

CITY OF COOPER CITY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

**PREPARED BY:
COOPER CITY FINANCE DEPARTMENT**

CITY OF COOPER CITY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT SEPTEMBER 30, 2017

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

| | |
|--|----------|
| Letter of Transmittal | i - viii |
| Certificate of Achievement for Excellence in Financial Reporting | ix |
| Organization Chart | x |
| Principal Officials | xi |

FINANCIAL SECTION

| | |
|--|------|
| Independent Auditor's Report | 1-3 |
| Management's Discussion and Analysis | 4-15 |

Basic Financial Statements

Government-wide Financial Statements

| | |
|---------------------------------|----|
| Statement of Net Position | 16 |
| Statement of Activities | 17 |

Fund Financial Statements

| | |
|--|-------|
| Balance Sheet – Governmental Funds | 18 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 19 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 20 |
| Statement of Net Position – Proprietary Funds | 21 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds | 22 |
| Statement of Cash Flows – Proprietary Funds | 23-24 |
| Statement of Fiduciary Net Position | 25 |
| Statement of Changes in Fiduciary Net Position | 26 |
| Notes to Financial Statements | 27-86 |

Required Supplementary Information

| | |
|---|-------|
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund | 87-88 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Road and Bridge Fund | 89 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Police Confiscation Fund | 90 |
| Notes to the Required Supplementary Information – Budgets and Budgetary Accounting | 91 |

CITY OF COOPER CITY, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2017**

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Required Supplementary Information (Continued)

| | |
|---|-----|
| Schedule of Changes in the Net Pension Liability and Related Ratios – GEPP | 92 |
| Schedule of City Contributions – GEPP | 93 |
| Schedule of Annual Money-Weighted Rate of Return – GEPP | 94 |
| Schedule of Changes in the Net Pension Liability and Related Ratios – FRP | 95 |
| Schedule of City Contributions – FRP | 96 |
| Schedule of Annual Money-Weighted Rate of Return – FRP | 97 |
| Schedule of Changes in the Net Pension Liability and Related Ratios – PORP | 98 |
| Schedule of City Contributions – PORP | 99 |
| Schedule of Annual Money-Weighted Rate of Return – PORP | 100 |
| Schedule of Changes in the Net Pension Liability and Related Ratios – FMPTF | 101 |
| Schedule of City Contributions – FMPTF | 102 |
| Schedule of the City's Proportionate Share of the Net Pension Liability – FRS | 103 |
| Schedule of City Contributions – FRS | 104 |
| Schedule of the City's Proportionate Share of the Net Pension Liability – HIS | 105 |
| Schedule of City Contributions – HIS | 106 |
| OPEB Schedule of Funding Progress..... | 107 |

Other Supplementary Information

Combining and Individual Fund Statements and Schedules

| | |
|---|-----|
| Combining Statement of Fiduciary Net Position – Fiduciary Funds..... | 108 |
| Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds | 109 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund..... | 110 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Improvement Fund | 111 |

STATISTICAL SECTION

| | |
|---|---------|
| Table 1 Net Position by Component | 112 |
| Table 2 Changes in Net Position | 113-114 |
| Table 3 Fund Balances, Governmental Funds | 115 |
| Table 4 Changes in Fund Balances, Governmental Funds | 116-117 |
| Table 5 Assessed and Estimated Actual Value of Taxable Property | 118 |
| Table 6 Property Tax Rates – Direct and Overlapping Governments | 119 |

CITY OF COOPER CITY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT SEPTEMBER 30, 2017

TABLE OF CONTENTS

Page

STATISTICAL SECTION

| | |
|--|-----|
| Table 7 Principal Property Taxpayers | 120 |
| Table 8 Property Tax Levies and Collections | 121 |
| Table 9 Ratios of Outstanding Debt by Type | 122 |
| Table 10 Ratios of General Bonded Debt Outstanding | 123 |
| Table 11 Direct and Overlapping Governmental Activities Debt | 124 |
| Table 12 Pledged Revenue Coverage | 125 |
| Table 13 Demographic and Economic Statistics | 126 |
| Table 14 Principal Employers..... | 127 |
| Table 15 Full-time Equivalent Government – Employees by Function/Program | 128 |
| Table 16 Operating Indicators by Function/Program | 129 |
| Table 17 Capital Asset Statistics by Function/Program | 130 |

OTHER REPORTS

| | |
|---|---------|
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 131-132 |
| Schedule of Findings and Responses..... | 133 |
| Schedule of Prior Year Findings..... | 134 |
| Independent Auditor's Management Letter..... | 135-137 |
| Independent Auditor's Report – Investment Compliance..... | 138 |

THIS PAGE INTENTIONALLY LEFT BLANK

March 22, 2018

To the Honorable Mayor, Commissioners and Citizens of Cooper City, Florida:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Further, the City charter requires an annual independent audit of all City accounts. Pursuant to those requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Cooper City, Florida for the fiscal year ended September 30, 2017.

This report consists of management's representations concerning the finances of the City of Cooper City, Florida. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Cooper City, Florida has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Cooper City, Florida's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Cooper City, Florida's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Cooper City, Florida's financial statements have been audited by a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Cooper City, Florida for the fiscal year ended September 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Cooper City, Florida's financial statements for the fiscal year ended September 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Cooper City, Florida did not include the usual, federally mandated "Single Audit" report, since the funds received were below the threshold, which would require such a report.

GAAP require 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 MD&A and should be read in conjunction with it. The City of Cooper City, Florida's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Cooper City, Florida, incorporated in 1959, is located in the southwestern part of Broward County in the southeast part of the state. It is a bedroom community with very limited growth. The City of Cooper City, Florida currently occupies a land area of eight square miles and serves a population of 33,758. The City of Cooper City, Florida is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Commission.

Policy-making and legislative authority are vested in a City Commission consisting of the Mayor and four other members. The City Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Commission, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Commission is elected on a non-partisan basis. Commission members serve four-year staggered terms, with two commission members elected every two years. The Mayor is elected to serve a four-year term. The four commission members are elected at large to represent a certain district within the City. The Mayor is elected at large.

The City of Cooper City, Florida provides a full range of services, including the construction and maintenance of streets, and other infrastructure; water and sewer; storm water; growth management; recreational activities and cultural events. Certain sanitation services are provided through a franchise agreement with a private company. Police, code enforcement and fire protection services are provided through a five-year contract with the Broward Sheriff's Office (BSO). The BSO contract expires on September 30, 2019.

This report includes all funds of the City in accordance with GASB Statement No. 61 entitled "The Financial Reporting Entity: omnibus" an amendment of GASB statements No. 14 and No. 34." This statement modified certain requirements for inclusion of component units in the financial reporting entity. For component units previously included due to meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that component unit. This statement also clarifies the manner in which determination should be made and the types of relationships that generally should be considered when including a component unit that does not meet the financial accountability criterion, but would be misleading to exclude such component unit in the financial statements. For the City of Cooper City, the Entity is only the primary government. While there are other taxing jurisdictions, which levy property taxes upon property within the corporate limits of Cooper City including Broward County, the School Board, the South Broward Hospital District, and other special districts, they do not represent component units of Cooper City. Therefore, no financial information about those entities is included in the City's financial statements.

The annual budget serves as the foundation for the City of Cooper City, Florida's financial planning and control. All departments of the City of Cooper City, Florida are required to submit requests for appropriation to the City Manager. The City Manager then presents a proposed budget to the Commission for review prior to July 1. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City of Cooper City, Florida's fiscal year. The appropriated budget is prepared by fund and department (e.g., Recreation). Budgets are monitored at the activity level within each department. However, at the City Manager's discretion, actual expenditures may exceed their budget within an individual department. Transfers of appropriations between departments, in excess of 2.5% of total budget, require the special approval of the City Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General and Special Revenue Funds, this comparison is presented as part of the required supplementary section. For other governmental funds, with appropriated annual budgets, this comparison is presented in the supplementary information subsection of this report.

Economic and Demographic Conditions and Outlook

The City has completed its Evaluation and Appraisal Report (EAR) of its Comprehensive Plan pursuant to Florida Statutes which requires cities to evaluate the progress they are making in meeting the Comprehensive Plan's Goals, Objectives and Policies at least once every seven years. The Plan is necessary to guide development of the City and to provide for managed growth while providing services and facilities for future residents paid for by new development. The Plan consists of Goals, Objectives and Policies with supporting documentation in the form of the following elements:

| | |
|----------------------------------|--------------------------------|
| Future Land Use | Solid Waste |
| Traffic Circulation | Recreation and Open Space |
| Housing | Conservation |
| Water and Sewer | Intergovernmental Coordination |
| Drainage | Capital Improvements |
| Public School Facilities Element | |

The City has updated the comprehensive plan and evaluated its progress by addressing the following issues, among others:

- Population growth and changes in land area.
- The extent of vacant and developable land.
- The financial feasibility of implementing the Comprehensive Plan.
- Ability to provide needed infrastructure and services to achieve adopted levels of service necessary to support population growth.
- The potential social, economic and environmental impact of changes to the community resulting from growth.

Cooper City is now reaping the full tax base benefits of the population “boom” that it experienced from the completion of the residential portion of the 500-acre mixed-use Monterra development project. With the final occupancies of the 1,652 Monterra residential units completed in 2015, Cooper City achieved the distinction of being the fastest growing community in all of South Florida from the years 2010 to 2014. As a result, Cooper City ranked ninth in the nation in a Coldwell Banker Real Estate survey of “Top Booming Suburbs in America.” The real estate firm rated 1,500 communities based on increased year-over-year levels in employment and unemployment percentages below the national norm, along with a range of attributes that include access to suburban staples such as grocery stores, banks, etc., and proximity to good schools, commuting by car and community safety. The City is now focused on completing the non-residential portion of Monterra development, including up to 270,000 square feet of office and commercial space.

Homeowner pride contributes to what makes Cooper City “Someplace Special”. Cooper City has the highest rate of owner-occupied units in Broward County at 88%. It also has one of the highest rates of family households at 81% and one of the lowest homeowner vacancy rates at just 0.7% of our units. In a testament to the financial strength of our residential communities, Cooper City maintains one of the highest median household incomes in Broward County at over \$92,000 (in 2016 dollars). Accordingly, Cooper City has one of the lowest rates of cost-burdened households where on average only approximately 24% of our households’ incomes go towards housing expenses.

According to the latest available census data, The Cooper City labor force includes an average of 71.9% of Cooper City’s population (16 years of age or older) with the unemployment rate estimated at just 3.23% of the population.

The current and projected population through 2021 is as follows:

| | |
|------|--------|
| 2017 | 33,758 |
| 2018 | 33,879 |
| 2019 | 33,975 |
| 2020 | 34,059 |
| 2021 | 34,186 |

Residential and Commercial Development

The City’s Growth Management Department has been working with the community to ensure its proper growth and development. Some of the more significant developments that have been, or are, undergoing review include the following:

Residential Projects

Marin Ranches

Cooper City’s newest single-family subdivision, Marin Ranches, was approved by the City Commission in January 2016. Kennedy Homes recently began development of this 20-acre site located on the east side of 106th avenue. The site consists of 19 lots, all in excess of 11,000 square feet, with a minimum home size of 3,000 square feet under air. The final Certificates of Occupancy are now being issued.

Royal Estates

Another brand new, single- family subdivision, Royal Estates, is planned along SW 106th Avenue, between Griffin and Stirling roads. Nineteen homes are proposed on the 10.5-acre tract, with lot sizes all above 18,000 sq. ft. and home sizes above 4,200 sq. ft. Home prices are anticipated to be in the \$700,000 to \$1M-plus range. Permit issuance is anticipated in spring 2018.

Ranchette Isles

Site plan and rezoning approval have been issued by the City Commission for Kennedy Homes subdivision along SW 106th Avenue, between Griffin and Stirling roads. Nine homes are proposed on the 4.8-acre tract, with lot sizes all above 8,300 sq. ft. and home sizes above 2,400 sq. ft. Building permits commenced in early 2018.

Commercial Projects

O'Reilly Auto Parts

The City Commission has approved a final site plan for a new O'Reilly Auto Parts store in one of the commercial outparcels of the Monterra Development at the southwest corner of University and Stirling Road. Construction is set to commence in March of 2018.

Countryside Shops

The owners of Countryside Shops on Flamingo Road, Equity One, Inc., received approval to renovate the center with a new architectural façade, and to relocate the Publix store to a new space further south in the same center. Cooper City is pleased that Publix will remain there and welcomes the face-lift to invigorate the already successful shopping center. Renovations are now under way.

Nur-Ul-Islam

The first phase of this project was approved last year to include a 12,000 square foot school building, along with a 4,500 square foot mosque. A second phase including a 27,645 square foot addition to the school and an extra 7,775 square foot addition to the mosque has been proposed. The second phase is in development review, pending acceptance of a traffic study.

Flamingo Road Passive Park

A final site plan for the “Flamingo Road Park” has been approved by the City Commission. The plans reflect the development of the passive portion of the park as well as four soccer/football fields of various sizes with artificial turf & lights, a restroom building, maintenance building, two pavilions, a playground, a walking/jogging/nature trail, a parking lot and other miscellaneous support facilities.

Cooper City Storage Plaza

Land development petitions have been submitted and reviewed for the proposed Cooper City Storage Plaza that consists of a 120,000 square foot self-storage facility, and a 9,200 square foot commercial building proposed for retail, office, and restaurant uses. The project is located at the southeast corner of Griffin Rd. and SW 111th Avenue. Final City Commission approval has been granted and construction is set to commence in spring of 2018.

Major Initiatives and Future Projects

Community Development Block Grant (CDBG) Funding

In 2017, Cooper City applied for \$45,000 in CDBG Funding for the Community Center parking lot improvements and classroom size enhancements. These projects will improve parking lot areas and ADA accessibility at the Cooper City Community Center, and will enhance many of our senior activities and programs. As a final component of the CDBG grant funding, \$15,000 will help fund the Senior Transportation Program. The program is designed to provide free transportation to our senior citizens, on a shuttle bus. Riders are transported to and from the doctor/dentist office, or other institutional agencies or businesses.

Platinum Cities Designation

Cooper City has continued its “Platinum Cities” designation under the Greater Fort Lauderdale Alliance permitting excellence process. The purpose of the permitting excellence process is to provide businesses with a streamlined, first-rate experience when going through the development, permitting and inspection process for office and industrial properties. The process is intended to be available to high-impact, targeted industry businesses that are relocating or expanding in Broward County.

Cooper City maintained the designation because we committed to making the permitting process more transparent and client-friendly. Steps have been taken to provide an excellent permitting experience. Pre-development meetings with a city staff member known as a “concierge” will assist the company throughout the permitting process.

In Fiscal Year 2017, Public Works completed the following projects:

- Developed GIS mapping layers for major departmental responsibilities, such as streetlights, roadways, sidewalks, irrigation, and landscape maintenance locations.
- Replaced all chain link fence at the Sports Complex.
- Installed impact windows at City Hall, the Building Department, and Community Center.
- Repaired asphalt pathways at Christie Schafale, Forest Lake, Ted Ferone, and Flamingo Parks.
- Completed the sidewalk replacement program in Sterling Village, Sterling Palm Park, and Natalie’s Cove.

- Installed new PVC fencing at Tamarind Park, Rock Creek, Chase Park, Pine Lake Park, and Flamingo Park.
- Completed the annual asphalt resurfacing program.
- Installed new exercise equipment at Ted Ferone Park.
- Replaced the irrigation system at Flamingo Park.
- Replaced the final section of sports lighting at the Sports Complex.

A summary of the noteworthy activities undertaken by the Utilities department during Fiscal Year 2017 is:

- Completed the Asbestos-Cement Water Main Replacement program, which resulted in the replacement of over 21 miles of old AC mains and 1,224 galvanized steel service lines with new, polyethylene main and services. This also included installation of 201 new fire hydrants and 521 new valves. The program, which used an innovative technology called “pipe bursting”, cost \$12 million and the pipe bursting technology saved an estimated \$8 million.
- Exercised and maintained 850 water system valves, and flushed all dead-end water mains, in accordance with state regulations.
- Rehabilitated, by means of lining, 2,868 linear feet of gravity sewer mains and 61 sewer laterals as part of the overall capital improvement plan for the City’s wastewater collection system.
- Tested approximately 208 water system backflow preventers, in accordance with state regulations, for the protection of the City’s potable water system.
- Continued implementation of a leak notification program for residents and businesses that have new electronic water meters installed in their property. There are approximately 4,600 of these meters located throughout the City with plans to install them for all 11,600 City accounts.
- The City was awarded \$60,000 grant from the South Florida Water Management District for the installation of new electronic water meters.
- Continued annual preventative storm drain maintenance wherein all the storm drain inlets, piping, and outfalls in the City are being cleaned on a regular basis. In Fiscal Year 2017, we cleaned approximately 426 inlets/manholes and 38,157 feet of pipe.

The Water and Wastewater Capital Improvement Master Plan (updated July 2017) provides a detailed program of capital improvements to be undertaken through the year 2025. The following is a list of improvements that have been identified for implementation within the next three years:

- Replace the 500,000 gallon steel water storage tank at a cost of \$1 million.
- Replace the water treatment plant SCADA system at a cost of \$1.9 million.
- Continue with a gravity sewer main rehabilitation program at an estimated cost of \$300,000 per year.
- Rehabilitate five sewer pump stations at an estimated cost of \$1.8 million.
- Improve storm water drainage in the Flamingo Gardens and Natalie’s Cove neighborhoods at a cost of approximately \$1.9 million.
- Finalize an agreement with the City of Miramar to satisfy the City’s wastewater reuse obligation under Florida statutes.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cooper City, Florida for its CAFR for the fiscal year ended September 30, 2016. This was the twenty-seventh consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

The preparation of this report would not have been possible without the efficient services and dedicated effort of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the Commissioners for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Cooper City, Florida's finances.

Respectfully submitted,



Bruce D. Loucks
City Manager



Horacio Montes de Oca
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cooper City
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

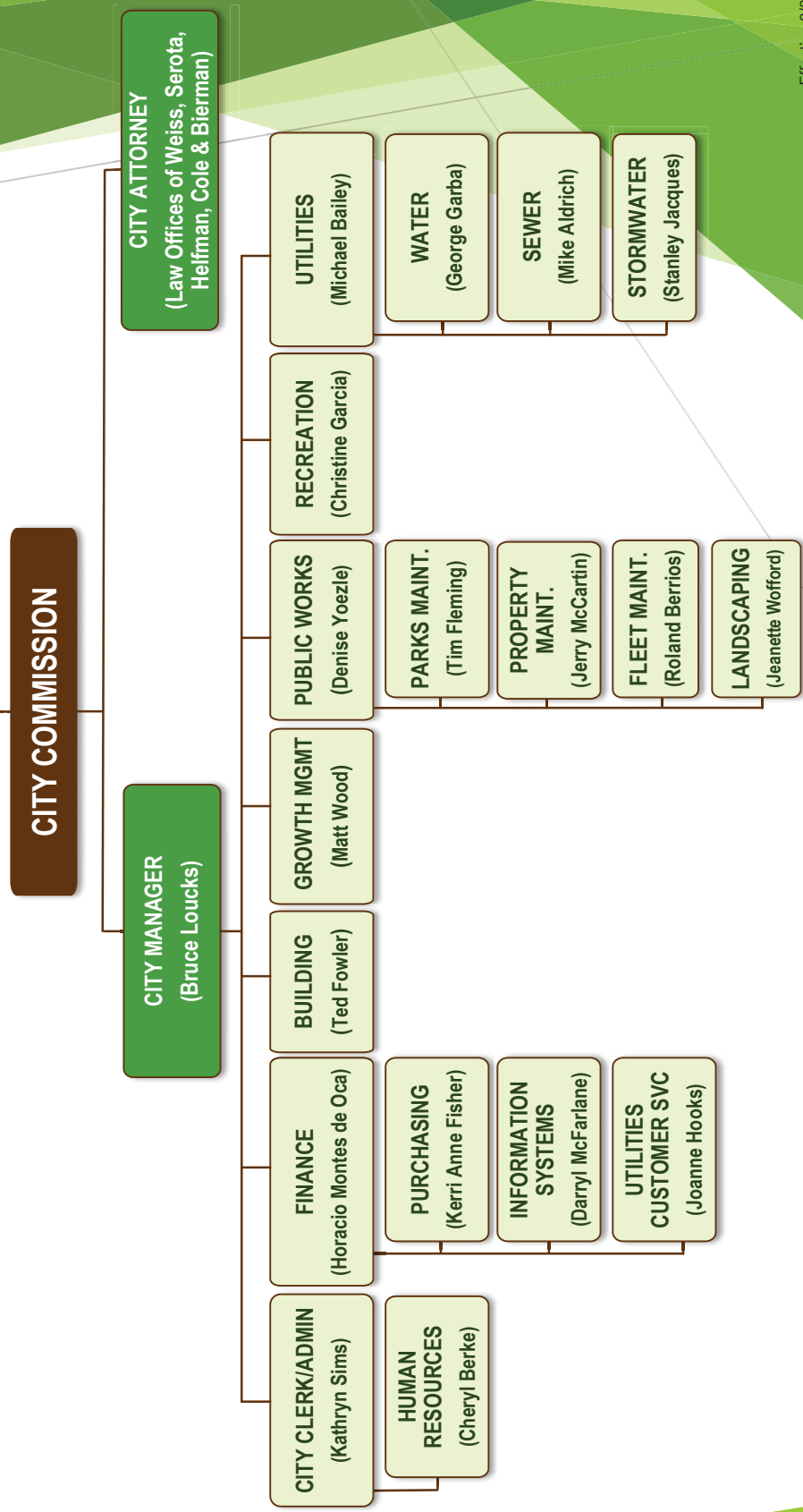
Christopher P. Morill

Executive Director/CEO



ORGANIZATIONAL CHART

COOPER CITY RESIDENTS



CITY OF COOPER CITY, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2017**

COMMISSION – MANAGER FORM OF GOVERNMENT

CITY COMMISSION

GREG ROSS
Mayor

JOHN SIMS
Commissioner

LISA MALLOZZI
Commissioner

JAMES CURRAN
Commissioner

JEFF GREEN
Commissioner

BRUCE LOUCKS
City Manager

**LAW OFFICES OF WEISS, SEROTA,
HELFMAN, COLE & BIERMAN, P.L.**
City Attorney

HORACIO MONTES DE OCA
Finance Director

THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City
Commission and City Manager,
City of Cooper City, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Cooper City, Florida** (the "City"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Cooper City's Firefighters Retirement Plan or the City of Cooper City's Police Officers Retirement Plan, which represent 62% and 64%, respectively of the total assets and total additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Cooper City's Firefighters Retirement Plan and the City of Cooper City's Police Officers Retirement Plan is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 15 and the Required Supplementary Information on pages 87 through 107 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining fiduciary fund financial statements, budgetary schedules for the Debt Service Fund and Capital Improvement Fund, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fiduciary fund financial statements and the budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fiduciary fund financial statements and the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
March 22, 2018

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

As management of the City of Cooper City, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through viii in the introductory section of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$107 million (*net position*). Of this amount, \$9.8 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3.2 million. The majority of the increase resulted from the additions to capital assets.
- As of the close of the current fiscal year, the City's governmental activities reported a combined ending total net position of \$47.8 million, an increase of \$2.4 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3.6 million or approximately 10.7% of total general fund expenditures.
- As of the close of the current fiscal year, the City's business-type funds reported a combined ending total net position of \$59 million, an increase of \$714,000 from prior year.
- The City's total long-term debt increased by approximately \$1.4 million (70.3%) during the current fiscal year, primarily due to the net result of amortization built into the City's debt service payments and the issuance of \$1.9 million stormwater project loan.

The following capital projects were completed:

- Repair of sidewalks and streets repaving.
- Replacement of playground equipment at three City parks.
- Completion of the water main transite pipes replacement program.
- Rehabilitation of gravity sewer mains and laterals.
- Installation of impact windows at City facilities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Cooper City's Comprehensive Annual Financial Report (CAFR), and more specifically, the City's basic financial statements, comprised of: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial statements, this CAFR contains other supplementary information needed to provide readers with a complete and accurate disclosure of the City's financial condition.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position should serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The government-wide financial 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*). The governmental activities of the City include general government, public safety, roads and bridges, and culture and recreation. The business-type activities of the City include a water and sewer utility, a storm water management utility, and recreational vehicle parking lot facilities.

The government-wide financial statements are for the City, as the *primary government*, and include all operations for which the City is financially accountable. The City does not have any *component units* that should be included in the financial information presented. The Water and Sewer Utility functions as an enterprise department of the City; therefore, it has been included as part of the City's business activities.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources and the availability of these resources* at the end of the fiscal year. Such information may be useful for evaluating a government's near-term financing requirements, but does not help readers to better understand the long-term impact of the City's near-term financing decisions. In that regard, it would be useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Consequently, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

The City of Cooper City maintains five governmental funds for which information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Individual fund data for the fiduciary fund types are aggregated for presentation in the basic governmental fund financial statements, and are detailed in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general, special revenue, debt service, and capital projects funds. Therefore, a budgetary comparison schedule has been provided for each of these funds to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 18 through 20 of this report.

Proprietary funds. The City uses *enterprise funds* to account for the functions presented as *business-type activities* in the government-wide financial statements. These enterprise funds consist of a water and sewer utility, a stormwater management utility and parking lot facilities. The City does not have activities that would require the use of *internal service funds*.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the City's water and sewer utility, stormwater management utility and parking lot facilities.

The basic proprietary fund financial statements can be found on pages 21 through 24 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the city government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25 and 26 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 on pages 27 through 86 of this report.

Other information. In addition to the basic financial statements and accompanying 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. Required supplementary information can be found on pages 87 through 107 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information on pages 108 through 111 of this report.

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

Government-wide Financial Analysis

As noted previously, the change in net position over time should serve as a useful indicator of a government's financial position. In the case of the City of Cooper City, assets exceeded liabilities by \$107 million as of September 30, 2017.

The largest portion (90.7%) of the City's net position consists of \$97 million of net investment in capital assets (e.g., land, buildings, machinery and equipment), which is net of any outstanding debt related to their acquisition. The City uses these capital assets to provide services to citizens; consequently, they are *not* available for future spending. Although the City's net investment in capital assets is reported net of related debt, the repayment of this debt must come from sources other than liquidating the assets themselves.

City of Cooper City Summary of Net Position September 30, 2017 and 2016 (In Thousands)

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|-------------------------|------------------|--------------------------|------------------|------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Current and other assets | \$ 17,207 | \$ 17,799 | \$ 14,574 | \$ 12,928 | \$ 31,781 | \$ 30,727 |
| Capital assets | 46,063 | 45,488 | 51,553 | 51,179 | 97,616 | 96,667 |
| Total assets | <u>63,270</u> | <u>63,287</u> | <u>66,127</u> | <u>64,107</u> | <u>129,397</u> | <u>127,394</u> |
| Total deferred outflows of resources | <u>6,544</u> | <u>6,504</u> | <u>1,023</u> | <u>991</u> | <u>7,567</u> | <u>7,495</u> |
| Other liabilities | 2,218 | 1,855 | 1,694 | 2,309 | 3,912 | 4,164 |
| Long-term liabilities | 19,343 | 22,349 | 6,185 | 4,333 | 25,528 | 26,682 |
| Total liabilities | <u>21,561</u> | <u>24,204</u> | <u>7,879</u> | <u>6,642</u> | <u>29,440</u> | <u>30,846</u> |
| Total deferred inflows of resources | <u>405</u> | <u>190</u> | <u>245</u> | <u>144</u> | <u>650</u> | <u>334</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 45,407 | 45,488 | 51,553 | 48,450 | 96,960 | 93,938 |
| Restricted | - | - | 88 | - | 88 | - |
| Unrestricted | 2,441 | (91) | 7,385 | 9,862 | 9,826 | 9,771 |
| Total net position | <u>\$ 47,848</u> | <u>\$ 45,397</u> | <u>\$ 59,026</u> | <u>\$ 58,312</u> | <u>\$106,874</u> | <u>\$103,709</u> |

An additional portion of the City's net position \$88,000 (0.08%) represents resources that are subject to external restrictions on how they may be used. The remaining 9.19% (\$9.8 million) of the City's net position are *unrestricted net position* that can be used as needed to meet the City's ongoing obligations to citizens and creditors.

