

**CITY OF COOPER CITY, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2018**

**PREPARED BY:  
COOPER CITY FINANCE DEPARTMENT**

CITY OF COOPER CITY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2018

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Greg Ross, Mayor  
James C. Curran, Commissioner  
Jeff Green, Commissioner  
Howard Meltzer, Commissioner  
Max Pulcini, Commissioner  
Kathryn Sims, Interim City Manager

March 21, 2019

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

We are pleased to present the City of Cooper City's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended September 30, 2018. State law requires that all general-purpose local governments publish a complete set of audited financial statements within nine months of the close of each fiscal year. The financial statements included in the report are 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 CAFR of the City of Cooper City for the fiscal year ended September 30, 2018.

This report consists of management's representations concerning the finances of the City of Cooper City. 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 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's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Cooper City'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'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 for the fiscal year ended September 30, 2018, are free from 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's financial statements for the fiscal year ended September 30, 2018, 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 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 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Cooper City's MD&A can be found immediately following the report of the independent auditors.



## Profile of the Government

The City of Cooper City, incorporated in 1959, is located in the southwestern part of Broward County, Florida in the Southeast part of the state. It is a bedroom community with very limited growth. The City of Cooper City currently occupies a land area of eight square miles and serves a population of 33,900. The City of Cooper City 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 Commission 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 at large to serve a four-year term. The four other Commission members are elected at large to represent a certain district within the City.

The City of Cooper City provides a full range of services, including the construction and maintenance of streets, and other infrastructure; water and sewer; stormwater; 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 is currently being negotiated as it expires on September 30, 2019.

This report includes all funds of the City in accordance with GASB Statement No. 61 *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's financial planning and control. All departments of the City of Cooper City 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'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 and banks, as well as 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 86%. 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 2022 is as follows

2018	33,900
2019	33,975
2020	34,059
2021	34,186
2022	34,372

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 SW 106<sup>th</sup> 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. All but one of the Certificates of Occupancy have been issued.

*Royal Estates*

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

*Ranchette Isles*

Site plan and rezoning approval have been issued by the City Commission for a Kennedy Homes subdivision along SW 106<sup>th</sup> Avenue, between Griffin and Stirling roads. Nine homes are proposed on the 4.8-acre tract, with lot sizes all above 8,300 square feet and home sizes above 2,400 square feet. All building permits have been issued, however, no Certificates of Occupancy have been issued as of September 30, 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. This outparcel resides at the southwest corner of University and Stirling Road. Construction is complete and a Certificate of Occupancy is pending.

### *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 nearing completion.

### *Nur-UI-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. Construction is underway.

### *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 Road and SW 111<sup>th</sup> Avenue. Final City Commission approval has been granted and construction is underway.

### *Cooper Square*

Located on Stirling Road across from Cooper City High School, site plans have been approved by the City Commission for approximately 42,000 square feet of commercial use proposed on the eight-acre site with restaurants, outdoor seating, retail, professional and medical offices, banks, and three drive-thru restaurants. Construction is now underway.

### *Primrose Preschool and Day Care Building*

A Primrose Pre-school and Day Care/After School Facility was recently approved by the City Commission. It is located on the final remaining vacant parcel in the City on Sheridan Street. It will serve up to 226 students with 24 teachers. Although it is tax exempt, it is a high quality school with a proven track record on premium pre-school and early childhood education.

### *Cooper City Eye Doctor Medical Building*

The Cooper City Eye Doctor Medical Building is located at the northeast corner of Sheridan Street and Palm Avenue. The site plan proposes a one-story medical office building at 5,100 square feet with a supplemental 3,400 square feet proposed for an additional tenant. A future building expansion area of 3,500 square feet is also reflected on the plans for a total buildout of 12,000 square feet. City Commission approval was granted at the December 18, 2018, Commission meeting.

## **Major Initiatives and Future Projects**

### *Community Development Block Grant (CDBG) Funding*

In 2018, Cooper City initiated a first time homebuyers Purchase Assistance program for low-income residents. The CDBG funding is designed to assist one to two homeowners with qualifying for their first home purchase, which would otherwise not have been achievable. As a final component of the CDBG grant funding, \$15,000 will help fund the Senior Transportation Program. This 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’re 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 2018, Public Works completed the following projects:

- Commenced construction of Flamingo West Park, which is comprised of four turf fields with LED sports lighting, picnic pavilions, two walking trails, a fishing pier, two buildings, and a parking lot.
- Repaired asphalt pathways at Christie Schafale, Ted Ferone, Tamarind, and Flamingo Parks.
- Replaced a 20-ton air conditioning unit at the Pool and Tennis Center.
- Completed the sidewalk replacement program in Cooper Colony Estates, Flamingo Gardens East and West, Flamingo Ranches, and Summertime Isles.

- Completed the reconstruction of the City Hall parking lot and storm water drainage system, and redesigned the irrigation and landscaping.
- Resurfaced the Community Center parking lot.
- Installed new PVC fencing at Forest Lake Park.
- Completed the annual asphalt resurfacing program.
- The Community Center underwent a complete interior renovation.
- Replaced the roof on the Pool and Tennis Center main building and all ancillary buildings.
- Painted the exterior of the Pool and Tennis Center, City Hall, and the Community Center.
- Renovated the lobby of the Pool and Tennis Center.
- Renovated the front façade of the Pool and Tennis Center, including landscaping, irrigation, and new sidewalks.
- Resurfaced eight tennis courts and installed LED lighting and new fencing at the Pool and Tennis Center facility.
- Constructed a metal storage building at the Public Works compound.
- Constructed new dog parks within Christie Schafale Park and Forest Lake Park.
- Installed two new flag poles at the Cooper City Sports Complex.
- Installed perimeter security fencing and automatic gates at the Police Department.
- Replaced the playground at Encore Park, the playground and shade cover at Colony Park, and the shade cover at Ellie Kozak Park.

The following is a summary of the noteworthy activities undertaken by the Utilities Department and City Engineer's Office during Fiscal Year 2018. This summary focuses on "big picture" items and does not include day-to-day activities that, despite being routine, are valuable to our customers.

- Through the combined efforts of the entire Utility Department Team, the Department was able to produce a budget that only increased rates by 2.8% to account for the increase in the Consumer Price Index for the period of June 2017 - May 2018. In fact, water and sewer utility rate increases have not exceeded the change in the CPI since 2010.
- Completed replacement of sewer pump station 21 and rehabilitation of station 22 in the Rock Creek community.
- Substantially completed replacement of the SCADA computer system that controls the water and wastewater treatment plants, removing the original, obsolete system with a brand new, state of the art system that will deliver Cooper City's award winning drinking water with even greater reliability and efficiency.
- Tested 528 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 electronic water meters installed at their property. We currently have about 5,000 of these meters located throughout the City and are moving forward with a program to install them for all 11,700 accounts. These meters have several useful features, including the capability to detect leaks in the customer's plumbing. The leak notification program advises customers of these potential leaks before they get worse and generate high water bills.
- Obtained a \$500,000 grant from the Florida Department of Environmental Protection for the construction of a new storm drain system for the Natalie's Cove and Flamingo Gardens Townhomes neighborhoods, and construction work started in August.
- Continued annual, preventative storm drain maintenance program wherein all the storm drain inlets, piping, and outfalls in the City are being cleaned on a regular basis. In Fiscal Year 2018 we cleaned approximately 600 inlets/manholes and 55,000 feet of pipe. The entire storm drain system is being cleaned every 4-5 years.

- Executed an agreement with the City of Miramar wherein they will produce 1 million gallons per day of reclaimed wastewater, starting no later than 2025, to be credited to Cooper City to meet our obligation under the state's wastewater outfall ban. This agreement saved the City approximately \$4 million.
- Successfully met all federal, state and local drinking water standards as described in the City's 2017 Water Quality Report.

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 3 years:

- Replace the 500,000-gallon steel water storage tank at the Utilities complex at an estimated cost of \$1.4 million.
- Continue with a gravity sewer main rehabilitation program at an estimated cost of \$300,000-\$400,000 per year.
- Rehabilitate 5 sewer pump stations at an estimated cost of \$1.55 million.
- Complete the storm water drainage improvement project in the Flamingo Gardens and Natalie's Cove neighborhoods at a cost of approximately \$2.4 million.

#### 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 for its CAFR for the fiscal year ended September 30, 2017. This was the twenty-eighth 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.



CITY OF  
**Cooper City**  
*Someplace Special*

Greg Ross, Mayor  
James C. Curran, Commissioner  
Jeff Green, Commissioner  
Howard Meltzer, Commissioner  
Max Pulcini, Commissioner  
Kathryn Sims, Interim City Manager

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 Commissioners for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Cooper City's finances.

Respectfully submitted,

Kathryn Sims  
Interim City Manager

Marie W. Elianor  
Finance Director



Government Finance Officers Association

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

Presented to

**City of Cooper City  
Florida**

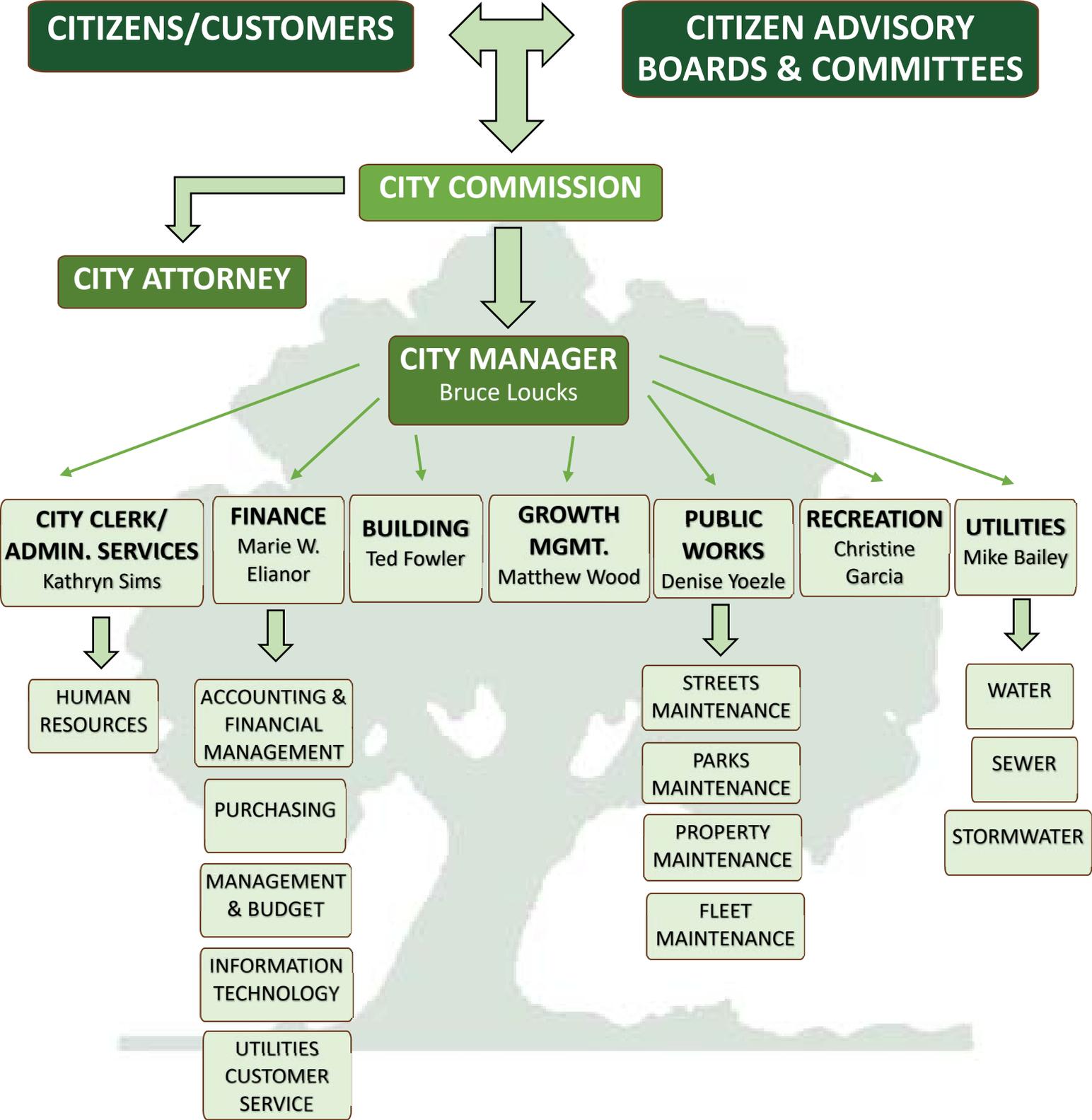
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF COOPER CITY ORGANIZATIONAL CHART



**CITY OF COOPER CITY, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2018**

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**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

**MARIE ELIANOR**  
Finance Director



## INDEPENDENT AUDITOR'S REPORT

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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, 2018, 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 61%, 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.

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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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Notes 8 and 13, the City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of October 1, 2017. This standard significantly changed the accounting for the City's other post-employment benefit liability and related disclosures. Our opinions are not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 15 and the Required Supplementary Information on pages 88 through 108 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.

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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 21, 2019, 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 21, 2019

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# CITY OF COOPER CITY, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2018

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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, 2018. 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 ix 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 \$102 million (*net position*). Of this amount, \$317 thousand (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$1.4 million. The majority of the decrease resulted from hurricane costs incurred in the current year.
- As of the close of the current fiscal year, the City's governmental activities reported a combined ending total net position of \$45.7 million, a decrease of \$500 thousand in comparison with the prior year restated net position.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was negative \$133 thousand.
- As of the close of the current fiscal year, the City's business-type funds reported a combined ending total net position of \$56 million, a decrease of \$917,000 from prior year.
- The City's total long-term debt decreased by approximately \$494 thousand (20.0%) during the current fiscal year, primarily due to the result of principal payments.

The following capital projects were completed:

- Repaired asphalt pathways at four City parks.
- Completed the sidewalk replacement program in five City neighborhoods.
- Reconstructed/resurfaced two City facility parking lots.
- Completed the addition of two Dog Parks at two City parks.
- Completed the annual asphalt resurfacing program.
- Finished the interior renovation of Community Center and Pool and Tennis Center.
- Rehabilitation of gravity sewer mains, laterals, and lift stations.
- Constructed a metal storage building on the Public Works compound.
- Painted the exterior of the Pool and Tennis Center, City Hall, and the Community Center.
- Replacement of playground equipment and shade covers at three City parks.
- Completed replacement of obsolete computer system that controls the Utilities plants.

### 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.

## CITY OF COOPER CITY, FLORIDA

### MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2018

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**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.

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: (1) governmental, (2) proprietary, and (3) 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

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018

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governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

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 87 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 88 through 108 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information on pages 109 through 112 of this report.

**CITY OF COOPER CITY, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**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 \$102 million as of September 30, 2018.

The largest portion (99.0%) of the City's net position consists of \$102 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, 2018 and 2017  
(In Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 12,092	\$ 17,207	\$ 15,310	\$ 14,574	\$ 27,402	\$ 31,781
Capital assets	50,525	46,063	51,458	51,553	101,983	97,616
Total assets	<u>62,617</u>	<u>63,270</u>	<u>66,768</u>	<u>66,127</u>	<u>129,385</u>	<u>129,397</u>
Total deferred outflows of resources	<u>5,823</u>	<u>6,544</u>	<u>1,297</u>	<u>1,023</u>	<u>7,120</u>	<u>7,567</u>
Other liabilities	4,294	2,218	2,982	1,694	7,276	3,912
Long-term liabilities	17,040	19,343	7,789	6,185	24,829	25,528
Total liabilities	<u>21,334</u>	<u>21,561</u>	<u>10,771</u>	<u>7,879</u>	<u>32,105</u>	<u>29,440</u>
Total deferred inflows of resources	<u>1,392</u>	<u>405</u>	<u>556</u>	<u>245</u>	<u>1,948</u>	<u>650</u>
Net position:						
Net investment in capital assets	50,232	45,407	51,442	51,553	101,674	96,960
Restricted	461	-	-	88	461	88
Unrestricted	(4,979)	2,441	5,296	7,385	317	9,826
Total net position	<u>\$ 45,714</u>	<u>\$ 47,848</u>	<u>\$ 56,738</u>	<u>\$ 59,026</u>	<u>\$102,452</u>	<u>\$106,874</u>

**CITY OF COOPER CITY, FLORIDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

During the current fiscal year, the City's net position balances decreased by \$1.4 million, most of which resulted from an increase in expenditures related to hurricane repairs. 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, 2018 and 2017  
(In Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 7,203	\$ 7,735	\$ 12,291	\$ 12,338	\$ 19,494	\$ 20,073
Operating grants and contributions	49	497	-	76	49	573
Capital grants and contributions	207	308	220	202	427	510
General revenues:						
Property taxes	19,673	16,688	-	-	19,673	16,688
Other taxes	9,054	8,891	-	-	9,054	8,891
Grants and contributions not restricted to specific programs	1,380	1,361	-	-	1,380	1,361
Other	421	486	100	113	521	599
Total revenues	<u>37,987</u>	<u>35,966</u>	<u>12,611</u>	<u>12,729</u>	<u>50,598</u>	<u>48,695</u>
Operating expenses:						
General government	4,927	4,629	-	-	4,927	4,629
Public safety	24,643	22,563	-	-	24,643	22,563
Physical environment	798	790	-	-	798	790
Transportation	1,783	1,852	-	-	1,783	1,852
Culture and recreation	7,615	3,662	-	-	7,615	3,662
Interest	11	19	-	-	11	19
Parking	-	-	101	143	101	143
Water and sewer	-	-	11,691	11,469	11,691	11,469
Stormwater	-	-	447	403	447	403
Total operating expenses	<u>39,777</u>	<u>33,515</u>	<u>12,239</u>	<u>12,015</u>	<u>52,016</u>	<u>45,530</u>
Increase in net position before transfers	(1,790)	2,451	372	714	(1,418)	3,165
Transfers	1,290	-	(1,290)	-	-	-
Change in net position	(500)	2,451	(918)	714	(1,418)	3,165
Net position, beginning, as restated	46,214	45,397	57,656	58,312	103,870	103,709
Net position, ending	<u>\$ 45,714</u>	<u>\$ 47,848</u>	<u>\$ 56,738</u>	<u>\$ 59,026</u>	<u>\$ 102,452</u>	<u>\$ 106,874</u>

