</u>	
Fund Balances - Ending			<u>\$ 2,301,631</u>	



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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 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 insurance service, 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 ASSETS (DEFICIT)
 INTERNAL SERVICE FUNDS
 September 30, 2008

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 610,999	\$ 815,885	\$ 6,403,577	\$ 7,830,461
Accounts Receivable, Net	31,837	5,647	1,098,156	1,135,640
Prepaid Items	-	-	1,466,105	1,466,105
Total Current Assets	<u>642,836</u>	<u>821,532</u>	<u>8,967,838</u>	<u>10,432,206</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	27,707,102	297,287	3,964	28,008,353
Accumulated Depreciation	(20,616,039)	(295,387)	(3,964)	(20,915,390)
Total Noncurrent Assets	<u>7,091,063</u>	<u>1,900</u>	<u>-</u>	<u>7,092,963</u>
Total Assets	<u>7,733,899</u>	<u>823,432</u>	<u>8,967,838</u>	<u>17,525,169</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	305,305	672,282	153,888	1,131,475
Accrued Payroll	101,688	58,590	-	160,278
Accrued Compensated Absences	113,726	42,877	-	156,603
Claims Payable	-	-	5,721,000	5,721,000
Total Current Liabilities	<u>520,719</u>	<u>773,749</u>	<u>5,874,888</u>	<u>7,169,356</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	220,458	90,151	-	310,609
Claims Payable	-	-	4,157,000	4,157,000
Total Noncurrent Liabilities	<u>220,458</u>	<u>90,151</u>	<u>4,157,000</u>	<u>4,467,609</u>
Total Liabilities	<u>741,177</u>	<u>863,900</u>	<u>10,031,888</u>	<u>11,636,965</u>
NET ASSETS (DEFICIT)				
Invested in Capital Assets, Net of Related Debt	7,091,063	1,900	-	7,092,963
Unrestricted (Deficit)	(98,341)	(42,368)	(1,064,050)	(1,204,759)
Total Net Assets (Deficit)	<u>\$ 6,992,722</u>	<u>\$ (40,468)</u>	<u>\$ (1,064,050)</u>	<u>\$ 5,888,204</u>

CITY OF CORAL GABLES, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS (DEFICIT)
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2008

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for Services:				
Billings to Departments for Insurance Protection	\$ -	\$ -	\$ 11,854,254	\$ 11,854,254
Rental of Equipment and Facilities to Various Funds:				
Equipment Operation and Maintenance	3,026,612	-	-	3,026,612
Equipment Replacement Charges	3,787,089	-	-	3,787,089
Facilities	-	6,152,793	-	6,152,793
Miscellaneous Service Charges	103,571	-	-	103,571
Total Operating Revenues	<u>6,917,272</u>	<u>6,152,793</u>	<u>11,854,254</u>	<u>24,924,319</u>
OPERATING EXPENSES				
Administration	2,827,685	1,562,499	-	4,390,184
Cost of Sales and Services	2,004,584	3,902,307	-	5,906,891
Benefit Payments	-	-	3,459,224	3,459,224
Insurance	-	-	7,368,399	7,368,399
Depreciation	1,952,299	1,831	-	1,954,130
Total Operating Expenses	<u>6,784,568</u>	<u>5,466,637</u>	<u>10,827,623</u>	<u>23,078,828</u>
Operating Income	<u>132,704</u>	<u>686,156</u>	<u>1,026,631</u>	<u>1,845,491</u>
NONOPERATING REVENUES				
Interest Earnings	8,582	-	69,872	78,454
Miscellaneous	276,037	-	-	276,037
Gain from Sale of Capital Assets	166,927	-	-	166,927
Total Nonoperating Revenues	<u>451,546</u>	<u>-</u>	<u>69,872</u>	<u>521,418</u>
Change In Net Assets	584,250	686,156	1,096,503	2,366,909
Net Assets (Deficit) - Beginning	6,408,472	(726,624)	(2,160,553)	3,521,295
Net Assets (Deficit) - Ending	<u>\$ 6,992,722</u>	<u>\$ (40,468)</u>	<u>\$ (1,064,050)</u>	<u>\$ 5,888,204</u>

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2008

	Motor Pool Fund	Public Facilities Fund	Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,889,467	\$ 6,152,793	\$ 12,303,412	\$ 25,345,672
Payments to employees	(2,776,451)	(1,537,516)	-	(4,313,967)
Payments to suppliers	(2,011,108)	(3,834,626)	(9,722,460)	(15,568,194)
Net cash provided by (used in) operating activities	<u>2,101,908</u>	<u>780,651</u>	<u>2,580,952</u>	<u>5,463,511</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Contributions from Other Governments	276,037	-	-	276,037
Transfers In from Other Funds	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>276,037</u>	<u>-</u>	<u>-</u>	<u>276,037</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(2,273,400)	-	-	(2,273,400)
Proceeds from sale of capital assets	212,107	-	-	212,107
Net cash provided by (used in) capital and related financing activities	<u>(2,061,293)</u>	<u>-</u>	<u>-</u>	<u>(2,061,293)</u>
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES				
Interest and dividends received	8,582	-	69,872	78,454
Net increase in cash and cash equivalents	325,234	780,651	2,650,824	3,756,709
Cash and Cash Equivalents - Beginning	285,765	35,234	3,752,753	4,073,752
Cash and Cash Equivalents - Ending	<u>\$ 610,999</u>	<u>\$ 815,885</u>	<u>\$ 6,403,577</u>	<u>\$ 7,830,461</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 132,704	\$ 686,156	\$ 1,026,631	\$ 1,845,491
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation Expense	1,952,299	1,831	-	1,954,130
Change in assets and liabilities:				
Accounts Receivable	(27,805)	-	(555,727)	(583,532)
Due from Other Funds	-	-	1,004,885	1,004,885
Prepays	-	-	58,686	58,686
Accounts Payable	(6,524)	142,681	141,477	277,634
Accrued Payroll and Other Expenses	31,218	20,918	-	52,136
Due to Other Funds	-	(75,000)	-	(75,000)
Accrued Compensated Absences	20,016	4,065	-	24,081
Claims Payable	-	-	905,000	905,000
Total adjustments	<u>1,969,204</u>	<u>94,495</u>	<u>1,554,321</u>	<u>3,618,020</u>
Net cash provided by (used in) operating activities	<u>\$ 2,101,908</u>	<u>\$ 780,651</u>	<u>\$ 2,580,952</u>	<u>\$ 5,463,511</u>