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

During the current fiscal year, the City's net position balances increased by \$3.2 million, most of which resulted from an increase in capital assets and a decrease in long term liabilities due to a decrease in net pension liability. The key elements of this increase are presented in the City's schedule of Changes in Net Position below.

City of Cooper City Changes in Net Position Fiscal Years Ended September 30, 2017 and 2016 (In Thousands)

| | Governmental Activities | | Business-type Activities | | Totals | |
|--|-------------------------|------------------|--------------------------|------------------|-------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 7,735 | \$ 7,383 | \$ 12,338 | \$ 12,047 | \$ 20,073 | \$ 19,430 |
| Operating grants and contributions | 497 | - | 76 | - | 573 | - |
| Capital grants and contributions | 308 | 89 | 202 | 259 | 510 | 348 |
| General revenues: | | | | | | |
| Property taxes | 16,688 | 14,808 | - | - | 16,688 | 14,808 |
| Other taxes | 8,891 | 8,896 | - | - | 8,891 | 8,896 |
| Grants and contributions not restricted to specific programs | 1,361 | 1,525 | - | - | 1,361 | 1,525 |
| Other | 486 | 471 | 113 | 125 | 599 | 596 |
| Total revenues | <u>35,966</u> | <u>33,172</u> | <u>12,729</u> | <u>12,431</u> | <u>48,695</u> | <u>45,603</u> |
| Operating expenses: | | | | | | |
| General government | 4,629 | 5,395 | - | - | 4,629 | 5,395 |
| Public safety | 22,563 | 22,411 | - | - | 22,563 | 22,411 |
| Physical environment | 790 | 714 | - | - | 790 | 714 |
| Transportation | 1,852 | 1,909 | - | - | 1,852 | 1,909 |
| Culture and recreation | 3,662 | 3,186 | - | - | 3,662 | 3,186 |
| Interest | 19 | 27 | - | - | 19 | 27 |
| Parking | - | - | 143 | 140 | 143 | 140 |
| Water and sewer | - | - | 11,469 | 11,389 | 11,469 | 11,389 |
| Stormwater | - | - | 403 | 399 | 403 | 399 |
| Total operating expenses | <u>33,515</u> | <u>33,642</u> | <u>12,015</u> | <u>11,928</u> | <u>45,530</u> | <u>45,570</u> |
| Increase in net position before transfers | 2,451 | (470) | 714 | 503 | 3,165 | 33 |
| Transfers | <u>-</u> | <u>14</u> | <u>-</u> | <u>(14)</u> | <u>-</u> | <u>-</u> |
| Change in net position | 2,451 | (456) | 714 | 489 | 3,165 | 33 |
| Net position, beginning | <u>45,397</u> | <u>45,853</u> | <u>58,312</u> | <u>57,823</u> | <u>103,709</u> | <u>103,676</u> |
| Net position, ending | <u>\$ 47,848</u> | <u>\$ 45,397</u> | <u>\$ 59,026</u> | <u>\$ 58,312</u> | <u>\$ 106,874</u> | <u>\$ 103,709</u> |

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

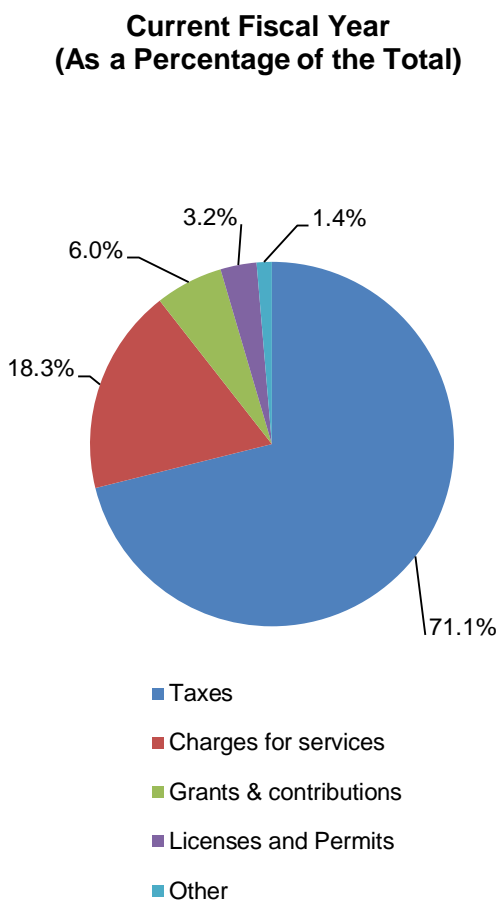
Governmental activities. Overall, net position increased by \$2.4 million, which was due primarily to the decrease in net pension liability and OPEB liability.

Revenues

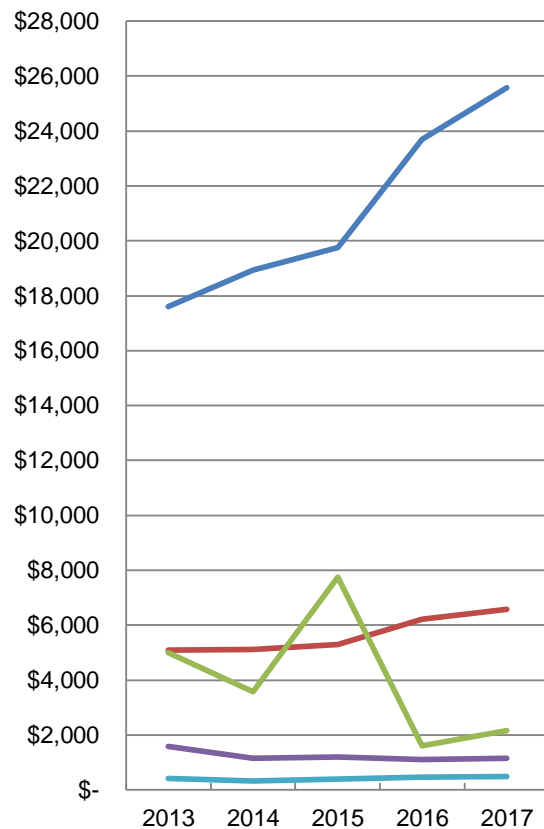
Revenues from governmental activities increased 8.4% or \$2.8 million compared to the prior year. The increase is mainly the combination of increases in property and other taxes (\$1.9 million), operating grants and contributions (\$497,000) and charges for services (\$352,000).

The following charts detail the City's revenues by source. The chart on the left shows the source of the City's revenue by percentage, and the chart on the right shows the trend over the past 5 years for each source.

Governmental Activities - Revenues by Source



**Last Five Fiscal Years
(In Thousands of Dollars)**



CITY OF COOPER CITY, FLORIDA

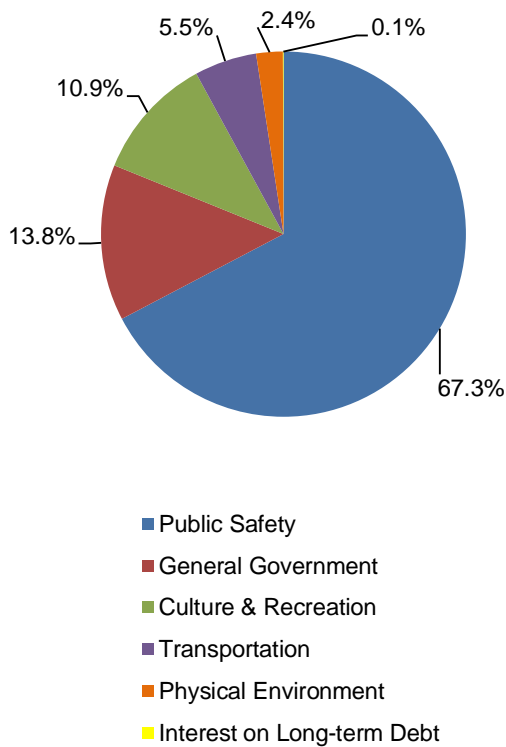
MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

Expenses

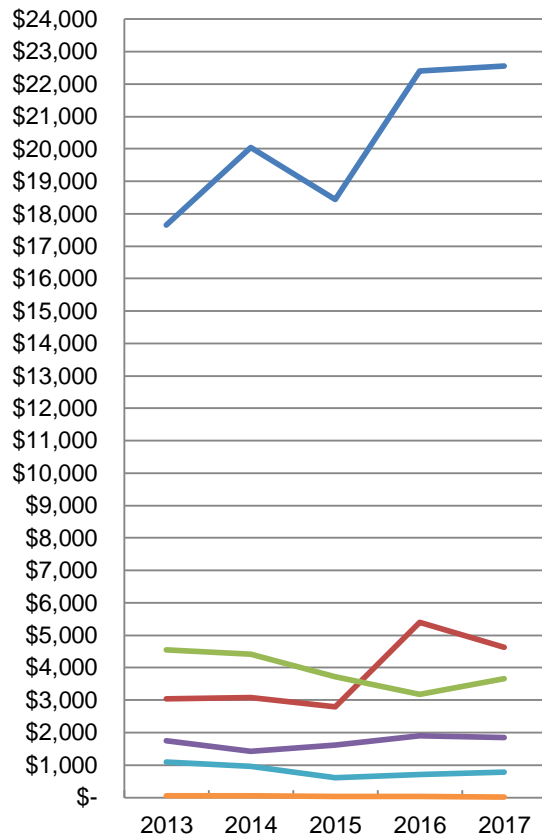
Public safety continues to be the City's single largest governmental activity, comprising 67.3% of its expenses. As shown in the 5 year graph below, costs for public safety increased to \$22.6 million in the current fiscal year from \$22.4 million last fiscal year. This increase is mainly the result of the annual increase in the City's contract with BSO combined with a decrease in pension liabilities, for a net increase of \$200,000.

Governmental Activities - Expenses by Function/Program

**Current Fiscal Year
(As a Percentage of the Total)**



**Last Five Fiscal Years
(In Thousands of Dollars)**



Business-type activities. Overall, net position from business-type activities increased by \$714,000 in the current year. The increase is mostly the result of increased accounts receivable and capital assets.

CITY OF COOPER CITY, FLORIDA

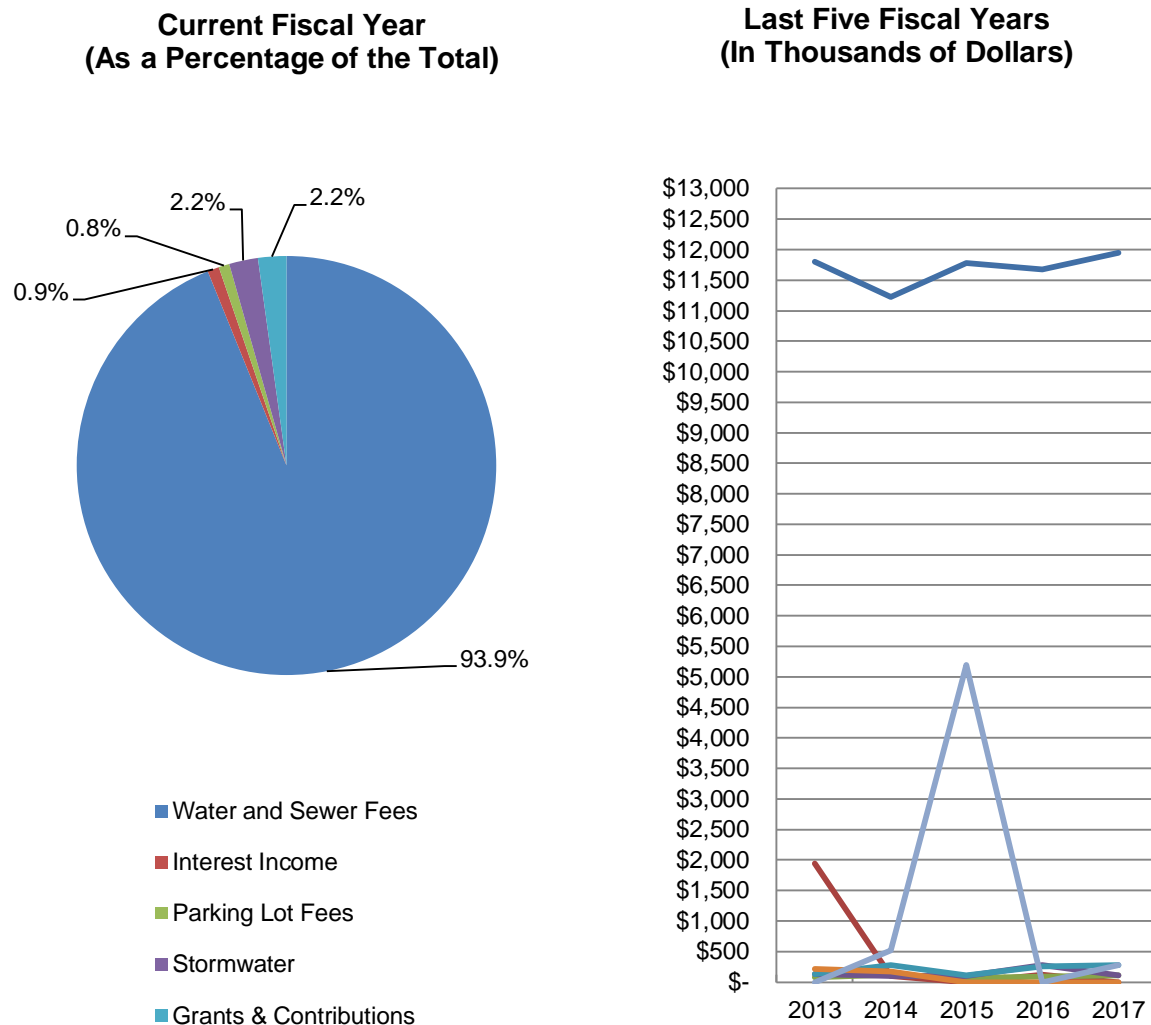
MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

Key highlights for business activities during the current year were as follows:

Revenues

- Total revenues from business-type activities increased by \$298,000. The majority of the increase resulted from an increase in charges for services.
- Capital contribution fees from developers decreased in the Water and Sewer Utility. In the current year the City received \$202,000 in contributions in aid of construction fees from developers, whereas, \$259,000 were received in the prior year.

Business Activities - Revenues by Source



Expenses

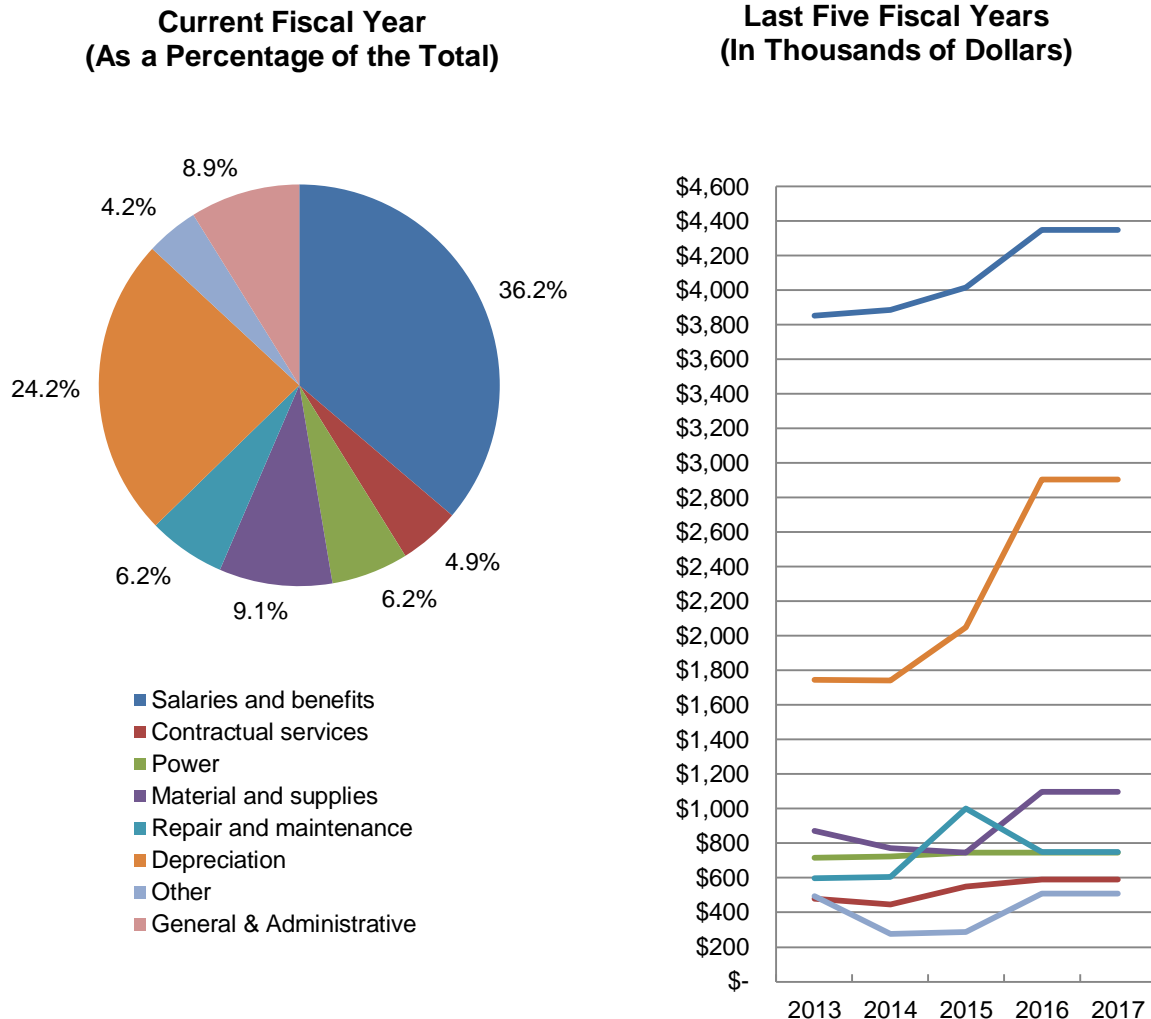
The Water and Sewer Utility continues to be the single largest business-type activity of the City, accounting for approximately 96.8% of total revenues and 95.4% of total expenses. For the fiscal year ended September 30, 2017, the utility's expenses increased only 0.7%, the net result of increases in

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

salaries and benefits, and decreases in repairs and maintenance. Overall, salaries, fringe benefits, and depreciation combined comprised 60.4% of the total expenses related to business activities.

Business Activities - Expenses by Object



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$14.3 million, a \$1.5 million decrease in comparison with the prior year. Approximately \$3.6 million of the fund balance is *unassigned fund balance*, which is available for spending at the City's discretion in the General Fund.

General Fund

The City's General Fund is both its main operating fund and largest governmental fund. At the end of the current fiscal year, the total fund balance of the General Fund was \$7.7 million, representing a decrease of \$2.3 million from the prior year. Revenues and transfers-in increased \$866,000 over prior year, while expenditures and transfers-out increased by \$3 million. Of the total fund balance, \$2.7 million has been assigned to fund subsequent year's expenditures.

Net increase in revenues is a combination of increases in property taxes (\$1.9 million), and charges for services (\$290,000) and decreases in intergovernmental (\$207,000), grant (\$874,000) and fines and forfeitures (\$299,000).

In addition, public safety expenditures increased by approximately \$1.9 million, general government expenditures decreased by \$273,000 and culture and recreation increased by \$1.1 million.

Other Governmental Funds – Fund Balance

Fund balance in the Road and Bridge Fund increased by \$26,000, while the fund balance in the Capital Improvement Fund increased by \$992,000. The increase in both fund balances are due to increases in state revenue sharing and impact fee, respectively. The fund balance in the Police Confiscation Fund decreased by \$228,000, as a result of the transfer of the federal portion of the fund to BSO.

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

Water and Sewer

Unrestricted net position of the Water and Sewer Utility at the end of the year amounted to \$7.0 million. The net position for all of the City's proprietary funds combined increased by \$714,000. Most of this increase is the result of the increase in accounts receivable and capital assets. Other factors concerning the finances of the City's proprietary funds have already been addressed in the discussion of the City's business-type activities.

Stormwater

The net position of the Storm Water Fund decreased by \$100,000 in the current fiscal year, due to payments made in relation to the note payable during the year.

General Fund Budgetary Highlights

Net differences between the original budget and the final amended budget consisted of a \$841,000 increase in appropriations from fund balance. The change resulted in an increase of \$1.5 million in revenue due to reimbursable hurricane expenditures by FEMA and an increase in expenditures totaling \$2.3 million for open purchase orders at the end of fiscal year 2016, which were carried over to fiscal

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

year 2017 (\$291,000), and hurricane related expenditures (\$2 million). During the fiscal year, actual revenues were less than budgetary estimates mostly as a result of grants, franchise fees and utility taxes being less than estimated and charges for services being higher than estimated; while actual expenditures were less than budgetary estimates due primarily to anticipated costs in parks, finance, fire and non-departmental, which were not incurred in the current fiscal year. Consequently, the amount of fund balance changed from the original estimated use of \$3.3 million to an actual use of \$2.3 million.

Capital Asset and Debt Administration

Capital assets. The City's net investment in capital assets for its governmental and business type activities as of September 30, 2017, amounted to \$97.6 million. The City's capital assets include land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges as shown below.

City of Cooper City Capital Assets September 30, 2017 and 2016 (In thousands, net of depreciation)

| | Governmental Activities | | Business-type Activities | | Totals | |
|-----------------------------------|-------------------------|------------------|--------------------------|------------------|------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | \$ 21,791 | \$ 21,791 | \$ 1,038 | \$ 1,038 | \$ 22,829 | \$ 22,829 |
| Construction in progress | 669 | 405 | 347 | 7,949 | 1,016 | 8,354 |
| Buildings | 4,104 | 4,425 | 32,854 | 34,389 | 36,958 | 38,814 |
| Improvements other than buildings | 5,634 | 5,296 | 13,281 | 3,981 | 18,915 | 9,277 |
| Equipment and vehicles | 2,121 | 1,473 | 1,929 | 1,545 | 4,050 | 3,018 |
| Infrastructure | 11,744 | 12,098 | 2,104 | 2,278 | 13,848 | 14,376 |
| Total capital assets | <u>\$ 46,063</u> | <u>\$ 45,488</u> | <u>\$ 51,553</u> | <u>\$ 51,180</u> | <u>\$ 97,616</u> | <u>\$ 96,668</u> |

Major capital asset events during the current fiscal year included the following:

- Resurfacing of various city streets.
- Installation of new hurricane impact windows at City Hall and the Community Center.
- Repair of sidewalks.
- Replacement of exercise and/or playground equipment at three City parks.
- Installation of new chain link fences at multiple City parks.
- Replacement of the irrigation system at one City park.
- Replacement of the final section of sports lighting at the Cooper City Sports Complex.
- Completion of the water main transite pipes replacement program.
- Rehabilitation of gravity sewer mains and laterals.

Additional information on the City's capital assets can be found in Note 4 of this report.

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2017

Long-term debt. At the end of the current fiscal year, the City's total debt amounted to \$3.5 million. This includes general obligation bonds, notes and compensated absences. The general obligation debt is backed by the full faith and credit of the City. The City's other debt consists of loans secured by specified revenue sources.

City of Cooper City Long-term Debt September 30, 2017 and 2016 (In thousands)

| | Governmental Activities | | Business-type Activities | | Totals | |
|---------------|-------------------------|-----------------|--------------------------|-------------|-----------------|-----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Bonds payable | \$ 657 | \$ 1,013 | \$ - | \$ - | \$ 657 | \$ 1,013 |
| Notes payable | - | - | 1,812 | - | 1,812 | - |
| Total debt | <u>\$ 657</u> | <u>\$ 1,013</u> | <u>\$ 1,812</u> | <u>\$ -</u> | <u>\$ 2,469</u> | <u>\$ 1,013</u> |

The City's total long-term debt increased by \$1.4 million (70.3%) during the current fiscal year as the net result of the amortization built into the City's debt service payments and the issuance of a \$1.9 million stormwater project loan.

The amount of general obligation debt a governmental entity may issue is limited by state statute to 10% of its total assessed valuation. The current debt limit for the City is \$266 million, which is far greater than its outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

The rates for the water and sewer utility were increased by 2.2% in the 2018 budget year.

The factors listed below were considered in preparing the City's budget for the 2018 fiscal year.

The unemployment rate for Broward County is currently 3.3%, which is a decrease from a rate of 4.6% a year ago. This compares to the state's average unemployment rate of 4.2% and the national average rate of 4.4%. The City appropriated \$2.7 million of its \$7.7 million General Fund total fund balance for spending in the 2018 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Cooper City's finances to all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P.O. Box 290910, Cooper City, Florida 33329-0910.

BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

| | Primary Government | | |
|---|------------------------------------|-------------------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets | | | |
| Cash and cash equivalents | \$ 5,306,782 | \$ 3,891,315 | \$ 9,198,097 |
| Investments | 9,246,200 | 5,810,000 | 15,056,200 |
| Accounts receivables, net | 756,773 | 1,810,064 | 2,566,837 |
| Franchise fees and utility taxes receivable | 635,799 | - | 635,799 |
| Due from other governments | 1,233,931 | 76,268 | 1,310,199 |
| Inventory | 27,991 | - | 27,991 |
| Restricted asset, cash and cash equivalents | - | 1,442,600 | 1,442,600 |
| Restricted investments | - | 1,543,800 | 1,543,800 |
| Capital assets | | | |
| Non-depreciable | 22,460,183 | 1,385,103 | 23,845,286 |
| Depreciable, net | 23,603,162 | 50,167,746 | 73,770,908 |
| Total assets | 63,270,821 | 66,126,896 | 129,397,717 |
| Deferred Outflows of Resources | | | |
| Deferred outflows - pension | 6,544,405 | 1,022,826 | 7,567,231 |
| Total deferred outflows | 6,544,405 | 1,022,826 | 7,567,231 |
| Liabilities | | | |
| Accounts payable | 821,572 | 520,596 | 1,342,168 |
| Accrued liabilities | 694,163 | 61,440 | 755,603 |
| Refundable deposits | 21,500 | - | 21,500 |
| Customer deposits payable | - | 1,086,400 | 1,086,400 |
| Unearned revenue | 683,104 | 25,455 | 708,559 |
| Noncurrent liabilities | | | |
| Due within one year | 501,077 | 283,163 | 784,240 |
| Due in more than one year | 18,841,538 | 5,902,190 | 24,743,728 |
| Total liabilities | 21,562,954 | 7,879,244 | 29,442,198 |
| Deferred Inflows of Resources | | | |
| Deferred inflows - pension | 404,707 | 244,896 | 649,603 |
| Net position | | | |
| Net investment in capital assets | 45,406,744 | 51,552,849 | 96,959,593 |
| Restricted - stormwater improvements | - | 88,201 | 88,201 |
| Unrestricted | 2,440,821 | 7,384,532 | 9,825,353 |
| Total net position | \$ 47,847,565 | \$ 59,025,582 | \$ 106,873,147 |

The accompanying notes are an integral part of these financial statements.