**CITY OF COOPER CITY, FLORIDA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

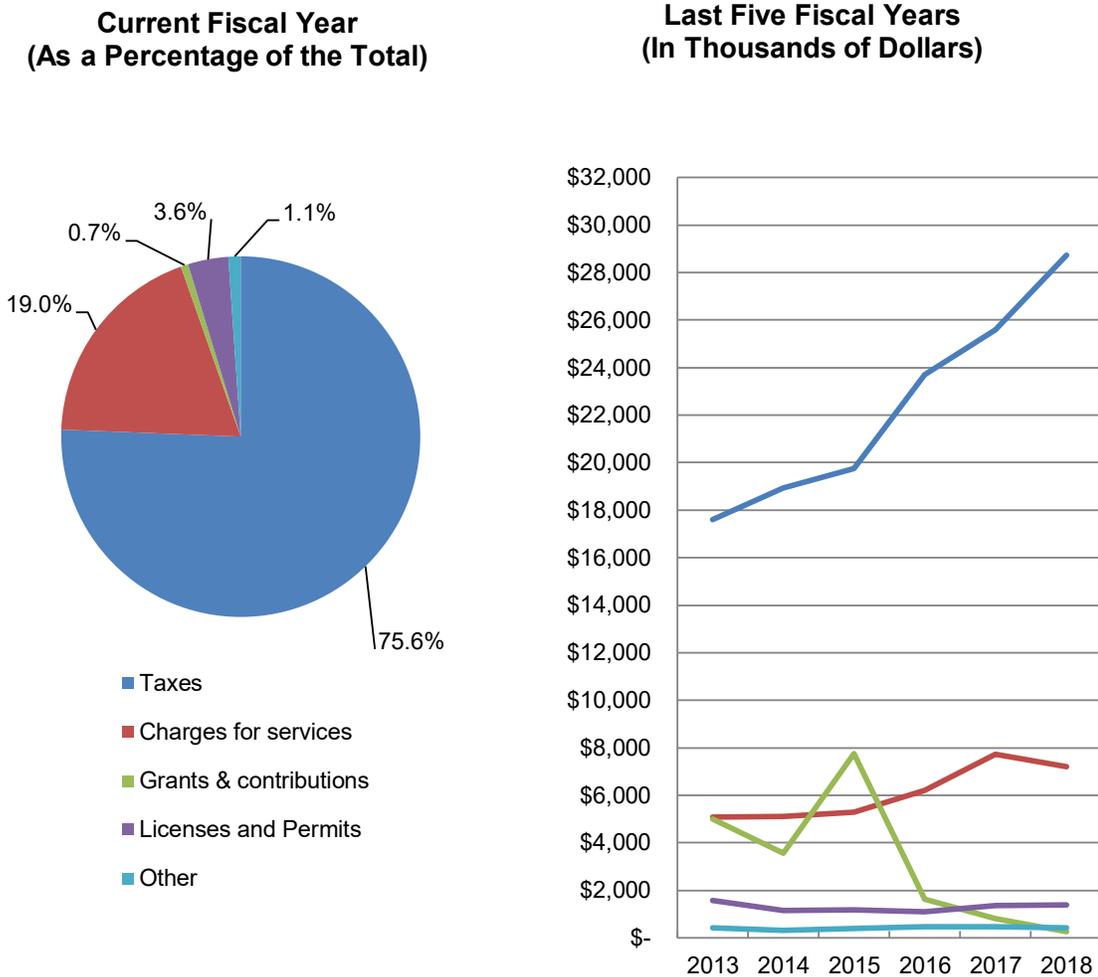
**Governmental activities.** Overall, net position decreased by \$500 thousand, which was due to changes resulting from increased expenditures related to hurricane expenses offset by increased property tax revenues.

**Revenues**

Revenues from governmental activities increased 5.6% or \$2.0 million compared to the prior year. The increase is mainly the combination of increases in property and other taxes (\$2.9 million), and decreases in operating grants of \$450 thousand.

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**



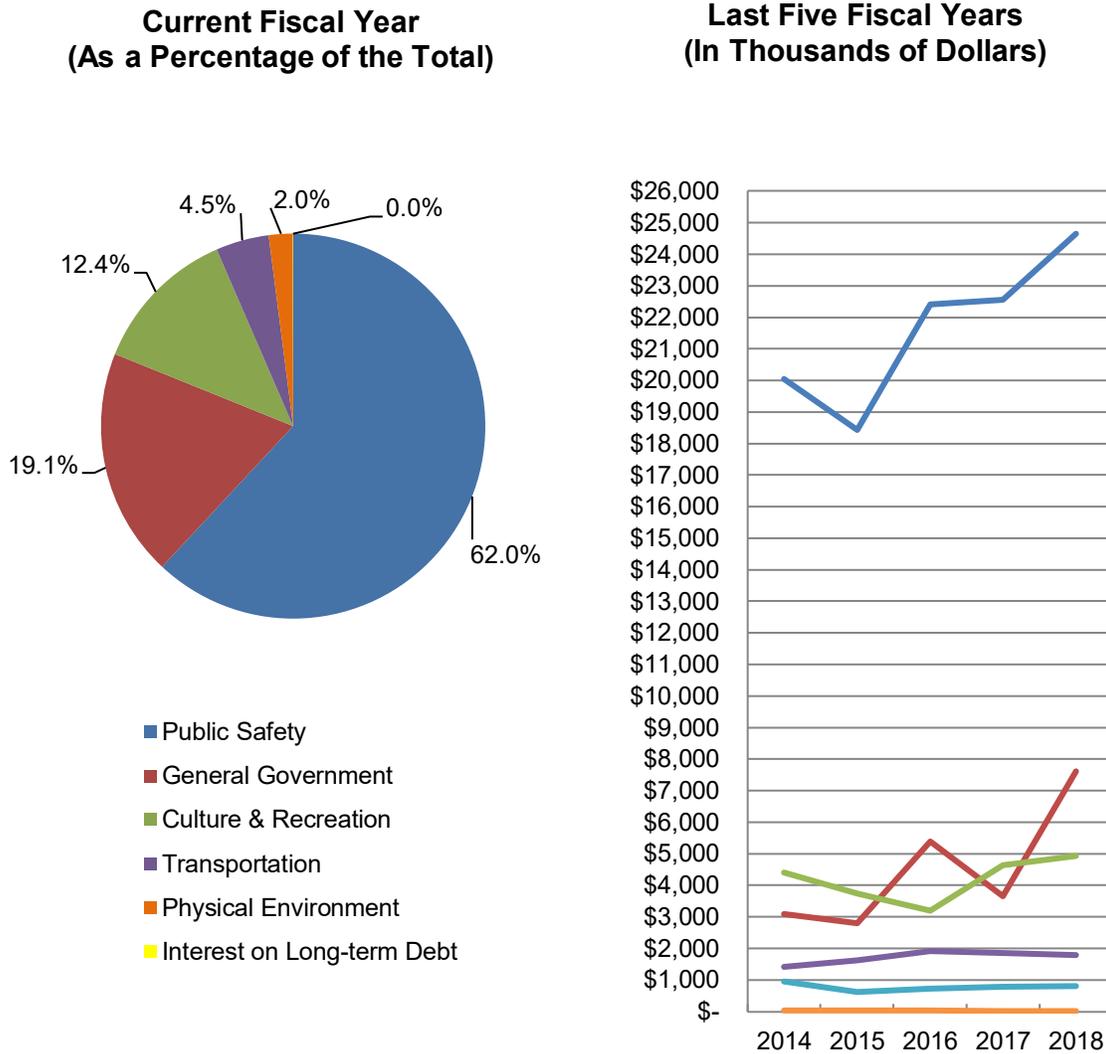
**CITY OF COOPER CITY, FLORIDA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Expenses**

Public safety continues to be the City’s single largest governmental activity, comprising 62.0% of its expenses. As shown in the 5 year graph below, costs for public safety increased to \$24.6 million in the current fiscal year from \$22.5 million last fiscal year. This increase is mainly the result of the annual increase of \$2.1 million in the City’s contract with BSO.

**Governmental Activities - Expenses by Function/Program**



**Business-type activities.** Overall, net position from business-type activities decreased by \$918,000 in the current year. The increase is mostly the result of increased transfers out to other funds.

**CITY OF COOPER CITY, FLORIDA**

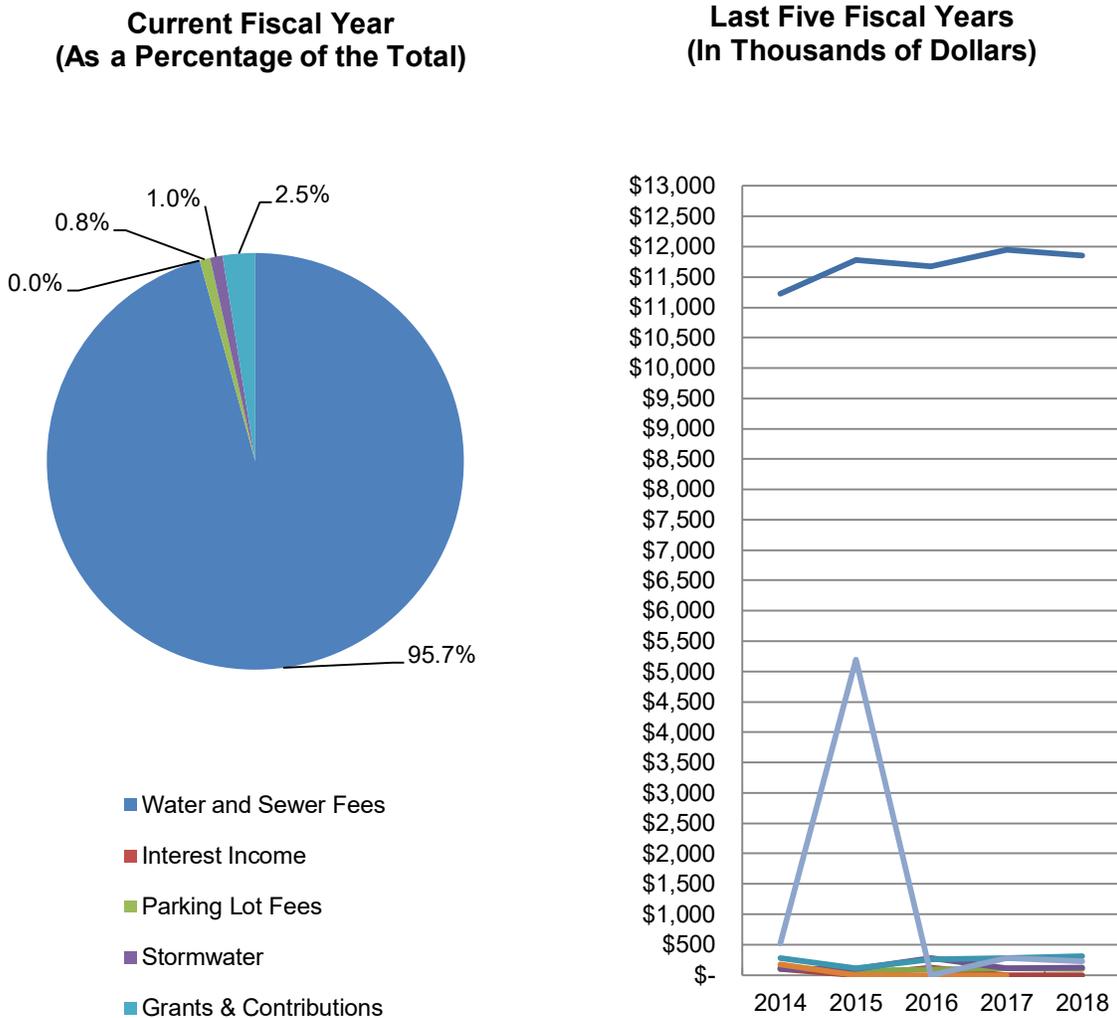
**MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

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

**Revenues**

- Total revenues from business-type activities decreased by \$118,000. The majority of the decrease resulted from a decrease in charges for services and the result of an operating grant received in prior year.
- Capital contribution fees from developers decreased in the Water and Sewer Utility. In the current year, the Stormwater fund received \$220,000 in contributions in aid of construction fees from developers, whereas, \$202,000 were received in the prior year (in the Water and Sewer fund).

**Business Activities - Revenues by Source**



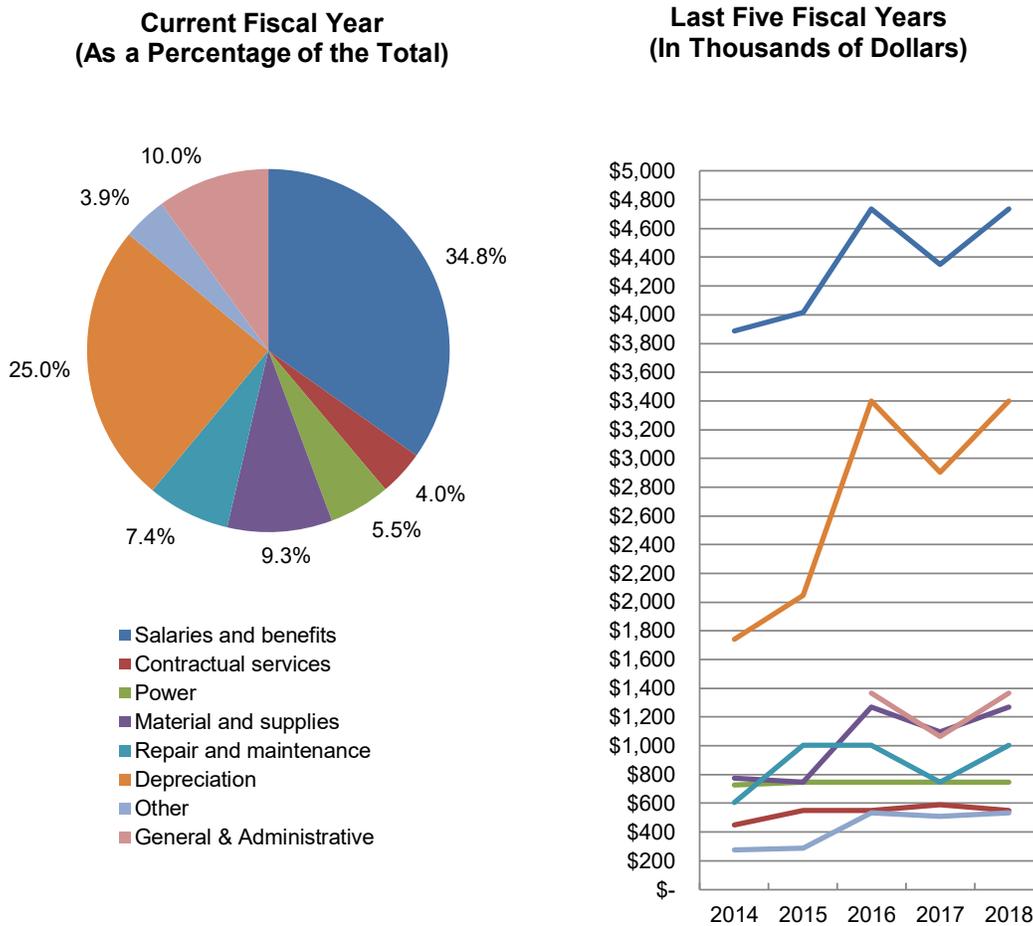
**CITY OF COOPER CITY, FLORIDA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

***Expenses***

The Water and Sewer Utility continues to be the single largest business-type activity of the City, accounting for approximately 96.4% of total revenues and 95.8% of total expenses. For the fiscal year ended September 30, 2018, the utility’s expenses increased only 1.6%, the net result of increases in salaries and benefits, repairs and maintenance, and depreciation. Overall, salaries, fringe benefits, and depreciation combined comprised 74.9% 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, 2018

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As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$7.4 million, a \$6.9 million decrease in comparison with the prior year. *Unassigned fund balance*, which is available for spending at the City's discretion, ended the year at (\$134,000). The deficit will be funded by grants approved.

#### 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 \$2.9 million, representing a decrease of \$4.9 million from the prior year. Revenues and transfers-in increased \$3.2 million over prior year, while expenditures and transfers-out increased by \$7.0 million. Of the total fund balance, \$2.6 million has been assigned to fund subsequent year's expenditures.

Net increase in revenues is a combination of increases in property taxes (\$3.0 million) and licenses and permits (\$400,000) and decreases in charges for services (\$698,000), grants (\$874,000), intergovernmental revenues (\$500,000) and fines and forfeitures (\$30,000).

In addition, public safety expenditures increased by approximately \$1.5 million and culture and recreation increased by \$3.3 million.

#### Other Governmental Funds – Fund Balance

Fund balance in the Road and Bridge Fund increased by \$243,000 due to transfers in from the General Fund and state revenue sharing received from the state. The fund balance in the Capital Improvement Fund decreased by \$2.2 million due to the initiation of large capital projects during the fiscal year. The fund balance in the Police Confiscation Fund decreased by \$76,000 as a result of police related expenditures.

**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 \$5.0 million. The net position for all of the City's proprietary funds combined decreased by \$918,000. 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 increased by \$153,000 in the current fiscal year, due to a capital grant received during the year.

#### ***General Fund Budgetary Highlights***

Net differences between the original budget and the final amended budget consisted of a \$1.7 million increase in appropriations from fund balance. The change resulted in an increase of \$2.7 million in revenue due to reimbursable hurricane expenditures by FEMA and an increase in expenditures totaling \$1.3 million for open purchase orders at the end of fiscal year 2017, which were carried over to fiscal

**CITY OF COOPER CITY, FLORIDA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

year 2018 and hurricane related expenditures (\$4.3 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, intergovernmental revenues, and licenses and permits being higher than estimated; while actual expenditures were less than budgetary estimates due primarily to anticipated costs in parks, police 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 \$2.7 million to an actual use of \$4.8 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, 2018, amounted to \$101.9 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, 2018 and 2017  
(In thousands, net of depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 21,791	\$ 21,791	\$ 1,038	\$ 1,038	\$ 22,829	\$ 22,829
Construction in progress	5,318	669	2,341	347	7,659	1,016
Buildings	4,462	4,104	31,342	32,854	35,804	36,958
Improvements other than buildings	5,454	5,634	13,079	13,281	18,533	18,915
Equipment and vehicles	2,072	2,121	1,714	1,929	3,786	4,050
Infrastructure	11,428	11,744	1,945	2,104	13,373	13,848
Total capital assets	<u>\$ 50,525</u>	<u>\$ 46,063</u>	<u>\$ 51,459</u>	<u>\$ 51,553</u>	<u>\$101,984</u>	<u>\$ 97,616</u>

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

- Repaired asphalt pathways at four City parks.
- Completed the sidewalk replacement program in five City neighborhoods.
- Reconstructed/resurfaced two City facility parking lots.
- Completed the addition of two Dog Parks at two City parks.
- Completed the annual asphalt resurfacing program.
- Finished the interior renovation of Community Center and Pool and Tennis Center.
- Rehabilitation of gravity sewer mains, laterals, and lift stations.
- Constructed a metal storage building on the Public Works compound.
- Painted the exterior of the Pool and Tennis Center, City Hall, and the Community Center.
- Replacement of playground equipment and shade covers at three City parks.
- Completed replacement of obsolete computer system that controls the Utilities plants.