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 contributions determined by an actuarial study, and investment earnings.

Police Officers' Pension Fund and Fire Fighters 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 ASSETS
PENSION TRUST FUNDS
September 30, 2008

	Coral Gables Retirement Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 8,193,827	\$ -	\$ 571,556	\$ 8,765,383
Interest Receivable	820,850	-	-	820,850
Accounts Receivable, Net	190,274	-	-	190,274
Due from City of Coral Gables	3,249,308	-	-	3,249,308
Pending Trades Receivable	1,301,558	-	-	1,301,558
Due from Other Governments	-	476,984	844,578	1,321,562
Total Receivables	5,561,990	476,984	844,578	6,883,552
Investments at fair value:				
Money Market Funds	-	1,257,400	-	1,257,400
Government and Agency	8,793,128	277,692	-	9,070,820
Corporate Bonds	21,035,147	-	-	21,035,147
Common Stock	128,040,787	1,769,841	-	129,810,628
Government Mortgage Backed Securities	21,741,201	-	-	21,741,201
Commercial Mortgage Backed Securities	4,904,578	-	-	4,904,578
Asset Backed Securities	1,113,200	-	-	1,113,200
Real Estate Investment Trust (REIT)	26,540,739	221,895	-	26,762,634
Non-Government Backed CMOs	294,536	-	-	294,536
Mutual Funds	-	-	7,833,568	7,833,568
Total Investments	212,463,316	3,526,828	7,833,568	223,823,712
Total Assets	226,219,133	4,003,812	9,249,702	239,472,647
LIABILITIES				
Accounts Payable	550,807	99,436	-	650,243
Pending Trades Payable	1,887,772	-	-	1,887,772
Total Liabilities	2,438,579	99,436	-	2,538,015
NET ASSETS				
Restricted for Employees' Retirement Systems	\$ 223,780,554	\$ 3,904,376	\$ 9,249,702	\$ 236,934,632

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 For the Fiscal Year Ended September 30, 2008

	Coral Gables Retirement Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
ADDITIONS				
Contributions:				
Employer	\$ 26,652,954	\$ 967,910	\$ 1,949,181	\$ 29,570,045
Employees	2,106,557	-	-	2,106,557
Total Contributions	<u>28,759,511</u>	<u>967,910</u>	<u>1,949,181</u>	<u>31,676,602</u>
Investment Income (Loss):				
Net Depreciation in the Fair Value of Investments	(48,720,457)	(640,154)	(660,536)	(50,021,147)
Investment Earnings	5,394,126	104,803	192,197	5,691,126
Dividends	2,698,835	-	-	2,698,835
Other	8,523	-	-	8,523
Total Investment Income (Loss)	<u>(40,618,973)</u>	<u>(535,351)</u>	<u>(468,339)</u>	<u>(41,622,663)</u>
Less Investment Expense	2,110,774	185,895	28,633	2,325,302
Net Investment Loss	<u>(42,729,747)</u>	<u>(721,246)</u>	<u>(496,972)</u>	<u>(43,947,965)</u>
Total Additions	<u>(13,970,236)</u>	<u>246,664</u>	<u>1,452,209</u>	<u>(12,271,363)</u>
DEDUCTIONS				
Employee Benefits	<u>27,570,474</u>	<u>277,656</u>	<u>977,502</u>	<u>28,825,632</u>
Change In Net Assets	<u>(41,540,710)</u>	<u>(30,992)</u>	<u>474,707</u>	<u>(41,096,995)</u>
Net Assets - Beginning	265,321,264	3,935,368	8,774,995	278,031,627
Net Assets - Ending	<u>\$ 223,780,554</u>	<u>\$ 3,904,376</u>	<u>\$ 9,249,702</u>	<u>\$ 236,934,632</u>

CITY OF CORAL GABLES, FLORIDA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Fiscal Year Ended September 30, 2008

	Employee Benefits Trust	Law Enforcement Trust	Total Agency Funds
ASSETS			
Cash and Cash Equivalents			
Beginning	\$ 1,054,949	\$ 13,512,432	\$ 14,567,381
Additions	97,823	4,241,000	4,338,823
Deductions	(27,085)	(5,266,357)	(5,293,442)
Total Assets	<u>1,125,687</u>	<u>12,487,075</u>	<u>13,612,762</u>
LIABILITIES			
Deferred Compensation Payable			
Beginning	1,049,224	-	1,049,224
Additions	101,739	-	101,739
Deductions	(30,901)	-	(30,901)
Ending	<u>1,120,062</u>	<u>-</u>	<u>1,120,062</u>
Due to Other Government			
Beginning	5,625	13,512,432	13,518,057
Additions	-	4,241,000	4,241,000
Deductions	-	(5,266,357)	(5,266,357)
Ending	<u>5,625</u>	<u>12,487,075</u>	<u>12,492,700</u>
Total Liabilities	<u>\$ 1,125,687</u>	<u>\$ 12,487,075</u>	<u>\$ 13,612,762</u>

Statistical Section

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. The City implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.