CITY OF COOPER CITY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total |
| | | | | | Governmental Activities | Business-type Activities | |
| Functions/programs | | | | | | | |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 4,629,076 | \$ 1,263,194 | \$ - | \$ 275,239 | \$ (3,090,643) | \$ - | \$ (3,090,643) |
| Public safety | 22,562,822 | 5,498,327 | 496,995 | - | (16,567,500) | - | (16,567,500) |
| Physical environment | 789,573 | - | - | 32,950 | (756,623) | - | (756,623) |
| Transportation | 1,851,984 | - | - | - | (1,851,984) | - | (1,851,984) |
| Culture and recreation | 3,662,370 | 973,311 | - | - | (2,689,059) | - | (2,689,059) |
| Interest on long-term debt | 19,361 | - | - | - | (19,361) | - | (19,361) |
| Total governmental activities | 33,515,186 | 7,734,832 | 496,995 | 308,189 | (24,975,170) | - | (24,975,170) |
| Business-type activities: | | | | | | | |
| Parking | 143,426 | 105,961 | - | - | - | (37,465) | (37,465) |
| Water and sewer | 11,469,491 | 11,949,666 | 72,294 | 201,856 | - | 754,325 | 754,325 |
| Stormwater | 402,562 | 282,611 | 3,974 | - | - | (115,977) | (115,977) |
| Total business-type activities | 12,015,479 | 12,338,238 | 76,268 | 201,856 | - | 600,883 | 600,883 |
| Total primary government | \$ 45,530,665 | \$ 20,073,070 | \$ 573,263 | \$ 510,045 | (24,975,170) | 600,883 | (24,374,287) |
| General revenues | | | | | | | |
| Property taxes | | | | | 16,688,212 | - | 16,688,212 |
| Franchise fees and utility taxes | | | | | 6,072,166 | - | 6,072,166 |
| Local option sales tax | | | | | 2,203,865 | - | 2,203,865 |
| Local option gasoline tax | | | | | 614,483 | - | 614,483 |
| Unrestricted intergovernmental revenues | | | | | 1,361,317 | - | 1,361,317 |
| Investment earnings | | | | | 203,100 | 113,019 | 316,119 |
| Miscellaneous | | | | | 282,878 | - | 282,878 |
| Total general revenues and transfers | | | | | 27,426,021 | 113,019 | 27,539,040 |
| Change in net position | | | | | 2,450,851 | 713,902 | 3,164,753 |
| Net position, beginning of year | | | | | 45,396,714 | 58,311,680 | 103,708,394 |
| Net position, end of year | | | | | \$ 47,847,565 | \$ 59,025,582 | \$ 106,873,147 |

The accompanying notes are an integral part of these financial statements.

CITY OF COOPER CITY, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

| | General Fund | Road and Bridge Fund | Police Confiscation Fund | Debt Service Fund | Capital Improvement Fund | Total Governmental Funds |
|--|-------------------------|-------------------------------------|---|----------------------------------|---|---|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 2,597,678 | \$ 182,160 | \$ 69,436 | \$ 55,201 | \$ 2,402,307 | \$ 5,306,782 |
| Investments | 4,996,600 | 332,000 | 132,800 | 99,600 | 3,685,200 | 9,246,200 |
| Accounts receivable, net | 756,773 | - | - | - | - | 756,773 |
| Franchise fees and utility taxes receivable | 635,799 | - | - | - | - | 635,799 |
| Due from other governments | 1,037,807 | 51,645 | - | - | 144,479 | 1,233,931 |
| Inventory | 27,991 | - | - | - | - | 27,991 |
| Total assets | <u>\$ 10,052,648</u> | <u>\$ 565,805</u> | <u>\$ 202,236</u> | <u>\$ 154,801</u> | <u>\$ 6,231,986</u> | <u>\$ 17,207,476</u> |
| Liabilities, deferred inflows of resources, and fund balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 496,489 | \$ 67,998 | \$ - | \$ - | \$ 257,085 | \$ 821,572 |
| Accrued liabilities | 686,744 | - | - | - | - | 686,744 |
| Refundable deposits | 21,500 | - | - | - | - | 21,500 |
| Unearned revenue | 538,625 | - | - | - | 144,479 | 683,104 |
| Payable from restricted assets | | | | | | |
| Matured bond principal | - | - | - | 86,533 | - | 86,533 |
| Matured bond interest | - | - | - | 7,419 | - | 7,419 |
| Total liabilities | <u>1,743,358</u> | <u>67,998</u> | <u>-</u> | <u>93,952</u> | <u>401,564</u> | <u>2,306,872</u> |
| Deferred inflows of resources | | | | | | |
| Unavailable revenue | <u>576,419</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>576,419</u> |
| Fund balances | | | | | | |
| Nonspendable | 27,991 | - | - | - | - | 27,991 |
| Assigned | | | | | | |
| Subsequent year's expenditures | 2,746,845 | - | 30,000 | - | 785,748 | 3,562,593 |
| Purchases on order | 1,357,247 | 153,648 | 27,267 | - | 382,411 | 1,920,573 |
| Police operations | - | - | 144,969 | - | - | 144,969 |
| Debt service | - | - | - | 60,849 | - | 60,849 |
| Capital improvements | - | - | - | - | 4,662,263 | 4,662,263 |
| Transportation | - | 344,159 | - | - | - | 344,159 |
| Unassigned | <u>3,600,788</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,600,788</u> |
| Total fund balances | <u>7,732,871</u> | <u>497,807</u> | <u>202,236</u> | <u>60,849</u> | <u>5,830,422</u> | <u>14,324,185</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 10,052,648</u> | <u>\$ 565,805</u> | <u>\$ 202,236</u> | <u>\$ 154,801</u> | <u>\$ 6,231,986</u> | |
| Amounts reported for governmental activities in the statement of net position are different because | | | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | | | |
| Governmental capital assets | | | | | 80,710,361 | |
| Accumulated depreciation | | | | | <u>(34,647,016)</u> | 46,063,345 |
| Unavailable revenues are not available to pay for current period expenditures and, therefore are not reported as revenue in the funds. | | | | | | 576,419 |
| Deferred outflows, deferred inflows, and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and therefore are not reported in the funds. | | | | | | |
| Deferred outflows - pension | | | | | 6,544,405 | |
| Deferred inflows - pension | | | | | (404,707) | |
| Net pension liability | | | | | <u>(15,901,685)</u> | (9,761,987) |
| Certain liabilities are not due and payable in the current period and are therefore not reported in the funds. | | | | | | |
| Compensated absences | | | | | (568,452) | |
| OPEB payable | | | | | (2,215,877) | |
| Bonds payable | | | | | <u>(570,068)</u> | (3,354,397) |
| Net position of governmental activities | | | | | | <u>\$ 47,847,565</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF COOPER CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | General Fund | Road and Bridge Fund | Police Confiscation Fund | Debt Service Fund | Capital Improvement Fund | Total Governmental Funds |
|--|-------------------------|-------------------------------------|---|----------------------------------|---|---|
| Revenues | | | | | | |
| Property taxes | \$ 16,323,972 | \$ - | \$ - | \$ 364,240 | \$ - | \$ 16,688,212 |
| Franchise fees and utility taxes | 6,072,166 | - | - | - | - | 6,072,166 |
| Licenses and permits | 1,153,529 | - | - | - | - | 1,153,529 |
| Intergovernmental revenues | 3,490,458 | 885,022 | - | - | - | 4,375,480 |
| Charges for services | 5,931,259 | - | - | - | - | 5,931,259 |
| Fines and forfeitures | 250,759 | - | 22,351 | - | - | 273,110 |
| Impact fees | - | - | - | - | 376,934 | 376,934 |
| Grant revenues | 32,950 | - | - | - | - | 32,950 |
| Investment earnings | 144,533 | 5,483 | 2,711 | - | 50,373 | 203,100 |
| Miscellaneous revenues | 282,878 | - | - | - | - | 282,878 |
| Total revenues | <u>33,682,504</u> | <u>890,505</u> | <u>25,062</u> | <u>364,240</u> | <u>427,307</u> | <u>35,389,618</u> |
| Expenditures | | | | | | |
| Current | | | | | | |
| General government | 4,848,352 | - | - | - | - | 4,848,352 |
| Public safety | 24,080,154 | - | 253,053 | - | - | 24,333,207 |
| Physical environment | 718,372 | - | - | - | - | 718,372 |
| Transportation | - | 1,494,269 | - | - | - | 1,494,269 |
| Culture and recreation | 3,853,522 | - | - | - | - | 3,853,522 |
| Capital outlay | - | - | - | - | 1,299,727 | 1,299,727 |
| Debt service | | | | | | |
| Principal retirement | - | - | - | 356,447 | - | 356,447 |
| Interest | - | - | - | 19,361 | - | 19,361 |
| Total expenditures | <u>33,500,400</u> | <u>1,494,269</u> | <u>253,053</u> | <u>375,808</u> | <u>1,299,727</u> | <u>36,923,257</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>182,104</u> | <u>(603,764)</u> | <u>(227,991)</u> | <u>(11,568)</u> | <u>(872,420)</u> | <u>(1,533,639)</u> |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | 630,171 | - | - | 1,864,405 | 2,494,576 |
| Transfers out | (2,494,576) | - | - | - | - | (2,494,576) |
| Total other financing sources (uses) | <u>(2,494,576)</u> | <u>630,171</u> | <u>-</u> | <u>-</u> | <u>1,864,405</u> | <u>-</u> |
| Change in fund balances | <u>(2,312,472)</u> | <u>26,407</u> | <u>(227,991)</u> | <u>(11,568)</u> | <u>991,985</u> | <u>(1,533,639)</u> |
| Fund balances, beginning of year | <u>10,045,343</u> | <u>471,400</u> | <u>430,227</u> | <u>72,417</u> | <u>4,838,437</u> | <u>15,857,824</u> |
| Fund balances, end of year | <u>\$ 7,732,871</u> | <u>\$ 497,807</u> | <u>\$ 202,236</u> | <u>\$ 60,849</u> | <u>\$ 5,830,422</u> | <u>\$ 14,324,185</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF COOPER CITY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | |
|---|-----------------------|
| Net Change in Fund Balances – Total Governmental Funds | \$ (1,533,639) |
|---|-----------------------|

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 these assets is depreciated over their estimated useful lives.

| | | |
|--------------------------------|--------------------|---------|
| Capital outlay | \$ 2,183,040 | |
| Less current year depreciation | <u>(1,576,981)</u> | 606,059 |

| | |
|---|----------|
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net position. | (30,564) |
|---|----------|

Unavailable revenues reported in the fund level statements that are considered revenue in the Statement of Activities are as follows:

| | |
|---------------------------|---------|
| Intergovernmental revenue | 576,419 |
|---------------------------|---------|

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

| | | |
|--------------------------------|------------------|------------------|
| Change in compensated absences | 33,567 | |
| Change in OPEB payable | (165,544) | |
| Pension expense | <u>2,608,106</u> | <u>2,476,129</u> |

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

| | |
|--|----------------|
| General obligation bond principal repayments | <u>356,447</u> |
|--|----------------|

| | |
|--|-----------------------------------|
| Change in net position of governmental activities | <u><u>\$ 2,450,851</u></u> |
|--|-----------------------------------|

The accompanying notes are an integral part of these financial statements.

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017**

| | Parking Lot Fund | Water and Sewer Fund | Stormwater Fund | Total |
|--|-----------------------------|---------------------------------|----------------------------|----------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 42,340 | \$ 3,404,158 | \$ 444,817 | \$ 3,891,315 |
| Investments | - | 5,810,000 | - | 5,810,000 |
| Restricted cash and cash equivalents | 22,100 | 1,064,300 | 356,200 | 1,442,600 |
| Restricted investments | - | - | 1,543,800 | 1,543,800 |
| Accounts receivable, net | 76 | 1,782,144 | 27,844 | 1,810,064 |
| Due from other governments | - | 72,294 | 3,974 | 76,268 |
| Total current assets | <u>64,516</u> | <u>12,132,896</u> | <u>2,376,635</u> | <u>14,574,047</u> |
| Noncurrent assets | | | | |
| Capital assets, non-depreciable | 535,492 | 813,082 | 36,529 | 1,385,103 |
| Capital assets, depreciable, net | 408,801 | 46,834,719 | 2,924,226 | 50,167,746 |
| Total noncurrent assets | <u>944,293</u> | <u>47,647,801</u> | <u>2,960,755</u> | <u>51,552,849</u> |
| Total assets | <u>1,008,809</u> | <u>59,780,697</u> | <u>5,337,390</u> | <u>66,126,896</u> |
| Deferred Outflows of Resources | | | | |
| Pension | - | 994,616 | 28,210 | 1,022,826 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Accounts payable | 12,084 | 506,247 | 2,265 | 520,596 |
| Accrued liabilities | - | 59,690 | 1,750 | 61,440 |
| Unearned revenue | 25,455 | - | - | 25,455 |
| Notes payable | - | - | 172,893 | 172,893 |
| Compensated absences | - | 105,172 | 5,098 | 110,270 |
| Liabilities payable from restricted assets | | | | |
| Customer deposits payable | 22,100 | 1,064,300 | - | 1,086,400 |
| Total current liabilities | <u>59,639</u> | <u>1,735,409</u> | <u>182,006</u> | <u>1,977,054</u> |
| Non-current liabilities | | | | |
| Compensated absences | - | 333,045 | 16,143 | 349,188 |
| Notes payable, net of current portion | - | - | 1,638,906 | 1,638,906 |
| OPEB obligation | - | 1,239,969 | 41,221 | 1,281,190 |
| Net pension liability | - | 2,545,991 | 86,915 | 2,632,906 |
| Total non-current liabilities | <u>-</u> | <u>4,119,005</u> | <u>1,783,185</u> | <u>5,902,190</u> |
| Total liabilities | <u>59,639</u> | <u>5,854,414</u> | <u>1,965,191</u> | <u>7,879,244</u> |
| Deferred Inflows of Resources | | | | |
| Pension | - | 235,633 | 9,263 | 244,896 |
| Net position | | | | |
| Investment in capital assets | 944,293 | 47,647,801 | 2,960,755 | 51,552,849 |
| Restricted - stormwater improvements | - | - | 88,201 | 88,201 |
| Unrestricted | 4,877 | 7,037,465 | 342,190 | 7,384,532 |
| Total net position | <u>\$ 949,170</u> | <u>\$ 54,685,266</u> | <u>\$ 3,391,146</u> | <u>\$ 59,025,582</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

| | <u>Parking Lot Fund</u> | <u>Water and Sewer Fund</u> | <u>Stormwater Fund</u> | <u>Total</u> |
|--|-----------------------------|---------------------------------|----------------------------|----------------------|
| Operating revenues | | | | |
| Charges for services | \$ 105,961 | \$ 11,704,802 | \$ 282,611 | \$ 12,093,374 |
| Impact fees | - | 244,864 | - | 244,864 |
| Total operating revenues | <u>105,961</u> | <u>11,949,666</u> | <u>282,611</u> | <u>12,338,238</u> |
| Operating expenses | | | | |
| Personnel services and benefits | 17,840 | 4,210,557 | 122,407 | 4,350,804 |
| Professional services | 33,364 | 510,194 | 47,331 | 590,889 |
| General and administrative | 37,000 | 1,000,000 | 28,080 | 1,065,080 |
| Materials and supplies | - | 1,092,721 | 4,026 | 1,096,747 |
| Utilities | 5,782 | 742,093 | - | 747,875 |
| Insurance | - | 307,020 | - | 307,020 |
| Repairs and maintenance | 12,505 | 717,221 | 18,941 | 748,667 |
| Miscellaneous | - | 183,841 | 89 | 183,930 |
| Depreciation | <u>36,935</u> | <u>2,705,844</u> | <u>163,611</u> | <u>2,906,390</u> |
| Total operating expenses | <u>143,426</u> | <u>11,469,491</u> | <u>384,485</u> | <u>11,997,402</u> |
| Operating income (loss) | <u>(37,465)</u> | <u>480,175</u> | <u>(101,874)</u> | <u>340,836</u> |
| Nonoperating revenues (expenses) | | | | |
| Investment earnings | 404 | 97,017 | 15,598 | 113,019 |
| Grant revenue | - | 72,294 | 3,974 | 76,268 |
| Interest expense | - | - | (18,077) | (18,077) |
| Total nonoperating revenues, net | <u>404</u> | <u>169,311</u> | <u>1,495</u> | <u>171,210</u> |
| Income (loss) before capital contributions | (37,061) | 649,486 | (100,379) | 512,046 |
| Capital contributions | <u>-</u> | <u>201,856</u> | <u>-</u> | <u>201,856</u> |
| Changes in net position | (37,061) | 851,342 | (100,379) | 713,902 |
| Total net position, beginning of year | <u>986,231</u> | <u>53,833,924</u> | <u>3,491,525</u> | <u>58,311,680</u> |
| Total net position, end of year | <u>\$ 949,170</u> | <u>\$ 54,685,266</u> | <u>\$ 3,391,146</u> | <u>\$ 59,025,582</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

| | Parking Lot Fund | Water and Sewer Fund | Stormwater Fund | Total |
|--|-----------------------------|---------------------------------|----------------------------|----------------------------|
| Cash flows from operating activities | | | | |
| Cash received from customers | \$ 105,290 | \$ 11,640,981 | \$ 279,437 | \$ 12,025,708 |
| Cash paid to suppliers for goods and services | (77,318) | (5,201,748) | (102,160) | (5,381,226) |
| Cash paid to employees for services and benefits | (17,840) | (4,094,165) | (117,500) | (4,229,505) |
| Net cash provided by operating activities | <u>10,132</u> | <u>2,345,068</u> | <u>59,777</u> | <u>2,414,977</u> |
| Cash flows from capital and related financing activities | | | | |
| Acquisition and construction of capital assets | - | (3,040,981) | (37,602) | (3,078,583) |
| Proceeds from note payable | - | - | 1,900,000 | 1,900,000 |
| Principal paid on note payable | - | - | (88,201) | (88,201) |
| Interest paid | - | - | (18,077) | (18,077) |
| Net cash provided by (used in) capital and related financing activities | <u>-</u> | <u>(3,040,981)</u> | <u>1,756,120</u> | <u>(1,284,861)</u> |
| Cash flows from investing activities | | | | |
| Cash received on sale of investments | - | 2,584,955 | 375,720 | 2,960,675 |
| Purchase of investments | - | - | (1,543,800) | (1,543,800) |
| Interest received | <u>404</u> | <u>97,017</u> | <u>15,598</u> | <u>113,019</u> |
| Net cash provided by (used in) investing activities | <u>404</u> | <u>2,681,972</u> | <u>(1,152,482)</u> | <u>1,529,894</u> |
| Net change in cash and cash equivalents | 10,536 | 1,986,059 | 663,415 | 2,660,010 |
| Cash and cash equivalents, beginning of year | <u>53,904</u> | <u>2,482,399</u> | <u>137,602</u> | <u>2,673,905</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 64,440</u></u> | <u><u>\$ 4,468,458</u></u> | <u><u>\$ 801,017</u></u> | <u><u>\$ 5,333,915</u></u> |
| Cash and cash equivalents classified as | | | | |
| Cash and cash equivalents | \$ 42,340 | \$ 3,404,158 | \$ 444,817 | \$ 3,891,315 |
| Restricted cash and cash equivalents | <u>22,100</u> | <u>1,064,300</u> | <u>356,200</u> | <u>1,442,600</u> |
| Total cash and cash equivalents | <u><u>\$ 64,440</u></u> | <u><u>\$ 4,468,458</u></u> | <u><u>\$ 801,017</u></u> | <u><u>\$ 5,333,915</u></u> |

(Continued)

The accompanying notes are an integral part of these financial statements.

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

| | <u>Parking Lot Fund</u> | <u>Water and Sewer Fund</u> | <u>Stormwater Fund</u> | <u>Total</u> |
|---|-----------------------------|---------------------------------|----------------------------|---------------------|
| Reconciliation of operating income (loss) to net cash provided by operating activities | | | | |
| Operating income (loss) | \$ (37,465) | \$ 480,175 | \$ (101,874) | \$ 340,836 |
| Adjustment to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Depreciation | 36,935 | 2,705,844 | 163,611 | 2,906,390 |
| Change in operating assets and liabilities: | | | | |
| (Increase) decrease in assets: | | | | |
| Accounts receivable | 178 | (323,290) | (3,174) | (326,286) |
| Pension deferred outflows of resources | - | (37,006) | 4,932 | (32,074) |
| Increase (decrease) in liabilities: | | | | |
| Accounts payable | 11,333 | (648,658) | (3,693) | (641,018) |
| Accrued liabilities | - | 11,007 | 302 | 11,309 |
| Unearned revenues | (1,449) | - | - | (1,449) |
| Compensated absences payable | - | 12,856 | 8,851 | 21,707 |
| Pension deferred inflows of resources | - | 98,155 | 2,865 | 101,020 |
| Net pension liability | - | (80,842) | (15,346) | (96,188) |
| OPEB obligation | - | 112,222 | 3,303 | 115,525 |
| Customer deposits | 600 | 14,605 | - | 15,205 |
| Net cash provided by operating activities | <u>\$ 10,132</u> | <u>\$ 2,345,068</u> | <u>\$ 59,777</u> | <u>\$ 2,414,977</u> |
| Schedule of non-cash capital and related financing activities: | | | | |
| Contributions of capital assets | <u>\$ -</u> | <u>\$ 201,856</u> | <u>\$ -</u> | <u>\$ 201,856</u> |

The accompanying notes are an integral part of these financial statements.

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2017**

| | Pension Trust Funds |
|--|------------------------------------|
| Assets | |
| Cash and cash equivalents | \$ 1,671,372 |
| Receivables/prepays | |
| Employer contributions | 274,417 |
| Interest receivable | 218,936 |
| Due from other governments | 355,291 |
| Due from others | 4,647 |
| Due from broker | 385,000 |
| Total receivables | <u>1,239,428</u> |
| Investments, at fair value | |
| U.S. Government and agency securities | 7,202,156 |
| Corporate bonds | 15,837,696 |
| Equity securities | 41,384,543 |
| Equity mutual funds | 12,195,376 |
| Municipal obligations | 159,390 |
| Commingled real estate funds | 9,757,887 |
| Total investments | <u>86,537,048</u> |
| Total assets | <u><u>\$ 89,447,848</u></u> |
| Liabilities | |
| Accounts payable | \$ 148,435 |
| Total liabilities | <u>148,435</u> |
| Net Position | |
| Restricted for pension benefits - active and retired members' benefits | <u>89,299,413</u> |
| Total liabilities and net position | <u><u>\$ 89,447,848</u></u> |

The accompanying notes are an integral part of these financial statements.

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

| | Pension Trust Funds |
|---|------------------------------------|
| Additions | |
| Contributions | |
| City | \$ 1,942,915 |
| Employees | 395,609 |
| Broward County Sheriff's Office | 1,235,364 |
| State/other | 504,759 |
| Total contributions | <u>4,078,647</u> |
| Investment income | |
| Net increase in fair market value | 7,041,750 |
| Interest and dividend income | 1,811,658 |
| Less investment expense | (461,506) |
| Net investment income | <u>8,391,902</u> |
| Total additions | <u>12,470,549</u> |
| Deductions | |
| Pension benefits | 4,954,471 |
| DROP distributions | 100 |
| Administrative expenses | 226,137 |
| Total deductions | <u>5,180,708</u> |
| Change in net position | <u>7,289,841</u> |
| Net position, restricted for pension benefits | |
| Beginning of year | <u>82,009,572</u> |
| End of year | <u><u>\$ 89,299,413</u></u> |

The accompanying notes are an integral part of these financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cooper City, Florida (the “City”) was incorporated in 1959 pursuant to Chapter 59-1195, Laws of Florida, and currently operates under a Commission-Manager form of government and provides the following types of services: public safety (fire protection, sanitation, emergency medical services, code enforcement and police), parks and recreation, public improvements, growth management, water and sewer, storm water, transportation and community and general administrative services. A Mayor and four member Commission is elected to serve as the executive and legislative body for the City.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied 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 policies of the City are described below.

A. Financial Reporting Entity

The accompanying financial statements present the City’s primary government, organizations for which the City is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the City are such that, if excluded, the financial statements of the City would be considered incomplete or misleading. There are no entities considered to be component units of the City; therefore, the financial statements include only the operations of the City.

The City’s financial statements include three single-employer public employee retirement systems (“PERS”) established and administered by the City to provide pension benefits for its employees. The City also participates in two agent multiple-employer pension plans which publishes its own financial statements and supplementary information.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements, except for charges for services for water and sewer provided by the enterprise funds and used by the governmental funds. 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 services.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Government-Wide and Fund Financial Statements – Continued

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment, (2) grants and contributions that are restricted to meeting the operating requirements of a particular function or segment, and (3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

The net cost by function is normally covered by general revenue (property taxes, utility taxes, franchise fees, licenses and permits, certain intergovernmental revenues, interest income, etc.). The City applies eligible expenses against available restricted resources before the use of unrestricted resources.

Separate fund based financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City has elected to report all of its funds as major funds for public interest purposes.

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, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary fund includes its pension trust funds.

The government-wide focus is on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to the timing of when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

The government-wide financial statements, as well as the fund financial statements for proprietary funds and fiduciary funds, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows. Agency funds, however, have no measurement focus. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method exchange and exchange-like revenues are recognized when measurable and available. Non-exchange transaction revenue is recognized when measurable and available and when eligibility requirements have been met. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, compensated absences and claims and judgments are recognized as expenditures to the extent they become due (matured).

Property taxes when levied, franchise and utility taxes, licenses, charges for services, contributions, intergovernmental revenue when all the eligibility requirements are met, and investment earnings associated with the current fiscal period are all considered to be measurable and have been recognized as revenues of the current fiscal period, if available. Permits, fines and forfeitures and miscellaneous revenues are considered measurable when cash is received by the government.

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major governmental funds are used by the City:

General Fund - This fund is used to account for all financial transactions, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, franchise fees, state and federal distributions and other governmental revenue.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Road and Bridge Fund - This Special Revenue Fund is used to account for the maintenance of streets and roads. Revenue sources are local option taxes from the State and interfund transfers from the general fund.

Police Confiscation Fund - This Special Revenue Fund provides accountability for assets confiscated in the commission of a crime. Revenue source is forfeited property sale proceeds.

Debt Service Fund - This fund is used to account for the repayment of certain of the City's general longterm debt.

Capital Improvement Fund - This fund is used to account for major capital improvements.

The following are reported as major proprietary funds:

Parking Lot Fund - This fund is used to account for the income and expenses of operating the City's parking facility system.

Water and Sewer Fund - This fund is used to account for the income and expenses of operating the City's water and sewer system.

Stormwater Fund - This fund is used to account for the income and expenses of the City's stormwater system.

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. Fiduciary funds include three single employer pension trust funds. These funds comprise the aggregate remaining fund information of the City.

Amounts reported as *program revenues* include: (1) charges to customers or applicants for goods, services or privileges provide, (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 property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items, operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

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. Unrestricted resources are used in the following order: committed, assigned and then unassigned.

D. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, Debt Service and Capital Improvement Funds. Encumbrances outstanding at year end are reported as assignments of fund balance since they do not constitute expenditures or liabilities.

F. Cash and Investments

The City defines cash equivalents for purposes of the cash flow statements as instruments with an original maturity date of three months or less, when purchased, including restricted/designated cash and cash equivalents.

Investments are recorded at fair value based on quoted market prices except for certificates of deposits with original maturities of less than one year, which are carried at amortized cost.

Bank accounts are not separately maintained for each of the City's funds, as certain funds maintain their deposits in a pooled account. Accounting records are maintained to show the portion of the pooled account attributable to each participant fund.

State Statutes authorize the City to invest in direct obligations of the U.S. Treasury, Local Government Surplus Trust Fund, SEC registered money market funds with the highest credit quality rating and savings, the State Treasurer's Investment Pool, and certificate of deposit accounts in State-certified public depositories.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

G. Restricted Assets

These assets represent cash and other assets set aside to meet sinking fund requirements for the payment of debt principal, interest and fiscal charges, obligations pursuant to bond covenants, trust arrangements and customer deposits. Liabilities which will be payable from restricted/designated assets have been segregated and separately identified in the accompanying financial statements.

H. Receivables

All trade receivables are reported net of an allowance for uncollectibles, which is generally equivalent to the receivables that are over 90 days past due.

I. Inventory and Prepaid Items

Inventories in the General Fund are composed of materials and supplies for fleet maintenance and are based on year-end physical counts. Inventory is valued at cost. Inventories, including gasoline and fuel and chemicals for the Water and Sewer Fund, are recognized as expenditures when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These payments are reported using the consumption method as an asset is recognized when payment is made.