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, 2018**

**Long-term debt.** At the end of the current fiscal year, the City’s total debt amounted to \$2.8 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)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Bonds payable	\$ 292	\$ 657	\$ -	\$ -	\$ 292	\$ 657
Notes payable	-	-	1,683	1,812	1,683	1,812
Total debt	<u>\$ 292</u>	<u>\$ 657</u>	<u>\$ 1,683</u>	<u>\$ 1,812</u>	<u>\$ 1,975</u>	<u>\$ 2,469</u>

The City’s total long-term debt decreased by \$494 thousand (20.0%) during the current fiscal year as the net result of the amortization built into the City’s debt service payments.

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 \$281 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 2.8% in the 2019 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 4.6%, which is a increase from a rate of 2.8% a year ago. This compares to the state’s average unemployment rate of 3.3% and the national average rate of 3.8%. The City appropriated \$2.6 million of its \$2.8 million General Fund total fund balance for spending in the 2018 fiscal year budget.

Subsequent to the adoption of the fiscal year 2019 budget, the City reviewed its estimated revenues in light of the negative unassigned fund balance amount. The City implemented a cost savings plan, deferred a number of capital projects, and identified additional funding for capital projects totaling approximately \$5.4 million.

***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**

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**CITY OF COOPER CITY, FLORIDA**

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 5,357,749	\$ 2,910,576	\$ 8,268,325
Investments	4,383,558	3,875,605	8,259,163
Accounts receivables, net	940,833	1,947,755	2,888,588
Franchise fees and utility taxes receivable	579,384	-	579,384
Due from other governments	801,232	296,405	1,097,637
Prepaid items	-	3,500,000	3,500,000
Inventory	29,576	-	29,576
Restricted asset, cash and cash equivalents	-	2,055,720	2,055,720
Restricted investments	-	723,537	723,537
Capital assets			
Non-depreciable	27,108,687	3,378,909	30,487,596
Depreciable, net	23,415,948	48,079,310	71,495,258
<b>Total assets</b>	<b>62,616,967</b>	<b>66,767,817</b>	<b>129,384,784</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pension	5,753,843	1,248,886	7,002,729
Deferred outflows - OPEB	69,185	47,652	116,837
<b>Total deferred outflows</b>	<b>5,823,028</b>	<b>1,296,538</b>	<b>7,119,566</b>
<b>Liabilities</b>			
Accounts payable	3,403,949	1,769,129	5,173,078
Accrued liabilities	245,692	74,100	319,792
Refundable deposits	19,500	-	19,500
Customer deposits payable	-	1,113,180	1,113,180
Unearned revenue	624,829	25,455	650,284
Noncurrent liabilities			
Due within one year	404,193	293,292	697,485
Due in more than one year	16,635,928	7,495,659	24,131,587
Total liabilities	21,334,091	10,770,815	32,104,906
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pension	1,184,997	413,174	1,598,171
Deferred inflows - OPEB	207,056	142,616	349,672
<b>Total deferred inflows</b>	<b>1,392,053</b>	<b>555,790</b>	<b>1,947,843</b>
<b>Net position</b>			
Net investment in capital assets	50,232,398	51,441,764	101,674,162
Restricted for			
Debt service	45,194	-	45,194
Building department	249,209	-	249,209
Transportation	140,779	-	140,779
Public safety	25,411	-	25,411
Unrestricted	(4,979,140)	5,295,986	316,846
Total net position	<b>\$ 45,713,851</b>	<b>\$ 56,737,750</b>	<b>\$ 102,451,601</b>

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, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Functions/programs</b>							
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 4,927,078	\$ 243,574	\$ -	\$ -	\$ (4,683,504)	\$ -	\$ (4,683,504)
Public safety	24,642,641	6,211,061	-	206,946	(18,224,634)	-	(18,224,634)
Physical environment	797,865	-	49,330	-	(748,535)	-	(748,535)
Transportation	1,782,872	-	-	-	(1,782,872)	-	(1,782,872)
Culture and recreation	7,614,798	747,848	-	-	(6,866,950)	-	(6,866,950)
Interest on long-term debt	11,454	-	-	-	(11,454)	-	(11,454)
Total governmental activities	39,776,708	7,202,483	49,330	206,946	(32,317,949)	-	(32,317,949)
<b>Business-type activities:</b>							
Parking	101,194	122,743	-	-	-	21,549	21,549
Water and sewer	11,691,384	11,857,997	-	-	-	166,613	166,613
Stormwater	447,257	310,511	-	220,137	-	83,391	83,391
Total business-type activities	12,239,835	12,291,251	-	220,137	-	271,553	271,553
Total primary government	\$ 52,016,543	\$ 19,493,734	\$ 49,330	\$ 427,083	(32,317,949)	271,553	(32,046,396)
<b>General revenues</b>							
Property taxes					19,673,441	-	19,673,441
Franchise fees and utility taxes					6,131,599	-	6,131,599
Local option sales tax					2,306,797	-	2,306,797
Local option gasoline tax					615,348	-	615,348
Unrestricted intergovernmental revenues					1,380,318	-	1,380,318
Investment earnings					173,344	101,089	274,433
Miscellaneous					246,289	-	246,289
Transfers					1,290,421	(1,290,421)	-
Total general revenues and transfers					31,817,557	(1,189,332)	30,628,225
Change in net position					(500,392)	(917,779)	(1,418,171)
Net position, beginning of year, as restated					46,214,243	57,655,529	103,869,772
Net position, end of year					\$ 45,713,851	\$ 56,737,750	\$ 102,451,601

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

CITY OF COOPER CITY, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018

	General Fund	Road and Bridge Fund	Police Confiscation Fund	Debt Service Fund	Capital Improvement Fund	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 1,703,382	\$ 557,738	\$ 65,081	\$ 76,267	\$ 2,955,281	\$ 5,357,749
Investments	1,589,938	512,014	62,879	62,879	2,155,848	4,383,558
Accounts receivable, net	940,833	-	-	-	-	940,833
Franchise fees and utility taxes receivable	579,384	-	-	-	-	579,384
Due from other governments	647,092	51,696	-	-	102,444	801,232
Inventory	29,576	-	-	-	-	29,576
Total assets	<u>\$ 5,490,205</u>	<u>\$ 1,121,448</u>	<u>\$ 127,960</u>	<u>\$ 139,146</u>	<u>\$ 5,213,573</u>	<u>\$ 12,092,332</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,562,092	\$ 380,683	\$ 1,899	\$ -	\$ 1,459,275	\$ 3,403,949
Accrued liabilities	238,263	-	-	-	-	238,263
Refundable deposits	19,500	-	-	-	-	19,500
Unearned revenue	522,385	-	-	-	102,444	624,829
Payable from restricted assets						
Matured bond principal	-	-	-	86,523	-	86,523
Matured bond interest	-	-	-	7,429	-	7,429
Total liabilities	<u>2,342,240</u>	<u>380,683</u>	<u>1,899</u>	<u>93,952</u>	<u>1,561,719</u>	<u>4,380,493</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue	275,240	-	-	-	-	275,240
<b>Fund balances</b>						
Nonspendable	29,576	-	-	-	-	29,576
Restricted						
Building department	249,209	-	-	-	-	249,209
Debt service	-	-	-	45,194	-	45,194
Transportation	-	140,779	-	-	-	140,779
Public safety	-	-	25,411	-	-	25,411
Assigned						
Subsequent year's expenditures	2,621,450	450,000	100,000	-	-	3,171,450
Purchases on order	106,275	149,986	650	-	3,651,854	3,908,765
Unassigned	(133,785)	-	-	-	-	(133,785)
Total fund balances	<u>2,872,725</u>	<u>740,765</u>	<u>126,061</u>	<u>45,194</u>	<u>3,651,854</u>	<u>7,436,599</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,490,205</u>	<u>\$ 1,121,448</u>	<u>\$ 127,960</u>	<u>\$ 139,146</u>	<u>\$ 5,213,573</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					86,597,406	
Accumulated depreciation					<u>(36,072,771)</u>	50,524,635
Unavailable revenues are not available to pay for current period expenditures and, therefore are not reported as revenue in the funds.						
						275,240
Deferred outflows, deferred inflows, the net pension liability and the total OPEB liability related to the City's pension and OPEB plans are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds						
Deferred outflows - pension and OPEB					5,823,028	
Deferred inflows - pension and OPEB					(1,392,053)	
Total OPEB liability					(3,812,624)	
Net pension liability					<u>(12,468,778)</u>	(11,850,427)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.						
Compensated absences					(466,482)	
Bonds payable					<u>(205,714)</u>	<u>(672,196)</u>
Net position of governmental activities						<u>\$ 45,713,851</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, 2018**

	<b>General Fund</b>	<b>Road and Bridge Fund</b>	<b>Police Confiscation Fund</b>	<b>Debt Service Fund</b>	<b>Capital Improvement Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
Property taxes	\$ 19,313,288	\$ -	\$ -	\$ 360,153	\$ -	\$ 19,673,441
Franchise fees and utility taxes	6,131,599	-	-	-	-	6,131,599
Licenses and permits	1,596,666	-	-	-	-	1,596,666
Intergovernmental revenues	3,914,000	896,588	-	-	-	4,810,588
Charges for services	5,233,265	-	-	-	-	5,233,265
Fines and forfeitures	220,205	-	15,925	-	-	236,130
Impact fees	-	-	-	-	136,422	136,422
Grant revenues	49,330	-	-	-	-	49,330
Investment earnings	101,940	8,329	1,600	-	61,475	173,344
Miscellaneous revenues	246,289	-	-	-	-	246,289
<b>Total revenues</b>	<b>36,806,582</b>	<b>904,917</b>	<b>17,525</b>	<b>360,153</b>	<b>197,897</b>	<b>38,287,074</b>
<b>Expenditures</b>						
Current						
General government	4,871,247	-	-	-	-	4,871,247
Public safety	25,579,933	-	93,700	-	-	25,673,633
Physical environment	711,054	-	-	-	-	711,054
Transportation	-	1,461,879	-	-	-	1,461,879
Culture and recreation	7,144,995	-	-	-	-	7,144,995
Capital outlay	-	-	-	-	6,226,465	6,226,465
Debt service						
Principal retirement	-	-	-	364,354	-	364,354
Interest	-	-	-	11,454	-	11,454
<b>Total expenditures</b>	<b>38,307,229</b>	<b>1,461,879</b>	<b>93,700</b>	<b>375,808</b>	<b>6,226,465</b>	<b>46,465,081</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,500,647)</b>	<b>(556,962)</b>	<b>(76,175)</b>	<b>(15,655)</b>	<b>(6,028,568)</b>	<b>(8,178,007)</b>
<b>Other financing sources (uses)</b>						
Transfers in	1,290,421	799,920	-	-	3,850,000	5,940,341
Transfers out	(4,649,920)	-	-	-	-	(4,649,920)
<b>Total other financing sources (uses)</b>	<b>(3,359,499)</b>	<b>799,920</b>	<b>-</b>	<b>-</b>	<b>3,850,000</b>	<b>1,290,421</b>
<b>Change in fund balances</b>	<b>(4,860,146)</b>	<b>242,958</b>	<b>(76,175)</b>	<b>(15,655)</b>	<b>(2,178,568)</b>	<b>(6,887,586)</b>
<b>Fund balances, beginning of year</b>	<b>7,732,871</b>	<b>497,807</b>	<b>202,236</b>	<b>60,849</b>	<b>5,830,422</b>	<b>14,324,185</b>
<b>Fund balances, end of year</b>	<b>\$ 2,872,725</b>	<b>\$ 740,765</b>	<b>\$ 126,061</b>	<b>\$ 45,194</b>	<b>\$ 3,651,854</b>	<b>\$ 7,436,599</b>

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, 2018**

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**Net Change in Fund Balances – Total Governmental Funds** \$ (6,887,586)

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	\$ 6,135,570	
Less current year depreciation	<u>(1,609,575)</u>	4,525,995

The net effect of various miscellaneous transactions involving capital assets (i.e. sales) is to decrease net position. (64,705)

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

Change in unavailalbe revenue		(301,179)
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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	101,970	
OPEB expense	(101,296)	
Pension expense	<u>1,862,055</u>	1,862,729

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>364,354</u>
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**Change in net position of governmental activities** \$ (500,392)

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

**CITY OF COOPER CITY, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2018**

	<u>Parking Lot Fund</u>	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 17,303	\$ 2,757,220	\$ 136,053	\$ 2,910,576
Investments	35,931	3,557,149	282,525	3,875,605
Restricted cash and cash equivalents	22,200	1,090,980	942,540	2,055,720
Restricted investments	-	-	723,537	723,537
Accounts receivable, net	934	1,916,614	30,207	1,947,755
Due from other governments	-	72,294	224,111	296,405
Prepays	-	3,500,000	-	3,500,000
Total current assets	<u>76,368</u>	<u>12,894,257</u>	<u>2,338,973</u>	<u>15,309,598</u>
Noncurrent assets				
Capital assets, non-depreciable	535,492	2,313,233	530,184	3,378,909
Capital assets, depreciable, net	371,866	44,946,113	2,761,331	48,079,310
Total noncurrent assets	<u>907,358</u>	<u>47,259,346</u>	<u>3,291,515</u>	<u>51,458,219</u>
Total assets	<u>983,726</u>	<u>60,153,603</u>	<u>5,630,488</u>	<u>66,767,817</u>
<b>Deferred Outflows of Resources</b>				
Pension	-	1,205,486	43,400	1,248,886
OPEB	-	46,269	1,383	47,652
Total deferred outflows of resources	<u>-</u>	<u>1,251,755</u>	<u>44,783</u>	<u>1,296,538</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	1,545	1,543,414	224,170	1,769,129
Accrued liabilities	-	62,344	11,756	74,100
Unearned revenue	25,455	-	-	25,455
Notes payable	-	-	175,853	175,853
Compensated absences	-	112,256	5,183	117,439
Liabilities payable from restricted assets				
Customer deposits payable	22,200	1,090,980	-	1,113,180
Total current liabilities	<u>49,200</u>	<u>2,808,994</u>	<u>416,962</u>	<u>3,275,156</u>
Non-current liabilities				
Compensated absences	-	355,476	16,413	371,889
Notes payable, net of current portion	-	-	1,506,679	1,506,679
Total OPEB liability	-	2,549,826	76,224	2,626,050
Net pension liability	-	2,864,860	126,181	2,991,041
Total non-current liabilities	<u>-</u>	<u>5,770,162</u>	<u>1,725,497</u>	<u>7,495,659</u>
Total liabilities	<u>49,200</u>	<u>8,579,156</u>	<u>2,142,459</u>	<u>10,770,815</u>
<b>Deferred Inflows of Resources</b>				
Pension	-	393,335	19,839	413,174
OPEB	-	138,476	4,140	142,616
Total deferred inflows of resources	<u>-</u>	<u>531,811</u>	<u>23,979</u>	<u>555,790</u>
<b>Net position</b>				
Net investment in capital assets	907,358	47,259,346	3,275,060	51,441,764
Unrestricted	27,168	5,035,045	233,773	5,295,986
Total net position	<u>\$ 934,526</u>	<u>\$ 52,294,391</u>	<u>\$ 3,508,833</u>	<u>\$ 56,737,750</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, 2018**

	<u>Parking Lot Fund</u>	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Operating revenues</b>				
Charges for services	\$ 122,743	\$ 11,822,742	\$ 310,511	\$ 12,255,996
Impact fees	-	14,055	-	14,055
Miscellaneous	-	21,200	-	21,200
Total operating revenues	<u>122,743</u>	<u>11,857,997</u>	<u>310,511</u>	<u>12,291,251</u>
<b>Operating expenses</b>				
Personnel services and benefits	18,200	4,553,828	164,220	4,736,248
Professional services	25,218	455,682	67,056	547,956
Materials and supplies	674	1,266,360	4,107	1,271,141
Utilities	7,041	737,822	-	744,863
Insurance	-	306,305	-	306,305
Repairs and maintenance	13,126	981,837	9,384	1,004,347
Miscellaneous	-	188,649	-	188,649
Depreciation	36,935	3,200,901	162,895	3,400,731
Total operating expenses	<u>101,194</u>	<u>11,691,384</u>	<u>407,662</u>	<u>12,200,240</u>
<b>Operating income (loss)</b>	<u>21,549</u>	<u>166,613</u>	<u>(97,151)</u>	<u>91,011</u>
<b>Nonoperating revenues (expenses)</b>				
Investment earnings	807	76,925	23,357	101,089
Interest expense	-	-	(39,595)	(39,595)
Total nonoperating revenues (expenses)	<u>807</u>	<u>76,925</u>	<u>(16,238)</u>	<u>61,494</u>
Income (loss) before capital contributions and transfers	22,356	243,538	(113,389)	152,505
<b>Capital contributions</b>	<u>-</u>	<u>-</u>	<u>220,137</u>	<u>220,137</u>
<b>Transfers in</b>	<u>-</u>	<u>-</u>	<u>77,000</u>	<u>77,000</u>
<b>Transfers out</b>	<u>(37,000)</u>	<u>(1,300,095)</u>	<u>(30,326)</u>	<u>(1,367,421)</u>
Total transfers	<u>(37,000)</u>	<u>(1,300,095)</u>	<u>46,674</u>	<u>(1,290,421)</u>
<b>Changes in net position</b>	<u>(14,644)</u>	<u>(1,056,557)</u>	<u>153,422</u>	<u>(917,779)</u>
<b>Total net position, beginning of year, as restated</b>	<u>949,170</u>	<u>53,350,948</u>	<u>3,355,411</u>	<u>57,655,529</u>
<b>Total net position, end of year</b>	<u>\$ 934,526</u>	<u>\$ 52,294,391</u>	<u>\$ 3,508,833</u>	<u>\$ 56,737,750</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, 2018**