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TABLE 1
CITY OF CORAL GABLES
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental Activities							
Invested in capital assets, net of related debt	\$150,323,624	\$149,598,620	\$144,390,262	\$141,639,049	141,673,723	139,512,991	140,912,940
Restricted	3,487,877	3,118,227	-	-	300,000	-	-
Unrestricted	3,367,420	4,114,829	9,033,243	5,783,177	1,703,127	3,328,883	-
Total business-type activities net assets	<u>157,178,921</u>	<u>156,831,676</u>	<u>153,423,505</u>	<u>147,422,226</u>	<u>143,676,850</u>	<u>142,841,874</u>	<u>140,912,940</u>
Business-type Activities							
Invested in capital assets, net of related debt	14,971,480	15,968,325	11,052,753	15,970,401	16,128,212	18,930,925	19,399,108
Restricted	-	-	-	-	-	-	-
Unrestricted	468,045	990,965	6,419,428	4,880,472	8,362,064	10,143,471	10,320,047
Total business-type activities net assets	<u>15,439,525</u>	<u>16,959,290</u>	<u>17,472,181</u>	<u>20,850,873</u>	<u>24,490,276</u>	<u>29,074,396</u>	<u>29,719,155</u>
Primary Government							
Invested in capital assets, net of related debt	165,295,104	165,566,945	155,443,015	157,609,450	157,801,935	158,443,916	160,312,048
Restricted	3,487,877	3,118,227	-	-	300,000	-	-
Unrestricted	3,835,465	5,105,794	15,452,671	10,663,649	10,065,191	13,472,354	10,320,047
Total primary government net assets	<u>172,618,446</u>	<u>173,790,966</u>	<u>170,895,686</u>	<u>168,273,099</u>	<u>168,167,126</u>	<u>171,916,270</u>	<u>170,632,095</u>

Note: Historical data for ten years will be displayed as it becomes available.