J. Property Taxes

Property values are assessed on a county-wide basis by the Broward County Property Appraiser as of January 1 of each year. Tax bills are mailed for the City by Broward County on or about October 1 (the levy date) of each year and are payable with discounts of up to 4% offered for early payment. The City's levy becomes an enforceable claim on November 1. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-earning tax certificates to satisfy unpaid property taxes. The City is subject to certain limitations on millage rate assessments as defined by state statutes. The City levied taxes at a rate of 6.3847 mills for operations and .1425 mills for debt service, which was below the maximum millage allowed by Statute.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

K. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the fiscal year ended September 30, 2017, no interest was capitalized.

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

| | |
|-----------------------------------|---------|
| Buildings | 20 - 40 |
| Improvements other than buildings | 20 - 40 |
| Machinery and equipment | 3 - 10 |
| Infrastructure | 50 |

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

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick leave and vacation leave benefits. Sick leave may be accumulated up to 720 hours and vacation leave up to 240 hours. The City permits conversion of excess accrued sick leave for employees that have been with the City for longer than five years. Employees with five to ten years of full time service vest in 25% of sick leave, employees with ten to fifteen years vest at 50% and employees with greater than fifteen vest at 75%. All sick and vacation leave is accrued when earned in the government-wide and proprietary fund financial statements. 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. Liability for 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 and government-wide presentations.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

M. Unearned Revenue

Unearned revenue arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

N. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

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 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.

O. Pension Accounting

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City's plans and additions to/deductions from this plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension Trust Funds:

Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative expenses are financed as a part of the annual required contribution calculation.

Funding policy:

The City funds the contributions to its pension plans based on the actuarial required contribution.

A net pension liability is reported in the government-wide financial statements and represents the cumulative difference between total pension liability and fiduciary net position since implementation.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

O. Pension Accounting – Continued

Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has deferred inflows and deferred outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. The changes in proportion and differences between City contributions and proportionate share of contributions are also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

P. Net Position/Fund Balance Classification

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balance of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

P. Net Position/Fund Balance Classification – Continued

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions in enabling legislation. At year end, governmental activities net position restricted for other purposes was composed of amounts related to purposes as noted in the Statement of Net Position.

Unrestricted Net Position – This category represents net position that does not meet the definition of “net investment in capital assets” or “restricted”.

In accordance with GASB Statement No. 54, the City classifies governmental fund balance as follows:

Nonspendable Fund Balance – This represents amounts that cannot be spent due to form (e.g. inventories, prepaid amounts) or legally or contractually required to be maintained intact.

Restricted Fund Balance – This represents amounts constrained for a specific purpose by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – This represents amounts that can only be used for specific purposes determined by a formal action (ordinance) of the City Commission, the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances includes spendable fund balance amounts established by the City Commission that are intended to be used for a specific purposes that are neither considered restricted or committed. Intent is expressed by the City Commission to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances are considered assignments of fund balance.

Unassigned Fund Balance – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it such as in grant agreements requiring dollar for dollar spending.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 2 – DEPOSITS AND INVESTMENTS

At September 30, 2017, the City had the following deposits and investments:

| | |
|--|------------------------------|
| Statement of Net Position | |
| Cash on hand | \$ 12,200 |
| Deposits with financial institutions | 10,609,592 |
| State Board of Administration | 18,905 |
| Certificates of deposit | 16,600,000 |
| Total | <u>27,240,697</u> |
| Fiduciary Funds: | |
| Cash and cash equivalents | 1,671,372 |
| U.S. Government and agency obligations | 7,202,156 |
| Corporate bonds | 15,837,696 |
| Equity securities | 41,384,543 |
| Equity mutual funds | 12,195,376 |
| Municipal obligations | 159,390 |
| Commingled real estate funds | 9,757,887 |
| Total | <u>88,208,420</u> |
| Total cash and investments | <u><u>\$ 115,449,117</u></u> |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS – CONTINUED

The City's cash, cash equivalents and investments, as reported in the accompanying financial statements for the fiscal year ended September 30, 2017, were as follows:

Statement of Net Position:

| | |
|--|----------------------|
| Cash and cash equivalents - current | \$ 9,198,097 |
| Cash and cash equivalents - current restricted | 1,442,600 |
| Investments | 15,056,200 |
| Investments - restricted | 1,543,800 |
| | <u>\$ 27,240,697</u> |

Fiduciary Funds:

| | |
|---------------------------|----------------------|
| Cash and cash equivalents | \$ 1,671,372 |
| Investments | 86,537,048 |
| | <u>\$ 88,208,420</u> |

All deposits, including certificates of deposit, are insured or collateralized by a financial institution collateral pool as required by Florida State Statutes. Under this pool, financial institutions holding public funds pledge collateral to a common pool. The collateral pledged by each financial institution must equal a certain percentage of the uninsured public deposits held. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the collateral pool is inadequate to meet obligations of the pool, each member institution will be responsible for its pro-rata share of the deficiency.

The City pools substantially all of its cash and investments, except for separate cash and investment accounts (e.g. employee retirement funds and proceeds from bond issues) that are maintained in accordance with legal restrictions. This pooling of funds enables the City to maximize the funds available for investment, and increases efficiencies related to investment pricing, rate of return, safekeeping and administration. The investment income earned on pooled investments is allocated to the various funds based on their respective equity participation in the pool.

Pursuant to its investment practice, the City has confined its depository and investment activities to those that are authorized pursuant to Chapters 166 and 280, Florida Statutes and other legal provisions. Among other things, the statutes designate the institutions that qualify as depositories for public funds, the types of investments the City can undertake, and the extent to which the City can concentrate funds in any of the permitted types. The City used financial institutions from the list of financial institutions and depositories authorized to provide investment services.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS – CONTINUED

The City does not have a written investment policy and as such, its practice is to follow Florida Statute 218.415 which limits the types of investments that local government units may invest. Those units of local government electing not to adopt a written investment policy in accordance with policies developed by the State may only invest surplus public funds in the State Pool or similar, highly rated money market funds, time deposits or savings accounts or direct obligations of the U.S. Treasury.

The Boards of Trustees of the City of Cooper City retirement trust funds have authorized the funds' investment manager to invest and maintain the funds' assets in any type of security; however, the purchase of common stocks may not exceed 60% of the total assets of the fund. In addition, the funds used security broker/dealers from an approved list of broker/dealers selected by creditworthiness. In addition, the Boards of Trustees have authorized investments in real estate.

In line with its policies, practices and statutory provisions, the City structured its portfolio, firstly, to ensure preservation of capital, secondly, to maintain sufficient liquidity to meet ongoing obligations, and lastly, to yield a return on investment that approaches the market rate of return to the fullest extent possible, considering the prior objectives. The City strives to preserve capital by mitigating its credit and interest rate risks. The City maintains sufficient liquidity by structuring its portfolio so that it contains an adequate amount of securities with active secondary or resale markets, or enough money market mutual funds or local government investment pools that offer same-day liquidity for short-term funds.

Concentration of credit risk: The City's practice is not to have any concentrations of more than 5% in stocks of a particular company. The Police and Firefighters' Pension Funds limit amounts that may be invested in any one issuer to no more than 5% of the plan net position, other than those issued by the U.S. Government or its agencies. More than 5% of the funds plan net position are invested in debt securities issued by the Federal National Mortgage Association.

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City has no formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City will minimize the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is noted on the following page:

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 2 – DEPOSITS AND INVESTMENTS – CONTINUED

Interest rate risk – Continued:

| Investments | Total | Maturities (years) | | | |
|--|----------------------|---------------------------|---------------------|---------------------|---------------------|
| | | Less than 1 | 1 - 5 | 6 - 10 | More than 10 |
| Governmental and Business-Type Activities: | | | | | |
| SBA Florida PRIME | \$ 18,905 | \$ 18,905 | \$ - | \$ - | \$ - |
| Certificates of deposit | 16,600,000 | 14,600,000 | 2,000,000 | - | - |
| | <u>\$ 16,618,905</u> | <u>\$ 14,618,905</u> | <u>\$ 2,000,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fiduciary funds: | | | | | |
| Equity securities | \$ 41,384,543 | \$ N/A | \$ - | \$ - | \$ - |
| Equity mutual funds | 12,195,376 | N/A | - | - | - |
| Real estate fund | 9,757,887 | N/A | - | - | - |
| U.S. Government and agency obligations | 7,202,156 | 744,287 | 2,416,952 | 897,886 | 3,143,031 |
| Municipal obligations | 159,390 | - | 126,113 | 33,277 | - |
| Corporate bonds | 15,837,696 | 160,853 | 7,074,866 | 8,531,163 | 70,814 |
| | <u>\$ 86,537,048</u> | <u>\$ 905,140</u> | <u>\$ 9,617,931</u> | <u>\$ 9,462,326</u> | <u>\$ 3,213,845</u> |

Certain investments are subject to various risks which have the potential to result in a change in the value of the investments.

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The investment policy of the City minimizes this risk by prohibiting purchase of securities subject to custodial credit risk. The pension plans' investments are registered, but not insured. The investments are registered in the plans' name. As of September 30, 2017, the General Employee Pension Plan held \$32,409,751; the Fire Pension Plan held \$25,119,186; and the Police Pension Plan held \$29,008,111 in uninsured investments, held by its custodial bank. Cash and short term investments exceed the federally insured limits. The City has no formal policy for custodial credit risk.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS – CONTINUED

Credit risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure. Presented below is the rating for each debt type investment. The ratings for each debt type investment are included in the following table. The City has no formal policy for credit risk. The ratings meet the minimum rating required for each debt type investment:

| Average Rating | U.S. Government | | | | Total |
|----------------|----------------------|------------------------|-----------------------|---------------------|----------------------|
| | Corporate Bonds | and Agency Obligations | Municipal Obligations | Real Estate Fund | |
| Aaa | \$ 108,882 | \$ 4,314,640 | \$ - | \$ - | \$ 4,423,522 |
| Aa1 | 458,191 | - | 126,113 | - | 584,304 |
| Aa2 | 579,678 | - | - | - | 579,678 |
| Aa3 | 413,546 | - | - | - | 413,546 |
| A1 | 2,198,011 | - | 33,277 | - | 2,231,288 |
| A2 | 2,926,673 | - | - | - | 2,926,673 |
| A3 | 4,649,057 | - | - | - | 4,649,057 |
| Baa1-3 | 4,192,687 | - | - | - | 4,192,687 |
| Unrated | 310,971 | 2,887,516 | - | 9,757,887 | 12,956,374 |
| | <u>\$ 15,837,696</u> | <u>\$ 7,202,156</u> | <u>\$ 159,390</u> | <u>\$ 9,757,887</u> | <u>\$ 32,957,129</u> |

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets and Level 2 inputs are significant other observable inputs.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS – CONTINUED

The City has the following recurring fair value measurements as of September 30, 2017:

| Investments | Fair Value | Level 1 | Level 2 |
|--|----------------------|----------------------|----------------------|
| U.S. Government and agency obligations | \$ 7,202,156 | \$ 2,943,806 | \$ 4,258,350 |
| Corporate bonds | 15,837,696 | - | 15,837,696 |
| Equity securities | 41,384,543 | 41,384,543 | - |
| Equity mutual funds | 12,195,376 | 12,195,376 | - |
| Municipal obligations | 159,390 | - | 159,390 |
| Total investments measured at fair value | \$ 76,779,161 | <u>\$ 56,523,725</u> | <u>\$ 20,255,436</u> |
| Investments measured at Net Asset Value (NAV) | | | |
| Commingled real estate funds | 9,757,887 | | |
| Total investments | <u>\$ 86,537,048</u> | | |

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities including U.S. obligations, corporate bonds, and municipal obligations classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The real estate fund is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at net asset value and its redemptions must be received by the fund ten days prior to quarter end.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 3 – RECEIVABLES

Receivables as of September 30, 2017, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | Road and Bridge Fund | Capital Improvements Fund | Parking Lot Fund |
|---|---------------------------------|---------------------------------|--|-----------------------------|
| Receivables | | | | |
| Accounts receivable: | | | | |
| EMS transport | \$ 1,615,652 | \$ - | \$ - | \$ - |
| Trade | - | - | - | 76 |
| Miscellaneous | 38,924 | - | - | - |
| Franchise fees and utility taxes | 635,799 | - | - | - |
| Due from other governments | 1,037,807 | 51,645 | 144,479 | - |
| Less allowance for uncollectible receivables | (897,803) | - | - | - |
| | <u>\$ 2,430,379</u> | <u>\$ 51,645</u> | <u>\$ 144,479</u> | <u>\$ 76</u> |
| | Water and Sewer Fund | Stormwater Fund | | Total |
| Receivables | | | | |
| Accounts receivable: | | | | |
| EMS transport | \$ - | \$ - | | \$ 1,615,652 |
| Trade | 2,246,178 | 27,844 | | 2,274,098 |
| Miscellaneous | - | - | | 38,924 |
| Franchise fees and utility taxes | - | - | | 635,799 |
| Due from other governments | 72,294 | 3,974 | | 1,310,199 |
| Less allowance for uncollectible receivables | (464,034) | - | | (1,361,837) |
| | <u>\$ 1,854,438</u> | <u>\$ 31,818</u> | | <u>\$ 4,512,835</u> |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 4 – CAPITAL ASSETS

Governmental activities capital assets for the fiscal year ended September 30, 2017, was as follows:

| | Beginning Balance | Additions | Deletions | Net Transfers | Ending Balance |
|---------------------------------------|----------------------|--------------------|--------------------|------------------|----------------------|
| Governmental activities | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 21,790,931 | \$ - | \$ - | \$ - | \$ 21,790,931 |
| Construction in progress | 405,425 | 381,910 | - | (118,083) | 669,252 |
| Total assets not being depreciated | <u>22,196,356</u> | <u>381,910</u> | <u>-</u> | <u>(118,083)</u> | <u>22,460,183</u> |
| Capital assets being depreciated | | | | | |
| Buildings | 12,733,966 | 231,363 | (61,805) | 36,125 | 12,939,649 |
| Improvements other than buildings | 9,696,175 | 617,826 | - | 81,958 | 10,395,959 |
| Machinery and equipment | 4,407,449 | 951,941 | (325,063) | - | 5,034,327 |
| Infrastructure | <u>29,880,243</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>29,880,243</u> |
| Total assets being depreciated | <u>56,717,833</u> | <u>1,801,130</u> | <u>(386,868)</u> | <u>118,083</u> | <u>58,250,178</u> |
| Less accumulated depreciation | | | | | |
| Buildings | (8,308,922) | (558,079) | 31,241 | - | (8,835,760) |
| Improvements other than buildings | (4,400,130) | (361,506) | - | - | (4,761,636) |
| Machinery and equipment | (2,934,737) | (304,031) | 325,063 | - | (2,913,705) |
| Infrastructure | <u>(17,782,550)</u> | <u>(353,365)</u> | <u>-</u> | <u>-</u> | <u>(18,135,915)</u> |
| Total accumulated depreciation | <u>(33,426,339)</u> | <u>(1,576,981)</u> | <u>356,304</u> | <u>-</u> | <u>(34,647,016)</u> |
| Total assets depreciated, net | <u>23,291,494</u> | <u>224,149</u> | <u>(30,564)</u> | <u>118,083</u> | <u>23,603,162</u> |
| Governmental activities, net | <u>\$ 45,487,850</u> | <u>\$ 606,059</u> | <u>\$ (30,564)</u> | <u>\$ -</u> | <u>\$ 46,063,345</u> |

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 4 – CAPITAL ASSETS – CONTINUED

Business-type activities capital assets for the fiscal year ended September 30, 2017, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Net Transfers</u> | <u>Ending Balance</u> |
|---------------------------------------|------------------------------|--------------------|------------------|----------------------|---------------------------|
| Business-type \activities | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 1,038,309 | \$ - | \$ - | \$ - | \$ 1,038,309 |
| Construction in progress | 7,948,554 | 288,790 | - | (7,890,550) | 346,794 |
| Total assets not being depreciated | <u>8,986,863</u> | <u>288,790</u> | <u>-</u> | <u>(7,890,550)</u> | <u>1,385,103</u> |
| Capital assets being depreciated | | | | | |
| Buildings and plant | 64,569,044 | 322,238 | - | - | 64,891,282 |
| Improvements other than buildings | 5,404,633 | 2,025,330 | - | 7,890,550 | 15,320,513 |
| Machinery and equipment | 3,978,670 | 644,081 | - | - | 4,622,751 |
| Infrastructure | 6,849,973 | - | - | - | 6,849,973 |
| Total assets being depreciated | <u>80,802,320</u> | <u>2,991,649</u> | <u>-</u> | <u>7,890,550</u> | <u>91,684,519</u> |
| Less accumulated depreciation | | | | | |
| Buildings and plant | (30,180,303) | (1,857,477) | - | - | (32,037,780) |
| Improvements other than buildings | (1,424,097) | (615,216) | - | - | (2,039,313) |
| Machinery and equipment | (2,434,003) | (259,772) | - | - | (2,693,775) |
| Infrastructure | (4,571,980) | (173,925) | - | - | (4,745,905) |
| Total accumulated depreciation | <u>(38,610,383)</u> | <u>(2,906,390)</u> | <u>-</u> | <u>-</u> | <u>(41,516,773)</u> |
| Total assets depreciated, net | <u>42,191,937</u> | <u>85,259</u> | <u>-</u> | <u>7,890,550</u> | <u>50,167,746</u> |
| Business-type activities, net | <u>\$ 51,178,800</u> | <u>\$ 374,049</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 51,552,849</u> |

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4 – CAPITAL ASSETS – CONTINUED

Depreciation expense was charged to functions/programs of the City as follows:

| | |
|---------------------------|---------------------|
| Governmental activities: | |
| General government | \$ 254,160 |
| Public safety | 156,758 |
| Physical environment | 124,204 |
| Transportation | 357,715 |
| Culture and recreation | 684,144 |
| | <u>\$ 1,576,981</u> |
| Business-type activities: | |
| Parking | \$ 36,935 |
| Water and sewer | 2,705,844 |
| Stormwater | 163,611 |
| | <u>\$ 2,906,390</u> |

NOTE 5 – INTERFUND TRANSFERS

Interfund transfer activity for the fiscal year ended September 30, 2017, was as follows:

| <u>Transfers In</u> | <u>Transfers Out</u> <u>General Fund</u> |
|--------------------------|---|
| Road and Bridge Fund | \$ 630,171 |
| Capital Improvement Fund | 1,864,405 |
| Total | <u>\$ 2,494,576</u> |

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 6 – LONG TERM LIABILITIES

The following is a summary of long-term liability transactions of the City for the year ended September 30, 2017:

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|--------------------------------|------------------------------|---------------------|------------------------|---------------------------|--|
| Governmental activities | | | | | |
| General obligation bonds | \$ 1,013,048 | \$ - | \$ (356,447) | \$ 656,601 | \$ 364,649 |
| Net OPEB obligation | 2,050,333 | 369,883 | (204,339) | 2,215,877 | - |
| Net pension liability | 18,683,892 | 8,943,696 | (11,725,903) | 15,901,685 | - |
| Compensated absences | 602,019 | 390,645 | (424,212) | 568,452 | 136,428 |
| Total governmental activities | <u>\$ 22,349,292</u> | <u>\$ 9,704,224</u> | <u>\$ (12,710,901)</u> | <u>\$ 19,342,615</u> | <u>\$ 501,077</u> |
| Business-type activities | | | | | |
| Note payable | \$ - | \$ 1,900,000 | \$ (88,201) | \$ 1,811,799 | \$ 172,893 |
| Net OPEB obligation | 1,165,665 | 213,861 | (98,336) | 1,281,190 | - |
| Net pension liability | 2,729,094 | 1,963,250 | (2,059,438) | 2,632,906 | - |
| Compensated absences | 437,751 | 255,760 | (234,053) | 459,458 | 110,270 |
| Total business-type activities | <u>\$ 4,332,510</u> | <u>\$ 4,332,871</u> | <u>\$ (2,480,028)</u> | <u>\$ 6,185,353</u> | <u>\$ 283,163</u> |

The City's long-term liabilities as of September 30, 2017, are composed of the following:

General Obligation Bonds Payable: On April 1, 1999, the City issued bonds in the amount of \$5,500,000. Of this amount, \$2,500,000 was used for construction of Phase II of the Sports Complex and \$3,000,000 was used for constructing, furnishing, and equipping a new police station in the City. These bonds consist of one issue bearing interest at 2.2% per annum and maturing on March 31, 2019. Principal and interest payments are made on a quarterly basis. The City has determined that they are in compliance with bond covenants at September 30, 2017.

Note payable: In April 2017, the City entered into a note payable agreement with a financial institution to borrow \$1,900,000 for the purpose of financing improvements to the City's stormwater management utility system. This note bears interest at a rate of 2.27% through the maturity date of April 1, 2027.

Compensated absences: This amount represents the City's long-term liability for earned and unpaid vacation and sick leave benefits as of September 30, 2017, which are not expected to be paid with current available resources. Governmental activities compensated absences are generally paid out of the General Fund, and Business-type activities compensated absences are paid out of the Water and Sewer and Stormwater funds.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 6 – LONG TERM LIABILITIES – CONTINUED

Net pension liability: This amount represents the City's net pension liability as of September 30, 2017. The governmental activities net pension liability is generally liquidated from the General Fund and the business-type activities net pension liability is generally liquidated by the Water and Sewer and Stormwater funds.

Other Post-employment Benefits (OPEB) liability: This amount represents the City's OPEB liability as of September 30, 2017. The governmental activities OPEB liability is generally liquidated from the General Fund and the business-type activities net pension liability is generally liquidated by the Water and Sewer and Stormwater funds.

The annual debt service payments required on outstanding debt at September 30, 2017, are as follows:

General Obligation Bonds:

| Fiscal Year | Principal | Interest | Total |
|------------------------|-------------------|------------------|-------------------|
| 2018 | \$ 364,649 | \$ 11,161 | \$ 375,810 |
| 2019 | 291,952 | 2,854 | 294,806 |
| | <u>\$ 656,601</u> | <u>\$ 14,015</u> | <u>\$ 670,616</u> |

Note payable:

| Fiscal Year | Principal | Interest | Total |
|------------------------|---------------------|-------------------|---------------------|
| 2018 | \$ 172,893 | \$ 39,663 | \$ 212,556 |
| 2019 | 176,851 | 35,705 | 212,556 |
| 2020 | 180,900 | 31,656 | 212,556 |
| 2021 | 185,041 | 27,515 | 212,556 |
| 2022 | 189,278 | 23,278 | 212,556 |
| 2023 - 2027 | 906,836 | 49,684 | 956,520 |
| | <u>\$ 1,811,799</u> | <u>\$ 207,501</u> | <u>\$ 2,019,300</u> |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS

The City maintains three separate single-employer public employee retirement system (“PERS”) pension plans, the General Employees’ Retirement Plan (“GEPP”), the Firefighters Retirement Plan (“FRP”), and the Police Officers Retirement Plan (“PORP”) to provide benefits for its employees. The City also participates in a cost-sharing multiple employer plan (the Florida Retirement System) and an agent multiple employer pension plan (the Florida Municipal Pension Trust Fund).

The Boards of Trustees of the City of Cooper City Retirement Trust Funds are the administrators of the three single employer plans. The Trustees have authority for establishing and amending benefits and funding policies for each of the respective plans. The three PERS plans are considered to be part of the City’s financial reporting entity and are included in the City’s financial reports as pension trust funds.

Effective October 25, 2011, the GEPP was closed to new hires. Employees participating in the GEPP prior to closure had the option to continue in the plan or to participate in the Florida Retirement System (“FRS”). As of April 1, 2012, all new hires were required to participate in FRS.

GENERAL EMPLOYEES’ RETIREMENT PLAN

General Information

All full-time general employees hired before October 25, 2011, are eligible for membership on the date of employment. After October 25, 2011, the Plan was closed to new hires. Service is measured as the total number of years and completed months as a general employee with the City of Cooper City. Base compensation including pick-up contributions for all straight time hours worked, but excluding bonuses, overtime, any other non-regular payments and lump sum payments of unused leave. Final Monthly Compensation (“FMC”) is the average of compensation over the highest three years of credited service. The GEPP does not issue stand-alone financial statements.

At September 30, 2017, participation in the GEPP consisted of the following:

| | |
|--|------------|
| Retirees and beneficiaries currently receiving benefits | 83 |
| Terminated plan members entitled to but not yet receiving benefits | 4 |
| Active plan members | 65 |
| Total | <u>152</u> |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

GENERAL EMPLOYEES' RETIREMENT PLAN – CONTINUED

General Information (Continued)

Normal Retirement – A member may retire on the first day of the month coinciding with or next following age 55 and 6 years of credited service. The GEPP benefit is computed as 2.50% of FMC multiplied by credited service. In addition, the member will receive a monthly supplemental benefit equal to \$20 multiplied by credited service. For those who became Broward Sheriff Office (BSO) employees, the multiplier is 1% for service before October 1, 1981, 1.75% from October 1, 1981 through September 30, 1993, and 2% thereafter unless the employee chose to purchase a higher multiplier of 2.25%. The normal form of benefit is a single life annuity, with other options available.

Early Retirement – A member may elect to retire earlier than the normal retirement eligibility upon attainment of age 53 and 10 years of credited service. The normal retirement benefit is reduced by 4% for each year by which the Early Retirement date precedes the normal retirement date.

Deferred Retirement Option Plan – The GEPP offers a Deferred Retirement Option Plan ("DROP"). Plan members who have attained age 55 and 6 years of credited service are eligible for the DROP. The member's credited service and FMC are frozen upon entry into the DROP. The monthly retirement benefit is calculated based upon the frozen credited service and FMC. The maximum DROP period is 5 years. The member's DROP account is credited at an interest rate based upon the option chosen by the member. Members may elect from the following options: (1) gain or loss at the same rate earned by the GEPP, or (2) gain or loss at the rate earned by a self-directed investment account. Members may elect one of the following normal benefit options: (1) a single lump sum, (2) annual installments, (3) equal monthly installments, (4) a combination of lump sum and periodic payments, or (5) direct rollover to another qualified retirement plan.

Death Benefits – Members are eligible for survivor benefits after the completion of 6 or more years of credited service. A death benefit is payable as though the member had retired on the date of death and elected 100% joint and survivor option; other options are also available. The benefit is payable for the life of the beneficiary. The beneficiary of a plan member with less than 6 years of credited service at the time of death will receive a refund of the member's accumulated contributions with interest. Post-retirement death benefits are determined by the form of benefit elected upon retirement.

Disability Benefit – Any member who becomes totally and permanently disabled and unable to perform regular and continuous duties for the City as a result of an act occurring in the performance of service for the City is immediately eligible for a disability benefit. The benefit received is the accrued normal retirement benefit taking into account compensation earned and service credited as of the date of disability. There will be no actuarial reduction for the period of time that the date of disability precedes the normal retirement date. The benefit is payable until death or recovery from disability.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

GENERAL EMPLOYEES' RETIREMENT PLAN – CONTINUED

General Information – Continued

Non-Service Connected Disability – Any member who has 10 years of Credited Service and becomes totally and permanently disabled and unable to perform regular and continuous duties for the City is immediately eligible for a non-service connected disability benefit. The benefit received is the accrued normal retirement benefit taking into account compensation earned and service credited as of the date of disability. There will be no actuarial reduction for the period of time that the date of disability precedes the normal retirement date. The benefit is payable until death or recovery from disability.

Vested Termination – A member has earned a non-forfeitable right to GEPP benefits after the completion of 6 years of credited service. The benefit is the member's accrued normal retirement benefit as of the date of termination and begins on the member's normal retirement date. The normal form of benefit is a single life annuity; other options are also available. Members terminating employment with less than 6 years of credited service will receive a refund of their employee accumulated contributions with interest.

Refunds – All members terminating employment with less than 6 years of credited service are eligible for refunds. Optionally, vested members (those with 6 or more years of credited service) may elect a refund in lieu of the vested benefits otherwise due. Refund of the member's contributions with interest. Interest is currently credited at a rate equal to the actual return on investment.