	<u>Parking Lot Fund</u>	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 121,985	\$ 11,750,207	\$ 308,148	\$ 12,180,340
Cash paid to suppliers for goods and services	(56,598)	(6,399,488)	141,358	(6,314,728)
Cash paid to employees for services and benefits	(18,200)	(4,188,212)	(40,226)	(4,246,638)
Net cash provided by operating activities	<u>47,187</u>	<u>1,162,507</u>	<u>409,280</u>	<u>1,618,974</u>
<b>Cash flows from noncapital financing activities</b>				
Transfer to other funds	(37,000)	(1,300,095)	(30,326)	(1,367,421)
Transfer from other funds	-	-	77,000	77,000
Net cash used in noncapital financing activities	<u>(37,000)</u>	<u>(1,300,095)</u>	<u>46,674</u>	<u>(1,290,421)</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition and construction of capital assets	-	(2,812,446)	(493,655)	(3,306,101)
Principal paid on note payable	-	-	(129,267)	(129,267)
Interest paid	-	-	(116,551)	(116,551)
Net cash used in capital and related financing activities	<u>-</u>	<u>(2,812,446)</u>	<u>(739,473)</u>	<u>(3,551,919)</u>
<b>Cash flows from investing activities</b>				
Cash received on sale of investments	-	2,252,851	820,263	3,073,114
Purchase of investments	(35,931)	-	(282,525)	(318,456)
Interest received	807	76,925	23,357	101,089
Net cash provided by (used in) investing activities	<u>(35,124)</u>	<u>2,329,776</u>	<u>561,095</u>	<u>2,855,747</u>
<b>Net change in cash and cash equivalents</b>	<u>(24,937)</u>	<u>(620,258)</u>	<u>277,576</u>	<u>(367,619)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>64,440</u>	<u>4,468,458</u>	<u>801,017</u>	<u>5,333,915</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 39,503</u>	<u>\$ 3,848,200</u>	<u>\$ 1,078,593</u>	<u>\$ 4,966,296</u>
<b>Cash and cash equivalents classified as</b>				
Cash and cash equivalents	\$ 17,303	\$ 2,757,220	\$ 136,053	\$ 2,910,576
Restricted cash and cash equivalents	22,200	1,090,980	942,540	2,055,720
Total cash and cash equivalents	<u>\$ 39,503</u>	<u>\$ 3,848,200</u>	<u>\$ 1,078,593</u>	<u>\$ 4,966,296</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, 2018**

	<u>Parking Lot Fund</u>	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>				
Operating income (loss)	\$ 21,549	\$ 166,613	\$ (97,151)	\$ 91,011
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	36,935	3,200,901	162,895	3,400,731
Change in operating assets and liabilities:				
Increase in assets:				
Accounts receivable	(858)	(134,470)	(2,363)	(137,691)
Prepays	-	(3,500,000)	-	(3,500,000)
Pension deferred outflows of resources	-	(210,870)	(15,190)	(226,060)
OPEB deferred outflows of resources	-	(46,269)	(1,383)	(47,652)
Increase (decrease) in liabilities:				
Accounts payable	(10,539)	1,037,167	221,905	1,248,533
Accrued liabilities	-	2,654	10,006	12,660
Compensated absences payable	-	29,515	355	29,870
Pension deferred inflows of resources	-	157,702	10,576	168,278
OPEB deferred inflows of resources	-	138,476	4,140	142,616
Net pension liability	-	318,869	39,266	358,135
Total OPEB liability	-	(24,461)	76,224	51,763
Customer deposits	100	26,680	-	26,780
Net cash provided by operating activities	<u>\$ 47,187</u>	<u>\$ 1,162,507</u>	<u>\$ 409,280</u>	<u>\$ 1,618,974</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, 2018**

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,292,119
Receivables/prepays	
Employer contributions	65,685
Prepaid items	1,377
Interest receivable	197,131
Due from other governments	7,478
Due from others	4,303
Total receivables	275,974
Investments, at fair value	
U.S. Government and agency securities	13,798,256
Corporate bonds	11,199,839
Equity securities	47,016,009
Equity mutual funds	9,350,635
Municipal obligations	153,808
Commingled real estate funds	10,559,918
Total investments	92,078,465
Total assets	\$ 94,646,558
<b>Liabilities</b>	
Accounts payable	\$ 150,667
Total liabilities	150,667
<b>Net Position</b>	
Restricted for pension benefits - active and retired members' benefits	94,495,891
Total liabilities and net position	\$ 94,646,558

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, 2018**

	<u><b>Pension Trust Funds</b></u>
<b>Additions</b>	
Contributions	
City	\$ 2,104,797
Employees	403,230
Broward County Sheriff's Office	1,335,758
State/other	515,346
Total contributions	<u>4,359,131</u>
Investment income	
Net increase in fair market value	5,529,214
Interest and dividend income	2,285,950
Less investment expense	(520,413)
Net investment income	<u>7,294,751</u>
Total additions	<u>11,653,882</u>
<b>Deductions</b>	
Pension benefits	4,711,389
DROP distributions	1,448,019
Administrative expenses	297,996
Total deductions	<u>6,457,404</u>
Change in net position	<u>5,196,478</u>
Net position, restricted for pension benefits	
Beginning of year	<u>89,299,413</u>
End of year	<u><u>\$ 94,495,891</u></u>

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

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## CITY OF COOPER CITY, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

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#### 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 cost sharing 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, 2018

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#### 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, 2018

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#### 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, 2018

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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 long-term 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, 2018**

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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, 2018

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#### 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. Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of the prepaid items are recorded as expenditures/expenses when consumed rather than when purchased. As of September 30, 2018, the \$3,500,000 lump sum payment made to the City of Miramar for wastewater capacity rights has been recorded as a prepaid item. Once the expansion of the City of Miramar's reuse system is complete, this amount will be recorded as an intangible asset and amortized over the period set forth in the interlocal agreement between the City and the City of Miramar.

##### I. Receivables

All trade receivables are reported net of an allowance for uncollectibles, which is generally based on historical collection rates.

##### J. 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.

##### K. 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.

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

K. Property Taxes – Continued

The City is subject to certain limitations on millage rate assessments as defined by state statutes. The City levied taxes at a rate of 7.135 mills for operations and .133 mills for debt service, which was below the maximum millage allowed by statute.

L. 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, 2018, 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.

M. 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 5 years. Employees with 5 to 10 years of full time service vest in 25% of sick leave, employees with 10 to 15 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,

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**M. Compensated Absences – Continued**

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.

**N. 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.

**O. 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.

**P. Pension and Other Post-employment Benefits (OPEB) 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.

## CITY OF COOPER CITY, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

##### P. Pension and Other Post-employment Benefits (OPEB) Accounting – Continued

###### Funding policy:

The City funds the contributions to its pension plans based on the actuarial required contribution. The OPEB plan is funded on a pay as you go basis.

A net pension liability is reported in the government-wide financial statements, Water and Sewer Fund and Stormwater Fund, and represents the cumulative difference between total pension liability and fiduciary net position since implementation. A total OPEB liability is reported in the government-wide financial statements, Water and Sewer Fund and Stormwater Fund as the City funds the plan on a pay as you go basis. There is no fiduciary net position to offset the total OPEB liability.

###### 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 and total OPEB liability. Certain changes in the net pension liability and total OPEB liability are recognized as pension or OPEB 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 or total OPEB 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 or OPEB expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension or total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension or OPEB 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 5 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 5 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.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Q. 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.

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.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Q. Net Position/Fund Balance Classification – Continued

*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.

NOTE 2 – DEPOSITS AND INVESTMENTS

At September 30, 2018, the City had the following deposits and investments:

Statement of Net Position:

Cash on hand	\$	1,964
Deposits with financial institutions		10,284,502
State Board of Administration		37,579
Certificates of deposit		8,982,700
Total		<u>19,306,745</u>

Fiduciary Funds:

Cash and cash equivalents		2,292,119
U.S. Government and agency obligations		13,798,256
Corporate bonds		11,199,839
Equity securities		47,016,009
Equity mutual funds		9,350,635
Municipal obligations		153,808
Commingled real estate funds		10,559,918
Total		<u>94,370,584</u>
Total cash and investments	\$	<u>113,677,329</u>

# CITY OF COOPER CITY, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

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### 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, 2018, were as follows:

Statement of Net Position:	
Cash and cash equivalents - current	\$ 8,268,325
Cash and cash equivalents - current restricted	2,055,720
Investments	8,259,163
Investments - restricted	723,537
	<u>\$ 19,306,745</u>
Fiduciary Funds:	
Cash and cash equivalents	\$ 2,292,119
Investments	92,078,465
	<u>\$ 94,370,584</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, 2018

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#### 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, 2018**

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	\$ 37,579	\$ 37,579	\$ -	\$ -	\$ -
Certificates of deposit	8,982,700	8,982,700	-	-	-
	<u>\$ 9,020,279</u>	<u>\$ 9,020,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary funds:					
Equity securities	\$ 47,016,009	\$ N/A	\$ -	\$ -	\$ -
Equity mutual funds	9,350,635	N/A	-	-	-
Real estate fund	10,559,918	N/A	-	-	-
U.S. Governemnt and agency obligations	13,798,256	835,259	4,765,612	2,419,549	5,777,836
Municipal obligations	153,808	-	121,901	31,907	-
Corporate bonds	11,199,839	653,054	5,457,824	5,088,961	-
	<u>\$ 92,078,465</u>	<u>\$ 1,488,313</u>	<u>\$ 10,345,337</u>	<u>\$ 7,540,417</u>	<u>\$ 5,777,836</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, 2018, the General Employee Pension Plan held \$35,665,367; the Fire Pension Plan held \$25,817,794; and the Police Pension Plan held \$30,595,304 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, 2018**

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. The ratings for each debt type investment of the fiduciary funds 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	\$ 159,622	\$ 8,474,140	\$ -	\$ -	\$ 8,633,762
Aa1	81,740	-	121,901	-	203,641
Aa2	393,642	-	-	-	393,642
Aa3	48,637	-	-	-	48,637
A1	2,104,283	-	31,907	-	2,136,190
A2	1,462,108	-	-	-	1,462,108
A3	2,848,924	-	-	-	2,848,924
Baa1-3	3,921,728	-	-	-	3,921,728
Unrated	179,155	5,324,116	-	10,559,918	16,063,189
	<u>\$ 11,199,839</u>	<u>\$ 13,798,256</u>	<u>\$ 153,808</u>	<u>\$ 10,559,918</u>	<u>\$ 35,711,821</u>

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

NOTE 2 – DEPOSITS AND INVESTMENTS – CONTINUED

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.

The City has the following recurring fair value measurements in its fiduciary funds as of September 30, 2018:

Investments	Fair Value	Level 1	Level 2
U.S. Government and agency obligations	\$ 13,798,256	\$ 6,548,625	\$ 7,249,631
Corporate bonds	11,199,839	-	11,199,839
Equity securities	47,016,009	43,718,030	3,297,979
Equity mutual funds	9,350,635	9,350,635	-
Municipal obligations	153,808	-	153,808
Total investments measured at fair value	\$ 81,518,547	\$ 59,617,290	\$ 21,901,257
Investments measured at Net Asset Value (NAV)			
Commingled real estate funds	10,559,918		
Total investments	\$ 92,078,465		

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, 2018**

NOTE 3 – RECEIVABLES

Receivables as of September 30, 2018, including the applicable allowances for uncollectible accounts, are as follows:

	<b>General Fund</b>	<b>Road and Bridge Fund</b>	<b>Capital Improvements Fund</b>	<b>Parking Lot Fund</b>
Receivables				
Accounts receivable:				
EMS transport	\$ 1,786,158	\$ -	\$ -	\$ -
Trade	-	-	-	934
Miscellaneous	52,478	-	-	-
Franchise fees and utility taxes	579,384	-	-	-
Due from other governments	647,092	51,696	102,444	-
Less allowance for uncollectible receivables	(897,803)	-	-	-
	<u>\$ 2,167,309</u>	<u>\$ 51,696</u>	<u>\$ 102,444</u>	<u>\$ 934</u>
	<b>Water and Sewer Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>	
Receivables				
Accounts receivable:				
EMS transport	\$ -	\$ -	\$ 1,786,158	
Trade	2,380,648	30,207	2,411,789	
Miscellaneous	-	-	52,478	
Franchise fees and utility taxes	-	-	579,384	
Due from other governments	72,294	224,111	1,097,637	
Less allowance for uncollectible receivables	(464,034)	-	(1,361,837)	
	<u>\$ 1,988,908</u>	<u>\$ 254,318</u>	<u>\$ 4,565,609</u>	

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 4 – CAPITAL ASSETS**

Governmental activities capital assets for the fiscal year ended September 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 21,790,931	\$ -	\$ -	\$ -	\$ 21,790,931
Construction in progress	669,252	4,927,280	-	(278,776)	5,317,756
Total assets not being depreciated	<u>22,460,183</u>	<u>4,927,280</u>	<u>-</u>	<u>(278,776)</u>	<u>27,108,687</u>
Capital assets being depreciated					
Buildings	12,939,649	681,634	(75,103)	255,321	13,801,501
Improvements other than buildings	10,395,959	194,727	(70,470)	23,455	10,543,671
Machinery and equipment	5,034,327	331,929	(102,952)	-	5,263,304
Infrastructure	29,880,243	-	-	-	29,880,243
Total assets being depreciated	<u>58,250,178</u>	<u>1,208,290</u>	<u>(248,525)</u>	<u>278,776</u>	<u>59,488,719</u>
Less accumulated depreciation					
Buildings	(8,835,760)	(567,138)	63,429	-	(9,339,469)
Improvements other than buildings	(4,761,636)	(372,985)	44,749	-	(5,089,872)
Machinery and equipment	(2,913,705)	(352,809)	75,642	-	(3,190,872)
Infrastructure	(18,135,915)	(316,643)	-	-	(18,452,558)
Total accumulated depreciation	<u>(34,647,016)</u>	<u>(1,609,575)</u>	<u>183,820</u>	<u>-</u>	<u>(36,072,771)</u>
Total assets depreciated, net	<u>23,603,162</u>	<u>(401,285)</u>	<u>(64,705)</u>	<u>278,776</u>	<u>23,415,948</u>
Governmental activities, net	<u>\$ 46,063,345</u>	<u>\$ 4,525,995</u>	<u>\$ (64,705)</u>	<u>\$ -</u>	<u>\$ 50,524,635</u>

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

NOTE 4 – CAPITAL ASSETS – CONTINUED

Business-type activities capital assets for the fiscal year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 1,038,309	\$ -	\$ -	\$ -	\$ 1,038,309
Construction in progress	346,794	2,137,143	-	(143,337)	2,340,600
Total assets not being depreciated	<u>1,385,103</u>	<u>2,137,143</u>	<u>-</u>	<u>(143,337)</u>	<u>3,378,909</u>
Capital assets being depreciated					
Buildings and plant	64,891,282	367,715	-	-	65,258,997
Improvements other than buildings	15,320,513	622,795	-	143,337	16,086,645
Machinery and equipment	4,622,751	178,448	-	-	4,801,199
Infrastructure	6,849,973	-	-	-	6,849,973
Total assets being depreciated	<u>91,684,519</u>	<u>1,168,958</u>	<u>-</u>	<u>143,337</u>	<u>92,996,814</u>
Less accumulated depreciation					
Buildings and plant	(32,037,780)	(1,879,483)	-	-	(33,917,263)
Improvements other than buildings	(2,039,313)	(968,379)	-	-	(3,007,692)
Machinery and equipment	(2,693,775)	(393,790)	-	-	(3,087,565)
Infrastructure	(4,745,905)	(159,079)	-	-	(4,904,984)
Total accumulated depreciation	<u>(41,516,773)</u>	<u>(3,400,731)</u>	<u>-</u>	<u>-</u>	<u>(44,917,504)</u>
Total assets depreciated, net	<u>50,167,746</u>	<u>(2,231,773)</u>	<u>-</u>	<u>143,337</u>	<u>48,079,310</u>
Business-type activities, net	<u>\$ 51,552,849</u>	<u>\$ (94,630)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,458,219</u>

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

NOTE 4 – CAPITAL ASSETS – CONTINUED

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

Governmental activities:	
General government	\$ 260,386
Public safety	164,288
Physical environment	125,697
Transportation	320,993
Culture and recreation	738,211
	<u>\$ 1,609,575</u>
Business-type activities:	
Parking	\$ 36,935
Water and sewer	3,200,901
Stormwater	162,895
	<u>\$ 3,400,731</u>

NOTE 5 – INTERFUND TRANSFERS

Interfund transfer activity for the fiscal year ended September 30, 2018, was as follows:

<u>Transfers In</u>	<u>Transfers Out</u>				<u>Total</u>
	<u>General Fund</u>	<u>Parking Lot Fund</u>	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	
General Fund	\$ -	\$ 37,000	\$ 1,223,095	\$ 30,326	\$ 1,290,421
Road and Bridge Fund	799,920	-	-	-	799,920
Capital Improvement Fund	3,850,000	-	-	-	3,850,000
Stormwater Fund	-	-	77,000	-	77,000
Total	<u>\$ 4,649,920</u>	<u>\$ 37,000</u>	<u>\$ 1,300,095</u>	<u>\$ 30,326</u>	<u>\$ 6,017,341</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, 2018**

NOTE 6 – LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions of the City for the year ended September 30, 2018:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Governmental activities</b>					
General obligation bonds	\$ 656,601	\$ -	\$ (364,364)	\$ 292,237	\$ 292,237
Total OPEB liability	3,849,199	321,932	(358,507)	3,812,624	-
Net pension liability	15,901,685	9,401,824	(12,834,731)	12,468,778	-
Compensated absences	568,452	280,702	(382,672)	466,482	111,956
<b>Total governmental activities</b>	<b>\$ 20,975,937</b>	<b>\$ 10,004,458</b>	<b>\$ (13,940,274)</b>	<b>\$ 17,040,121</b>	<b>\$ 404,193</b>
<b>Business-type activities</b>					
Note payable	\$ 1,811,799	\$ -	\$ (129,267)	\$ 1,682,532	\$ 175,853
Total OPEB liability	2,651,243	223,715	(248,908)	2,626,050	-
Net pension liability	2,632,906	2,063,815	(1,705,680)	2,991,041	-
Compensated absences	459,458	184,443	(154,573)	489,328	117,439
<b>Total business-type activities</b>	<b>\$ 7,555,406</b>	<b>\$ 2,471,973</b>	<b>\$ (2,238,428)</b>	<b>\$ 7,788,951</b>	<b>\$ 293,292</b>

Beginning balances for the total OPEB liability differs from those reported in the September 30, 2017, due to the implementation of GASB Statement No. 75.