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

	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental Activities:							
General government	\$ 10,985,189	\$ 12,807,218	\$ 19,259,266	\$ 18,735,309	22,591,752	21,697,557	22,879,968
Public Safety	44,324,748	47,740,806	56,243,067	69,493,373	82,857,461	69,844,742	70,019,943
Physical environment	14,189,694	12,143,256	17,224,303	16,795,942	18,996,962	20,842,416	19,427,236
Transportation	5,134,294	4,145,679	6,544,841	7,630,380	6,185,567	6,348,931	6,068,973
Economic Environment	412,106	499,510	559,987	605,991	681,712	732,910	691,803
Culture and Recreation	6,838,956	11,175,469	4,583,627	9,031,840	10,589,595	10,290,416	10,226,932
Interest on long-term debt	911,422	607,524	1,233,166	1,367,725	1,491,412	1,741,825	1,936,947
Depreciation	7,520,399	7,682,502	-	-	-	-	-
Total governmental activities expenses	90,316,808	96,801,964	105,648,257	123,660,560	143,394,461	131,498,797	131,251,802
Business-type activities:							
Sanitary Sewer System	5,979,427	6,176,092	5,912,644	4,980,669	3,936,494	4,209,514	4,230,483
Parking System	2,401,339	2,508,818	2,709,911	2,797,421	4,078,910	4,286,312	4,254,921
Stormwater Utility	1,193,312	1,201,072	1,506,395	1,353,267	1,369,480	1,276,688	1,325,574
Total business-type activities	9,574,078	9,885,982	10,128,950	9,131,357	9,384,884	9,772,514	9,810,978
Total primary government	\$ 99,890,886	\$ 106,687,946	\$ 115,777,207	\$ 132,791,917	\$ 152,779,345	\$ 141,271,311	\$ 141,062,780
Program Revenues							
Governmental Activities:							
Charges for services:							
General government	\$ 10,850,495	\$ 10,596,765	\$ 11,928,422	\$ 13,886,553	14,363,890	15,699,777	15,224,883
Public Safety	3,120,292	4,076,698	4,030,687	3,306,899	3,386,783	2,926,106	2,298,024
Physical environment	5,668,294	5,716,580	5,765,680	6,423,751	6,407,987	6,783,403	7,036,996
Transportation	-	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-
Culture and Recreation	4,067,357	4,086,321	2,815,351	2,960,042	3,826,206	3,747,163	3,576,441
Interest on long-term debt	-	-	-	-	-	-	-
Operating grants and contributions	1,481,406	1,478,001	1,482,412	9,042,210	17,132,223	2,478,666	238,033
Capital grants and contributions	1,072,096	4,172,352	3,828,986	58,750	835,796	2,156,192	1,281,665
Total governmental activities program revenue	26,259,940	30,126,717	29,851,538	35,678,205	45,952,885	33,791,307	29,656,042
Business-type activities:							
Sanitary Sewer System	5,933,635	6,325,769	6,110,263	7,103,375	6,966,131	7,455,717	6,793,767
Parking System	6,754,093	7,722,841	7,960,206	8,244,087	8,777,493	9,187,646	9,088,332
Stormwater Utility	1,166,895	1,491,832	1,502,537	1,495,481	1,490,437	1,496,153	1,546,412
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	554,196	-
Total business-type activities program revenue	41,186,659	49,839,511	49,253,530	52,579,898	17,234,061	18,693,712	17,428,511
Total primary government program revenue	\$ 45,254,016	\$ 53,925,832	\$ 52,068,881	\$ 55,539,940	\$ 63,186,946	\$ 52,485,019	\$ 47,084,553
Net(Expense) Revenue							
Governmental activities	(64,056,868)	(66,675,247)	(75,796,719)	(87,982,355)	(97,441,576)	(97,707,490)	(101,595,760)
Business-type activities	31,612,581	39,953,529	39,124,580	43,448,541	7,877,493	8,921,198	7,617,533
Total primary government net expenses	\$ (32,444,287)	\$ (26,721,718)	\$ (36,672,139)	\$ (44,533,814)	\$ (89,592,399)	\$ (88,786,292)	\$ (93,978,227)
General Revenues and other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 36,644,901	\$ 40,077,925	\$ 47,969,473	\$ 53,466,648	61,868,946	69,730,264	66,388,634
Franchise fees	4,195,780	4,634,295	5,745,884	5,486,704	6,691,724	7,283,548	7,161,421
Utility taxes	9,436,958	9,658,278	9,540,782	9,594,365	9,939,425	10,186,819	10,422,786
Other Taxes	-	-	-	2,503,017	2,717,415	2,645,290	2,569,027
Intergovernmental	3,387,867	5,172,570	4,327,293	4,452,521	6,076,666	4,252,076	4,053,651
Investment Earnings	820,703	583,918	719,165	1,048,766	1,575,518	2,107,709	1,390,848
Bad Debt Expense	-	-	-	-	-	(4,229,491)	-
Miscellaneous	1,606,956	2,027,843	2,518,392	1,047,855	546,076	310,400	453,448
Unrestricted state revenue sharing	-	-	-	-	-	-	-
Unrestricted investment earnings	-	-	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-	-	-
Unrestricted miscellaneous revenue	-	-	-	-	-	-	-
Special items	2,060,136	-	-	-	-	-	-
Transfers	3,760,502	4,523,447	4,958,622	4,381,200	4,280,430	4,585,899	7,227,011
Total governmental activities	61,913,803	66,678,276	75,779,611	81,981,076	93,696,200	96,872,514	99,666,826
Business-type activities:							
Unrestricted investment earnings	41,491	17,180	14,060	31,153	56,481	80,468	232,392
Unrestricted miscellaneous revenue	223	21,298	13,397	17,153	14,175	168,353	21,845
Transfers	(3,760,502)	(4,523,447)	(4,958,622)	(4,381,200)	(4,280,430)	(4,585,899)	(7,227,011)
Total business-type activities	(3,718,788)	(4,484,969)	(4,931,165)	(4,332,894)	(4,209,774)	(4,337,078)	(6,972,774)
Total primary government	\$ 58,195,015	\$ 62,193,307	\$ 70,848,446	\$ 77,648,182	\$ 89,486,426	\$ 92,535,436	\$ 92,694,052
Change in Net Assets							
Governmental activities	(2,143,065)	3,029	(17,108)	(6,001,279)	(3,745,376)	(834,976)	(1,928,934)
Business-type activities	27,893,793	35,468,560	34,193,415	39,115,647	3,639,403	4,584,120	644,759
Total primary government	\$ 25,750,728	\$ 35,471,589	\$ 34,176,307	\$ 33,114,368	\$ (105,973)	\$ 3,749,144	\$ (1,284,175)

Note: Historical data for ten years will be displayed as it becomes available.