Contributions

Member contributions for the GEPP are 10.43% of earnings for City employees and 0% for BSO employees. Employer contributions are any additional amount determined by the actuary needed to fund the plan properly so as to comply with State laws. In lieu of electing the normal form of benefit, the optional forms of benefits available to all retirees are the 10 year certain and life thereafter and joint and last survivor options.

Rate of Return

For the fiscal year ended September 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

GENERAL EMPLOYEES' RETIREMENT PLAN – CONTINUED

General Information – Continued

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

The City's net pension liability for the GEPP is measured as the total pension liability less the pension plan's fiduciary net position. At September 30, 2017, the City reported a net pension liability of \$4,345,825 related to the GEPP. The net pension liability was measured as of September 30, 2016, using an annual actuarial valuation as of October 1, 2015, rolled forward to September 30, 2016, using standard update procedures. For the fiscal year ended September 30, 2017, the City recognized pension expense of \$536,594 related to the GEPP.

| | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
|--|------------------------------------|-----------------------------------|----------------------------------|
| Balances at September 30, 2016 | \$ 34,936,778 | \$ 29,823,731 | \$ 5,113,047 |
| Changes for the year: | | | |
| Service cost | 802,604 | - | 802,604 |
| Interest | 2,492,570 | - | 2,492,570 |
| Experience differences | (630,774) | - | (630,774) |
| Assumption changes | 345,787 | - | 345,787 |
| Contributions - employer | - | 860,950 | (860,950) |
| Contributions - non-employer contributing entity (from BSO) | - | 135,040 | (135,040) |
| Contributions - employee | - | 437,430 | (437,430) |
| Net investment income | - | 2,401,377 | (2,401,377) |
| Benefit payments, including refunds of employee contributions | (2,243,201) | (2,243,201) | - |
| Administrative expense | - | (57,388) | 57,388 |
| Other changes | - | - | - |
| Balances at September 30, 2017 | <u>\$ 35,703,764</u> | <u>\$ 31,357,939</u> | <u>\$ 4,345,825</u> |

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 7 – PENSION PLANS – CONTINUED

GENERAL EMPLOYEES' RETIREMENT PLAN – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

At September 30, 2017, the City reported deferred outflows and inflows of resources related to the GEPP from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 463,171 |
| Assumption changes | 262,597 | - |
| Net difference between projected and actual earnings on GEPP investments | 233,940 | - |
| City GEPP contributions subsequent to the measurement date | 913,946 | - |
| Total | <u>\$ 1,410,483</u> | <u>\$ 463,171</u> |

The deferred outflows of resources related to the GEPP totaling \$913,946, resulting from employer contributions to the GEPP subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to the GEPP will be recognized in pension expense as follows:

| Fiscal Year Ending September 30: | Amount |
|---|---------------|
| 2018 | \$ (124,157) |
| 2019 | 2,077 |
| 2020 | 218,363 |
| 2021 | (62,917) |
| 2022 | - |
| Thereafter | - |

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

GENERAL EMPLOYEES' RETIREMENT PLAN – CONTINUED

Actuarial Methods and Significant Assumptions

Significant actuarial assumptions and other inputs used to measure the total pension liability for the GEPP are as follows:

| | |
|---------------------------|--|
| Valuation date | October 1, 2015 |
| Measurement date | September 30, 2016 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 7.10% |
| Salary increases | 6.00%, including inflation |
| Inflation | 3.00% |
| Retirement age | Experience based table of rates that are specific to the type of eligibility condition. |
| Mortality | RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected using Scale AA for all years after 2000. |

A single discount rate of 7.10% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.10%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

GENERAL EMPLOYEES' RETIREMENT PLAN – CONTINUED

Actuarial Methods and Significant Assumptions – Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016, the measurement date, are summarized in the following table:

| <u>Asset Class</u> | <u>Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------|-------------------|---|
| Large cap equity | 50% | 7.88% |
| Real estate | 10% | 6.25% |
| Small growth | 5% | 8.95% |
| International stock | 5% | 8.25% |
| Money market/cash | 4% | -0.40% |
| Intermediary fixed income | 26% | 1.90% |

Sensitivity Analysis of the Net Pension Liability

Regarding the sensitivity of the GEPP's net pension liability to changes in the single discount rate, the following presents the GEPP's net pension liability, calculated using a single discount rate of 7.10%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage-point higher:

| <u>1% Decrease (6.10%)</u> | <u>Current Discount Rate (7.10%)</u> | <u>1% Increase (8.10%)</u> |
|--------------------------------|--|--------------------------------|
| \$ 8,136,725 | \$ 4,345,825 | \$ 1,127,233 |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

GENERAL EMPLOYEES' RETIREMENT PLAN – CONTINUED

DROP Account

A portion of the GEPP fiduciary net position is designated for benefits that accrue in relation to the DROP account as described in the plan description. The DROP balance for the fiscal year ended September 30, 2017, is presented below as determined by the actuary's most recent valuation:

| | |
|---------------------------|----------------------|
| Designated for DROP | \$ 852,298 |
| Undesignated net position | 30,505,641 |
| Total net position | <u>\$ 31,357,939</u> |

FIREFIGHTERS RETIREMENT PLAN

The FRP is a single-employer defined benefit retirement plan covering all eligible firefighters. The Plan was established by the City of Cooper City (the "City") in accordance with a City ordinance and state statutes. Management of the Plan is vested in the Board, which consists of five trustees – two trustees are elected by plan participants, two shall be residents of the City and appointed by the City manager, and a fifth appointed by the other four participants of the board.

Audited financial statements were issued for the FRP for the fiscal year ended September 30, 2017. Requests for financial statements should be addressed to the Office of the Finance Director of Cooper City, Florida, P.O. Box 290910, Cooper City, Florida 33329-0910.

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

The City's net pension liability for the FRP is measured as the total pension liability less the pension plan's fiduciary net position. At September 30, 2017, the City reported a net pension liability of \$4,970,383 related to the FRP. The net pension liability was measured as of September 30, 2016, using an annual actuarial valuation as of October 1, 2015, rolled forward to September 30, 2016, using standard update procedures. For the fiscal year ended September 30, 2017, the City recognized pension expense of \$(679,572) related to the FRP.

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FIREFIGHTERS RETIREMENT PLAN – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

The components of net pension liability of the FRP as measured at September 30, 2016, were as follows:

| | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
|--|------------------------------------|-----------------------------------|----------------------------------|
| Balances at September 30, 2016 | \$ 29,162,456 | \$ 22,612,283 | \$ 6,550,173 |
| Changes for the year: | | | |
| Service cost | 159,041 | - | 159,041 |
| Interest | 1,973,413 | - | 1,973,413 |
| Experience differences | (544,532) | - | (544,532) |
| Contributions - employer | - | 268,585 | (268,585) |
| Contributions - non-employer contributing entity (from BSO) | - | 985,120 | (985,120) |
| Contributions - employee | - | 16,021 | (16,021) |
| Net investment income | - | 1,995,879 | (1,995,879) |
| Benefit payments, including refunds of employee contributions | (2,259,752) | (2,259,752) | - |
| Administrative expense | - | (97,893) | 97,893 |
| Balances at September 30, 2017 | <u>\$ 28,490,626</u> | <u>\$ 23,520,243</u> | <u>\$ 4,970,383</u> |

At September 30, 2017, the City reported deferred outflows and inflows of resources related to the FRP from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Net difference between projected and actual earnings on FRP investments | \$ 617,145 | - |
| City FRP contributions subsequent to the measurement date | 1,236,252 | - |
| Total | <u>\$ 1,853,397</u> | <u>\$ -</u> |

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 7 – PENSION PLANS – CONTINUED

FIREFIGHTERS RETIREMENT PLAN – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

The deferred outflows of resources related to the FRP totaling \$1,236,252, resulting from employer contributions to the FRP subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to the FRP will be recognized in pension expense as follows:

| Fiscal Year Ending | Amount |
|--------------------|------------|
| September 30: | |
| 2018 | \$ 180,537 |
| 2019 | 180,538 |
| 2020 | 346,290 |
| 2021 | (90,220) |
| 2022 | - |
| Thereafter | - |

Actuarial Methods and Significant Assumptions

Significant actuarial assumptions and other inputs used to measure the total pension liability for the GEPP are as follows:

| | |
|---------------------------|--|
| Valuation date | October 1, 2015 |
| Measurement date | September 30, 2016 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 7.00% |
| Salary increases | 7.25% |
| Inflation | 3.00% |
| Retirement age | Experience based table of rates that are specific to the type of eligibility condition. |
| Mortality | RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected using Scale AA for all years after 2000. |

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 7 – PENSION PLANS – CONTINUED

FIREFIGHTERS RETIREMENT PLAN – CONTINUED

Actuarial Methods and Significant Assumptions – Continued

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016, the measurement date, are summarized in the following table:

| <u>Index</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|---------------------------------|--|
| Domestic equity | 26-69% | 7.00% |
| International equity | 8-25% | 3.70% |
| Bonds | No limits | 4.00% |
| TIPS | 5-10% | 2.90% |
| Real estate | 0-10% | 4.80% |
| REITS | 0-10% | 6.80% |
| MLPs | 0-10% | 9.7% |

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 7 – PENSION PLANS – CONTINUED

FIREFIGHTERS RETIREMENT PLAN – CONTINUED

Sensitivity Analysis of the Net Pension Liability

Regarding the sensitivity of the FRP's net pension liability to changes in the single discount rate, the following presents the FRP's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage-point higher:

| 1% Decrease | Current | 1% Increase |
|--------------------|----------------------|--------------------|
| (6.00%) | Discount Rate | (8.00%) |
| | (7.00%) | |
| \$ 7,787,721 | \$ 4,970,383 | \$ 2,625,145 |

DROP Account

A portion of the FRP fiduciary net position is designated for benefits that accrue in relation to the DROP account as described in the plan description. The DROP balance for the fiscal year ended September 30, 2017, is presented below as determined by the actuary's most recent valuation:

| | |
|---------------------------|----------------------|
| Designated for DROP | \$ 3,420,892 |
| Undesignated net position | 20,099,351 |
| Total net position | <u>\$ 23,520,243</u> |

POLICE OFFICERS RETIREMENT PLAN

The PORP is a single-employer defined benefit retirement plan covering all eligible police officers. The Plan was established by the City in accordance with a City ordinance and state statutes. Management of the Plan is vested in the Board, which consists of five members - two elected by plan participants, two appointed by the City Manager, and a fifth appointed by the other four from the residents of the City.

Audited financial statements were issued for the PORP for the fiscal year ended September 30, 2017. Requests for financial statements should be addressed to the Office of the Finance Director of Cooper City, Florida, P.O. Box 290910, Cooper City, Florida 33329-0910.

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

POLICE OFFICERS RETIREMENT PLAN – CONTINUED

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

The City's net pension liability for the PORP is measured as the total pension liability less the pension plan's fiduciary net position. At September 30, 2017, the City reported a net pension liability of \$5,510,357 related to the PORP. The net pension liability was measured as of September 30, 2016, using an annual actuarial valuation as of October 1, 2015, rolled forward to September 30, 2016, using standard update procedures. For the fiscal year ended September 30, 2017, the City recognized pension expense related to the PORP of \$250,633.

The components of net pension liability of the PORP as measured at September 30, 2016, were as follows:

| | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
|--|------------------------------------|-----------------------------------|----------------------------------|
| Balances at September 30, 2016 | \$ 31,434,456 | \$ 25,152,309 | \$ 6,282,147 |
| Changes for the year: | | | |
| Service cost | 134,806 | - | 134,806 |
| Interest | 2,304,869 | - | 2,304,869 |
| Experience differences | (228,987) | - | (228,987) |
| Assumption changes | 671,944 | - | 671,944 |
| Contributions - employer | - | 333,011 | (333,011) |
| Contributions - non-employer contributing entity (from BSO) | - | 865,777 | (865,777) |
| Contributions - employee | - | 173,408 | (173,408) |
| Net investment income | - | 2,376,767 | (2,376,767) |
| Benefit payments, including refunds of employee contributions | (1,675,341) | (1,675,341) | - |
| Administrative expense | - | (94,541) | 94,541 |
| Balances at September 30, 2017 | <u>\$ 32,641,747</u> | <u>\$ 27,131,390</u> | <u>\$ 5,510,357</u> |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

POLICE OFFICERS RETIREMENT PLAN – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

At September 30, 2017, the City reported deferred outflows and inflows of resources related to the PORP from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Net difference between projected and actual earnings on PORP investments | \$ 575,330 | - |
| City PORP contributions subsequent to the measurement date | 1,457,097 | - |
| Total | <u>\$ 2,032,427</u> | <u>\$ -</u> |

The deferred outflows of resources related to the PORP totaling \$1,457,097, resulting from employer contributions to the PORP subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. The remaining amounts reported as deferred outflows and inflows of resources related to the PORP will be recognized in pension expense as follows:

| Fiscal Year Ending | Amount |
|--------------------|------------|
| September 30: | |
| 2018 | \$ 184,155 |
| 2019 | 184,153 |
| 2020 | 308,075 |
| 2021 | (101,053) |
| 2022 | - |
| Thereafter | - |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

POLICE OFFICERS RETIREMENT PLAN – CONTINUED

Actuarial Methods and Significant Assumptions

Significant actuarial assumptions and other inputs used to measure the total pension liability for the GEPP are as follows:

| | |
|---------------------------|--|
| Valuation date | October 1, 2015 |
| Measurement date | September 30, 2016 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 7.25% |
| Salary increases | 5-10%, depending on service, including inflation |
| Inflation | 3.00% |
| Retirement age | Experience based table of rates that are specific to the type of eligibility condition. |
| Mortality | RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected using Scale AA for all years after 2000. |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016, the measurement date, are summarized in the following table:

| Index | Asset Allocation | Long-Term Expected Real Rate of Return |
|------------------------|-------------------------|---|
| Domestic equities | 27.5-67.5% | 6.4 - 9.6% |
| Fixed income | 12.5-47.5% | 2.50% |
| Real estate | 0-20% | 7.40% |
| International equities | 0-20% | 3.90% |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

POLICE OFFICERS RETIREMENT PLAN – CONTINUED

Sensitivity Analysis of the Net Pension Liability

Regarding the sensitivity of the PORP's net pension liability to changes in the single discount rate, the following presents the PORP's net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage-point higher:

| 1% Decrease | Current | 1% Increase |
|--------------------|----------------------|--------------------|
| (6.25%) | Discount Rate | (8.25%) |
| | (7.25%) | |
| \$ 8,516,983 | \$ 5,510,357 | \$ 2,986,273 |

DROP Account

A portion of the FRP fiduciary net position is designated for benefits that accrue in relation to the DROP account as described in the plan description. The DROP balance for the fiscal year ended September 30, 2017, is presented below as determined by the actuary's most recent valuation:

| | |
|---------------------------|----------------------|
| Designated for DROP | \$ 3,608,420 |
| Undesignated net position | 23,522,970 |
| Total net position | <u>\$ 27,131,390</u> |

FLORIDA RETIREMENT SYSTEM PLAN

General Information

As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating town or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM PLAN – CONTINUED

General Information – Continued

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:
www.dms.myflorida.com/workforce_operations/retirement/publications.

Plan Description

The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least 6 years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least 6 years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the 5 highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least 6 years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the 5 highest years of salary for each year of credited service.

Senior Management Service class members who retire at or after age 62 with at least 6 years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the 5 highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least 6 years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM PLAN – CONTINUED

Plan Description (Continued)

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to 8 years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the 8 highest years of salary.

Benefits – As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from July 1, 2016 through June 30, 2017, and from July 1, 2017 through September 30, 2017, respectively, were as follows: Regular–7.52% and 7.92%; Special Risk Administrative Support–28.06% and 34.63%; Special Risk–22.57% and 23.27%; Senior Management Service–21.77% and 22.71%; Elected Officers'–42.47% and 45.50%; and DROP participants–12.99% and 13.26%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods July 1, 2016 through June 30, 2017, and from July 1, 2017 through September 30, 2017.

The City's contributions, including employee contributions, to the Pension Plan totaled \$214,611 for the measurement period ended June 30, 2017.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM PLAN – CONTINUED

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

At September 30, 2016, the City reported a liability of \$1,896,021 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share of the net pension liability was based on the City's 2017 fiscal year contributions relative to the 2016 fiscal year contributions of all participating members. At June 30, 2017, the City's proportionate share was 0.00640996%, which was an increase of 0.00126532% from its proportionate share measured as of June 30, 2016.

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$417,617. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 174,009 | \$ 10,503 |
| Change of assumptions | 637,198 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 46,988 |
| Changes in proportion and differences between City pension plan contributions and proportionate share of contributions | 366,972 | - |
| City pension plan contributions subsequent to the measurement date | 60,754 | - |
| Total | <u>\$ 1,238,933</u> | <u>\$ 57,491</u> |

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM PLAN – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

The deferred outflows of resources related to the Pension Plan, totaling \$60,754 resulting from City contributions to FRS subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

| Fiscal Year Ending September 30: | <u>Amount</u> |
|-------------------------------------|---------------|
| 2018 | \$ 159,541 |
| 2019 | 322,647 |
| 2020 | 243,993 |
| 2021 | 98,519 |
| 2022 | 187,510 |
| Thereafter | 108,478 |

Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

| | |
|---------------------------|--|
| Inflation | 2.60 % |
| Salary increases | 3.25%, average, including inflation |
| Investment rate of return | 7.10%, net of pension plan investment expense, including inflation |

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM PLAN – CONTINUED

Actuarial Assumptions – Continued

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation ⁽¹⁾ | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|--------------------------|-------------------------------------|--------------------------------|---|-----------------------|
| Cash | 1.00% | 3.00% | 3.00% | 1.80% |
| Fixed income | 18.00% | 4.50% | 4.40% | 4.20% |
| Global equity | 53.00% | 7.80% | 6.60% | 17.00% |
| Real estate | 10.00% | 6.60% | 5.90% | 12.80% |
| Private equity | 6.00% | 11.50% | 7.80% | 30.00% |
| Strategic investments | 12.00% | 6.10% | 5.60% | 9.70% |
| Total | <u>100.00%</u> | | | |
| Assumed Inflation - Mean | | 2.60% | | 1.90% |

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA RETIREMENT SYSTEM PLAN – CONTINUED

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 7.10%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.10%) or one percentage point higher (8.10%) than the current rate:

| | 1% Decrease (6.10%) | Current Discount Rate (7.10%) | 1% Increase (8.10%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$ 3,431,683 | \$ 1,896,021 | \$ 621,069 |

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan

At September 30, 2017, the City reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2017.

HIS PLAN

Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended September 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include medicare.

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

HIS PLAN – CONTINUED

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2017, the HIS contribution for the period October 1, 2016 through September 30, 2017, was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$47,764 for the measurement period ended June September 30, 2017.

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

At September 30, 2017, the City reported a liability of \$985,021 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The City's proportionate share of the net pension liability was based on the City's 2017 fiscal year contributions relative to the 2016 fiscal year contributions of all participating members. At June 30, 2017, the City's proportionate share was 0.009212296%, which was an increase of 0.001666758% from its proportionate share measured as of June 30, 2016.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

HIS PLAN – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$137,469. In addition the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 2,051 |
| Change of assumptions | 138,460 | 85,176 |
| Net difference between projected and actual earnings on HIS Plan investments | 546 | - |
| Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions | 305,012 | - |
| City HIS Plan contributions subsequent to the measurement date | 17,069 | - |
| Total | <u>\$ 461,087</u> | <u>\$ 87,227</u> |

The deferred outflows of resources related to the HIS Plan, totaling \$17,069 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

| Fiscal Year Ending September 30: | Amount |
|-------------------------------------|-----------|
| 2018 | \$ 66,649 |
| 2019 | 66,548 |
| 2020 | 66,499 |
| 2021 | 62,579 |
| 2022 | 55,466 |
| Thereafter | 39,050 |

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 7 – PENSION PLANS – CONTINUED

HIS PLAN – CONTINUED

Actuarial Assumptions

The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|-------------------------------------|
| Inflation | 2.60% |
| Salary increases | 3.25%, average, including inflation |
| Investment rate of return | 3.58% |

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 3.58%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.58%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.58%) or one percentage point higher (4.58%) than the current rate:

| | 1% Decrease (2.58%) | Current Discount Rate (3.58%) | 1% Increase (4.58%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$ 1,124,039 | \$ 985,021 | \$ 869,226 |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

HIS PLAN – CONTINUED

Pension Plan Fiduciary Net Position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan

At September 30, 2017, the City reported a payable in the amount of \$0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2017.

INVESTMENT PLAN

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2016 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and Elected Officers class 11.34%.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

INVESTMENT PLAN – CONTINUED

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2017, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

FLORIDA MUNICIPAL PENSION TRUST FUND

Plan Description

The City began participating in the Florida Municipal Pension Trust Fund ("FMPTF") on November 1, 2002. Effective October 25, 2011, FMPTF was closed to new hires. Employees participating in the Plan prior to closure had the option to continue in the Plan or to participate in the Florida Retirement System ("FRS"). As of April 1, 2012, all new hires had to participate in FRS. FMPTF is an agent multiple-employer defined benefit pension plan (the City receives a separate actuarial valuation) that acts as a common investment and administrative agent for any agency or political subdivision in or of the State of Florida including, but not limited to counties, municipalities, special districts, school districts and any other government entities. The pension trust program is sponsored and administered by the Florida League of Cities and benefit provisions of the plan are provided through Florida law. FMPTF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing Florida League of Cities, Inc. 301 South Bronough Street, Suite 300 Post Office Box 1757, Tallahassee, Florida 32302-1757. Consequently, this plan is not included in the accompanying pension trust funds of the City.

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA MUNICIPAL PENSION TRUST FUND – CONTINUED

Plan Description – Continued

Eligibility – All full time management employees hired before October 25, 2011, are eligible for membership on the date of employment. After October 25, 2011, the Plan was closed to new hires. Base compensation includes total cash remuneration paid to a plan participant for services rendered, but shall exclude overtime, sick leave, vacation pay, and lump-sum payments of accumulated annual leave. The average final compensation of plan members is the average of salary paid during the best three years of creditable service.

Normal Retirement – Members are eligible for normal retirement at age 55 with 6 years of credited service. The benefit received is computed based on the number of years of credited service multiplied by 2.25% and multiplied by the final average compensation. A supplemental benefit for life of \$20 per month for each year of service will also be awarded. The form of benefit is a 10 year certain and life annuity.

Early Retirement – Members are eligible for early retirement at age 50 with 6 years of credited service. The amount of the accrued benefit will be reduced by 6% for each year until the normal retirement date.

Disability Benefits – A member deemed to be totally and permanently disabled from injury, disease or mental disorder for a period of 6 months will receive an amount equal to the accrued retirement benefit at the date of the disability.

Death Benefits (preretirement) – The beneficiary of a deceased member who was not vested or eligible for retirement shall receive a refund of 100% of the member's accumulated contributions. If a member dies prior to retirement, but is vested, the beneficiary shall receive the pension benefit otherwise payable as a 100% joint and survivor benefit calculated as though the member had retired on the date of their death.

Termination Benefits – A member with less than 6 years credited service shall be entitled to a full refund of his contributions. A member with 6 or more years of credited service shall be entitled to his accrued monthly retirement benefit if the member has not elected to withdraw his contributions and provided he survives to his normal or early retirement date.

Contributions

The member contribution rate is 11.00% of earnings. Employer contributions are equal to the remaining amount necessary for payment of normal (current year) cost and amortization of the accrued past service liability as provided in Part VII of Florida Statutes, Chapter 112. City contributions were \$407,167 for the fiscal year ended September 30, 2017. The entry age normal method is used for valuing assets of the plan.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA MUNICIPAL PENSION TRUST FUND – CONTINUED

Deferred Retirement Option Plan ("DROP")

A member is eligible to participate in DROP once they have attained normal retirement age. In order to receive the maximum period of 5 years, the member must also have completed 15 years of credited service.

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

The City's net pension liability for the FMPTF is measured as the total pension liability less the pension plan's fiduciary net position. At September 30, 2017, the City reported a net pension liability of \$826,984 related to the plan. The net pension liability was measured as of September 30, 2016, using an annual actuarial valuation as of October 1, 2015, rolled forward to September 30, 2016, using standard update procedures. The City recognized \$121,544 as pension expense as of the measurement date of September 30, 2016.

The components of net pension liability of the City as of September 30, 2017, related to the FMPTF were as follows:

| | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
|--|------------------------------------|-----------------------------------|----------------------------------|
| Balances at September 30, 2016 | \$ 4,849,759 | \$ 3,561,022 | \$ 1,288,737 |
| Changes for the year: | | | |
| Service cost | 51,781 | - | 51,781 |
| Interest | 330,375 | - | 330,375 |
| Experience differences | - | - | - |
| Assumption changes | (125,142) | - | (125,142) |
| Contributions - employer | - | 407,167 | (407,167) |
| Contributions - employee | - | 30,554 | (30,554) |
| Net investment income | - | 289,334 | (289,334) |
| Benefit payments, including refunds of employee contributions | (244,921) | (244,921) | - |
| Administrative expense | - | (8,288) | 8,288 |
| Balances at September 30, 2017 | <u>\$ 4,861,852</u> | <u>\$ 4,034,868</u> | <u>\$ 826,984</u> |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA MUNICIPAL PENSION TRUST FUND – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the FMPTF from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 2,220 | \$ 41,714 |
| Assumption changes | 25,311 | - |
| Net difference between projected and actual earnings on PORP investments | 128,294 | - |
| City PORP contributions subsequent to the measurement date | 415,079 | - |
| Total | \$ 570,904 | \$ 41,714 |

The deferred outflows of resources related to the FMPTF pension, totaling \$415,079, resulting from employer contributions to the FMPTF subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ending September 30: | Amount |
|-------------------------------------|-----------|
| 2018 | \$ 31,254 |
| 2019 | 45,437 |
| 2020 | 44,204 |
| 2021 | (6,784) |
| 2022 | - |
| Thereafter | - |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA MUNICIPAL PENSION TRUST FUND – CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 4.08%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (4.08%) was applied to all periods of projected benefit payments to determine the total pension liability.

Actuarial Assumptions

Actuarial methods and significant actuarial assumptions used to measure the total pension liability of the FMPTF are as follows:

| | |
|--------------------------|---|
| Valuation date | October 1, 2015 |
| Measurement date | September 30, 2016 |
| Discount rate | 7.00% per annum (2.92% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments. |
| Salary increases | 4.00% per annum |
| Cost-of-living increases | None assumed |
| Mortality | Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service for purposes of Internal Revenue Code section 430; future generational improvements in mortality have not been reflected. |
| Retirement age | Retirement is assumed to occur at the later of normal retirement age or one year after the valuation date. |
| Other decrements | None assumed |
| Future contributions | Contributions from the employer and employees are assumed to be made as legally required. |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

FLORIDA MUNICIPAL PENSION TRUST FUND – CONTINUED

Actuarial Assumptions – Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016, the measurement date, are summarized in the following table:

| Index | Asset Allocation | Long-Term Expected Real Rate of Return |
|-----------------------|-------------------------|---|
| Core bonds | 16.00% | 0.58% |
| Multi-sector | 24.00% | 1.08% |
| U.S. large cap equity | 39.00% | 6.08% |
| U.S. small cap equity | 11.00% | 6.83% |
| Non-U.S. equity | 10.00% | 6.83% |

Sensitivity Analysis of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage-point higher:

| 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--------------------------------|--|--------------------------------|
| \$ 1,331,303 | \$ 826,984 | \$ 406,241 |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

Applicable totals for all of the City’s defined benefit pension plans are reflected below:

| | GEPP | FRP | PORP | FRS |
|--------------------------------|--------------|--------------|--------------|--------------|
| City's net pension liability | \$ 4,345,825 | \$ 4,970,383 | \$ 5,510,357 | \$ 1,896,021 |
| Deferred outflows of resources | 1,410,483 | 1,853,397 | 2,032,427 | 1,238,933 |
| Deferred inflows of resources | 463,171 | - | - | 57,491 |
| Pension expense/expenditure | 536,594 | (679,572) | 250,633 | 417,617 |

| | HIS | FMPTF | Total |
|--------------------------------|------------|------------|---------------|
| City's net pension liability | \$ 985,021 | \$ 826,984 | \$ 18,534,591 |
| Deferred outflows of resources | 461,087 | 570,904 | 7,567,231 |
| Deferred inflows of resources | 87,227 | 41,714 | 649,603 |
| Pension expense/expenditure | 137,469 | 121,544 | 784,285 |

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

Pursuant to Section 112.081, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. These retirees pay 100% of the blended rate for active and retired employees. Because the blended rate is greater than that of a plan including active employees only and less than that of a plan including retirees only, the amount the City expends for active employees includes an implicit subsidy for participating retirees and dependents.