**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, 2018.

**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, 2018, 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, 2018**

**NOTE 6 – LONG -TERM LIABILITIES – CONTINUED**

Net pension liability: This amount represents the City’s net pension liability as of September 30, 2018. 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.

Total Other Post-employment Benefits (OPEB) liability: This amount represents the City’s total OPEB liability as of September 30, 2018. The governmental activities total OPEB liability is generally liquidated from the General Fund and the business-type activities total OPEB liability is generally liquidated by the Water and Sewer and Stormwater funds.

The annual debt service payments required on outstanding debt at September 30, 2018, are as follows:

General Obligation Bonds:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 292,237	\$ 3,143	\$ 295,380
	<u>\$ 292,237</u>	<u>\$ 3,143</u>	<u>\$ 295,380</u>

Note payable:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 175,853	\$ 36,703	\$ 212,556
2020	179,879	32,677	212,556
2021	183,997	28,559	212,556
2022	188,210	24,346	212,556
2023	192,518	20,038	212,556
2024 - 2027	762,075	35,054	797,129
	<u>\$ 1,682,532</u>	<u>\$ 177,377</u>	<u>\$ 1,859,909</u>

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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NOTE 7 – PENSION PLANS

The City maintains three separate single-employer public employee retirement system (“PERS”) pension plans, (1) the General Employees’ Retirement Plan (“GEPP”), (2) the Firefighters Retirement Plan (“FRP”), and (3) 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, 2018, participation in the GEPP consisted of the following:

Retirees and beneficiaries currently receiving benefits	87
Terminated plan members entitled to but not yet receiving benefits	3
Active plan members	62
Total	<u>152</u>

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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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, 2018

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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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.2%. 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, 2018**

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*

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, 2018, the City reported a net pension liability of \$4,206,034 related to the GEPP. The net pension liability was measured as of September 30, 2017, using an annual actuarial valuation as of October 1, 2016, rolled forward to September 30, 2017, using standard update procedures. For the fiscal year ended September 30, 2018, the City recognized pension expense of \$829,862 related to the GEPP.

	<b>Total Pension Liability</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balances at September 30, 2017</b>	\$ 35,706,267	\$ 31,360,442	\$ 4,345,825
<b>Changes for the year:</b>			
Service cost	817,482	-	817,482
Interest	2,519,908	-	2,519,908
Experience differences	109,331	-	109,331
Assumption changes	824,532	-	824,532
Contributions - employer	-	786,998	(786,998)
Contributions - non-employer			
contributing entity (from BSO)	-	126,703	(126,703)
Contributions - employee	-	413,738	(413,738)
Net investment income	-	3,134,831	(3,134,831)
Benefit payments, including refunds of employee contributions	(2,064,187)	(2,064,187)	-
Administrative expense	-	(51,226)	51,226
Other changes	-	-	-
<b>Balances at September 30, 2018</b>	<b>\$ 37,913,333</b>	<b>\$ 33,707,299</b>	<b>\$ 4,206,034</b>

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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, 2018, the City reported deferred outflows and inflows of resources related to the GEPP from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 54,665	\$ 82,274
Assumption changes	457,369	-
Net difference between projected and actual earnings on GEPP investments	-	579,049
City GEPP contributions subsequent to the measurement date	934,640	-
Total	\$ 1,446,674	\$ 661,323

The deferred outflows of resources related to the GEPP totaling \$934,640, 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, 2019. 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
2019	\$ 275,572
2020	24,927
2021	(256,353)
2022	(193,435)

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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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, 2016
Measurement date	September 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.00%
Salary increases	6.00%, including inflation
Inflation	2.50%
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 7.00% 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.

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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, 2017, 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 7.00%, 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:

<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$ 8,341,039	\$ 4,206,034	\$ 709,963

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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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, 2018, was \$842,022.

FIREFIGHTERS RETIREMENT PLAN

The FRP is a single-employer defined benefit retirement plan covering all eligible firefighters. The FRP was established by the City of Cooper City (the “City”) in accordance with a City ordinance and state statutes. Management of the FRP 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, 2018. 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 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, 2018, the City reported a net pension liability of \$3,036,682 related to the FRP. The net pension liability was measured as of September 30, 2017, using an annual actuarial valuation as of October 1, 2016, rolled forward to September 30, 2017, using standard update procedures. For the fiscal year ended September 30, 2018, the City recognized pension expense of \$(1,029,239) related to the FRP.

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

NOTE 7 – PENSION PLANS – CONTINUED

FIREFIGHTERS RETIREMENT PLAN – CONTINUED

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

The components of net pension liability of the FRP as measured at September 30, 2017, were as follows:

	<b>Total Pension Liability</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balances at September 30, 2017</b>	\$ 28,490,626	\$ 23,520,243	\$ 4,970,383
<b>Changes for the year:</b>			
Service cost	127,131	-	127,131
Interest	1,961,774	-	1,961,774
Experience differences	(368,423)	-	(368,423)
Assumption changes	(300,125)	-	(300,125)
Contributions - employer	-	294,036	(294,036)
Contributions - non-employer contributing entity (from BSO)	-	942,216	(942,216)
Contributions - employee	-	13,068	(13,068)
Net investment income	-	2,183,286	(2,183,286)
Benefit payments, including refunds of employee contributions	(1,184,833)	(1,184,833)	-
Administrative expense	-	(78,548)	78,548
<b>Balances at September 30, 2018</b>	<b>\$ 28,726,150</b>	<b>\$ 25,689,468</b>	<b>\$ 3,036,682</b>

At September 30, 2018, the City reported deferred outflows of resources related to the FRP from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on FRP investments	\$ 6,719	\$ -
City FRP contributions subsequent to the measurement date	1,337,408	-
Total	<b>\$ 1,344,127</b>	<b>\$ -</b>

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

NOTE 7 – PENSION PLANS – CONTINUED

FIREFIGHTERS RETIREMENT PLAN – CONTINUED

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

The deferred outflows of resources related to the FRP totaling \$1,337,408, 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, 2019. The remaining amounts reported as deferred outflows of resources related to the FRP will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
September 30:	<u>                    </u>
2019	\$ 73,066
2020	238,818
2021	(197,692)
2022	(107,473)

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, 2016
Measurement date	September 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.00%
Salary increases	7.25%
Inflation	2.50%
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, 2018

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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, 2017, 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%
Fixed income	No limits	4.00%
TIPS	5-10%	2.90%
Alternative - Real estate	0-10%	4.80%
MLPs	0-10%	9.70%
Private real estate	0-10%	6.80%

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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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:

<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
<b>(6.00%)</b>	<b>Discount Rate</b>	<b>(8.00%)</b>
<b>(6.00%)</b>	<b>(7.00%)</b>	<b>(8.00%)</b>
\$ 5,769,909	\$ 3,036,682	\$ 771,196

*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, 2018 was \$4,258,844.

POLICE OFFICERS RETIREMENT PLAN

The PORP is a single-employer defined benefit retirement plan covering all eligible police officers. The PORP was established by the City in accordance with a City ordinance and state statutes. Management of the PORP 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, 2018. 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, 2018**

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, 2018, the City reported a net pension liability of \$4,012,603 related to the PORP. The net pension liability was measured as of September 30, 2017, using an annual actuarial valuation as of October 1, 2016, rolled forward to September 30, 2017, using standard update procedures. For the fiscal year ended September 30, 2018, the City recognized pension expense related to the PORP of \$(90,541).

The components of net pension liability of the PORP as measured at September 30, 2017, were as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<b>Balances at September 30, 2017</b>	\$ 32,641,747	\$ 27,131,390	\$ 5,510,357
<b>Changes for the year:</b>			
Service cost	108,626	-	108,626
Interest	2,312,576	-	2,312,576
Experience differences	146,557	-	146,557
Assumption changes	411,295	-	411,295
Contributions - employer	-	340,026	(340,026)
Contributions - non-employer contributing entity (from BSO)	-	1,117,071	(1,117,071)
Contributions - employee	-	37,028	(37,028)
Net investment income	-	3,060,337	(3,060,337)
Benefit payments, including refunds of employee contributions	(1,705,552)	(1,705,552)	-
Administrative expense	-	(77,654)	77,654
<b>Balances at September 30, 2018</b>	<u>\$ 33,915,249</u>	<u>\$ 29,902,646</u>	<u>\$ 4,012,603</u>

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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, 2018, the City reported deferred outflows and inflows of resources related to the PORP from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on PORP investments	\$ -	\$ 491,857
City PORP contributions subsequent to the measurement date	1,611,192	-
Total	<u>\$ 1,611,192</u>	<u>\$ 491,857</u>

The deferred outflows of resources related to the PORP totaling \$1,611,192, 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, 2019. The remaining amount reported as deferred inflows of resources related to the PORP will be recognized in pension expense as follows:

Fiscal Year Ending	<u>Amount</u>
September 30:	
2019	\$ (36,605)
2020	87,317
2021	(321,811)
2022	(220,758)

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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 PORP are as follows:

Valuation date	October 1, 2016
Measurement date	September 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.00%
Salary increases	5-10%, depending on service, including inflation
Inflation	3.00%
Retirement age	100% when first eligible for normal retirement or DROP entry.
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, 2017, the measurement date, are summarized in the following table:

<u>Index</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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, 2018

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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 7.00%, 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:

<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
<b>(6.00%)</b>	<b>Discount Rate</b>	<b>(8.00%)</b>
<b>(6.00%)</b>	<b>(7.00%)</b>	<b>(8.00%)</b>
\$ 7,115,407	\$ 4,012,603	\$ 1,425,958

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, 2018, was \$4,575,257.

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, 2018

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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](http://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 5 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 5 highest years of salary for each year of credited service.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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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, 2017 through June 30, 2018, and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular–7.92% and 8.26%; Special Risk Administrative Support–34.63% and 34.98%; Special Risk–23.27% and 24.50%; Senior Management Service–22.71% and 24.06%; Elected Officers'–45.50% and 48.70%; and DROP participants–13.26% and 14.03%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods July 1, 2017 through June 30, 2018, and from July 1, 2018 through September 30, 2018.

The City's contributions, including employee contributions, to the Pension Plan totaled \$227,433 for the measurement period ended June 30, 2018.

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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, 2018, the City reported a liability of \$2,403,711 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City’s proportionate share of the net pension liability was based on the City’s 2018 fiscal year contributions relative to the 2017 fiscal year contributions of all participating members. At June 30, 2018, the City's proportionate share was 0.00798031%, which was an increase of 0.00157035% from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$557,811. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 203,630	\$ 7,391
Change of assumptions	785,416	-
Net difference between projected and actual earnings on pension plan investments	-	185,716
Changes in proportion and differences between City pension plan contributions and proportionate share of contributions	501,408	-
City pension plan contributions subsequent to the measurement date	63,186	-
Total	<u>\$ 1,553,640</u>	<u>\$ 193,107</u>

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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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 \$63,186 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, 2019. 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	Amount
September 30:	
2019	\$ 391,948
2020	294,025
2021	112,912
2022	223,705
2023	177,272
Thereafter	97,485

Actuarial Assumptions

The total pension liability in the June 30, 2018, 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	7.00%, 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, 2018, 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, 2018**

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 was 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.00%	2.90%	2.90%	1.80%
Fixed income	18.00%	4.40%	4.30%	4.00%
Global equity	54.00%	7.60%	6.30%	17.00%
Real estate	11.00%	6.60%	6.00%	11.30%
Private equity	10.00%	10.70%	7.80%	26.50%
Strategic investments	6.00%	6.00%	5.70%	8.60%
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 7.00%. 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, 2018**

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 7.00%, 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 or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
City's proportionate share of the net pension liability	\$ 4,386,873	\$ 2,403,711	\$ 756,577

*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, 2018, 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, 2018.

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, 2018, 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, 2018**

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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, 2018, the HIS contribution for the period October 1, 2017 through September 30, 2018, 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 \$65,296 for the measurement period ended June September 30, 2018.

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

At September 30, 2018, the City reported a liability of \$1,274,378 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based on the City's 2018 fiscal year contributions relative to the 2017 fiscal year contributions of all participating members. At June 30, 2018, the City's proportionate share was 0.01204048%, which was an increase of 0.002828184% from its proportionate share measured as of June 30, 2017.

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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, 2018, the City recognized pension expense of \$197,162. In addition the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 19,510	\$ 2,165
Change of assumptions	141,727	134,738
Net difference between projected and actual earnings on HIS Plan investments	769	-
Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions	489,179	-
City HIS Plan contributions subsequent to the measurement date	17,266	-
Total	\$ 668,451	\$ 136,903

The deferred outflows of resources related to the HIS Plan, totaling \$17,266 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, 2019. 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	<u>Amount</u>
September 30:	
2019	\$ 99,062
2020	98,998
2021	93,767
2022	84,279
2023	64,469
Thereafter	73,707

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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	3.87%

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

The actuarial assumptions used in the July 1, 2018, 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 3.87%. 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 3.87%, 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 or one percentage point higher than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
City's proportionate share of the net pension liability	\$ 1,451,442	\$ 1,274,378	\$ 1,126,785

## CITY OF COOPER CITY, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

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#### 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, 2018, 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, 2018.

##### 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 2017 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 8.26%, Special Risk Administrative Support class 7.95%, Special Risk class 24.50%, Senior Management Service class 24.06% and Elected Officers class 48.70%.

## CITY OF COOPER CITY, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

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#### 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. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5 year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, 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, 2018

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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 \$415,079 for the fiscal year ended September 30, 2018. 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, 2018**

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, 2018, the City reported a net pension liability of \$526,411 related to the plan. The net pension liability was measured as of September 30, 2017, using an annual actuarial valuation as of October 1, 2016, rolled forward to September 30, 2017, using standard update procedures. The City recognized \$343,598 as pension expense as of the measurement date of September 30, 2017.

The components of net pension liability of the City as of September 30, 2018, related to the FMPTF were as follows:

	<b>Total Pension Liability</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balances at September 30, 2017</b>	\$ 4,861,852	\$ 4,034,868	\$ 826,984
<b>Changes for the year:</b>			
Service cost	57,604	-	57,604
Interest	327,264	-	327,264
Experience differences	201,569	-	201,569
Assumption changes	85,442	-	85,442
Contributions - employer	-	415,079	(415,079)
Contributions - employee	-	31,636	(31,636)
Net investment income	-	536,281	(536,281)
Benefit payments, including refunds of employee contributions	(246,044)	(246,044)	-
Administrative expense	-	(10,544)	10,544
<b>Balances at September 30, 2018</b>	<u>\$ 5,287,687</u>	<u>\$ 4,761,276</u>	<u>\$ 526,411</u>

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the FMPTF from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on FMPTF investments	\$ -	\$ 114,981
City FMPTF contributions subsequent to the measurement date	<u>378,645</u>	<u>-</u>
Total	<u>\$ 378,645</u>	<u>\$ 114,981</u>

The deferred outflows of resources related to the FMPTF pension, totaling \$378,645, 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, 2019. 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:	<u>Amount</u>
2019	\$ (4,023)
2020	(5,256)
2021	(56,244)
2022	(49,458)

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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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, 2016
Measurement date	September 30, 2017
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, 2018**

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, 2017, the measurement date, are summarized in the following table:

<u>Index</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core bonds	16.00%	0.50%
Multi-sector	24.00%	1.00%
U.S. large cap equity	39.00%	6.00%
U.S. small cap equity	11.00%	6.75%
Non-U.S. equity	10.00%	6.75%

*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:

<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$ 1,030,977	\$ 526,411	\$ 97,956

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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	\$ 4,206,034	\$ 3,036,682	\$ 4,012,603	\$ 2,403,711
Deferred outflows of resources	1,446,674	1,344,127	1,611,192	1,553,640
Deferred inflows of resources	661,323	-	491,857	193,107
Pension expense/expenditure	829,862	(1,029,239)	(90,541)	557,811
		HIS	FMPTF	Total
City's net pension liability		\$ 1,274,378	\$ 526,411	\$ 15,459,819
Deferred outflows of resources		668,451	378,645	7,002,729
Deferred inflows of resources		136,903	114,981	1,598,171
Pension expense/expenditure		197,162	343,598	808,653

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS

*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 is a single employer plan and does not issue a publicly available financial report.

Participants of the plan consisted of the following as of September 30, 2018:

Retirees and beneficiaries currently receiving benefits	26
Active employees	108
Total	134

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Contributions

The City has elected to fund the plan on a “pay as you go” basis. The City contributes the current year benefit costs of the plan which are not paid by the retiree. For the fiscal year ended September 30, 2018, the City contributed \$332,286 for the pay as you go benefits for the plan.

Total OPEB Liability of the County

Effective October 1, 2017, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, which significantly changed the City’s accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

The City’s total OPEB liability was measured as of September 30, 2018, and was determined by an actuarial valuation as of October 1, 2017, with the actuary using standard techniques to roll forward the liability to the measurement date.

*Actuarial assumptions.* The total OPEB liability in the September 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.64%
Healthcare Cost Trend Rate:	8.00% - 4.50%, Ultimate Trend in 2027 (Pre-Medicare) 5.00% - 4.50%, Ultimate Trend in 2027 (Medicare)
Inflation Rate:	3.00%
Salary increase:	4.00%, including inflation
Participation rate:	20%

Mortality rates were based on the RP-2014 Combined Annuitant Mortality Table for males and females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the September 30, 2018, valuation were based on the results of an actuarial experience study for the period 2010-2011.

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

Discount rate

The discount rate used to measure the total OPEB liability was 3.64%. This is the S&P Municipal Bond 20-Year High-Grade Rate Index as of September 30, 2018.

Changes in the Total OPEB Liability of the City

The changes in the total OPEB liability of the City for the year ended September 30, 2018, were as follows:

	<b>Total OPEB Liability</b>
<b>Balances at 9/30/17</b>	\$ 6,500,442
<b>Changes for the year:</b>	
Service cost	333,449
Interest	212,199
Experience differences	(99,432)
Assumption changes	(41,026)
Benefit payments	(332,286)
Other changes	(134,672)
Net changes	(61,768)
<b>Balance at 9/30/18</b>	\$ 6,438,674

The required schedule of changes in the City’s total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.64%)	Discount Rate 3.64%	1% Increase (4.64%)
Total OPEB liability	\$ 5,885,199	\$ 6,438,674	\$ 7,097,443

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates*

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (7% decreasing to 3.5%)	Discount Rate (8% decreasing to 4.5%)	1% Increase (9% decreasing to 5.5%)
Total OPEB liability	\$ 7,133,476	\$ 6,438,674	\$ 5,849,257

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 continual revisions 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 substantive plan in effect as of September 30, 2018, and the current sharing pattern of costs between employer and inactive employees.