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved for:										
Encumbrance	766,511	660,955	1,510,633	231,159	1,221,952	362,891	346,109	343,460	586,407	504,291
Federal Emergency Management Agency	174,382	-	-	-	-	-	-	-	-	-
Inventories	200,451	220,597	223,268	209,949	192,379	131,895	129,037	96,193	96,193	96,193
Prepaid Items	30,618	40,819	19,444	27,744	18,722	69,424	71,719	47,524	50,575	27,416
Police Education	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	4,000,000	4,000,000	3,943,354	-	-
State Asset Forfeiture	-	-	-	-	837,914	-	-	-	-	-
Law Enforcement Trust	-	-	980,000	980,000	-	-	-	-	-	-
Cable TV Utilization	457,340	313,199	184,658	-	-	-	-	-	-	-
Coral Gables House	4,264	5,450	10,040	6,941	2,732	-	-	-	-	-
Historic Preservation	35,193	34,199	35,275	39,192	41,458	-	-	-	-	-
Orange Bowl Scholarship	670	670	670	670	670	-	-	-	-	-
Youth Center Concession	250	250	251	251	251	-	-	-	-	-
Pinewood Cemetery	2,993	2,518	15,915	4,971	3,762	-	-	-	-	-
Firefighters Rescue	6,242	5,980	5,915	15,260	10,457	-	-	-	-	-
Dade County Schools Resource	12,288	17,686	17,686	17,686	17,686	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Unreserved reported in:										
General Fund	-	-	-	4,622,777	2,970,840	5,618,134	3,739,598	4,774,357	10,186,887	9,195,207
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Undesignated	10,073,261	6,918,116	607,987	-	-	-	-	-	-	-
Total general fund	11,764,463	8,220,439	3,611,742	6,156,600	5,318,823	10,182,344	8,286,463	9,204,888	10,920,062	9,823,107
All Other Governmental Funds										
Reserved for:										
Encumbrance	11,657,057	666,533	-	69,131	163,887	1,045,854	173,424	-	-	-
Prepaid Items	-	-	-	-	-	6,859	6,861	-	-	-
Transportation	-	-	-	-	774,850	-	-	749,750	6,853	-
Capital Projects Fund	-	-	64,844	-	-	-	-	-	-	-
Debt Service Fund	1,141,923	1,378,982	1,892,923	1,884,923	3,118,227	-	-	-	-	2,301,631
Unreserved, reported in:										
Special Revenue Fund	-	-	-	-	-	-	(9,234,466)	(865,546)	-	(13,140)
Designated Debt Service	-	-	-	-	-	4,137,746	4,074,889	3,596,787	2,881,918	-
Designated Capital Projects	-	-	-	-	-	-	-	-	-	-
Undesignated	8,121	-	16,857,939	-	-	-	-	-	-	-
Undesignated for Law Enforcement Trust	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	(7,883,440)	-	3,284,294	(229,804)	808,806	853,510	1,045,192	1,227,274	(402,542)
Total all other governmental funds	12,807,101	(5,837,925)	18,815,706	5,238,348	3,827,160	5,999,265	(4,125,782)	4,526,183	4,116,045	1,885,949

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
REVENUES										
Taxes	40,972,258	41,998,176	44,725,076	51,509,060	56,443,516	65,648,114	71,050,734	81,217,510	89,845,921	86,541,868
Licenses	1,997,067	2,049,360	2,197,366	2,167,844	2,635,641	2,849,665	2,850,746	2,857,303	2,887,848	2,921,161
Permits	4,898,678	5,578,477	7,026,208	6,081,162	5,156,616	4,758,264	6,534,460	6,285,880	7,056,610	5,687,950
Fines and Forfeitures	1,358,724	1,544,645	1,673,096	2,372,762	2,445,472	3,328,089	2,841,931	2,763,587	2,719,620	2,593,690
Intergovernmental	3,902,076	4,971,224	4,854,533	3,898,962	3,971,216	4,278,574	4,525,996	29,021,549	11,123,623	6,315,384
Charges for services	6,810,488	6,988,547	7,485,275	7,298,160	7,333,240	7,511,162	8,776,856	8,088,297	8,834,802	8,478,227
Recreation Activity Fees	1,439,491	1,389,798	1,426,781	4,067,354	4,086,321	2,509,353	2,651,141	3,497,707	3,747,159	3,576,441
Rental Income	611,756	840,542	672,984	1,731,465	2,705,085	4,305,672	3,216,339	3,399,246	3,682,386	3,610,721
Investment earnings	-	-	-	631,538	499,983	670,599	1,048,766	1,575,518	2,107,709	1,390,848
Bad Debt	-	-	-	-	-	-	-	-	(4,229,491)	-
Special Assessments	150,447	105,460	737,275	254,287	107,063	140,008	377,466	325,849	52,521	364,965
Interest Earned	1,638,753	1,320,588	1,342,092	-	-	-	-	-	-	-
Contributions and Donations from Private Sources	10,000	4,000,000	349,110	622,899	110,071	-	-	-	-	-
Proceeds from Confiscated Property	-	-	-	-	-	-	-	-	-	-
Proceeds from South Florida Task Force	-	-	-	-	593,242	-	-	-	-	-
Proceeds from Treasury Department	-	-	-	-	107,296	-	-	-	-	-
Miscellaneous	172,200	183,282	112,581	861,792	274,303	2,024,465	243,252	451,601	308,261	453,448
Hurricane Relief	79,712	927,907	110,857	-	-	-	-	-	-	-
Total revenues	64,041,650	71,898,006	72,713,234	81,497,285	86,469,065	98,023,965	104,117,687	139,484,047	128,136,969	121,934,703
EXPENDITURES										
Current:										
General government	9,234,163	11,427,107	10,712,786	11,121,629	12,130,302	15,659,815	16,127,144	17,967,796	18,077,121	18,247,668
Public safety	35,562,184	38,098,439	41,572,394	44,686,107	47,454,161	51,861,284	67,967,083	78,388,358	67,908,526	70,467,344
Physical environment	12,707,978	13,754,458	13,246,925	14,562,824	15,128,081	16,437,244	17,057,530	17,971,512	19,021,263	19,509,302
Transportation	2,116,331	2,176,814	2,148,799	5,391,900	3,999,181	5,490,005	4,858,971	5,852,517	5,524,148	6,178,011
Economic Environment	417,688	437,533	407,335	412,106	499,510	523,349	598,638	645,291	721,991	704,232
Culture and recreation	4,039,713	4,044,280	4,096,914	6,979,543	8,040,035	7,057,479	8,329,576	10,018,717	10,125,697	9,613,602
Debt service:										
Principal	1,410,000	1,855,000	1,940,000	18,428,313	2,191,244	1,993,506	2,476,731	2,695,528	2,357,400	2,617,586
Interest and other charges	502,666	1,136,453	1,268,497	945,719	634,398	1,233,166	1,367,725	1,491,412	1,741,825	1,935,947
Capital outlay	9,769,916	26,217,979	8,143,846	2,491,551	3,303,915	3,507,097	1,336,417	5,162,956	10,267,919	3,197,192
Total expenditures	75,760,639	99,148,063	83,537,496	105,019,692	93,380,827	103,762,945	120,119,815	140,194,087	135,745,890	132,470,884
Excess (deficiency) of revenues over expenditures	(11,718,989)	(27,250,057)	(10,824,262)	(23,522,407)	(6,911,762)	(5,738,980)	(16,002,128)	(710,040)	(7,608,921)	(10,536,181)
OTHER FINANCING SOURCES (USES)										
Debt Issued	-	-	-	4,000,000	-	-	-	-	-	-
Debt proceeds	20,000,000	-	30,400,000	-	-	15,825,000	-	6,000,000	8,547,013	-
Principal repaymt.-current bond refunding	-	-	-	-	-	(11,060,000)	-	-	-	-
Transfers in	22,987,403	8,048,266	21,317,845	23,620,475	8,994,285	20,531,907	9,245,150	8,703,944	12,498,880	11,026,884
Transfers out	(18,540,742)	(2,987,258)	(20,848,649)	(19,982,066)	(4,331,488)	(15,573,285)	(5,263,950)	(4,423,514)	(12,149,817)	(3,799,873)
Total other financing sources (uses)	24,446,661	5,061,008	30,869,196	7,638,409	4,662,797	9,723,622	3,981,200	10,280,430	8,896,076	7,227,011
SPECIAL ITEMS:										
Proceeds from Sale of Land	-	-	-	1,567,519	-	-	-	-	-	-
Proceeds from sale of Chamber of Commerce	-	-	-	-	-	-	-	-	-	-
Land & Building	-	-	-	492,617	-	-	-	-	-	-
Total Special Items	-	-	-	2,060,136	-	-	-	-	-	-
Net change in fund balances	12,727,672	(22,189,049)	20,044,934	(13,823,862)	(2,248,965)	3,984,642	(12,020,928)	9,570,390	1,287,155	(3,309,170)
Debt service as a percentage of noncapital expenditures	2.98%	4.28%	4.44%	23.30%	3.24%	3.33%	3.34%	3.20%	3.38%	3.65%