The OPEB Plan does not issue a publicly available financial report.

Participants of the plan consisted of the following as of September 30, 2017:

| | |
|---|------------|
| Retirees and beneficiaries currently receiving benefits | 17 |
| Active employees | 97 |
| Total | <u>114</u> |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

B. Annual OPEB Cost and Net OPEB Obligation

An actuarial valuation was performed as of October 1, 2014, for the purpose of enhancing the City's understanding of the OPEB obligation and to establish policy implications regarding the funding of this obligation. At this time, the City has opted to pay as you go rather than fund a portion or the entire net OPEB obligation. Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the City and plan members to that point.

The following table shows the components of the City's annual OPEB cost for the fiscal year ended September 30, 2017, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the OPEB Plan.

| | |
|--|----------------------------|
| Annual required employer contribution | \$ 633,932 |
| Interest on net OPEB obligation | 128,641 |
| Adjustment to annual required contribution | (178,829) |
| Annual OPEB cost | <u>583,744</u> |
| Employer and retiree contributions for period ended September 30, 2017 | <u>302,675</u> |
| Increase in net OPEB obligation | 281,069 |
| Net OPEB obligation beginning of year | 3,215,998 |
| Net OPEB obligation end of year | <u><u>\$ 3,497,067</u></u> |

C. Trend Information

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost (APC)</u> | <u>Actual Employer Contribution</u> | <u>Percentage of APC Contributed</u> | <u>Net OPEB Obligation</u> |
|------------------------------|---------------------------------------|---|--|--------------------------------|
| 09/30/15 | \$ 594,177 | \$ 242,690 | 40.8 % | \$ 2,898,932 |
| 09/30/16 | 588,690 | 271,624 | 46.1 | 3,215,998 |
| 09/30/17 | 583,744 | 302,675 | 51.9 | 3,497,067 |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

C. Trend Information – Continued

As of the most recent valuation date, November 30, 2015, the funded status of the OPEB Plan is as follows:

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio | Annual Covered Payroll | Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll |
|--------------------------------|---------------------------------|-----------------------------------|---|-----------------|------------------------------|---|
| 11/30/2015 | \$ - | \$ 5,673,642 | \$ 5,673,642 | - % | \$ 5,732,805 | 99.0 % |

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net position is increasing or decreasing over time relative to the actuarial accrued liability.

D. Actuarial Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at November 30, 2015. The assumptions used in the November 30, 2015, actuarial valuation are as follows:

| | |
|--|-----------------------------------|
| Valuation date | November 30, 2015 |
| Actuarial cost method | Entry age normal |
| Amortization method | Level dollar, closed |
| Amortization period | 28 years |
| Asset valuation method | Market Value |
| Actuarial assumptions: | |
| Investment rate of return (includes inflation) | 4.00% |
| Projected salary increases | 4.00% |
| Healthcare inflation: | |
| Pre-Medicare | 7% (grading down to 4.5% in 2022) |
| Post-Medicare | 5% (grading down to 4.5% in 2022) |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 9 – DEFERRED COMPENSATION PLAN

The City offers a deferred compensation plan to its employees in addition to the pension plan. Participation is optional. The City has adopted the provisions of IRS Code Section 457(g) and GASB Statement No. 32, Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans. Under these provisions, all assets and income for the plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the plan are not reported within the City's financial statements.

NOTE 10 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and pollution related activities. The City's participation in the risk pool described below requires annual premium payments in return for transferring risks among pool participants. Settled claims from these risks have not exceeded the risk pool insurance limits nor have additional premiums been assessed relative to the past three fiscal years.

The City is a member of a purchasing cooperative of government agencies for the purpose of providing employee health benefits through Public Risk Management of Florida Group Health Trust. The City offers to its employees and covered dependents a choice of two medical plans, two dental plans, vision, life and long and short term disability insurance. Medical plans do not have a lifetime maximum per insured.

NOTE 11 – ENCUMBRANCES

Purchase orders are issued throughout the year to encumber budgets in the governmental funds. Encumbrances as of September 30, 2017, are as follows:

| | |
|--------------------------|---------------------|
| General Fund | \$ 1,357,247 |
| Road and Bridge Fund | 153,648 |
| Police Confiscation Fund | 27,267 |
| Capital Improvement Fund | 382,411 |
| Total encumbrances | <u>\$ 1,920,573</u> |

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Contract with Broward Sheriff's Office: On January 13, 2004, the City entered in an agreement with the Sheriff of Broward County, Florida ("BSO") whereby the BSO would provide the City with daily law enforcement, fire protection/prevention and emergency medical services. The agreement is for five years with two additional five year options. The City exercised the first five year option in 2010 and the second five year option in 2014. Cancellation of the agreement needs to be in writing and provide for 180 days notice. The agreement requires the City to pay BSO approximately \$1,999,000 per month for such services and includes a provision calling for annual increases of 5%.

The City's public safety employees became employees of BSO on February 15, 2004, the effective date of the agreement, and BSO assumed the City's liability for accrued sick, vacation and other leave time. BSO provided the new employees the option of remaining with the City's pension plan or switching to the Florida Retirement System ("FRS") Plan and, accordingly, is remitting to the City required contributions attributable to those employees that remained with the City's pension plan.

In addition, BSO leased the fire and police facility from the City in the amount of \$29,710 per month. This lease will run in tandem with the BSO contract terms. All machinery and equipment used by the public safety department of the City has been transferred to BSO for their use until such a time as the relationship between the City and BSO has been terminated. At that time, BSO shall return the assets, or like assets, to the City. The City has also committed to donate land to BSO upon BSO's construction of a regional fire/rescue facility.

Outstanding Construction Commitments: The City had outstanding construction commitments in the amount of \$1,189,110 as of the fiscal year ended September 30, 2017.

Contingencies: The City participates in various federal and state grant programs, the principal of which are subject to program compliance audits pursuant to the Federal Single Audit Act and the Florida Single Audit Act. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

NOTE 13 – SUBSEQUENT EVENTS

In November 2017, the City entered into an Interlocal Agreement (“Agreement”) with the City of Miramar (“Miramar”) to satisfy the City’s Wastewater Reuse System requirement under the Ocean Outfall Florida Statutes. The Agreement calls for Miramar to complete the expansion of its reuse system by December 31, 2025, and for a one time, lump sum payment of \$3,500,000 by the City. The City made this payment in February 2018.

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | | Variance with |
|----------------------------------|-------------------------|-------------------|-------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| Revenues | | | | |
| Property taxes | \$ 16,303,100 | \$ 16,303,100 | \$ 16,323,972 | \$ 20,872 |
| Franchise fees and utility taxes | 6,468,500 | 6,468,500 | 6,072,166 | (396,334) |
| Licenses and permits | 1,300,100 | 1,300,100 | 1,153,529 | (146,571) |
| Intergovernmental revenues | 3,572,000 | 3,572,000 | 3,490,458 | (81,542) |
| Charges for services | 4,767,500 | 4,767,500 | 5,931,259 | 1,163,759 |
| Fines and forfeitures | 350,000 | 350,000 | 250,759 | (99,241) |
| Grant revenues | 64,535 | 1,564,535 | 32,950 | (1,531,585) |
| Investment earnings | 94,000 | 94,000 | 144,533 | 50,533 |
| Miscellaneous revenues | 239,200 | 239,200 | 282,878 | 43,678 |
| Total revenues | <u>33,158,935</u> | <u>34,658,935</u> | <u>33,682,504</u> | <u>(976,431)</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | | | | |
| City Commission | 377,391 | 407,591 | 378,908 | 28,683 |
| Administrative | 463,820 | 501,966 | 491,598 | 10,368 |
| City Clerk | 572,655 | 633,477 | 614,319 | 19,158 |
| Finance | 1,182,803 | 1,221,960 | 1,094,132 | 127,828 |
| Legal | 254,000 | 299,000 | 286,539 | 12,461 |
| Boards and committees | 19,200 | 19,200 | 12,882 | 6,318 |
| Comprehensive planning | 421,306 | 448,143 | 389,651 | 58,492 |
| Public works administrative | 628,628 | 714,411 | 648,704 | 65,707 |
| Fleet services | 340,325 | 357,460 | 316,853 | 40,607 |
| Nondepartmental | 1,163,454 | 779,636 | 614,766 | 164,870 |
| Total general government | <u>5,423,582</u> | <u>5,382,844</u> | <u>4,848,352</u> | <u>534,492</u> |
| Public safety | | | | |
| Building | 934,432 | 987,389 | 906,649 | 80,740 |
| Code enforcement | 390,000 | 390,000 | 374,705 | 15,295 |
| Police | 13,115,600 | 13,020,000 | 12,994,247 | 25,753 |
| Fire | 10,046,900 | 10,049,015 | 9,804,553 | 244,462 |
| Total public safety | <u>24,486,932</u> | <u>24,446,404</u> | <u>24,080,154</u> | <u>366,250</u> |
| Physical environment | | | | |
| Property maintenance | <u>627,485</u> | <u>772,688</u> | <u>718,372</u> | <u>54,316</u> |
| Total physical environment | <u>627,485</u> | <u>772,688</u> | <u>718,372</u> | <u>54,316</u> |

The accompanying notes to the RSI are an integral part of this schedule.

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|---------------------|---------------------|---------------------------------------|
| | Original | Final | | |
| Expenditures (continued) | | | | |
| Current | | | | |
| Culture and recreation | | | | |
| Parks | \$ 1,864,222 | \$ 3,938,394 | \$ 2,116,893 | \$ 1,821,501 |
| Recreation | 1,616,309 | 1,819,472 | 1,736,629 | 82,843 |
| Total culture and recreation | 3,480,531 | 5,757,866 | 3,853,522 | 1,904,344 |
| Total expenditures | 34,018,530 | 36,359,802 | 33,500,400 | 2,859,402 |
| Excess (deficiency) of revenues over (under) expenditures | <u>(859,595)</u> | <u>(1,700,867)</u> | <u>182,104</u> | <u>1,882,971</u> |
| Other financing uses | | | | |
| Transfers out | (2,494,576) | (2,494,576) | (2,494,576) | - |
| Total other financing uses | <u>(2,416,976)</u> | <u>(2,416,976)</u> | <u>(2,494,576)</u> | <u>(77,600)</u> |
| Change in fund balance | (3,276,571) | (4,117,843) | (2,312,472) | 1,805,371 |
| Fund balance, beginning of year | <u>10,045,343</u> | <u>10,045,343</u> | <u>10,045,343</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 6,768,772</u> | <u>\$ 5,927,500</u> | <u>\$ 7,732,871</u> | <u>\$ 1,805,371</u> |

The accompanying notes to the RSI are an integral part of this schedule.

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | | Variance with |
|---|-------------------------|-------------------|-------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| Revenues | | | | |
| Intergovernmental revenues | | | | |
| Local option fuel tax | \$ 340,000 | \$ 340,000 | \$ 357,863 | \$ 17,863 |
| Additional local option fuel tax | 245,000 | 245,000 | 256,620 | 11,620 |
| State revenue sharing | 244,000 | 244,000 | 270,539 | 26,539 |
| Investment earnings | 2,000 | 2,000 | 5,483 | 3,483 |
| Total revenues | <u>831,000</u> | <u>831,000</u> | <u>890,505</u> | <u>59,505</u> |
| Expenditures | | | | |
| Current | | | | |
| Transportation | 1,461,171 | 1,677,946 | 1,494,269 | 183,677 |
| Total expenditures | <u>1,461,171</u> | <u>1,677,946</u> | <u>1,494,269</u> | <u>183,677</u> |
| Deficiency of revenues over expenditures | <u>(630,171)</u> | <u>(846,946)</u> | <u>(603,764)</u> | <u>243,182</u> |
| Other financing sources | | | | |
| Transfers in | 630,171 | 630,171 | 630,171 | - |
| Total other financing sources | <u>630,171</u> | <u>630,171</u> | <u>630,171</u> | <u>-</u> |
| Change in fund balance | - | (216,775) | 26,407 | 243,182 |
| Fund balance, beginning of year | <u>471,400</u> | <u>471,400</u> | <u>471,400</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 471,400</u> | <u>\$ 254,625</u> | <u>\$ 497,807</u> | <u>\$ 243,182</u> |

The accompanying notes to the RSI are an integral part of this schedule.

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
POLICE CONFISCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|-------------------|-------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| Revenues | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ 22,351 | \$ 22,351 |
| Investment earnings | - | - | 2,711 | 2,711 |
| Total revenues | - | - | 25,062 | 25,062 |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 207,241 | 211,419 | 253,053 | (41,634) |
| Total expenditures | 207,241 | 211,419 | 253,053 | (41,634) |
| Change in fund balance | (207,241) | (211,419) | (227,991) | (16,572) |
| Fund balance, beginning of year | 430,227 | 430,227 | 430,227 | - |
| Fund balance, end of year | <u>\$ 222,986</u> | <u>\$ 218,808</u> | <u>\$ 202,236</u> | <u>\$ (16,572)</u> |

The accompanying notes to the RSI are an integral part of this schedule.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

The annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the City Manager submits to the City Commission a proposed operating budgets for such funds as may be required by law or by sound financial practices for the year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Annual budgets are legally adopted for the General, Debt Service, Capital Improvement, Special Revenue and Enterprise Funds.
3. Public hearings are conducted to obtain taxpayer comments.
4. Prior to October 1, the budget is legally enacted through passage of an appropriate ordinance.
5. The legal level of budgetary control, the level at which expenditures may not exceed budget, is at the fund level. Budgets are monitored at the activity level within each department, however, at the City Manager's discretion, actual expenditures may exceed their budget within an individual department. Expenditures may not, however, legally exceed their budget at the individual fund level. Only the City Commission can legally amend the original budget once it is enacted.
6. Budgets for the governmental funds and the enterprise funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budget amounts are as originally adopted or as amended by the City Commission.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION PLAN**

| Reporting period ending Measurement date | <u>9/30/2017</u> <u>9/30/2016</u> | <u>9/30/2016</u> <u>9/30/2015</u> | <u>9/30/2015</u> <u>9/30/2014</u> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Total pension liability | | | |
| Service cost | \$ 802,604 | \$ 801,521 | \$ 871,704 |
| Interest | 2,492,570 | 2,444,577 | 2,317,934 |
| Difference between expected and actual experience | (630,774) | (533,237) | 22,168 |
| Assumption changes | 345,787 | 335,762 | - |
| Benefit payments | (2,243,201) | (1,545,365) | (1,153,732) |
| Refunds | - | (49,992) | (64,469) |
| Net change in total pension liability | 766,986 | 1,453,266 | 1,993,605 |
| Total pension liability - beginning | 34,936,778 | 33,483,512 | 31,489,907 |
| Total pension liability - ending | <u>\$ 35,703,764</u> | <u>\$ 34,936,778</u> | <u>\$ 33,483,512</u> |
| Plan fiduciary net position | | | |
| Contributions - employer (City) | \$ 860,950 | \$ 999,117 | \$ 993,478 |
| Contributions - non-employer contributing entity (BSO) | 135,040 | 96,707 | 248,338 |
| Contributions - employee | 437,430 | 364,865 | 527,463 |
| Net investment income | 2,401,377 | 741,361 | 2,812,142 |
| Benefit payments | (2,243,201) | (1,545,365) | (1,153,732) |
| Refunds | - | (76,770) | (64,469) |
| Administrative expense | (57,388) | (77,950) | (40,559) |
| Net change in plan fiduciary net position | 1,534,208 | 501,965 | 3,322,661 |
| Plan fiduciary net position - beginning | 29,823,731 | 29,321,766 | 25,999,105 |
| Plan fiduciary net position - ending | <u>\$ 31,357,939</u> | <u>\$ 29,823,731</u> | <u>\$ 29,321,766</u> |
| Net pension liability | <u>\$ 4,345,825</u> | <u>\$ 5,113,047</u> | <u>\$ 4,161,746</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 87.8% | 85.4% | 87.6% |
| Covered employee payroll | <u>\$ 3,755,374</u> | <u>\$ 3,812,310</u> | <u>\$ 4,137,685</u> |
| Net pension liability as a percentage of covered employee payroll | 115.7% | 134.1% | 100.6% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
GENERAL EMPLOYEES' PENSION PLAN**

| Reporting period ending | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> |
|---|--------------------|------------------|-------------------|--------------------|
| Actuarially determined contribution | \$ 963,025 | \$ 1,068,704 | \$ 1,269,828 | \$ 1,278,957 |
| Actual City contribution | <u>981,925</u> | <u>1,068,704</u> | <u>1,095,824</u> | <u>1,375,537</u> |
| Contribution deficiency (excess) | <u>\$ (18,900)</u> | <u>\$ -</u> | <u>\$ 174,004</u> | <u>\$ (96,580)</u> |
| Covered employee payroll | \$ 3,770,460 | \$ 3,755,374 | \$ 3,812,310 | \$ 4,137,685 |
| Contributions as a percentage of covered employee payroll | 26.0% | 28.5% | 28.74% | 33.24% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN
GENERAL EMPLOYEES' PENSION PLAN**

| | | | |
|--------------------------------------|------------------|------------------|------------------|
| Reporting period ending | 9/30/2017 | 9/30/2016 | 9/30/2015 |
| Measurement date | 9/30/2016 | 9/30/2015 | 9/30/2014 |
| | <hr/> | <hr/> | <hr/> |
| Annual money-weighted rate of return | 4.50% | 3.12% | 10.60% |
| | <hr/> | <hr/> | <hr/> |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS PENSION PLAN**

| Reporting period ending Measurement date | <u>9/30/2017</u> <u>9/30/2016</u> | <u>9/30/2016</u> <u>9/30/2015</u> | <u>9/30/2015</u> <u>9/30/2014</u> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Total pension liability | | | |
| Service cost | \$ 159,041 | \$ 158,031 | \$ 188,438 |
| Interest | 1,973,413 | 1,939,322 | 1,885,382 |
| Difference between expected and actual experience | (544,532) | 47,678 | 104,017 |
| Benefit payments | (2,259,752) | (1,058,286) | (1,727,969) |
| Other | - | - | 10,020 |
| Net change in total pension liability | (671,830) | 1,086,745 | 459,888 |
| Total pension liability - beginning | 29,162,456 | 28,075,711 | 27,615,823 |
| Total pension liability - ending | <u>\$ 28,490,626</u> | <u>\$ 29,162,456</u> | <u>\$ 28,075,711</u> |
| Plan fiduciary net position | | | |
| Contributions - employer (City) | \$ 29,947 | \$ - | \$ 1,580 |
| Contributions - employer (State) | 238,638 | 255,058 | 304,056 |
| Contributions - non-employer contributing entity (BSO) | 985,120 | 299,251 | 1,032,767 |
| Contributions - employee | 16,021 | 18,257 | 20,357 |
| Net investment income | 1,995,879 | (542,222) | 2,339,825 |
| Benefit payments | (2,259,752) | (1,058,286) | (1,727,969) |
| Administrative expense | (97,893) | (71,424) | (60,591) |
| Net change in plan fiduciary net position | 907,960 | (1,099,366) | 1,910,025 |
| Plan fiduciary net position - beginning | 22,612,283 | 23,711,649 | 21,801,624 |
| Plan fiduciary net position - ending | <u>\$ 23,520,243</u> | <u>\$ 22,612,283</u> | <u>\$ 23,711,649</u> |
| Net pension liability | <u>\$ 4,970,383</u> | <u>\$ 6,550,173</u> | <u>\$ 4,364,062</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 82.6% | 77.5% | 84.5% |
| Covered employee payroll | <u>\$ 464,086</u> | <u>\$ 529,204</u> | <u>\$ 590,048</u> |
| Net pension liability as a percentage of covered employee payroll | 1071.0% | 1237.7% | 739.6% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FIREFIGHTERS PENSION PLAN**

| Reporting period ending | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> |
|---|--------------------|------------------|-------------------|--------------------|
| Actuarially determined contribution | \$ 1,220,415 | \$ 1,279,156 | \$ 1,358,054 | \$ 1,296,957 |
| Actual City contribution | <u>1,236,252</u> | <u>1,253,705</u> | <u>554,309</u> | <u>1,328,383</u> |
| Contribution deficiency (excess) | <u>\$ (15,837)</u> | <u>\$ 25,451</u> | <u>\$ 803,745</u> | <u>\$ (31,426)</u> |
| Covered employee payroll | \$ 378,798 | \$ 464,086 | \$ 529,204 | \$ 590,048 |
| Contributions as a percentage of covered employee payroll | 326.4% | 270.1% | 104.7% | 225.1% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN
FIREFIGHTERS PENSION PLAN**

| | | | |
|--------------------------------------|------------------|------------------|------------------|
| Reporting period ending | 9/30/2017 | 9/30/2016 | 9/30/2015 |
| Measurement date | 9/30/2016 | 9/30/2015 | 9/30/2014 |
| | <hr/> | <hr/> | <hr/> |
| Annual money-weighted rate of return | 9.50% | 2.00% | 11.40% |
| | <hr/> | <hr/> | <hr/> |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS PENSION PLAN**

| Reporting period ending Measurement date | <u>9/30/2017</u> <u>9/30/2016</u> | <u>9/30/2016</u> <u>9/30/2015</u> | <u>9/30/2015</u> <u>9/30/2014</u> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Total pension liability | | | |
| Service cost | \$ 134,806 | \$ 130,185 | \$ 130,185 |
| Interest | 2,304,869 | 2,267,290 | 2,218,607 |
| Difference between expected and actual experience | (228,987) | (120,237) | 53,154 |
| Assumption changes | 671,944 | - | - |
| Benefit payments | (1,675,341) | (1,886,260) | (1,619,438) |
| Net change in total pension liability | 1,207,291 | 390,978 | 782,508 |
| Total pension liability - beginning | 31,434,456 | 31,043,478 | 30,260,970 |
| Total pension liability - ending | <u>\$ 32,641,747</u> | <u>\$ 31,434,456</u> | <u>\$ 31,043,478</u> |
| Plan fiduciary net position | | | |
| Contributions - employer (City) | \$ 33,729 | \$ 261,740 | \$ 68,240 |
| Contributions - employer (State) | 299,282 | - | 263,432 |
| Contributions - non-employer contributing entity (BSO) | 865,777 | - | 921,133 |
| Contributions - employee | 173,408 | 92,898 | 43,899 |
| Net investment income | 2,376,767 | (91,957) | 2,463,427 |
| Benefit payments | (1,675,341) | (1,886,260) | (1,619,438) |
| Administrative expense | (94,541) | (77,791) | (65,442) |
| Net change in plan fiduciary net position | 1,979,081 | (1,701,370) | 2,075,251 |
| Plan fiduciary net position - beginning | 25,152,309 | 26,853,679 | 24,778,428 |
| Plan fiduciary net position - ending | <u>\$ 27,131,390</u> | <u>\$ 25,152,309</u> | <u>\$ 26,853,679</u> |
| Net pension liability | <u>\$ 5,510,357</u> | <u>\$ 6,282,147</u> | <u>\$ 4,189,799</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 83.1% | 80.0% | 86.5% |
| Covered employee payroll | <u>\$ 605,532</u> | <u>\$ 606,307</u> | <u>\$ 583,916</u> |
| Net pension liability as a percentage of covered employee payroll | 910.0% | 1036.1% | 717.5% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS PENSION PLAN**

| Reporting period ending | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> |
|---|------------------|-------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 1,460,939 | \$ 1,531,436 | \$ 1,380,815 | \$ 1,048,841 |
| Actual City contribution | <u>1,417,657</u> | <u>1,198,788</u> | <u>261,740</u> | <u>1,252,805</u> |
| Contribution deficiency (excess) | <u>\$ 43,282</u> | <u>\$ 332,648</u> | <u>\$ 1,119,075</u> | <u>\$ (203,964)</u> |
| Covered employee payroll | \$ 463,179 | \$ 605,532 | \$ 606,307 | \$ 583,916 |
| Contributions as a percentage of covered employee payroll | 306.1% | 198.0% | 43.17% | 214.55% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN
POLICE OFFICERS PENSION PLAN**

| | | | |
|--------------------------------------|-------------------------|-------------------------|-------------------------|
| Reporting period ending | 9/30/2017 | 9/30/2016 | 9/30/2015 |
| Measurement date | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> |
| Annual money-weighted rate of return | <u>9.56%</u> | <u>0.05%</u> | <u>10.3%</u> |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FLORIDA MUNICIPAL PENSION TRUST FUND**

| Reporting period ending Measurement date | <u>9/30/2017</u> <u>9/30/2016</u> | <u>9/30/2016</u> <u>9/30/2015</u> | <u>9/30/2015</u> <u>9/30/2014</u> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Total pension liability | | | |
| Service cost | \$ 51,781 | \$ 51,781 | \$ 43,630 |
| Interest | 330,375 | 313,814 | 356,197 |
| Difference between expected and actual experience | - | 11,098 | - |
| Assumption changes | (125,142) | 126,551 | - |
| Benefit payments | (244,921) | (244,921) | (350,405) |
| Net change in total pension liability | 12,093 | 258,323 | 49,422 |
| Total pension liability - beginning | 4,849,759 | 4,591,436 | 4,542,014 |
| Total pension liability - ending | <u>\$ 4,861,852</u> | <u>\$ 4,849,759</u> | <u>\$ 4,591,436</u> |
| Plan fiduciary net position | | | |
| Contributions - employer (City) | \$ 407,167 | \$ 366,299 | \$ 506,288 |
| Contributions - employee | 30,554 | 29,366 | 28,150 |
| Net investment income | 289,334 | (9,895) | 240,525 |
| Benefit payments | (244,921) | (244,921) | (261,166) |
| Administrative expense | (8,288) | (12,748) | (7,138) |
| Net change in plan fiduciary net position | 473,846 | 128,101 | 506,659 |
| Plan fiduciary net position - beginning | 3,561,022 | 3,432,921 | 2,926,262 |
| Plan fiduciary net position - ending | <u>\$ 4,034,868</u> | <u>\$ 3,561,022</u> | <u>\$ 3,432,921</u> |
| Net pension liability | <u>\$ 826,984</u> | <u>\$ 1,288,737</u> | <u>\$ 1,158,515</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 83.0% | 73.4% | 74.8% |
| Covered employee payroll | <u>\$ 266,146</u> | <u>\$ 266,146</u> | <u>\$ 255,910</u> |
| Net pension liability as a percentage of covered employee payroll | 310.7% | 484.2% | 452.7% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA MUNICIPAL PENSION TRUST FUND**

| Reporting period ending | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> |
|---|---------------------|---------------------|---------------------|------------------|
| Actuarially determined contribution | \$ 210,104 | \$ 183,587 | \$ 183,587 | \$ 506,288 |
| Actual City contribution | <u>415,079</u> | <u>407,167</u> | <u>366,299</u> | <u>506,288</u> |
| Contribution deficiency (excess) | <u>\$ (204,975)</u> | <u>\$ (223,580)</u> | <u>\$ (182,712)</u> | <u>\$ -</u> |
| Covered employee payroll | \$ 288,873 | \$ 266,146 | \$ 266,146 | \$ 255,910 |
| Contributions as a percentage of covered employee payroll | 143.7% | 153.0% | 137.63% | 197.84% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

| Reporting Period Ending Measurement Date | <u>9/30/2017</u> <u>6/30/2017</u> | <u>9/30/2016</u> <u>6/30/2016</u> | <u>9/30/2015</u> <u>6/30/2015</u> | <u>9/30/2014</u> <u>6/30/2014</u> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| City's proportion of the FRS net pension liability | 0.006409960% | 0.005146441% | 0.004831350% | 0.003887584% |
| City's proportionate share of the FRS net pension liability | \$ 1,896,021 | \$ 1,299,481 | \$ 624,034 | \$ 237,200 |
| City's covered employee payroll | \$ 2,799,670 | \$ 1,656,858 | \$ 1,210,578 | \$ 1,066,552 |
| City's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll | 67.72% | 78.43% | 51.55% | 22.24% |
| FRS Plan fiduciary net position as a percentage of the FRS total pension liability | 83.89% | 84.88% | 92.00% | 96.09% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

| Reporting Period Ending | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> |
|---|------------------|------------------|------------------|------------------|
| Contractually required FRS contribution | \$ 166,867 | \$ 125,504 | \$ 117,792 | \$ 85,155 |
| FRS Contributions in relation to the contractually required FRS contribution | <u>166,867</u> | <u>125,504</u> | <u>117,792</u> | <u>85,155</u> |
| FRS Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll | \$ 2,799,670 | \$ 1,656,858 | \$ 1,210,578 | \$ 1,066,552 |
| FRS Contributions as a percentage of covered employee payroll | 5.96% | 7.57% | 9.73% | 7.98% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION PLAN**

| Reporting Period Ending Measurement Date | <u>9/30/2017</u> <u>6/30/2017</u> | <u>9/30/2016</u> <u>6/30/2016</u> | <u>9/30/2015</u> <u>6/30/2015</u> | <u>9/30/2014</u> <u>6/30/2014</u> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| City's proportion of the HIS net pension liability | 0.009212296% | 0.007545538% | 0.006719761% | 0.005526173% |
| City's proportionate share of the HIS net pension liability | \$ 985,021 | \$ 879,401 | \$ 685,310 | \$ 516,711 |
| City's covered employee payroll | \$ 2,799,670 | \$ 1,656,858 | \$ 1,210,578 | \$ 1,066,552 |
| City's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll | 35.18% | 53.08% | 56.61% | 48.45% |
| HIS Plan fiduciary net position as a percentage of the HIS total pension liability | 1.64% | 0.97% | 0.50% | 0.99% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS

HEALTH INSURANCE SUBSIDY PENSION PLAN

| Reporting Period Ending | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> |
|---|------------------|------------------|------------------|------------------|
| Contractually required HIS contribution | \$ 48,754 | \$ 38,676 | \$ 25,687 | \$ 18,931 |
| HIS Contributions in relation to the contractually required HIS contribution | <u>48,754</u> | <u>38,676</u> | <u>25,687</u> | <u>18,931</u> |
| HIS Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll | \$ 2,799,670 | \$ 1,656,858 | \$ 1,210,578 | \$ 1,066,552 |
| HIS Contributions as a percentage of covered employee payroll | 1.74% | 2.33% | 2.12% | 1.77% |

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

OPEB SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio | Annual Covered Payroll | Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll |
|---|--|--|---|-------------------------|---------------------------------------|--|
| 10/1/2008 | \$ - | \$ 4,254,742 | \$ 4,254,742 | - % | \$ 5,466,021 | 77.8 % |
| 10/1/2011 | - | 5,477,021 | 5,477,021 | - | 5,501,417 | 99.6 |
| 11/30/2015 | - | 5,673,642 | 5,673,642 | - | 5,732,805 | 99.0 |

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COOPER CITY, FLORIDA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2017**

| | Pension Trust Funds | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | General Employees | Police | Firefighters | Total |
| Assets | | | | |
| Cash and cash equivalents | \$ 805,791 | \$ 608,954 | \$ 256,627 | \$ 1,671,372 |
| Receivables/prepays | | | | |
| Employer contributions | - | - | 274,417 | 274,417 |
| Prepaid items | 1,137 | - | - | 1,137 |
| Interest receivable | 124,045 | 43,081 | 51,810 | 218,936 |
| Due from other governments | 44,007 | 301,180 | 10,104 | 355,291 |
| Due from others | - | 2,425 | 2,222 | 4,647 |
| Due from broker | 385,000 | - | - | 385,000 |
| Total receivables | <u>554,189</u> | <u>346,686</u> | <u>338,553</u> | <u>1,239,428</u> |
| Investments, at fair value | | | | |
| U.S. Government and agency securities | 2,186,932 | 1,877,923 | 3,137,301 | 7,202,156 |
| Corporate bonds | 6,941,151 | 4,376,368 | 4,520,177 | 15,837,696 |
| Equity securities | 18,697,890 | 6,564,665 | 16,121,988 | 41,384,543 |
| Equity mutual funds | 196,204 | 11,999,172 | - | 12,195,376 |
| Municipal obligations | 159,390 | - | - | 159,390 |
| Commingled real estate funds | 4,228,184 | 4,189,983 | 1,339,720 | 9,757,887 |
| Total investments | <u>32,409,751</u> | <u>29,008,111</u> | <u>25,119,186</u> | <u>86,537,048</u> |
| Total assets | <u>\$ 33,769,731</u> | <u>\$ 29,963,751</u> | <u>\$ 25,714,366</u> | <u>\$ 89,447,848</u> |
| Liabilities | | | | |
| Accounts payable | \$ 62,432 | \$ 61,105 | \$ 24,898 | \$ 148,435 |
| Total liabilities | <u>62,432</u> | <u>61,105</u> | <u>24,898</u> | <u>148,435</u> |
| Net Position | | | | |
| Restricted for pension benefits - active and retired members' benefits | <u>33,707,299</u> | <u>29,902,646</u> | <u>25,689,468</u> | <u>89,299,413</u> |
| Total liabilities and net position | <u>\$ 33,769,731</u> | <u>\$ 29,963,751</u> | <u>\$ 25,714,366</u> | <u>\$ 89,447,848</u> |

CITY OF COOPER CITY, FLORIDA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

| | Pension Trust Funds | | | |
|---|------------------------------|----------------------|----------------------|----------------------|
| | General Employees | Police | Firefighters | Total |
| Additions | | | | |
| Contributions | | | | |
| City | \$ 786,998 | \$ 1,155,917 | \$ - | \$ 1,942,915 |
| Employees | 345,513 | 37,028 | 13,068 | 395,609 |
| Broward County Sheriff's Office | 194,927 | - | 1,040,437 | 1,235,364 |
| State/other | 7,583 | 301,361 | 195,815 | 504,759 |
| Total contributions | <u>1,335,021</u> | <u>1,494,306</u> | <u>1,249,320</u> | <u>4,078,647</u> |
| Investment income | | | | |
| Net increase in fair market value | 2,616,428 | 2,700,984 | 1,724,338 | 7,041,750 |
| Interest and dividend income | 759,112 | 483,772 | 568,774 | 1,811,658 |
| Less investment expense | <u>(227,080)</u> | <u>(124,600)</u> | <u>(109,826)</u> | <u>(461,506)</u> |
| Net investment income | <u>3,148,460</u> | <u>3,060,156</u> | <u>2,183,286</u> | <u>8,391,902</u> |
| Total additions | <u>4,483,481</u> | <u>4,554,462</u> | <u>3,432,606</u> | <u>12,470,549</u> |
| Deductions | | | | |
| Pension benefits | 2,064,186 | 1,705,452 | 1,184,833 | 4,954,471 |
| DROP distributions | - | 100 | - | 100 |
| Administrative expenses | <u>69,935</u> | <u>77,654</u> | <u>78,548</u> | <u>226,137</u> |
| Total deductions | <u>2,134,121</u> | <u>1,783,206</u> | <u>1,263,381</u> | <u>5,180,708</u> |
| Change in net position | <u>2,349,360</u> | <u>2,771,256</u> | <u>2,169,225</u> | <u>7,289,841</u> |
| Net position, restricted for pension benefits | | | | |
| Beginning of year | <u>31,357,939</u> | <u>27,131,390</u> | <u>23,520,243</u> | <u>82,009,572</u> |
| End of year | <u>\$ 33,707,299</u> | <u>\$ 29,902,646</u> | <u>\$ 25,689,468</u> | <u>\$ 89,299,413</u> |

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|------------------|------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| Revenues | | | | |
| Property taxes | \$ 376,000 | \$ 376,000 | \$ 364,240 | \$ (11,760) |
| Total revenues | <u>376,000</u> | <u>376,000</u> | <u>364,240</u> | <u>(11,760)</u> |
| Expenditures | | | | |
| Debt service | | | | |
| Principal retirement | 357,000 | 357,000 | 356,447 | 553 |
| Interest | <u>19,000</u> | <u>19,000</u> | <u>19,361</u> | <u>(361)</u> |
| Total expenditures | <u>376,000</u> | <u>376,000</u> | <u>375,808</u> | <u>192</u> |
| Change in fund balance | - | - | (11,568) | (11,568) |
| Fund balance, beginning of year | <u>72,417</u> | <u>72,417</u> | <u>72,417</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 72,417</u> | <u>\$ 72,417</u> | <u>\$ 60,849</u> | <u>\$ (11,568)</u> |

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|--------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| Revenues | | | | |
| Impact fees | | | | |
| Public safety | \$ - | \$ - | \$ 910 | \$ 910 |
| Park improvement | - | - | 367,564 | 367,564 |
| General government | - | - | 8,460 | 8,460 |
| Investment earnings | - | - | 50,373 | 50,373 |
| Total revenues | - | - | 427,307 | 427,307 |
| Expenditures | | | | |
| Capital outlay | | | | |
| General government | 120,000 | 537,352 | 45,916 | 491,436 |
| Public safety | - | 19,662 | 19,662 | - |
| Physical environment | 489,000 | 740,416 | 204,077 | 536,339 |
| Culture and recreation | 1,798,000 | 5,220,576 | 1,030,072 | 4,190,504 |
| Total expenditures | 2,407,000 | 6,518,006 | 1,299,727 | 5,218,279 |
| Deficiency of revenues | | | | |
| over expenditures | (2,407,000) | (6,518,006) | (872,420) | 5,645,586 |
| Other financing sources | | | | |
| Transfers in | 1,864,405 | 1,864,405 | 1,864,405 | - |
| Total other financing sources | 1,864,405 | 1,864,405 | 1,864,405 | - |
| Change in fund balance | (542,595) | (4,653,601) | 991,985 | 5,645,586 |
| Fund balance, beginning of year | 4,838,437 | 4,838,437 | 4,838,437 | - |
| Fund balance, end of year | \$ 4,295,842 | \$ 184,836 | \$ 5,830,422 | \$ 5,645,586 |

STATISTICAL SECTION

(Unaudited)

This section of the City of Cooper City, Florida's 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.

CONTENTS

| | Page |
|--|-------------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changes over time. | 112 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | 118 |
| Debt Capacity | |
| These schedules present information 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. | 122 |
| 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. | 126 |
| 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. | 128 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF COOPER CITY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Table 1)
(Amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 43,611 | \$ 43,205 | \$ 44,401 | \$ 46,173 | \$ 46,474 | \$ 42,338 | \$ 41,965 | \$ 43,811 | \$ 45,488 | \$ 45,407 |
| Restricted | 698 | 662 | 591 | 602 | 507 | 553 | 533 | 861 | - | - |
| Unrestricted | 15,187 | 13,089 | 9,573 | 7,017 | 6,345 | 12,668 | 12,945 | 1,181 | (91) | 2,441 |
| Total governmental activities net position | <u>\$ 59,496</u> | <u>\$ 56,956</u> | <u>\$ 54,565</u> | <u>\$ 53,792</u> | <u>\$ 53,326</u> | <u>\$ 55,559</u> | <u>\$ 55,443</u> | <u>\$ 45,853</u> | <u>\$ 45,397</u> | <u>\$ 47,848</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 31,116 | \$ 30,645 | \$ 32,846 | \$ 33,139 | \$ 34,607 | \$ 34,543 | \$ 35,835 | \$ 45,558 | \$ 48,450 | \$ 51,553 |
| Restricted | 604 | 1,890 | 1,782 | 1,627 | 1,494 | 51 | 5 | - | - | 88 |
| Unrestricted | 3,634 | 4,216 | 6,360 | 10,362 | 11,814 | 17,012 | 18,013 | 12,265 | 9,862 | 7,385 |
| Total business-type activities net position | <u>\$ 35,354</u> | <u>\$ 36,751</u> | <u>\$ 40,988</u> | <u>\$ 45,128</u> | <u>\$ 47,915</u> | <u>\$ 51,606</u> | <u>\$ 53,853</u> | <u>\$ 57,823</u> | <u>\$ 58,312</u> | <u>\$ 59,026</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 74,727 | \$ 73,850 | \$ 77,247 | \$ 79,312 | \$ 81,081 | \$ 76,881 | \$ 77,800 | \$ 89,369 | \$ 93,938 | \$ 96,960 |
| Restricted | 1,302 | 2,552 | 2,373 | 2,229 | 2,001 | 604 | 538 | 861 | - | 88 |
| Unrestricted | 18,821 | 17,305 | 15,933 | 17,379 | 18,159 | 29,680 | 30,958 | 13,446 | 9,771 | 9,826 |
| Total primary government net position | <u>\$ 94,850</u> | <u>\$ 93,707</u> | <u>\$ 95,553</u> | <u>\$ 98,920</u> | <u>\$101,241</u> | <u>\$107,165</u> | <u>\$109,296</u> | <u>\$103,676</u> | <u>\$103,709</u> | <u>\$106,874</u> |

CITY OF COOPER CITY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

(Table 2)

(Amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 4,478 | \$ 4,676 | \$ 4,359 | \$ 4,413 | \$ 4,264 | \$ 4,554 | \$ 4,286 | \$ 3,727 | \$ 5,395 | \$ 4,629 |
| Public safety | 14,622 | 17,008 | 17,094 | 17,830 | 18,162 | 17,653 | 20,113 | 18,442 | 22,411 | 22,563 |
| Physical environment | 1,096 | 554 | 1,084 | 1,044 | 1,121 | 1,089 | 1,019 | 618 | 714 | 790 |
| Transportation | 810 | 908 | 753 | 761 | 646 | 1,750 | 1,422 | 1,613 | 1,909 | 1,852 |
| Culture and recreation | 3,077 | 2,974 | 3,256 | 3,495 | 3,208 | 3,044 | 3,085 | 2,788 | 3,186 | 3,662 |
| Human services | 271 | 224 | 167 | - | - | - | - | - | - | - |
| Interest on long-term debt | 224 | 193 | 159 | 123 | 65 | 48 | 40 | 32 | 27 | 19 |
| Total governmental activities expenses | 24,578 | 26,537 | 26,872 | 27,666 | 27,466 | 28,138 | 29,965 | 27,220 | 33,642 | 33,515 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer utility | 8,100 | 8,579 | 8,729 | 8,630 | 8,678 | 9,595 | 9,035 | 8,427 | 11,389 | 11,469 |
| Parking facilities | 38 | 38 | 42 | 43 | 40 | 58 | 54 | 96 | 140 | 143 |
| Stormwater utility | 275 | 314 | 319 | 307 | 365 | 329 | 346 | 366 | 399 | 403 |
| Total business-type activities expenses | 8,413 | 8,931 | 9,090 | 8,980 | 9,083 | 9,982 | 9,435 | 8,889 | 11,928 | 12,015 |
| Total primary government expenses | \$ 32,991 | \$ 35,468 | \$ 35,962 | \$ 36,646 | \$ 36,549 | \$ 38,120 | \$ 39,400 | \$ 36,109 | \$ 45,570 | \$ 45,530 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 129 | \$ 925 | \$ 731 | \$ 144 | \$ 117 | \$ 157 | \$ 173 | \$ 171 | \$ 1,154 | \$ 1,263 |
| Public safety | 2,683 | 2,952 | 4,170 | 4,999 | 5,962 | 5,885 | 5,513 | 5,730 | 5,595 | 5,498 |
| Transportation | - | 154 | 8 | 51 | 52 | 52 | 54 | 55 | - | - |
| Culture and recreation | 578 | - | 553 | 596 | 596 | 566 | 527 | 530 | 634 | 973 |
| Operating grants and contributions | - | 100 | 85 | 327 | 273 | 625 | 115 | 136 | - | 497 |
| Capital grants and contributions | 934 | 45 | 5 | 1,953 | 810 | 896 | 41 | 482 | 89 | 308 |
| Total governmental activities program revenues | 4,324 | 4,176 | 5,552 | 8,070 | 7,810 | 8,181 | 6,423 | 7,104 | 7,472 | 8,539 |
| Business type activities | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sewer utility | 8,752 | 9,913 | 10,049 | 10,418 | 11,175 | 11,805 | 11,229 | 11,780 | 11,678 | 11,950 |
| Parking facilities | 97 | 91 | 89 | 97 | 96 | 95 | 136 | 99 | 89 | 106 |
| Stormwater utility | 272 | 272 | 275 | 277 | 279 | 282 | 129 | 114 | 280 | 283 |
| Operating grants and contributions | - | - | - | - | - | - | - | - | - | 76 |
| Capital grants and contributions | 80 | 13 | 312 | 1 | - | - | 521 | 5,193 | 259 | 202 |
| Total business-type activities program revenues | 9,201 | 10,289 | 10,725 | 10,793 | 11,550 | 12,182 | 12,015 | 17,186 | 12,306 | 12,617 |
| Total primary government program revenues | \$ 13,525 | \$ 14,465 | \$ 16,277 | \$ 18,863 | \$ 19,360 | \$ 20,363 | \$ 18,438 | \$ 24,290 | \$ 19,778 | \$ 21,156 |

CITY OF COOPER CITY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Table 2 - Continued)
(Amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | \$ (20,254) | \$ (22,361) | \$ (21,320) | \$ (19,596) | \$ (19,656) | \$ (19,957) | \$ (23,542) | \$ (20,116) | \$ (26,170) | \$ (24,976) |
| Business-type activities | 788 | 1,358 | 1,635 | 1,813 | 2,467 | 2,200 | 2,580 | 8,297 | 378 | 602 |
| Total primary government net expense | <u>\$ (19,466)</u> | <u>\$ (21,003)</u> | <u>\$ (19,685)</u> | <u>\$ (17,783)</u> | <u>\$ (17,189)</u> | <u>\$ (17,757)</u> | <u>\$ (20,962)</u> | <u>\$ (11,819)</u> | <u>\$ (25,792)</u> | <u>\$ (24,374)</u> |
| General Revenues and Other Changes | | | | | | | | | | |
| In Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 10,559 | \$ 10,153 | \$ 9,387 | \$ 9,469 | \$ 9,602 | \$ 11,657 | \$ 12,652 | \$ 13,441 | \$ 14,808 | \$ 16,688 |
| Franchise fees and utility taxes | 5,681 | 5,570 | 5,639 | 5,567 | 5,740 | 5,939 | 6,273 | 6,310 | 6,126 | 6,072 |
| Local option sales tax | - | - | - | - | - | - | - | - | 2,173 | 2,204 |
| Local option gasoline tax | - | - | - | - | - | - | - | - | 597 | 614 |
| Unrestricted intergovernmental revenues | - | - | - | - | - | - | - | - | 1,525 | 1,361 |
| Intergovernmental | 3,595 | 3,024 | 2,986 | 2,999 | 2,950 | 3,480 | 3,416 | 7,135 | - | - |
| Income on investments | 716 | 547 | 273 | 151 | 100 | 41 | 106 | 109 | 156 | 203 |
| Other revenues | 243 | 105 | 181 | 168 | 148 | 375 | 209 | 285 | 315 | 283 |
| Special item | - | - | - | - | 28 | - | - | - | - | - |
| Net transfers | 362 | 421 | 462 | 469 | 622 | 698 | 772 | 932 | 14 | - |
| Total governmental activities | <u>21,156</u> | <u>19,820</u> | <u>18,928</u> | <u>18,823</u> | <u>19,190</u> | <u>22,190</u> | <u>23,428</u> | <u>28,212</u> | <u>25,714</u> | <u>27,425</u> |
| Business-type activities: | | | | | | | | | | |
| Income on investments | 467 | 395 | 252 | 183 | 119 | 79 | 124 | 69 | 124 | 113 |
| Other revenues | 70 | 65 | 524 | 2,614 | 823 | 2,111 | 315 | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - |
| Net transfers | (362) | (421) | (462) | (469) | (622) | (698) | (772) | (932) | (14) | - |
| Total business-type activities | <u>175</u> | <u>39</u> | <u>314</u> | <u>2,328</u> | <u>320</u> | <u>1,492</u> | <u>(333)</u> | <u>(863)</u> | <u>110</u> | <u>113</u> |
| Total primary government | <u>21,331</u> | <u>19,859</u> | <u>19,242</u> | <u>21,151</u> | <u>19,510</u> | <u>23,682</u> | <u>23,095</u> | <u>27,349</u> | <u>25,824</u> | <u>27,538</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 902 | \$ (2,541) | \$ (2,392) | \$ (773) | \$ (466) | \$ 2,233 | \$ (114) | \$ 8,096 | \$ (456) | \$ 2,449 |
| Business-type activities | 963 | 1,397 | 1,949 | 4,141 | 2,787 | 3,692 | 2,247 | 7,434 | 488 | 715 |
| Total primary government | <u>\$ 1,865</u> | <u>\$ (1,144)</u> | <u>\$ (443)</u> | <u>\$ 3,368</u> | <u>\$ 2,321</u> | <u>\$ 5,925</u> | <u>\$ 2,133</u> | <u>\$ 15,530</u> | <u>\$ 32</u> | <u>\$ 3,164</u> |

CITY OF COOPER CITY, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Table 3)

(Amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ 22 | \$ 26 | \$ 27 | \$ 27 | \$ 24 | \$ 25 | \$ 28 |
| Assigned | - | - | - | 1,670 | 1,408 | 530 | 777 | 1,528 | 2,582 | 4,104 |
| Unassigned | - | - | - | 6,428 | 5,922 | 7,236 | 7,589 | 8,684 | 7,438 | 3,601 |
| Reserved | 22 | 25 | 23 | - | - | - | - | - | - | - |
| Unreserved | 13,651 | 12,176 | 9,675 | - | - | - | - | - | - | - |
| Total general fund | <u>\$ 13,673</u> | <u>\$ 12,201</u> | <u>\$ 9,698</u> | <u>\$ 8,120</u> | <u>\$ 7,356</u> | <u>\$ 7,793</u> | <u>\$ 8,393</u> | <u>\$ 10,236</u> | <u>\$ 10,045</u> | <u>\$ 7,733</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Assigned, reported in: | | | | | | | | | | |
| Special Revenue Funds | \$ - | \$ - | \$ - | \$ 500 | \$ 392 | \$ 435 | \$ 429 | \$ 774 | \$ 902 | \$ 700 |
| Debt Service Funds | - | - | - | 103 | 115 | 117 | 105 | 88 | 72 | 61 |
| Capital Projects Funds | - | - | - | 3,027 | 3,837 | 4,376 | 4,396 | 4,718 | 4,838 | 5,830 |
| Unassigned, reported in: | | | | | | | | | | |
| Special Revenue Funds | 558 | 528 | 472 | - | - | - | - | - | - | - |
| Debt Service Funds | 141 | 134 | 119 | - | - | - | - | - | - | - |
| Capital Projects Funds | 823 | 792 | 1,371 | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>\$ 1,522</u> | <u>\$ 1,454</u> | <u>\$ 1,962</u> | <u>\$ 3,630</u> | <u>\$ 4,344</u> | <u>\$ 4,928</u> | <u>\$ 4,930</u> | <u>\$ 5,580</u> | <u>\$ 5,812</u> | <u>\$ 6,591</u> |

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF COOPER CITY, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Table 4)

(Amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-----------|-----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|
| Revenues | | | | | | | | | | |
| Property taxes | \$ 10,559 | \$ 10,153 | \$ 9,387 | \$ 9,469 | \$ 9,602 | \$ 11,657 | \$ 12,652 | \$ 13,441 | \$ 14,808 | \$ 16,688 |
| Franchise fees and utility taxes | 5,539 | 5,712 | 5,639 | 5,566 | 5,740 | 5,939 | 6,273 | 6,310 | 6,126 | 6,072 |
| Licenses and permits | 984 | 925 | 1,682 | 2,175 | 1,897 | 1,576 | 1,151 | 1,195 | 1,105 | 1,154 |
| Intergovernmental revenues | 3,594 | 3,024 | 2,986 | 2,999 | 2,950 | 3,533 | 3,468 | 5,013 | 4,294 | 4,375 |
| Charges for services | 2,245 | 2,952 | 3,051 | 3,521 | 4,589 | 4,804 | 4,353 | 4,743 | 5,641 | 5,931 |
| Fines and forfeitures | 144 | 154 | 155 | 94 | 241 | 227 | 479 | 543 | 550 | 273 |
| Impact fees | - | - | - | 1,479 | 710 | 896 | 41 | 481 | 88 | 377 |
| Grant revenues | - | - | - | - | - | - | - | - | 907 | 33 |
| Investment earnings | 716 | 546 | 273 | 151 | 100 | 41 | 106 | 109 | 156 | 203 |
| Miscellaneous revenues | 2,082 | 252 | 845 | 849 | 594 | 944 | 379 | 372 | 316 | 283 |
| Total revenues | 25,863 | 23,718 | 24,018 | 26,303 | 26,423 | 29,617 | 28,902 | 32,207 | 33,991 | 35,389 |
| Expenditures | | | | | | | | | | |
| General government | 4,212 | 4,096 | 4,010 | 4,056 | 3,976 | 4,299 | 3,918 | 4,224 | 5,121 | 4,848 |
| Public safety | 14,467 | 15,933 | 16,910 | 17,532 | 18,419 | 19,056 | 19,695 | 20,564 | 22,201 | 24,333 |
| Physical environment | 496 | 482 | 483 | 457 | 473 | 497 | 484 | 515 | 648 | 718 |
| Transportation | 810 | 908 | 747 | 758 | 643 | 1,750 | 1,422 | 1,196 | 1,242 | 1,494 |
| Culture and recreation | 2,567 | 2,773 | 2,713 | 2,804 | 2,641 | 2,493 | 2,473 | 2,406 | 2,784 | 3,854 |
| Human services | 205 | 141 | 155 | - | - | - | - | - | - | - |
| Capital outlay | 387 | 386 | 501 | 377 | 420 | 823 | 704 | 1,365 | 1,591 | 1,300 |
| Debt service | | | | | | | | | | |
| Principal retirement | 740 | 765 | 799 | 562 | 458 | 327 | 334 | 341 | 349 | 356 |
| Interest and fiscal charges | 224 | 193 | 158 | 136 | 65 | 49 | 42 | 35 | 27 | 19 |
| Total expenditures | 24,108 | 25,677 | 26,476 | 26,682 | 27,095 | 29,294 | 29,072 | 30,646 | 33,963 | 36,922 |
| Excess of revenues over (under) expenditures | 1,755 | (1,959) | (2,458) | (379) | (672) | 323 | (170) | 1,561 | 28 | (1,533) |

CITY OF COOPER CITY, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Table 4 - Continued)
(Amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------------|-------------------|-------------------|--------------|----------------|-----------------|---------------|-----------------|--------------|-------------------|
| Other Financing Sources (uses) | | | | | | | | | | |
| Transfers in | 991 | 1,285 | 1,355 | 988 | 1,194 | 2,299 | 2,257 | 2,791 | 2,285 | 2,495 |
| Transfers out | (629) | (864) | (893) | (519) | (572) | (1,601) | (1,485) | (1,859) | (2,271) | (2,495) |
| Total other financing sources (uses) | 362 | 421 | 462 | 469 | 622 | 698 | 772 | 932 | 14 | - |
| Net change in fund balances | <u>\$ 2,117</u> | <u>\$ (1,538)</u> | <u>\$ (1,996)</u> | <u>\$ 90</u> | <u>\$ (50)</u> | <u>\$ 1,021</u> | <u>\$ 602</u> | <u>\$ 2,493</u> | <u>\$ 42</u> | <u>\$ (1,533)</u> |
| Debt service as a percentage of noncapital expenditures | 4.1% | 3.8% | 3.8% | 2.7% | 2.0% | 1.3% | 1.3% | 1.3% | 1.2% | 1.1% |

CITY OF COOPER CITY, FLORIDA

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Table 5)**

| Fiscal Year | Real Property | Personal Property | Less: Tax Exempt Property | Total Taxable Assessed Value | Estimated Actual Value ⁽¹⁾ | Total Direct Tax Rate | Ratio Of Total Assessed To Total Estimated Actual Value |
|----------------|------------------|----------------------|---------------------------------|------------------------------------|---|-----------------------------|---|
| 2008 | \$ 4,028,761,170 | \$ 54,542,758 | \$ 1,838,396,037 | \$ 2,244,907,891 | \$ 4,083,303,928 | 4.9530 | 54.98% |
| 2009 | 3,631,225,180 | 54,256,673 | 1,626,193,952 | 2,059,287,901 | 3,685,481,853 | 4.9704 | 55.88% |
| 2010 | 3,147,599,890 | 54,085,325 | 1,244,594,519 | 1,957,090,696 | 3,201,685,215 | 4.9804 | 61.13% |
| 2011 | 2,838,462,240 | 53,066,769 | 1,026,285,080 | 1,865,243,929 | 2,891,529,009 | 5.2679 | 64.51% |
| 2012 | 2,901,845,880 | 50,878,528 | 1,054,690,447 | 1,898,033,961 | 2,952,724,408 | 5.2679 | 64.28% |
| 2013 | 3,043,273,240 | 52,922,283 | 1,039,472,095 | 2,056,723,428 | 3,096,195,523 | 5.8772 | 66.43% |
| 2014 | 3,264,309,230 | 58,880,433 | 1,093,893,026 | 2,229,296,637 | 3,323,189,663 | 5.8772 | 67.08% |
| 2015 | 3,630,960,310 | 60,100,345 | 1,291,091,362 | 2,399,969,293 | 3,691,060,655 | 5.8772 | 65.02% |
| 2016 | 4,033,657,860 | 62,477,739 | 1,557,899,836 | 2,538,235,763 | 4,096,135,599 | 6.0772 | 61.97% |
| 2017 | 4,266,200,670 | 55,014,530 | 1,665,031,000 | 2,656,184,200 | 4,321,215,200 | 6.5272 | 61.47% |

SOURCE: Certification from County Property Appraisers Office.