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$503,353. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ 116,837	\$ 265,526
Experience differences	-	84,146
	\$ 116,837	\$ 349,672

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018

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NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS – CONTINUED

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Year ending September 30:		
2019	\$	(42,296)
2020		(42,296)
2021		(42,296)
2022		(42,296)
2023		(42,296)
2024		(21,355)
Total	\$	<u>(232,835)</u>

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.

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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NOTE 11 – ENCUMBRANCES

Purchase orders are issued throughout the year to encumber budgets in the governmental funds. These amounts are reported as assigned fund balance on the face of the governmental fund financial statements and are assigned primarily for various capital projects. Encumbrances as of September 30, 2018, are as follows:

General Fund	\$ 106,275
Road and Bridge Fund	149,986
Police Confiscation Fund	650
Capital Improvement Fund	3,651,854
Total encumbrances	<u>\$ 3,908,765</u>

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 5 years with two additional 5 year options. The City exercised the first 5 year option in 2010 and the second 5 year option in 2014. Cancellation of the agreement needs to be in writing and provide for 180 day notice. The agreement requires the City to pay BSO approximately \$2,005,000 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 \$8,850,689 as of the fiscal year ended September 30, 2018.

**CITY OF COOPER CITY, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 12 – COMMITMENTS AND CONTINGENCIES – CONTINUED**

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.

**NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE**

The City determined that restatements to beginning net position of the governmental activities, business-type activities, Water and Sewer Fund, and Stormwater Fund were required to recognize the change in accounting principle for the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of October 1, 2017. These restatements are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Net position, as previously reported	\$ 47,847,565	\$ 59,025,582
Adjustment needed to properly reflect the adoption of GASB 75	(1,633,322)	(1,370,053)
Net position, as restated	<u>\$ 46,214,243</u>	<u>\$ 57,655,529</u>
	<b>Water and Sewer Fund</b>	<b>Stormwater Fund</b>
Net position, as previously reported	\$ 54,685,266	\$ 3,391,146
Adjustment needed to properly reflect the adoption of GASB 75	(1,334,318)	(35,735)
Net position, as restated	<u>\$ 53,350,948</u>	<u>\$ 3,355,411</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 19,384,000	\$ 19,384,000	\$ 19,313,288	\$ (70,712)
Franchise fees and utility taxes	6,382,900	6,382,900	6,131,599	(251,301)
Licenses and permits	1,274,600	1,239,062	1,596,666	357,604
Intergovernmental revenues	3,698,100	3,698,100	3,914,000	215,900
Charges for services	4,821,000	4,797,905	5,233,265	435,360
Fines and forfeitures	235,000	235,000	220,205	(14,795)
Grant revenues	76,035	2,788,535	49,330	(2,739,205)
Investment earnings	100,000	100,000	101,940	1,940
Miscellaneous revenues	233,000	232,615	246,289	13,674
Total revenues	<u>36,204,635</u>	<u>38,858,117</u>	<u>36,806,582</u>	<u>(2,051,535)</u>
<b>Expenditures</b>				
Current				
General government				
City Commission	418,479	418,479	383,283	35,196
Administrative	506,592	506,836	503,990	2,846
City Clerk	600,942	601,752	525,428	76,324
Finance	1,111,435	1,303,179	1,209,612	93,567
Legal	254,000	362,500	362,059	441
Boards and committees	17,200	17,200	11,025	6,175
Comprehensive planning	468,364	468,364	413,005	55,359
Public works administrative	707,691	718,192	699,962	18,230
Fleet services	341,269	366,202	362,750	3,452
Nondepartmental	907,427	603,186	400,133	203,053
Total general government	<u>5,333,399</u>	<u>5,365,890</u>	<u>4,871,247</u>	<u>494,643</u>
Public safety				
Building	956,329	959,286	905,822	53,464
Code enforcement	406,300	406,300	394,144	12,156
Police	13,918,000	13,918,000	13,747,767	170,233
Fire	10,603,900	10,603,900	10,532,200	71,700
Total public safety	<u>25,884,529</u>	<u>25,887,486</u>	<u>25,579,933</u>	<u>307,553</u>
Physical environment				
Property maintenance	695,886	720,252	711,054	9,198
Total physical environment	<u>695,886</u>	<u>720,252</u>	<u>711,054</u>	<u>9,198</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (continued)</b>				
Current				
Culture and recreation				
Parks	\$ 1,810,562	\$ 6,139,310	\$ 5,334,226	\$ 805,084
Recreation	1,844,510	1,877,273	1,810,769	66,504
Total culture and recreation	<u>3,655,072</u>	<u>8,016,583</u>	<u>7,144,995</u>	<u>871,588</u>
Total expenditures	<u>35,568,886</u>	<u>39,990,211</u>	<u>38,307,229</u>	<u>1,682,982</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>635,749</u>	<u>(1,132,094)</u>	<u>(1,500,647)</u>	<u>(368,553)</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,267,326	1,290,421	1,290,421	-
Transfers out	<u>(4,649,920)</u>	<u>(4,649,920)</u>	<u>(4,649,920)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,382,594)</u>	<u>(3,359,499)</u>	<u>(3,359,499)</u>	<u>-</u>
<b>Change in fund balance</b>	(2,746,845)	(4,491,593)	(4,860,146)	(368,553)
<b>Fund balance, beginning of year</b>	<u>7,732,871</u>	<u>7,732,871</u>	<u>7,732,871</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 4,986,026</u>	<u>\$ 3,241,278</u>	<u>\$ 2,872,725</u>	<u>\$ (368,553)</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues				
Local option fuel tax	\$ 350,000	\$ 350,000	\$ 381,081	\$ 31,081
Additional local option fuel tax	250,000	250,000	234,267	(15,733)
State revenue sharing	244,000	244,000	281,240	37,240
Investment earnings	4,000	4,000	8,329	4,329
Total revenues	<u>848,000</u>	<u>848,000</u>	<u>904,917</u>	<u>56,917</u>
<b>Expenditures</b>				
Current				
Transportation	1,653,920	1,807,568	1,461,879	345,689
Total expenditures	<u>1,653,920</u>	<u>1,807,568</u>	<u>1,461,879</u>	<u>345,689</u>
<b>Deficiency of revenues over expenditures</b>	<u>(805,920)</u>	<u>(959,568)</u>	<u>(556,962)</u>	<u>402,606</u>
<b>Other financing sources</b>				
Transfers in	799,920	799,920	799,920	-
Total other financing sources	<u>799,920</u>	<u>799,920</u>	<u>799,920</u>	<u>-</u>
<b>Change in fund balance</b>	(6,000)	(159,648)	242,958	402,606
<b>Fund balance, beginning of year</b>	<u>497,807</u>	<u>497,807</u>	<u>497,807</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 491,807</u>	<u>\$ 338,159</u>	<u>\$ 740,765</u>	<u>\$ 402,606</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeitures	\$ -	\$ -	\$ 15,925	\$ 15,925
Investment earnings	-	-	1,600	1,600
Total revenues	<u>-</u>	<u>-</u>	<u>17,525</u>	<u>17,525</u>
<b>Expenditures</b>				
Current				
Public safety	30,000	103,000	93,700	9,300
Total expenditures	<u>30,000</u>	<u>103,000</u>	<u>93,700</u>	<u>9,300</u>
<b>Change in fund balance</b>	(30,000)	(103,000)	(76,175)	26,825
<b>Fund balance, beginning of year</b>	<u>202,236</u>	<u>202,236</u>	<u>202,236</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 172,236</u>	<u>\$ 99,236</u>	<u>\$ 126,061</u>	<u>\$ 26,825</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

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#### 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 budget 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.

## CORRECTED

## 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>9/30/2019</u> <u>9/30/2018</u>	<u>9/30/2018</u> <u>9/30/2017</u>	<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	\$ 668,832	\$ 817,482	\$ 802,604	\$ 801,521	\$ 871,704
Interest	2,627,772	2,519,908	2,492,570	2,444,577	2,317,934
Difference between expected and actual experience	174,284	109,331	(630,774)	(533,237)	22,168
Assumption changes	392,598	824,532	345,787	335,762	-
Benefit payments	(2,085,119)	(2,064,187)	(2,240,698)	(1,545,365)	(1,153,732)
Refunds	-	-	-	(49,992)	(64,469)
Net change in total pension liability	1,778,367	2,207,066	769,489	1,453,266	1,993,605
Total pension liability - beginning	37,913,333	35,706,267	34,936,778	33,483,512	31,489,907
Total pension liability - ending	<u>\$ 39,691,700</u>	<u>\$ 37,913,333</u>	<u>\$ 35,706,267</u>	<u>\$ 34,936,778</u>	<u>\$ 33,483,512</u>
Plan fiduciary net position					
Contributions - employer (City)	\$ 813,108	\$ 786,998	\$ 860,950	\$ 999,117	\$ 993,478
Contributions - non-employer contributing entity (BSO)	121,532	126,703	135,040	96,707	248,338
Contributions - employee	367,684	413,738	437,430	364,865	527,463
Net investment income	3,152,883	3,134,831	2,401,377	741,361	2,812,142
Benefit payments	(2,085,119)	(2,064,187)	(2,240,698)	(1,545,365)	(1,153,732)
Refunds	-	-	-	(76,770)	(64,469)
Administrative expense	(61,705)	(51,226)	(57,388)	(77,950)	(40,559)
Net change in plan fiduciary net position	2,308,383	2,346,857	1,536,711	501,965	3,322,661
Plan fiduciary net position - beginning	33,707,299	31,360,442	29,823,731	29,321,766	25,999,105
Plan fiduciary net position - ending	<u>\$ 36,015,682</u>	<u>\$ 33,707,299</u>	<u>\$ 31,360,442</u>	<u>\$ 29,823,731</u>	<u>\$ 29,321,766</u>
Net pension liability	<u>\$ 3,676,018</u>	<u>\$ 4,206,034</u>	<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	90.7%	88.9%	87.8%	85.4%	87.6%
Covered payroll	<u>\$ 3,139,861</u>	<u>\$ 3,770,460</u>	<u>\$ 3,755,374</u>	<u>\$ 3,812,310</u>	<u>\$ 4,137,685</u>
Net pension liability as a percentage of covered payroll	117.1%	111.6%	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 CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**GENERAL EMPLOYEES' PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2019</u> <u>9/30/2018</u>	<u>9/30/2018</u> <u>9/30/2017</u>	<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	\$ 668,832	\$ 817,482	\$ 802,604	\$ 801,521	\$ 871,704
Interest	2,627,772	2,519,908	2,492,570	2,444,577	2,317,934
Difference between expected and actual experience	174,284	109,331	(630,774)	(533,237)	22,168
Assumption changes	392,598	824,532	345,787	335,762	-
Benefit payments	(2,085,119)	(2,064,187)	(2,240,698)	(1,545,365)	(1,153,732)
Refunds	-	-	-	(49,992)	(64,469)
Net change in total pension liability	1,778,367	2,207,066	769,489	1,453,266	1,993,605
Total pension liability - beginning	37,913,333	35,706,267	34,936,778	33,483,512	31,489,907
Total pension liability - ending	<u>\$ 39,691,700</u>	<u>\$ 37,913,333</u>	<u>\$ 35,706,267</u>	<u>\$ 34,936,778</u>	<u>\$ 33,483,512</u>
Plan fiduciary net position					
Contributions - employer (City)	\$ 813,108	\$ 786,998	\$ 860,950	\$ 999,117	\$ 993,478
Contributions - non-employer contributing entity (BSO)	-	126,703	135,040	96,707	248,338
Contributions - employee	-	413,738	437,430	364,865	527,463
Net investment income	-	3,134,831	2,401,377	741,361	2,812,142
Benefit payments	-	(2,064,187)	(2,240,698)	(1,545,365)	(1,153,732)
Refunds	-	-	-	(76,770)	(64,469)
Administrative expense	-	(51,226)	(57,388)	(77,950)	(40,559)
Net change in plan fiduciary net position	813,108	2,346,857	1,536,711	501,965	3,322,661
Plan fiduciary net position - beginning	-	31,360,442	29,823,731	29,321,766	25,999,105
Plan fiduciary net position - ending	<u>\$ 813,108</u>	<u>\$ 33,707,299</u>	<u>\$ 31,360,442</u>	<u>\$ 29,823,731</u>	<u>\$ 29,321,766</u>
Net pension liability	<u>\$ 38,878,592</u>	<u>\$ 4,206,034</u>	<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	2.0%	88.9%	87.8%	85.4%	87.6%
Covered payroll	<u>\$ 3,770,460</u>	<u>\$ 3,770,460</u>	<u>\$ 3,755,374</u>	<u>\$ 3,812,310</u>	<u>\$ 4,137,685</u>
Net pension liability as a percentage of covered payroll	1031.1%	111.6%	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**

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Reporting period ending				
Actuarially determined contribution	\$ 999,254	\$ 963,025	\$ 1,068,704	\$ 1,269,828
Actual City contribution	<u>1,000,080</u>	<u>981,925</u>	<u>1,068,704</u>	<u>1,095,824</u>
Contribution deficiency (excess)	<u>\$ (826)</u>	<u>\$ (18,900)</u>	<u>\$ -</u>	<u>\$ 174,004</u>
Covered payroll	\$ 3,139,861	\$ 3,770,460	\$ 3,755,374	\$ 3,812,310
Contributions as a percentage of covered payroll	31.9%	26.04%	28.46%	28.74%
Reporting period ending	<u>9/30/2014</u>			
Actuarially determined contribution	\$ 1,278,957			
Actual City contribution	<u>1,375,537</u>			
Contribution deficiency (excess)	<u>\$ (96,580)</u>			
Covered payroll	\$ 4,137,685			
Contributions as a percentage of covered payroll	33.24%			

**Notes to the Schedule:**

Actuarial cost method	Entry Age Normal
Inflation	2.50%
Salary increases	6.00%, including inflation
Investment rate of return	6.90%
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table For Annuitants with mortality improvements projected to all future years after 2000 using scale BB.

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**

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	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual money-weighted rate of return	<u>6.75%</u>	<u>7.20%</u>	<u>4.50%</u>	<u>3.12%</u>	<u>10.60%</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  
FIREFIGHTERS PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2018</u> <u>9/30/2017</u>	<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	\$ 127,131	\$ 159,041	\$ 158,031	\$ 188,438
Interest	1,961,774	1,973,413	1,939,322	1,885,382
Difference between expected and actual experience	(368,423)	(544,532)	47,678	104,017
Assumption changes	(300,125)	-	-	-
Benefit payments	(1,184,833)	(2,259,752)	(1,058,286)	(1,727,969)
Other	-	-	-	10,020
Net change in total pension liability	235,524	(671,830)	1,086,745	459,888
Total pension liability - beginning	28,490,626	29,162,456	28,075,711	27,615,823
Total pension liability - ending	<u>\$ 28,726,150</u>	<u>\$ 28,490,626</u>	<u>\$ 29,162,456</u>	<u>\$ 28,075,711</u>
Plan fiduciary net position				
Contributions - employer (City)	\$ 55,398	\$ 29,947	\$ -	\$ 1,580
Contributions - employer (State)	238,638	238,638	255,058	304,056
Contributions - non-employer contributing entity (BSO)	942,216	985,120	299,251	1,032,767
Contributions - employee	13,068	16,021	18,257	20,357
Net investment income	2,183,286	1,995,879	(542,222)	2,339,825
Benefit payments	(1,184,833)	(2,259,752)	(1,058,286)	(1,727,969)
Administrative expense	(78,548)	(97,893)	(71,424)	(60,591)
Net change in plan fiduciary net position	2,169,225	907,960	(1,099,366)	1,910,025
Plan fiduciary net position - beginning	23,520,243	22,612,283	23,711,649	21,801,624
Plan fiduciary net position - ending	<u>\$ 25,689,468</u>	<u>\$ 23,520,243</u>	<u>\$ 22,612,283</u>	<u>\$ 23,711,649</u>
Net pension liability	<u>\$ 3,036,682</u>	<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	89.4%	82.6%	77.5%	84.5%
Covered payroll	<u>\$ 378,798</u>	<u>\$ 464,086</u>	<u>\$ 529,204</u>	<u>\$ 590,048</u>
Net pension liability as a percentage of covered payroll	801.7%	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**

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Reporting period ending				
Actuarially determined contribution	\$ 1,337,407	\$ 1,220,415	\$ 1,279,156	\$ 1,358,054
Actual City contribution	<u>1,337,408</u>	<u>1,236,252</u>	<u>1,253,705</u>	<u>554,309</u>
Contribution deficiency (excess)	<u>\$ (1)</u>	<u>\$ (15,837)</u>	<u>\$ 25,451</u>	<u>\$ 803,745</u>
Covered payroll	\$ 245,265	\$ 378,798	\$ 464,086	\$ 529,204
Contributions as a percentage of covered payroll	545.3%	326.4%	270.1%	104.7%
Reporting period ending	<u>9/30/2014</u>			
Actuarially determined contribution	\$ 1,296,957			
Actual City contribution	<u>1,328,383</u>			
Contribution deficiency (excess)	<u>\$ (31,426)</u>			
Covered payroll	\$ 590,048			
Contributions as a percentage of covered payroll	225.1%			

**Notes to the Schedule:**

Actuarial cost method	Aggregate
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	7.25%
Investment rate of return	7.00%
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table For Annuitants with mortality improvements projected to all future years after 2000 using scale BB.