**TABLE 5
CITY OF CORAL GABLES, FLORIDA
PROPERTY TAX LEVIES AND TAX COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR	TOTAL TAX	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT	TOTAL COLLECTIONS TO DATE	
		PERCENTAGE	AMOUNT		PERCENTAGE OF LEVY	
1999	29,510,626	28,497,873	96.57%	-	28,497,873	96.57%
2000	30,510,626	29,565,385	96.90%	-	29,565,385	96.90%
2001	32,146,610	30,995,302	96.42%	-	30,995,302	96.42%
2002	38,147,651	36,809,810	96.49%	-	36,809,810	96.49%
2003	42,069,327	39,742,848	94.47%	222,862	39,965,710	95.00%
2004	50,591,645	47,423,035	93.74%	170,691	47,593,726	94.07%
2005	56,576,305	47,362,514	83.71%	231,212	47,593,726	84.12%
2006	66,217,669	61,399,559	92.72%	332,579	61,732,138	93.23%
2007	73,452,215	69,634,307	94.80%	95,957	69,730,264	94.93%
2008	72,556,824	65,791,821	90.68%	596,813	66,388,634	91.50%

**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		
1999	\$ 5,001,848,334	\$ 298,784,625	\$5,300,632,959	5.500
2000	\$ 5,208,560,104	\$ 321,724,402	\$5,530,284,506	5.500
2001	\$ 5,475,511,376	\$ 318,230,048	\$5,793,741,424	5.841
2002	\$ 6,145,018,585	\$ 320,830,060	\$6,465,848,645	5.841
2003	\$ 6,769,267,008	\$ 336,684,311	\$7,105,951,319	5.841
2004	\$ 7,834,696,998	\$ 363,954,901	\$8,198,651,899	5.990
2005	\$ 7,834,696,998	\$ 346,181,099	\$8,180,878,097	6.150
2006	\$ 10,072,262,531	\$ 537,053,435	\$10,609,315,966	6.150
2007	\$ 11,383,139,491	\$ 348,009,820	\$11,731,149,311	5.250
2008	\$ 12,608,566,150	\$ 368,490,172	\$12,977,056,322	5.250

(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.

* Final tax roll values from the Department of Property Appraisal.