Note ⁽¹⁾:

Property in Broward County is reassessed once every year, on average. The County assesses property at approximately 85-100% of actual value for commercial and industrial property and 85-100% for residential property, as required by Florida law. Estimated actual taxable value is calculated by dividing taxable value by those percentages. Tax rates are per \$1,000 of assessed value.

CITY OF COOPER CITY, FLORIDA

**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)
(Table 6)**

| Fiscal Year | City of Cooper City | | | Overlapping Rates | | | | | | |
|----------------|----------------------|----------------------------|--------------------------|-------------------|---|------------------------|--|--|---|---|
| | Operating Millage | Debt Service Millage | Total City Millage | Broward County | Broward County School District | Children's Services | South Broward Hospital District | South Florida Water Management District | Florida Inland Navigation District | Total Direct & Overlapping Rates |
| 2008 | 4.770 | 0.183 | 4.953 | 5.287 | 7.648 | 0.357 | 1.164 | 0.624 | 0.035 | 20.068 |
| 2009 | 4.770 | 0.200 | 4.970 | 5.315 | 7.417 | 0.375 | 1.191 | 0.624 | 0.035 | 19.927 |
| 2010 | 4.770 | 0.210 | 4.980 | 5.389 | 7.431 | 0.424 | 1.273 | 0.624 | 0.035 | 20.156 |
| 2011 | 5.048 | 0.220 | 5.268 | 5.553 | 7.631 | 0.470 | 1.273 | 0.624 | 0.035 | 20.854 |
| 2012 | 5.053 | 0.215 | 5.268 | 5.553 | 7.418 | 0.479 | 0.750 | 0.436 | 0.035 | 19.939 |
| 2013 | 5.687 | 0.191 | 5.878 | 5.553 | 7.456 | 0.490 | 0.600 | 0.429 | 0.035 | 20.441 |
| 2014 | 5.709 | 0.169 | 5.878 | 5.723 | 7.480 | 0.488 | 0.400 | 0.411 | 0.035 | 20.415 |
| 2015 | 5.720 | 0.157 | 5.877 | 5.723 | 7.438 | 0.488 | 0.186 | 0.384 | 0.035 | 20.131 |
| 2016 | 5.929 | 0.148 | 6.077 | 5.723 | 7.274 | 0.488 | 0.174 | 0.355 | 0.032 | 20.123 |
| 2017 | 6.385 | 0.143 | 6.528 | 5.669 | 6.906 | 0.488 | 0.162 | 0.331 | 0.032 | 20.116 |

SOURCE: Broward County, Florida Property Appraiser.

CITY OF COOPER CITY, FLORIDA

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

(Table 7)

| Taxpayer | <u>2017</u> | | | <u>2008</u> | | |
|-----------------------------------|---|-------------|---|---|-------------|---|
| | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value |
| Morguard Monterra, LP | \$ 50,628,468 | 1 | 1.91% | | | |
| Equity One, Inc. | 23,331,440 | 2 | 0.88% | | | |
| ZOM Monterra, LP | 22,852,908 | 3 | 0.86% | | | |
| Florida Power & Light Co. | 20,394,006 | 4 | 0.77% | 13,235,027 | 2 | 0.59% |
| Weingarten Realty Investors | 17,408,060 | 5 | 0.66% | | | |
| Publix Supermarket | 16,362,830 | 6 | 0.62% | | | |
| SPG Cooper City TR | 11,963,690 | 7 | 0.45% | | | |
| Walmart Stores East, LP | 11,513,750 | 8 | 0.43% | | | |
| Stirling Retail 26, LLC | 10,670,000 | 9 | 0.40% | | | |
| Centre at Stirling & Palm, Inc. | 10,202,640 | 10 | 0.38% | 10,567,570 | 4 | 0.47% |
| IRT Property Company | | | | 21,417,670 | 1 | 0.95% |
| Tousa/Kolter, LLC | | | | 11,341,390 | 3 | 0.51% |
| Cooper City Commerce Center, Inc. | | | | 9,679,900 | 5 | 0.43% |
| Limoch Stirling, LLC | | | | 9,049,000 | 6 | 0.40% |
| BMS Cooper City, LLC | | | | 6,453,010 | 7 | 0.29% |
| Sheridan Professional Centre | | | | 6,155,480 | 8 | 0.27% |
| Linnet Family Ltd Prtnr | | | | 5,594,800 | 9 | 0.25% |
| HHC Focus Florida, Inc. | | | | 4,119,630 | 10 | 0.18% |
| Total | <u>\$ 195,327,792</u> | | <u>7.35%</u> | <u>\$ 97,613,477</u> | | <u>4.35%</u> |

SOURCE: Broward County, Florida, Department of Revenue

CITY OF COOPER CITY, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

(Table 8)

| Fiscal Year | Total Tax Levy For Fiscal Year | Collected within the Fiscal Year of the Levy | | Collection in Subsequent Years | Total Collections to Date | |
|----------------|-----------------------------------|---|-----------------------|--------------------------------------|----------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Collections ⁽¹⁾ | Percentage of Levy |
| 2008 | \$ 10,751,219 | \$ 10,099,871 | 93.94% | \$ 7,040 | \$ 10,106,911 | 94.01% |
| 2009 | 9,827,250 | 9,413,709 | 95.79% | 211,333 | 9,625,042 | 97.94% |
| 2010 | 9,340,130 | 8,950,858 | 95.83% | 14,545 | 8,965,403 | 95.99% |
| 2011 | 9,328,588 | 9,058,960 | 97.11% | 8,752 | 9,067,712 | 97.20% |
| 2012 | 9,625,695 | 9,216,486 | 95.75% | 26,954 | 9,243,440 | 96.03% |
| 2013 | 11,697,551 | 11,070,255 | 94.64% | 189,975 | 11,260,230 | 96.26% |
| 2014 | 12,739,120 | 12,274,842 | 96.36% | 2,788 | 12,277,630 | 96.38% |
| 2015 | 13,748,235 | 13,145,632 | 95.62% | (62,959) ⁽²⁾ | 13,082,673 | 95.16% |
| 2016 | 15,064,191 | 14,421,975 | 95.74% | 13,410 | 14,435,385 | 95.83% |
| 2017 | 16,951,589 | 16,315,865 | 96.25% | 1,717 | 16,317,582 | 96.26% |

SOURCE: City's Audited Financial Statements and Broward County Property Appraiser's Office.

NOTES:

⁽¹⁾ Collections do not include discount amounts.

⁽²⁾ Delinquent tax collections are negative in fiscal year 2015 because of refunds to property owners determined by the value adjustment board.

CITY OF COOPER CITY, FLORIDA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Table 9)**

(Amounts expressed in thousands, except per capita amount)

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | Total Primary Government ⁽¹⁾ | Percentage of Personal Income ⁽¹⁾ | Per Capita |
|----------------|--------------------------------|------------------|-------------------|--------------------------|------------------|---|--|---------------|
| | General Obligation Bonds | Notes Payable | Capital Leases | Revenue Bonds | Notes Payable | | | |
| 2008 | \$ 3,541 | \$ 1,436 | \$ - | \$ 987 | \$ 3,544 | \$ 9,508 | 1.08% | \$ 313 |
| 2009 | 3,276 | 937 | - | 778 | 3,108 | 8,099 | 0.91% | 269 |
| 2010 | 3,000 | 420 | - | 588 | 2,657 | 6,665 | 0.71% | 222 |
| 2011 | 2,699 | 142 | - | 416 | 2,188 | 5,445 | 0.59% | 191 |
| 2012 | 2,363 | - | - | 260 | 1,700 | 4,323 | 0.47% | 149 |
| 2013 | 2,036 | - | - | - | 1,194 | 3,230 | 0.31% | 100 |
| 2014 | 1,702 | - | - | - | 669 | 2,371 | 0.23% | 69 |
| 2015 | 1,361 | - | - | - | 175 | 1,536 | 0.14% | 44 |
| 2016 | 1,013 | - | - | - | - | 1,013 | 0.10% | 29 |
| 2017 | 657 | - | - | - | 1,812 | 2,469 | 0.24% | 115 |

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

⁽²⁾ See Table 5 footnote for explanation of Actual Estimated Value of Property.

CITY OF COOPER CITY, FLORIDA

**RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

(Table 10)

(Amounts expressed in thousands, except per capita amount)

| Fiscal Year | Governmental Activities General Obligation Bonds | Less: Amounts Available in Debt Service Fund | Total | Percentage of Actual Taxable Value of Property ⁽¹⁾ | Per Capita ⁽²⁾ |
|----------------|--|---|----------|--|---------------------------|
| 2008 | \$ 3,541 | \$ - | \$ 3,541 | 0.09% | \$ 116.69 |
| 2009 | 3,276 | - | 3,276 | 0.09% | 108.88 |
| 2010 | 3,000 | - | 3,000 | 0.09% | 99.75 |
| 2011 | 2,699 | - | 2,699 | 0.09% | 94.55 |
| 2012 | 2,363 | - | 2,363 | 0.08% | 81.27 |
| 2013 | 2,036 | - | 2,036 | 0.07% | 62.95 |
| 2014 | 1,618 | - | 1,618 | 0.05% | 47.41 |
| 2015 | 1,361 | - | 1,361 | 0.04% | 36.51 |
| 2016 | 1,013 | - | 1,013 | 0.02% | 28.64 |
| 2017 | 657 | - | 657 | 0.02% | 19.46 |

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See Table 5 for property value data

⁽²⁾ See Table 13 for population data

CITY OF COOPER CITY, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2017

(Table 11)

(Amounts expressed in thousands)

| Governmental Unit | Debt Outstanding | Percentage Applicable to Cooper City ⁽¹⁾ | Amount Applicable to Cooper City |
|---|-----------------------------|--|---|
| Debt repaid with property taxes: | | | |
| Broward County | \$ 207,550 | 1.63% | \$ 3,383 |
| Broward County School District Board ⁽²⁾ | 1,807,155 | 1.63% | 29,457 |
| Subtotal, overlapping debt | | | |
| City of Cooper City, Direct Debt | | | <u>657</u> |
| Total direct and overlapping debt | | | <u><u>\$ 33,497</u></u> |

NOTES:

⁽¹⁾ Ratio of assessed valuation of taxable property in overlapping unit that is within the City of Cooper City.

⁽²⁾ Net debt outstanding as of September 30, 2017.

Sources: Assessed value data used to estimate applicable percentage provided by Broward County Property Appraiser.
Debt outstanding data provided by each governmental unit.

CITY OF COOPER CITY, FLORIDA

PLEDGED – REVENUE COVERAGE

LAST TEN FISCAL YEARS

(Table 12)

(Amounts expressed in thousands)

| Fiscal Year | Utility Service Charges | Less: Operating Expenses | Net Available Revenue | Water & Sewer Revenue Bonds | | | Water & Sewer Revenue Notes | | |
|----------------|-------------------------------|--------------------------------|-----------------------------|--|----------|----------|--|----------|----------|
| | | | | Debt Service | | Coverage | Debt Service | | Coverage |
| | | | | Principal | Interest | | Principal | Interest | |
| 2008 | \$ 9,185 | \$ 5,963 | \$ 3,222 | \$ 230 | \$ 1,721 | 1.65 | \$ 419 | \$ 145 | 5.71 |
| 2009 | 10,251 | 6,646 | 3,605 | 210 | 1,742 | 1.85 | 435 | 129 | 6.39 |
| 2010 | 10,551 | 6,402 | 4,149 | 190 | 1,754 | 2.13 | 452 | 112 | 7.36 |
| 2011 | 10,633 | 6,611 | 4,022 | 172 | 1,766 | 2.08 | 469 | 95 | 7.13 |
| 2012 | 11,360 | 6,384 | 4,976 | 156 | 1,793 | 2.55 | 487 | 75 | 8.85 |
| 2013 | 11,963 | 5,145 | 6,818 | 141 | 1,791 | 3.53 | 506 | 58 | 12.09 |
| 2014 | 11,507 | 6,673 | 4,834 | - | - | - | 525 | 39 | 8.57 |
| 2015 | 11,437 | 7,059 | 4,378 | - | - | - | 175 | 3 | 24.60 |
| 2016 | 11,602 | 9,032 | 2,570 | - | - | - | - | - | - |
| 2017 | 11,705 | 8,764 | 2,941 | - | - | - | - | - | - |

| Fiscal Year | Utility Service Charges | Less: Operating Expenses | Net Available Revenue | Stormwater Revenue Notes | | |
|----------------|-------------------------------|--------------------------------|-----------------------------|---------------------------------|----------|----------|
| | | | | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2017 | \$ 283 | \$ 221 | \$ 62 | \$ 1,812 | \$ 207 | 0.03 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest and depreciation expense. Fiscal year 2017 was the first year for the Stormwater Fund note payable.

CITY OF COOPER CITY, FLORIDA

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Table 13)**

| <u>Year</u> | <u>Population ⁽¹⁾</u> | <u>Personal Income ⁽²⁾ (In Thousands)</u> | <u>Per Capita Personal Income</u> | <u>Median Age ⁽³⁾</u> | <u>School Enrollment ⁽⁴⁾</u> | <u>Unemployment Rate ⁽⁵⁾</u> |
|-------------|----------------------------------|--|---------------------------------------|--------------------------------------|---|---|
| 2008 | 30,074 | \$ 884,279 | \$ 29,403 | 36.7 | 6,126 | 6.1% |
| 2009 | 29,849 | 894,097 | 29,954 | 36.7 | 6,143 | 9.8% |
| 2010 | 28,547 | 935,372 | 32,766 | 41.0 | 5,984 | 10.6% |
| 2011 | 29,054 | 916,137 | 31,532 | 41.0 | 5,907 | 9.4% |
| 2012 | 29,580 | 918,198 | 31,041 | 41.0 | 5,950 | 7.6% |
| 2013 | 31,136 | 1,037,415 | 33,319 | 41.0 | 5,740 | 5.6% |
| 2014 | 33,206 | 1,051,304 | 31,660 | 41.0 | 5,926 | 5.2% |
| 2015 | 33,214 | 1,057,377 | 31,835 | 41.0 | 6,057 | 4.9% |
| 2016 | 33,761 | 1,010,089 | 29,919 | 41.0 | 6,350 | 4.6% |
| 2017 | 33,758 | 1,046,714 | 31,006 | 41.0 | 6,418 | 3.3% |

Sources: ⁽¹⁾ Furnished by Cooper City Growth Management Department.

⁽²⁾ Furnished by Bureau of Economic Analysis and Fed Stats - estimate used since statistical data is unavailable at this time.

⁽³⁾ Furnished by the U.S. Census Bureau (national survey is conducted every 10 years).

⁽⁴⁾ Furnished by the School Board of Broward County.

⁽⁵⁾ Furnished by the Bureau of Labor Statistics.

CITY OF COOPER CITY, FLORIDA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Table 14)**

| Employer | 2017 | | | 2008 | | |
|----------------------------|-----------|------|--------------------------------------|-----------|------|--------------------------------------|
| | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| School Board | 593 | 1 | 5.52% | 611 | 1 | 5.32% |
| Publix | 550 | 3 | 4.83% | 501 | 2 | 3.97% |
| Wal-Mart | 300 | 2 | 2.79% | 298 | 3 | 2.33% |
| Intergrated Medical Center | 176 | 4 | 1.64% | 97 | 5 | 1.25% |
| Winn Dixie | 135 | 5 | 1.26% | 94 | 6 | 1.00% |
| City of Cooper City | 98 | 6 | 0.88% | 99 | 4 | 1.34% |
| CVS Pharmacy | 95 | 7 | 0.88% | | | |
| Animal Medical | 82 | 9 | 0.76% | 90 | 8 | 0.93% |
| Walgreens | 53 | 8 | 0.49% | 92 | 7 | 0.99% |
| Beverley Hill Café | 46 | 10 | 0.43% | 66 | 10 | 0.84% |
| High Point of Florida | | | | 82 | 9 | 0.91% |
| Total | 2,128 | | 19.48% | 2,030 | | 18.88% |

CITY OF COOPER CITY, FLORIDA

**FULL-TIME EQUIVALENT GOVERNMENT – EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Table 15)**

| Function/Program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Commission | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Administration | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| Building department | 10 | 9 | 9 | 9 | 8 | 8 | 8 | 6 | 7 | 8 |
| City clerk | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 |
| Finance | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 8 | 8 |
| Growth management | 4 | 4 | 4 | 4 | 3 | 3 | 2 | 2 | 2 | 2 |
| Public works | | | | | | | | | | |
| Administration | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 |
| Property maintenance | 4 | 4 | 5 | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Parks maintenance | 14 | 12 | 11 | 12 | 12 | 12 | 12 | 11 | 11 | 11 |
| Fleet maintenance | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Recreation | | | | | | | | | | |
| Administration | 6 | 6 | 8 | 8 | 11 | 12 | 11 | 9 | 11 | 8 |
| Pool and tennis center ⁽²⁾ | 4 | 4 | 4 | 4 | - | - | - | - | - | - |
| Health and social services ⁽¹⁾ | 2 | 2 | - | - | - | - | - | - | - | - |
| Utilities | | | | | | | | | | |
| Administration | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 5 |
| Customer service | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 |
| Stormwater | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Wastewater | | | | | | | | | | |
| Wastewater transmission | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 7 |
| Wastewater plant | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 6 | 6 |
| Water | | | | | | | | | | |
| Water distribution | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 9 | 8 | 8 |
| Water plant | 7 | 7 | 7 | 7 | 7 | 8 | 7 | 7 | 9 | 8 |
| Total | <u>104</u> | <u>100</u> | <u>100</u> | <u>100</u> | <u>97</u> | <u>99</u> | <u>96</u> | <u>95</u> | <u>103</u> | <u>97</u> |

Source: Annual Budget.

⁽¹⁾ In 2010, Recreation combined Admin and Health & Social Services.

⁽²⁾ In 2012, Recreation combined Admin with Pool & Tennis Center.

CITY OF COOPER CITY, FLORIDA

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Table 16)**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| Function/Program | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Building permits issued | 2,603 | 1,939 | 3,922 | 5,361 | 4,854 | 3,314 | 2,316 | 2,765 | 2,488 | 2,605 |
| Building inspections conducted | 15,091 | 9,380 | 5,624 | 25,411 | 25,547 | 17,266 | 7,022 | 7,003 | 7,340 | 7,179 |
| Police | | | | | | | | | | |
| Arrests | 439 | 491 | 489 | 371 | 541 | 477 | 423 | 460 | 404 | 393 |
| Parking violations | 971 | 1,017 | 746 | 506 | 951 | 584 | 148 | 1,081 | 772 | 756 |
| Traffic violations | 4,397 | 3,972 | 3,575 | 3,118 | 4,558 | 3,727 | 4,284 | 3,803 | 6,705 | 8,007 |
| Fire | | | | | | | | | | |
| Emergency responses | 2,447 | 2,474 | 2,390 | 2,387 | 2,429 | 2,472 | 2,642 | 2,345 | 2,517 | 2,266 |
| Fires extinguished | 63 | 63 | 67 | 59 | 45 | 50 | 49 | 30 | 34 | 32 |
| Inspections | 1,019 | 949 | 841 | 815 | 869 | 1,022 | 849 | 901 | 910 | 753 |
| Streets | | | | | | | | | | |
| Street resurfacing (miles) | 1.00 | 2.67 | 2.63 | 0.25 | - | 0.06 | 1.00 | - | 6.00 | 1.64 |
| Potholes repaired | 73 | 99 | 188 | 85 | 186 | 173 | 129 | 105 | 133 | 125 |
| Culture and recreation | | | | | | | | | | |
| Athletic field permits issued | 2 | 2 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 3 |
| Community center admissions | 90,462 | 88,690 | 66,443 | 67,931 | 63,510 | 59,153 | 55,800 | 54,316 | 54,336 | 53,896 |
| Pool and tennis center admissions | 109,901 | 113,428 | 104,999 | 104,122 | 96,400 | 82,816 | 65,000 | 51,446 | 60,578 | 61,193 |
| Water | | | | | | | | | | |
| New connections | 7 | 9 | 224 | 405 | 377 | 273 | 31 | 16 | 24 | 15 |
| Water main breaks | 4 | 1 | 4 | - | 12 | 3 | 3 | 1 | 2 | 2 |
| Average daily consumption (thousands of gallons) | 2,986 | 2,885 | 2,700 | 2,700 | 3,010 | 3,060 | 3,200 | 3,200 | 3,200 | 3,320 |
| Peak daily consumption (thousands of gallons) | 3,650 | 4,371 | 3,200 | 3,200 | 3,630 | 3,710 | 3,900 | 5,862 | 4,704 | 4,850 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 2,634 | 2,434 | 2,634 | 2,634 | 2,634 | 2,439 | 2,485 | 2,550 | 2,450 | 2,447 |
| Transportation | | | | | | | | | | |
| Total route miles ⁽¹⁾ | 47,770 | 48,390 | 42,784 | - | - | - | - | - | - | - |
| Passengers ⁽¹⁾ | 19,921 | 18,924 | 13,406 | - | - | - | - | - | - | - |
| Senior citizens bus trips | 1,602 | 1,501 | 1,571 | 2,533 | 2,493 | 2,218 | 2,172 | 2,592 | 3,138 | 2,906 |

Sources: Various City departments.

⁽¹⁾ County transit no longer in operation beginning in 2011.

CITY OF COOPER CITY, FLORIDA

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Table 17)**

| Function/Program | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Station | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire: | | | | | | | | | | |
| Station | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Streets | | | | | | | | | | |
| Streets (miles) | 64.37 | 65.57 | 74.22 | 74.00 | 74.00 | 121.12 | 121.12 | 121.12 | 121.12 | 121.12 |
| Streetlights | 1,954 | 2,053 | 1,953 | 2,052 | 2,052 | 2,052 | 2,052 | 2,052 | 2,052 | 2,100 |
| Traffic Signals | 21 | 22 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Culture and Recreation | | | | | | | | | | |
| Baseball/softball diamonds | 12 | 12 | 12 | 12 | 12 | 11 | 12 | 11 | 11 | 11 |
| Basketball courts | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Community centers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Concession Stands | - | - | - | - | - | 3 | 3 | 4 | 4 | 4 |
| Hockey rinks | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Multi-purpose fields | - | - | - | - | - | 2 | 2 | 2 | 2 | 2 |
| Parks | 21 | 21 | 21 | 21 | 21 | 22 | 21 | 21 | 21 | 21 |
| Parks acreage | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 |
| Pavilions | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Playgrounds | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Racquetball courts | - | - | - | - | - | 10 | 10 | 10 | 10 | 10 |
| Soccer/football fields | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Tennis courts | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 14 | 14 |
| Volleyball courts | - | - | - | - | - | 7 | 7 | 7 | 7 | 7 |
| Pickleball courts | - | - | - | - | - | - | - | - | 2 | 2 |
| Water | | | | | | | | | | |
| Water plant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water mains (miles) | 104.24 | 106.00 | 104.00 | 104.00 | 105.00 | 105.00 | 105.38 | 141.00 | 141.00 | 141.00 |
| Fire hydrants | 971 | 1,061 | 1,101 | 1,101 | 1,115 | 1,115 | 1,115 | 1,289 | 1,289 | 1,379 |
| Storage capacity (thousands of gallons) | 1,980 | 1,980 | 1,900 | 1,800 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| Wastewater | | | | | | | | | | |
| Wastewater treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sanitary sewers gravity (miles) | 88.83 | 91.00 | 89.00 | 89.00 | 90.00 | 90.00 | 90.38 | 90.00 | 90.00 | 90.00 |
| Sanitary sewers force (miles) | - | - | - | - | - | - | - | 37.00 | 37.00 | 37.00 |
| Storm sewers (miles) | 49.86 | 52.00 | 50.00 | 50.00 | 51.00 | 51.00 | 11.31 | 55.00 | 55.00 | 55.00 |
| Treatment capacity (thousands of gallons) | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |

Note: No capital asset indicators are available for the general government function.

Sources: Various City Departments.

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER REPORTS

THIS PAGE INTENTIONALLY LEFT BLANK



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of
the City Commission,
City of Cooper City, FL

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cooper City, Florida (the "City"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 22, 2018. Our report includes a reference to other auditors who audited the financial statements of the City of Cooper City Firefighters Retirement Plan and the City of Cooper City Police Officers Retirement Plan as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bradenton, Florida
March 22, 2018

Mauldin & Jenkins, LLC

CITY OF COOPER CITY, FLORIDA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

____ yes X no

Significant deficiencies identified not considered
to be material weaknesses?

____ yes X no

Noncompliance material to financial statements noted?

____ yes X no

Federal Programs and State Financial Assistance Projects

There was not an audit of major federal award programs or state award programs as of September 30, 2017, due to the total amount expended being less than \$750,000.

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None noted.

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not applicable.

**SECTION IV
STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

Not applicable.

CITY OF COOPER CITY, FLORIDA

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

STATUS OF PRIOR YEAR FINDINGS

None noted.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor, Members of the City
Commission and City Manager,
City of Cooper City, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Cooper City, Florida (the "City"), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated March 22, 2018. We did not audit the financial statements of the City of Cooper City's Firefighters Retirement Plan or the City of Cooper City's Police Officers Retirement Plan, which represent 62% and 64%, respectively of the total assets and total additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Cooper City's Firefighters Retirement Plan and the City of Cooper City's Police Officers Retirement Plan is based solely on the report of other auditors.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 22, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Cooper City, Florida was incorporated in 1959 pursuant to Chapter 59-1195 of the Laws of Florida. The City has no component units.

Financial Condition and Management

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

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

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

Additional Matters

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

Purpose of this Letter

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

Bradenton, Florida
March 22, 2018

Mauldin & Jenkins, LLC

THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City
Commission and City Manager,
City of Cooper City, Florida

We have examined the City of Cooper City, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2017. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 22, 2018