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

FISCAL YEAR ENDED	CITY TAX RATES			TOTAL CITY MILLAGE	COUNTY MILLAGE	SCHOOL MILLAGE	STATE MILLAGE	TOTAL
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE					
1999	5.500	0.000	5.500	7.194	10.160	0.744	23.5980	
2000	5.500	0.000	5.500	6.754	9.617	0.738	22.6090	
2001	5.841	0.000	5.841	6.716	9.376	0.736	22.6685	
2002	5.841	0.000	5.841	6.716	9.376	0.736	22.6685	
2003	5.841	0.000	5.841	6.765	9.252	0.735	22.5935	
2004	5.990	0.000	5.990	7.184	8.687	0.735	22.5960	
2005	6.150	0.000	6.150	7.069	8.438	0.074	22.3920	
2006	6.150	0.000	6.150	6.808	8.105	0.735	21.7988	
2007	5.250	0.000	5.250	5.670	7.948	0.659	19.5270	
2008	5.250	0.000	5.250	5.670	7.948	0.659	19.5270	

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	2007			1998		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE VALUE \$11,731,149,311	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE VALUE \$5,114,938,175
	Douglas Colonnade LLC	\$105,881,864	1	0.90	-	-
General Growth Properties	90,161,380	2	0.77	-	-	-
Merrick Park LLC	78,838,620	3	0.67	-	-	-
The Collection Properties LLC	60,000,000	4	0.51	-	-	-
Coral Gables Associates	57,193,199	5	0.49	\$32,600,000	3	0.64
Prisa Ponce de Leon, LLC	56,500,000	6	0.48	-	-	-
355 Alhambra Plaza LTD	54,200,000	7	0.46	-	-	-
Crescent Alhambra LLC	48,600,000	8	0.41	-	-	-
RREEF America Reit II Corp ZZZZ	46,268,230	9	0.39	-	-	-
The Alhambra Joint Venture	-	-	-	60,486,601	1	1.18
Douglas Entrance Holding LTP Par.	-	-	-	37,900,000	2	0.74
Ibex Colonnade Group	-	-	-	32,067,674	4	0.63
Capital Bank Tr.	-	-	-	31,478,233	5	0.62
Health South Doctor's Hospital	-	-	-	26,000,333	6	0.51
Blumberg & Alhambra Partners	-	-	-	20,500,000	7	0.40
Emanuel Edelstein & George Goldbloom	42,150,000	10	0.359	18,000,000	8	0.35
Stanley S. Davidson (Cosake Corp.)	-	-	-	17,500,000	9	0.34
Coral Gables Hospital	-	-	-	15,762,261	10	0.31
Totals	\$639,793,293		5.45	\$292,295,102		5.71

Property assessed on January 1, 2007 for 2007-2008 present year tax levy.

**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)
1999	\$618	\$246
2000	\$426	\$395
2001	\$1,253	\$909
2002	\$595	\$497
2003	\$992	\$626
2004	\$996	\$1,101
2005	\$868	\$609
2006	\$1,436	\$797
2007	\$916	\$1,016
2008	\$752	\$740

(1) Includes prepayments and foreclosures.

**TABLE 10
CITY OF CORAL GABLES, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
SEPTEMBER 30, 2008
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME *	PER CAPITA *
	SPECIAL OBLIGATION BONDS	CAPITAL LEASES	NOTES PAYABLE	PARKING SPECIAL OBLIGATION BONDS				
1999	28,315,000	-	424,500	8,675,000		37,414,500	2163%	898.87
2000	26,460,000	-	424,500	8,340,000		35,224,500	1979%	861.23
2001	54,920,000	-	-	7,990,000		62,910,000	3084%	1,482.15
2002	40,491,687	-	-	7,620,000		48,111,687	2078%	1,135.86
2003	38,300,443	-	-	7,230,000		45,530,443	1967%	1,074.92
2004	41,071,937	-	-	20,240,000		61,311,937	2777%	1,433.69
2005	38,595,206	221,521	-	19,504,800		58,321,527	2591%	1,366.84
2006	41,899,678	144,757	-	18,657,800		60,702,235	2675%	1,419.57
2007	47,729,174	360,117	-	17,775,000		65,864,291	2886%	1,531.73
2008	45,289,405	182,300	-	16,859,500		62,331,205	2523%	1,361.00

* 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
1999	-	-	-	65,991	0%
2000	-	-	-	72,519	0%
2001	***	-	-	75,375	0%
2002	***	-	-	100,371	0%
2003	***	-	-	87,742	0%
2004	***	-	-	99,321	0%
2005	***	-	-	115,671	0%
2006	***	-	-	129,497	0%
2007	***	-	-	120,323	0%
2008	***	-	-	121,203	0%

***Due to adoption of GASB Statement No.34 the General Fund now includes certain other funds of the City

TABLE 12
CITY OF CORAL GABLES, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
SEPTEMBER 30, 2008
 (amounts expressed in thousands)

JURISDICTION	NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING	PERCENT OF DEBT APPLIED TO CITY OF CORAL GABLES	AMOUNT OF DEBT APPLIED TO CITY OF CORAL GABLES
Dade County, Florida			
General Obligation Bonds	\$ 523,596		
Less Sinking Fund Reserve	19,225		
	\$ 504,371	5.0%	\$ 25,219
TOTAL NET GENERAL OBLIGATION DEBT	\$ 504,371		\$ 25,219

*The City's General Obligation Bond Debt was paid in full in Fiscal Year 9/30/98.

*The City has no legal debt requirement.

**TABLE 13
CITY OF CORAL GABLES, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	(1) POPULATION	PERSONAL INCOME	(1) PER CAPITA INCOME	(1) MEDIAN AGE	(2) SCHOOL ENROLLMENT	(3) UNEMPLOYMENT RATE
1999	41,624 *	1,729,352	41,547	40.0	10,032	3.1%
2000	40,900 *	1,779,559	43,510	41.6	10,749	2.9%
2001	42,445 *	2,039,737	48,056	42.0	10,242	3.0%
2002	42,357 *	2,314,768	54,649	38.7	10,374	4.2%
2003	42,357 *	2,314,768	54,649	38.7	10,704	3.7%
2004	42,765 *	2,207,700	51,624	39.5	10,391	3.3%
2005	42,669 *	2,250,960	52,754	39.5	10,078	2.7%
2006	42,761 *	2,269,369	53,071	39.5	9,596	2.5%
2007	43,000 *	2,282,053	53,071	39.5	9,354	2.4%
2008	45,798 *	2,470,802	53,950	40.7	1,071	3.4%

DATA SOURCES

(1) Bureau of the Census with intervening estimates by Demographics on call

* Bureau of Economic and Business Research, University of Florida

(2) School District - Public and Private School

(3) State Department of Labor: www.labormarket.info.com

**TABLE 13A
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	TOTAL TAXES
1999	\$28,594	\$3,876	\$7,463	\$39,933
2000	\$29,454	\$3,805	\$7,632	\$40,891
2001	\$30,865	\$4,941	\$7,783	\$43,589
2002	\$36,645	\$4,196	\$9,437	\$50,278
2003	\$40,078	\$4,634	\$9,658	\$54,370
2004	\$47,969	\$5,496	\$9,541	\$63,006
2005	\$53,467	\$5,487	\$9,594	\$68,548
2006	\$64,587	\$6,691	\$9,939	\$81,217
2007	\$69,730	\$7,284	\$10,187	\$87,201
2008	\$66,389	\$7,161	\$10,423	\$83,973

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

TABLE 14
CITY OF CORAL GABLES
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND TEN YEARS AGO

<u>Employers</u>	Fiscal Year Ended September 30,			
	2008		1999	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
University of Miami	3,163	31.38%	3,338	42.08%
Bayview Financial Training	900	8.93%	N/A	N/A
City of Coral Gables	865	8.58%	850	10.71%
The Biltmore Hotel	795	7.89%	600	7.56%
Doctors Hospital Baptist Hospital	687	6.81%	900	11.35%
Dade County Public Schools	534	5.30%	737	9.29%
Baptist Health South Florida	500	4.96%	190	2.40%
Coral Gables Hospital	487	4.83%	598	7.54%
Commercebank	366	3.63%	N/A	N/A
Bill Ussery Motor	342	3.39%	N/A	N/A
Del Monte Fresh Produce	313	3.10%	150	1.89%
Banco Mercantil Venezuela	280	2.78%	250	3.15%
Gables Engineering, Inc.	248	2.46%	200	2.52%
IBM Corporation	215	2.13%	120	1.51%
Univision Radio Florida	200	1.98%	N/A	N/A
International Bank of Miami	186	1.85%	N/A	N/A
Total	10,081	100.00%	7,933	100.00%

TABLE 15
CITY OF CORAL GABLES
POSITION CONTROL
FULL TIME POSITIONS
THREE YEAR COMPARISONS

<u>FUNCTION / PROGRAM</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
City Commission	6	7	7
City Attorney	4	4	4
City Clerk	4	5	5
City Manager	11	11	11
Human Resources	11	12	12
Building and Zoning	56	56	61
Planning	5	5	5
Historic Resources	5	5	4
Public Works	74	76	77
Finance	30	30	30
Information Technology	10	10	18
Public Service	116	115	112
Automotive	30	29	28
Police	258	254	256
Fire	143	146	145
Parks & Recreation	33	32	29
Development	5	5	3
Parking	32	33	31

Note - Historical data for ten years will be displayed as it becomes available.

TABLE 16
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety:										
Police:										
Physical arrests	901	901	1,057	1,021	973	902	925	1,012	1,173	1,000
Traffic Violations	13,524	18,712	18,461	19,296	20,985	22,055	22,758	23,198	27,556	24,915
Parking violations	99,309	91,503	93,714	94,031	156,151	151,269	119,156	114,614	114,924	105,485
Fire:										
Emergency response	4,957	5,092	6,236	6,267	6,650	8,978	8,347	7,453	7,453	8,000
Fire Inspections conducted	1,876	1,350	1,938	3,250	4,000	4,200	6,200	6,604	6,604	6,600
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	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
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%	7%	7%	7%	7%	7.5%	7.5%	7.5%	7.5%	7.5%
Cable Television	5%	5%	5%	5%	5%	5%	5.0%	5%	5%	5%

TABLE 17
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government:										
<i>Area</i>										
Land (sq. miles)	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25
Water (sq. miles)	0	0	0	0	0	0	0	0	0	0
<i>Infrastructure</i>										
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	45	45	45	45	45	45	45	45	45	45
FPL owned streetlights	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Public Safety:										
<i>Fire</i>										
Stations	3	3	3	3	3	3	3	3	3	3
<i>Police</i>										
Stations	1	1	1	1	1	1	1	1	1	1
Culture and Recreation:										
<i>Recreation</i>										
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
Municipal swimming pool	1	1	1	1	1	1	1	1	1	1
36-hole municipal golf course	1	1	1	1	1	1	1	1	1	1
19-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	1,005
Recreation centers	1	1	1	1	1	1	1	1	1	1
<i>Municipal Water System</i>										
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	1,260
<i>Municipal Sewer System</i>										
Wastewater force main (miles)	10	10	10	10	10	10	10	10	10	10
Wastewater lift stations	32	32	32	32	32	32	32	32	32	32

Sources: Various City Departments



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