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**

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	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual money-weighted rate of return	<u>9.80%</u>	<u>9.50%</u>	<u>2.00%</u>	<u>11.40%</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  
POLICE OFFICERS PENSION PLAN**

Reporting period ending Measurement date	<u>9/30/2018</u> <u>9/30/2017</u>	<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	\$ 108,626	\$ 134,806	\$ 130,185	\$ 130,185
Interest	2,312,576	2,304,869	2,267,290	2,218,607
Difference between expected and actual experience	146,557	(228,987)	(120,237)	53,154
Assumption changes	411,295	671,944	-	-
Benefit payments	<u>(1,705,552)</u>	<u>(1,675,341)</u>	<u>(1,886,260)</u>	<u>(1,619,438)</u>
Net change in total pension liability	1,273,502	1,207,291	390,978	782,508
Total pension liability - beginning	<u>32,641,747</u>	<u>31,434,456</u>	<u>31,043,478</u>	<u>30,260,970</u>
Total pension liability - ending	<u>\$ 33,915,249</u>	<u>\$ 32,641,747</u>	<u>\$ 31,434,456</u>	<u>\$ 31,043,478</u>
Plan fiduciary net position				
Contributions - employer (City)	\$ 40,744	\$ 33,729	\$ 261,740	\$ 68,240
Contributions - employer (State)	299,282	299,282	-	263,432
Contributions - non-employer contributing entity (BSO)	1,117,071	865,777	-	921,133
Contributions - employee	37,028	173,408	92,898	43,899
Net investment income	3,060,337	2,376,767	(91,957)	2,463,427
Benefit payments	<u>(1,705,552)</u>	<u>(1,675,341)</u>	<u>(1,886,260)</u>	<u>(1,619,438)</u>
Administrative expense	<u>(77,654)</u>	<u>(94,541)</u>	<u>(77,791)</u>	<u>(65,442)</u>
Net change in plan fiduciary net position	2,771,256	1,979,081	(1,701,370)	2,075,251
Plan fiduciary net position - beginning	<u>27,131,390</u>	<u>25,152,309</u>	<u>26,853,679</u>	<u>24,778,428</u>
Plan fiduciary net position - ending	<u>\$ 29,902,646</u>	<u>\$ 27,131,390</u>	<u>\$ 25,152,309</u>	<u>\$ 26,853,679</u>
Net pension liability	<u>\$ 4,012,603</u>	<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	88.2%	83.1%	80.0%	86.5%
Covered payroll	<u>\$ 492,517</u>	<u>\$ 605,532</u>	<u>\$ 606,307</u>	<u>\$ 583,916</u>
Net pension liability as a percentage of covered payroll	814.7%	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 CITY CONTRIBUTIONS  
POLICE OFFICERS PENSION PLAN**

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Reporting period ending				
Actuarially determined contribution	\$ 1,562,525	\$ 1,461,567	\$ 1,531,436	\$ 1,380,815
Actual City contribution	<u>1,571,687</u>	<u>1,426,753</u>	<u>1,198,788</u>	<u>261,740</u>
Contribution deficiency (excess)	<u>\$ (9,162)</u>	<u>\$ 34,814</u>	<u>\$ 332,648</u>	<u>\$ 1,119,075</u>
Covered payroll	\$ 379,803	\$ 492,517	\$ 605,532	\$ 606,307
Contributions as a percentage of covered payroll	413.8%	289.69%	197.97%	43.17%
Reporting period ending	<u>9/30/2014</u>			
Actuarially determined contribution	\$ 1,048,841			
Actual City contribution	<u>1,252,805</u>			
Contribution deficiency (excess)	<u>\$ (203,964)</u>			
Covered payroll	\$ 583,916			
Contributions as a percentage of covered payroll	214.55%			

**Notes to the Schedule:**

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	5 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	5 - 10%, based on service, including inflation
Investment rate of return	7.00%
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table For Annuitants with mortality improvements projected to all future years after 2000 using scale BB.

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**

---

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual money-weighted rate of return	<u>11.44%</u>	<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>9/30/2018</u> <u>9/30/2017</u>	<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	\$ 57,604	\$ 51,781	\$ 51,781	\$ 43,630
Interest	327,264	330,375	313,814	356,197
Difference between expected and actual experience	201,569	-	11,098	-
Assumption changes	85,442	(125,142)	126,551	-
Benefit payments	(246,044)	(244,921)	(244,921)	(350,405)
Net change in total pension liability	425,835	12,093	258,323	49,422
Total pension liability - beginning	4,861,852	4,849,759	4,591,436	4,542,014
Total pension liability - ending	<u>\$ 5,287,687</u>	<u>\$ 4,861,852</u>	<u>\$ 4,849,759</u>	<u>\$ 4,591,436</u>
Plan fiduciary net position				
Contributions - employer (City)	\$ 415,079	\$ 407,167	\$ 366,299	\$ 506,288
Contributions - employee	31,636	30,554	29,366	28,150
Net investment income	536,281	289,334	(9,895)	240,525
Benefit payments	(246,044)	(244,921)	(244,921)	(261,166)
Administrative expense	(10,544)	(8,288)	(12,748)	(7,138)
Net change in plan fiduciary net position	726,408	473,846	128,101	506,659
Plan fiduciary net position - beginning	4,034,868	3,561,022	3,432,921	2,926,262
Plan fiduciary net position - ending	<u>\$ 4,761,276</u>	<u>\$ 4,034,868</u>	<u>\$ 3,561,022</u>	<u>\$ 3,432,921</u>
Net pension liability	<u>\$ 526,411</u>	<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	90.0%	83.0%	73.4%	74.8%
Covered payroll	<u>\$ 288,873</u>	<u>\$ 266,146</u>	<u>\$ 266,146</u>	<u>\$ 255,910</u>
Net pension liability as a percentage of covered payroll	182.2%	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 CITY CONTRIBUTIONS  
FLORIDA MUNICIPAL PENSION TRUST FUND**

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	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Reporting period ending				
Actuarially determined contribution	\$ 174,977	\$ 210,104	\$ 183,587	\$ 183,587
Actual City contribution	<u>378,645</u>	<u>415,079</u>	<u>407,167</u>	<u>366,299</u>
Contribution deficiency (excess)	<u>\$ (203,668)</u>	<u>\$ (204,975)</u>	<u>\$ (223,580)</u>	<u>\$ (182,712)</u>
Covered payroll	\$ 303,864	\$ 288,873	\$ 266,146	\$ 266,146
Contributions as a percentage of covered payroll	124.6%	143.69%	152.99%	137.63%
Reporting period ending	<u>9/30/2014</u>			
Actuarially determined contribution	\$ 506,288			
Actual City contribution	<u>506,288</u>			
Contribution deficiency (excess)	<u>\$ -</u>			
Covered payroll	\$ 255,910			
Contributions as a percentage of covered payroll	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>9/30/2018</u> <u>6/30/2018</u>	<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>
City's proportion of the FRS net pension liability	0.007980310%	0.006409960%	0.005146441%	0.004831350%
City's proportionate share of the FRS net pension liability	\$ 2,403,711	\$ 1,896,021	\$ 1,299,481	\$ 624,034
City's covered payroll	\$ 2,873,589	\$ 2,799,670	\$ 1,656,858	\$ 1,210,578
City's proportionate share of the FRS net pension liability as a percentage of its covered payroll	83.65%	67.72%	78.43%	51.55%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	83.89%	83.89%	84.88%	92.00%
Reporting period ending Measurement date	<u>9/30/2014</u> <u>6/30/2014</u>			
City's proportion of the FRS net pension liability	0.003887584%			
City's proportionate share of the FRS net pension liability	\$ 237,200			
City's covered payroll	\$ 1,066,552			
City's proportionate share of the FRS net pension liability as a percentage of its covered payroll	22.24%			
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	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 CITY CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM PENSION PLAN**

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Reporting period ending	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Contractually required FRS contribution	\$ 229,865	\$ 166,867	\$ 125,504	\$ 117,792	\$ 85,155
FRS contributions in relation to the contractually required FRS contribution	<u>229,865</u>	<u>166,867</u>	<u>125,504</u>	<u>117,792</u>	<u>85,155</u>
FRS contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 3,788,107	\$ 2,873,589	\$ 2,799,670	\$ 1,656,858	\$ 1,210,578
FRS contributions as a percentage of covered payroll	6.07%	5.81%	4.48%	7.11%	7.03%

**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>9/30/2018</u> <u>6/30/2018</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	0.012040480%	0.009212296%	0.007545538%	0.006719761%
City's proportionate share of the HIS net pension liability	\$ 1,274,378	\$ 985,021	\$ 879,401	\$ 685,310
City's covered payroll	\$ 2,873,589	\$ 2,799,670	\$ 1,656,858	\$ 1,210,578
City's proportionate share of the HIS net pension liability as a percentage of its covered payroll	44.35%	35.18%	53.08%	56.61%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	1.64%	1.64%	0.97%	0.50%
Reporting period ending Measurement date	<u>9/30/2014</u> <u>6/30/2014</u>			
City's proportion of the HIS net pension liability	0.005526173%			
City's proportionate share of the HIS net pension liability	\$ 516,711			
City's covered payroll	\$ 1,066,552			
City's proportionate share of the HIS net pension liability as a percentage of its covered payroll	48.45%			
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	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 CITY CONTRIBUTIONS  
HEALTH INSURANCE SUBSIDY PENSION PLAN**

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Reporting period ending	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Contractually required					
HIS contribution	\$ 65,493	\$ 48,754	\$ 38,676	\$ 25,687	\$ 18,931
HIS contributions in relation to the contractually required					
HIS contribution	<u>65,493</u>	<u>48,754</u>	<u>38,676</u>	<u>25,687</u>	<u>18,931</u>
 HIS contribution deficiency (excess)	 <u>\$ -</u>				
 Covered payroll	 \$ 3,788,107	 \$ 2,873,589	 \$ 2,799,670	 \$ 1,656,858	 \$ 1,210,578
 HIS contributions as a percentage of covered payroll	 1.73%	 1.70%	 1.38%	 1.55%	 1.56%

**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 TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,**

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	<b>2018</b>
<b>Total OPEB liability</b>	
Service cost	\$ 333,449
Interest on total OPEB liability	212,199
Experience differences	(99,432)
Changes of assumptions and other inputs	(41,026)
Benefit payments	(332,286)
Other changes	(134,672)
<b>Net change in total OPEB liability</b>	<b>(61,768)</b>
<b>Total OPEB liability - beginning</b>	<b>6,500,442</b>
<b>Total OPEB liability - ending</b>	<b>\$ 6,438,674</b>
<b>Covered-employee payroll</b>	<b>\$ 6,608,393</b>
<b>Total OPEB liability as a percentage of covered employee payroll</b>	<b>97.4%</b>

**Notes to the Schedule:**

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

The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

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**OTHER SUPPLEMENTARY INFORMATION**

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**CITY OF COOPER CITY, FLORIDA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2018**

	<b>Pension Trust Funds</b>			
	<b>General Employees</b>	<b>Police</b>	<b>Firefighters</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 360,649	\$ 1,315,740	\$ 615,730	\$ 2,292,119
Receivables/prepays				
Employer contributions	827	14,157	50,701	65,685
Prepaid items	1,377	-	-	1,377
Interest receivable	52,340	45,294	99,497	197,131
Due from other governments	-	-	7,478	7,478
Due from others	-	-	4,303	4,303
Total receivables	<u>54,544</u>	<u>59,451</u>	<u>161,979</u>	<u>275,974</u>
Investments, at fair value				
U.S. Government and agency securities	5,221,238	3,878,969	4,698,049	13,798,256
Corporate bonds	5,270,672	3,035,631	2,893,536	11,199,839
Equity securities	19,716,622	10,507,356	16,792,031	47,016,009
Equity mutual funds	979,303	8,371,332	-	9,350,635
Municipal obligations	153,808	-	-	153,808
Commingled real estate funds	4,323,724	4,802,016	1,434,178	10,559,918
Total investments	<u>35,665,367</u>	<u>30,595,304</u>	<u>25,817,794</u>	<u>92,078,465</u>
 Total assets	 <u>\$ 36,080,560</u>	 <u>\$ 31,970,495</u>	 <u>\$ 26,595,503</u>	 <u>\$ 94,646,558</u>
<b>Liabilities</b>				
Accounts payable	\$ 64,878	\$ 41,465	\$ 44,324	\$ 150,667
Total liabilities	<u>64,878</u>	<u>41,465</u>	<u>44,324</u>	<u>150,667</u>
<b>Net Position</b>				
Restricted for pension benefits - active and retired members' benefits	36,015,682	31,929,030	26,551,179	94,495,891
 Total liabilities and net position	 <u>\$ 36,080,560</u>	 <u>\$ 31,970,495</u>	 <u>\$ 26,595,503</u>	 <u>\$ 94,646,558</u>

**CITY OF COOPER CITY, FLORIDA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<b>Pension Trust Funds</b>			
	<b>General Employees</b>	<b>Police</b>	<b>Firefighters</b>	<b>Total</b>
<b>Additions</b>				
Contributions				
City	\$ 813,108	\$ 1,291,689	\$ -	\$ 2,104,797
Employees	302,244	91,839	9,147	403,230
Broward County Sheriff's Office	186,972	-	1,148,786	1,335,758
State/other	7,221	319,503	188,622	515,346
Total contributions	<u>1,309,545</u>	<u>1,703,031</u>	<u>1,346,555</u>	<u>4,359,131</u>
Investment income				
Net increase in fair market value	2,541,995	1,725,638	1,261,581	5,529,214
Interest and dividend income	863,417	677,602	744,931	2,285,950
Less investment expense	<u>(208,978)</u>	<u>(198,389)</u>	<u>(113,046)</u>	<u>(520,413)</u>
Net investment income	<u>3,196,434</u>	<u>2,204,851</u>	<u>1,893,466</u>	<u>7,294,751</u>
Total additions	<u>4,505,979</u>	<u>3,907,882</u>	<u>3,240,021</u>	<u>11,653,882</u>
<b>Deductions</b>				
Pension benefits	1,716,128	1,783,847	1,211,414	4,711,389
DROP distributions	368,991	100	1,078,928	1,448,019
Administrative expenses	112,477	97,551	87,968	297,996
Total deductions	<u>2,197,596</u>	<u>1,881,498</u>	<u>2,378,310</u>	<u>6,457,404</u>
Change in net position	<u>2,308,383</u>	<u>2,026,384</u>	<u>861,711</u>	<u>5,196,478</u>
Net position, restricted for pension benefits				
Beginning of year	<u>33,707,299</u>	<u>29,902,646</u>	<u>25,689,468</u>	<u>89,299,413</u>
End of year	<u>\$ 36,015,682</u>	<u>\$ 31,929,030</u>	<u>\$ 26,551,179</u>	<u>\$ 94,495,891</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 376,000	\$ 376,000	\$ 360,153	\$ (15,847)
Total revenues	<u>376,000</u>	<u>376,000</u>	<u>360,153</u>	<u>(15,847)</u>
<b>Expenditures</b>				
Debt service				
Principal retirement	364,800	364,800	364,354	446
Interest	11,200	11,200	11,454	(254)
Total expenditures	<u>376,000</u>	<u>376,000</u>	<u>375,808</u>	<u>192</u>
<b>Change in fund balance</b>	-	-	(15,655)	(15,655)
<b>Fund balance, beginning of year</b>	<u>60,849</u>	<u>60,849</u>	<u>60,849</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 60,849</u>	<u>\$ 60,849</u>	<u>\$ 45,194</u>	<u>\$ (15,655)</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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Impact fees				
Public safety	\$ -	\$ -	\$ 6,703	\$ 6,703
Park improvement	-	-	19,200	19,200
General government	-	-	110,519	110,519
Intergovernmental revenues	200,000	1,000,000	-	(1,000,000)
Investment earnings	-	-	61,475	61,475
Total revenues	<u>200,000</u>	<u>1,000,000</u>	<u>197,897</u>	<u>(802,103)</u>
<b>Expenditures</b>				
Capital outlay				
General government	150,000	319,876	281,182	38,694
Public safety	50,000	50,000	-	50,000
Physical environment	354,000	793,106	576,156	216,950
Culture and recreation	4,234,748	12,069,508	5,369,127	6,700,381
Total expenditures	<u>4,788,748</u>	<u>13,232,490</u>	<u>6,226,465</u>	<u>7,006,025</u>
<b>Deficiency of revenues over expenditures</b>	<u>(4,588,748)</u>	<u>(12,232,490)</u>	<u>(6,028,568)</u>	<u>6,203,922</u>
<b>Other financing sources</b>				
Transfers in	3,850,000	6,850,000	3,850,000	(3,000,000)
Total other financing sources	<u>3,850,000</u>	<u>6,850,000</u>	<u>3,850,000</u>	<u>(3,000,000)</u>
<b>Change in fund balance</b>	(738,748)	(5,382,490)	(2,178,568)	3,203,922
<b>Fund balance, beginning of year</b>	<u>5,830,422</u>	<u>5,830,422</u>	<u>5,830,422</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 5,091,674</u>	<u>\$ 447,932</u>	<u>\$ 3,651,854</u>	<u>\$ 3,203,922</u>

**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.

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<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changes over time.	113
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	119
<b>Debt Capacity</b>	
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.	123
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	127
<b>Operating Information</b>	
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.	129

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

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**CITY OF COOPER CITY, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

(Table 1)

(Amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital assets	\$ 43,205	\$ 44,401	\$ 46,173	\$ 46,474	\$ 42,338	\$ 41,965	\$ 43,811	\$ 45,488	\$ 45,407	\$ 50,232
Restricted	662	591	602	507	553	533	861	-	-	461
Unrestricted	13,089	9,573	7,017	6,345	12,668	12,945	1,181	(91)	2,441	(4,979)
Total governmental activities net position	\$ 56,956	\$ 54,565	\$ 53,792	\$ 53,326	\$ 55,559	\$ 55,443	\$ 45,853	\$ 45,397	\$ 47,848	\$ 45,714
<b>Business-type activities</b>										
Net investment in capital assets	\$ 30,645	\$ 32,846	\$ 33,139	\$ 34,607	\$ 34,543	\$ 35,835	\$ 45,558	\$ 48,450	\$ 51,553	\$ 51,442
Restricted	1,890	1,782	1,627	1,494	51	5	-	-	88	-
Unrestricted	4,216	6,360	10,362	11,814	17,012	18,013	12,265	9,862	7,385	5,296
Total business-type activities net position	\$ 36,751	\$ 40,988	\$ 45,128	\$ 47,915	\$ 51,606	\$ 53,853	\$ 57,823	\$ 58,312	\$ 59,026	\$ 56,738
<b>Primary government</b>										
Net investment in capital assets	\$ 73,850	\$ 77,247	\$ 79,312	\$ 81,081	\$ 76,881	\$ 77,800	\$ 89,369	\$ 93,938	\$ 96,960	\$ 101,674
Restricted	2,552	2,373	2,229	2,001	604	538	861	-	88	461
Unrestricted	17,305	15,933	17,379	18,159	29,680	30,958	13,446	9,771	9,826	317
Total primary government net position	\$ 93,707	\$ 95,553	\$ 98,920	\$ 101,241	\$ 107,165	\$ 109,296	\$ 103,676	\$ 103,709	\$ 106,874	\$ 102,452

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

(Table 2)

(Amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,676	\$ 4,359	\$ 4,413	\$ 4,264	\$ 4,554	\$ 4,286	\$ 3,727	\$ 5,395	\$ 4,629	\$ 4,927
Public safety	17,008	17,094	17,830	18,162	17,653	20,113	18,442	22,411	22,563	24,643
Physical environment	554	1,084	1,044	1,121	1,089	1,019	618	714	790	798
Transportation	908	753	761	646	1,750	1,422	1,613	1,909	1,852	1,783
Culture and recreation	2,974	3,256	3,495	3,208	3,044	3,085	2,788	3,186	3,662	7,615
Human services	224	167	-	-	-	-	-	-	-	-
Interest on long-term debt	193	159	123	65	48	40	32	27	19	11
Total governmental activities expenses	26,537	26,872	27,666	27,466	28,138	29,965	27,220	33,642	33,515	39,777
Business-type activities:										
Water and sewer utility	8,579	8,729	8,630	8,678	9,595	9,035	8,427	11,389	11,469	11,691
Parking facilities	38	42	43	40	58	54	96	140	143	101
Stormwater utility	314	319	307	365	329	346	366	399	403	447
Total business-type activities expenses	8,931	9,090	8,980	9,083	9,982	9,435	8,889	11,928	12,015	12,239
Total primary government expenses	\$ 35,468	\$ 35,962	\$ 36,646	\$ 36,549	\$ 38,120	\$ 39,400	\$ 36,109	\$ 45,570	\$ 45,530	\$ 52,016
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 925	\$ 731	\$ 144	\$ 117	\$ 157	\$ 173	\$ 171	\$ 1,154	\$ 1,263	\$ 244
Public safety	2,952	4,170	4,999	5,962	5,885	5,513	5,730	5,595	5,498	6,211
Transportation	154	8	51	52	52	54	55	-	-	-
Culture and recreation	-	553	596	596	566	527	530	634	973	748
Operating grants and contributions	100	85	327	273	625	115	136	-	497	49
Capital grants and contributions	45	5	1,953	810	896	41	482	89	308	207
Total governmental activities program revenues	4,176	5,552	8,070	7,810	8,181	6,423	7,104	7,472	8,539	7,459
Business type activities										
Charges for services:										
Water and sewer utility	9,913	10,049	10,418	11,175	11,805	11,229	11,780	11,678	11,950	11,858
Parking facilities	91	89	97	96	95	136	99	89	106	123
Stormwater utility	272	275	277	279	282	129	114	280	283	311
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	13	312	1	-	-	521	5,193	259	202	220
Total business-type activities program revenues	10,289	10,725	10,793	11,550	12,182	12,015	17,186	12,306	12,617	12,512
Total primary government program revenues	\$ 14,465	\$ 16,277	\$ 18,863	\$ 19,360	\$ 20,363	\$ 18,438	\$ 24,290	\$ 19,778	\$ 21,156	\$ 19,971

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (expense)/revenue	\$ (22,361)	\$ (21,320)	\$ (19,596)	\$ (19,656)	\$ (19,957)	\$ (23,542)	\$ (20,116)	\$ (26,170)	\$ (24,976)	\$ (32,318)
Governmental activities	1,358	1,635	1,813	2,467	2,200	2,580	8,297	378	602	273
Business-type activities	\$ (21,003)	\$ (19,685)	\$ (17,783)	\$ (17,189)	\$ (17,757)	\$ (20,962)	\$ (11,819)	\$ (25,792)	\$ (24,374)	\$ (32,045)
Total primary government net expense										
<b>General Revenues and Other Changes</b>										
<b>In Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 10,153	\$ 9,387	\$ 9,469	\$ 9,602	\$ 11,657	\$ 12,652	\$ 13,441	\$ 14,808	\$ 16,688	\$ 19,673
Franchise fees and utility taxes	5,570	5,639	5,567	5,740	5,939	6,273	6,310	6,126	6,072	6,132
Local option sales tax	-	-	-	-	-	-	-	2,173	2,204	2,307
Local option gasoline tax	-	-	-	-	-	-	-	597	614	615
Unrestricted intergovernmental revenues	-	-	-	-	-	-	-	1,525	1,361	1,380
Intergovernmental	3,024	2,986	2,999	2,950	3,480	3,416	7,135	-	-	-
Income on investments	547	273	151	100	41	106	109	156	203	173
Other revenues	105	181	168	148	375	209	285	315	283	246
Special item	-	-	-	28	-	-	-	-	-	-
Net transfers	421	462	469	622	698	772	932	14	-	1,290
Total governmental activities	19,820	18,928	18,823	19,190	22,190	23,428	28,212	25,714	27,425	31,816
Business-type activities:										
Income on investments	395	252	183	119	79	124	69	124	113	100
Other revenues	65	524	2,614	823	2,111	315	-	-	-	-
Net transfers	(421)	(462)	(469)	(622)	(698)	(772)	(932)	(14)	-	(1,290)
Total business-type activities	39	314	2,328	320	1,492	(333)	(863)	110	113	(1,190)
Total primary government	\$ 19,859	\$ 19,242	\$ 21,151	\$ 19,510	\$ 23,682	\$ 23,095	\$ 27,349	\$ 25,824	\$ 27,538	\$ 30,626
<b>Change in Net Position</b>										
Governmental activities	\$ (2,541)	\$ (2,392)	\$ (773)	\$ (466)	\$ 2,233	\$ (114)	\$ 8,096	\$ (456)	\$ 2,449	\$ (502)
Business-type activities	1,397	1,949	4,141	2,787	3,692	2,247	7,434	488	715	(917)
Total primary government	\$ (1,144)	\$ (443)	\$ 3,368	\$ 2,321	\$ 5,925	\$ 2,133	\$ 15,530	\$ 32	\$ 3,164	\$ (1,419)

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

(Table 3)

(Amounts expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	\$ -	\$ -	\$ 22	\$ 26	\$ 27	\$ 27	\$ 24	\$ 25	\$ 28	\$ 30
Restricted	-	-	-	-	-	-	-	-	-	249
Assigned	-	-	1,670	1,408	530	777	1,528	2,582	4,104	2,728
Unassigned	-	-	6,428	5,922	7,236	7,589	8,684	7,438	3,601	(134)
Reserved	25	23	-	-	-	-	-	-	-	-
Unreserved	12,176	9,675	-	-	-	-	-	-	-	-
Total general fund	\$ 12,201	\$ 9,698	\$ 8,120	\$ 7,356	\$ 7,793	\$ 8,393	\$ 10,236	\$ 10,045	\$ 7,733	\$ 2,873
All Other Governmental Funds										
Restricted, reported in:										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166
Debt Service Funds	-	-	-	-	-	-	-	-	-	45
Assigned, reported in:										
Special Revenue Funds	-	-	500	392	435	429	774	902	700	701
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	3,652
Unassigned, reported in:										
Special Revenue Funds	528	472	-	-	-	-	-	-	-	-
Debt Service Funds	134	119	-	-	-	-	-	-	-	-
Capital Projects Funds	792	1,371	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 1,454	\$ 1,962	\$ 3,630	\$ 4,344	\$ 4,928	\$ 4,930	\$ 5,580	\$ 5,812	\$ 6,591	\$ 4,564

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Property taxes	\$ 10,153	\$ 9,387	\$ 9,469	\$ 9,602	\$ 11,657	\$ 12,652	\$ 13,441	\$ 14,808	\$ 16,688	\$ 19,673
Franchise fees and utility taxes	5,712	5,639	5,566	5,740	5,939	6,273	6,310	6,126	6,072	6,132
Licenses and permits	925	1,682	2,175	1,897	1,576	1,151	1,195	1,105	1,154	1,597
Intergovernmental revenues	3,024	2,986	2,999	2,950	3,533	3,468	5,013	4,294	4,375	4,811
Charges for services	2,952	3,051	3,521	4,589	4,804	4,353	4,743	5,641	5,931	5,233
Fines and forfeitures	154	155	94	241	227	479	543	550	273	236
Impact fees	-	-	1,479	710	896	41	481	88	377	136
Grant revenues	-	-	-	-	-	-	-	907	33	49
Investment earnings	546	273	151	100	41	106	109	156	203	173
Miscellaneous revenues	252	845	849	594	944	379	372	316	283	246
<b>Total revenues</b>	<b>23,718</b>	<b>24,018</b>	<b>26,303</b>	<b>26,423</b>	<b>29,617</b>	<b>28,902</b>	<b>32,207</b>	<b>33,991</b>	<b>35,389</b>	<b>38,286</b>
<b>Expenditures</b>										
General government	4,096	4,010	4,056	3,976	4,299	3,918	4,224	5,121	4,848	4,871
Public safety	15,933	16,910	17,532	18,419	19,056	19,695	20,564	22,201	24,333	25,674
Physical environment	482	483	457	473	497	484	515	648	718	711
Transportation	908	747	758	643	1,750	1,422	1,196	1,242	1,494	1,462
Culture and recreation	2,773	2,713	2,804	2,641	2,493	2,473	2,406	2,784	3,854	7,145
Human services	141	155	-	-	-	-	-	-	-	-
Capital outlay	386	501	377	420	823	704	1,365	1,591	1,300	6,226
Debt service										
Principal retirement	765	799	562	458	327	334	341	349	356	364
Interest and fiscal charges	193	158	136	65	49	42	35	27	19	11
<b>Total expenditures</b>	<b>25,677</b>	<b>26,476</b>	<b>26,682</b>	<b>27,095</b>	<b>29,294</b>	<b>29,072</b>	<b>30,646</b>	<b>33,963</b>	<b>36,922</b>	<b>46,464</b>
Excess of revenues over (under) expenditures	(1,959)	(2,458)	(379)	(672)	323	(170)	1,561	28	(1,533)	(8,178)

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Other Financing Sources (uses)</b>										
Transfers in	1,285	1,355	988	1,194	2,299	2,257	2,791	2,285	2,495	5,940
Transfers out	(864)	(893)	(519)	(572)	(1,601)	(1,485)	(1,859)	(2,271)	(2,495)	(4,650)
Total other financing sources (uses)	421	462	469	622	698	772	932	14	-	1,290
Net change in fund balances	\$ (1,538)	\$ (1,996)	\$ 90	\$ (50)	\$ 1,021	\$ 602	\$ 2,493	\$ 42	\$ (1,533)	\$ (6,888)
Debt service as a percentage of noncapital expenditures	3.8%	3.8%	2.7%	2.0%	1.3%	1.3%	1.3%	1.2%	1.1%	0.9%

**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 <sup>(1)</sup>	Total Direct Tax Rate	Ratio Of Total Assessed To Total Estimated Actual Value
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%
2018	4,507,528,860	58,859,418	1,748,454,790	2,817,933,488	4,566,388,278	7.2680	61.71%

SOURCE: Certification from County Property Appraisers Office.

Note <sup>(1)</sup>: 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
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
2018	7.135	0.133	7.268	5.669	6.539	0.488	0.150	0.310	0.032	20.456

SOURCE: Broward County, Florida Property Appraiser.

**CITY OF COOPER CITY, FLORIDA**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**(Table 7)**

<b>Taxpayer</b>	<b>2018</b>			<b>2009</b>		
	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Morguard Monterra LP	\$ 51,100,000	1	1.92%			
Florida Power & Light Co.	22,711,580	2	0.86%			
SHI-II FSLD Cooper City LLC	22,215,000	3	0.84%	13,755,829	6	0.67%
ZOM Monterra LP	22,124,300	4	0.83%			
Regency Centers LP	21,341,930	5	0.80%			
Weingarten Realty Investors	19,148,860	6	0.72%	17,009,020	5	0.83%
Publix Supermarket	16,101,140	7	0.61%	20,920,450	3	1.02%
SPG Cooper City TR	13,157,140	8	0.50%	19,440,100	4	0.94%
Stirling Retail 26 LLC	12,338,090	9	0.46%			
Walmart Stores East LP	11,645,600	10	0.44%	10,712,340	8	0.52%
Tousa/Kolter LLC				32,576,250	1	1.58%
IRT Property Company				22,606,210	2	1.10%
Sunshine Wireless Co. Inc.				11,344,310	7	0.55%
Centre at Stirling & Palm Inc.				10,567,570	9	0.51%
Limoch Stirling, LLC				9,049,000	10	0.44%
<b>Total</b>	<b>\$ 211,883,640</b>		<b>7.98%</b>	<b>\$ 167,981,079</b>		<b>8.16%</b>

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 <sup>(1)</sup>	Percentage of Levy
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) <sup>(2)</sup>	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%
2018	20,154,861	19,287,960	95.70%	5,016	19,292,976	95.72%

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

NOTES:

<sup>(1)</sup> Collections do not include discount amounts.

<sup>(2)</sup> 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 <sup>(1)</sup>	Percentage of Personal Income <sup>(1)</sup>	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable			
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
2018	292	-	-	-	1,683	1,975	0.18%	89

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

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

**CITY OF COOPER CITY, FLORIDA**

**RATIOS 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 <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2009	\$ 3,276.00	\$ -	\$ 3,276.00	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
2018	292	-	292	0.01%	8.17

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

<sup>(1)</sup> See Table 5 for property value data.

<sup>(2)</sup> See Table 13 for population data.

**CITY OF COOPER CITY, FLORIDA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2018  
(Table 11)**

(Amounts expressed in thousands)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to Cooper City <sup>(1)</sup></b>	<b>Amount Applicable to Cooper City</b>
<b>Debt repaid with property taxes:</b>			
Broward County	\$ 181,970	1.60%	\$ 2,912
Broward County School District Board <sup>(2)</sup>	1,725,463	1.60%	27,607
Subtotal, overlapping debt			<u>30,519</u>
<b>City of Cooper City, Direct Debt</b>			<u>292</u>
Total direct and overlapping debt			<u><u>\$ 30,811</u></u>

NOTES:

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

<sup>(2)</sup> Net debt outstanding as of September 30, 2018.

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**

**PLEGGED REVENUE COVERAGE**

**LAST TEN FISCAL YEARS**

(Table 12)

(Amounts expressed in thousands)

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	<b>Water &amp; Sewer Revenue Bonds</b>			<b>Water &amp; Sewer Revenue Notes</b>		
				Debt Service			Debt Service		
				Principal	Interest	Coverage	Principal	Interest	Coverage
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	-	-	-	-	-	-
2018	11,823	8,490	3,333	-	-	-	-	-	-

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	<b>Stormwater Revenue Notes</b>		
				Debt Service		
				Principal	Interest	Coverage
2017	\$ 283	\$ 221	\$ 62	\$ 1,812	\$ 207	0.03
2018	311	245	66	1,683	177	0.04

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 <sup>(1)</sup></u>	<u>Personal Income <sup>(2)</sup> (In Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Median Age <sup>(3)</sup></u>	<u>School Enrollment <sup>(4)</sup></u>	<u>Unemployment Rate <sup>(5)</sup></u>
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%
2018	35,732	1,125,745	31,505	41.0	6,476	2.8%

Sources: <sup>(1)</sup> Furnished by Cooper City Growth Management Department.

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

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

<sup>(4)</sup> Furnished by the School Board of Broward County.

<sup>(5)</sup> Furnished by the Bureau of Labor Statistics.

**CITY OF COOPER CITY, FLORIDA**

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

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
School Board	596	1	3.31%	681	1	6.88%
Publix	565	3	3.14%	420	2	4.24%
Wal-Mart	256	2	1.42%	290	3	2.93%
Intergrated Medical Center	184	4	1.02%	96	7	0.97%
City of Cooper City	105	5	0.58%	99	6	1.00%
Animal Medical	91	6	0.51%			
Walgreens	50	7	0.28%	85	8	0.86%
Beverly Hill Café	38	9	0.21%	60	10	0.61%
CVS Pharmacy	32	8	0.18%	69	9	0.70%
Ross	30	10	0.17%			
Winn Dixie				140	4	1.41%
High Point of Florida				101	5	1.02%
<b>Total</b>	<b>1,947</b>		<b>10.82%</b>	<b>2,041</b>		<b>20.62%</b>

**CITY OF COOPER CITY, FLORIDA**

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

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Commission	1	1	1	1	1	1	1	1	1	1
Administration	2	2	2	2	2	2	2	3	3	4
Building department	9	9	9	8	8	8	6	7	8	7
City clerk	5	5	5	5	5	5	5	5	4	5
Finance	6	6	6	6	6	6	7	8	8	9
Growth management	4	4	4	3	3	2	2	2	2	2
Public works										
Administration	4	4	4	4	4	4	4	5	5	5
Property maintenance	4	5	4	4	4	4	5	5	5	5
Parks maintenance	12	11	12	12	12	12	11	11	11	11
Fleet maintenance	2	2	2	2	2	2	3	3	3	3
Recreation										
Administration	6	8	8	11	12	11	9	11	8	12
Pool and tennis center <sup>(2)</sup>	4	4	4	-	-	-	-	-	-	-
Health and social services <sup>(1)</sup>	2	-	-	-	-	-	-	-	-	-
Utilities										
Administration	5	5	5	5	5	5	6	6	5	6
Customer service	3	3	3	3	3	3	3	4	4	4
Stormwater	1	1	1	1	1	1	1	1	1	1
Wastewater										
Wastewater transmission	9	9	9	9	9	9	9	8	7	7
Wastewater plant	6	6	6	6	6	6	5	6	6	6
Water										
Water distribution	8	8	8	8	8	8	9	8	8	9
Water plant	7	7	7	7	8	7	7	9	8	8
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>97</b>	<b>99</b>	<b>96</b>	<b>95</b>	<b>103</b>	<b>97</b>	<b>105</b>

Source: Annual Budget.

<sup>(1)</sup> In 2010, Recreation combined Admin and Health and Social Services.

<sup>(2)</sup> In 2012, Recreation combined Admin with Pool and Tennis Center.

CITY OF COOPER CITY, FLORIDA

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government</b>										
Building permits issued	1,939	3,922	5,361	4,854	3,314	2,316	2,765	2,488	2,605	3,450
Building inspections conducted	9,380	5,624	25,411	25,547	17,266	7,022	7,003	7,340	7,179	8,889
<b>Police</b>										
Arrests	491	489	371	541	477	423	460	404	393	296
Parking violations	1,017	746	506	951	584	148	1,081	772	756	621
Traffic violations	3,972	3,575	3,118	4,558	3,727	4,284	3,803	6,705	8,007	6,564
<b>Fire</b>										
Emergency responses	2,474	2,390	2,387	2,429	2,472	2,642	2,345	2,517	2,266	2,847
Fires extinguished	63	67	59	45	50	49	30	34	32	17
Inspections	949	841	815	869	1,022	849	901	910	753	544
<b>Streets</b>										
Street resurfacing (miles)	2.67	2.63	0.25	-	0.06	1.00	-	6.00	2	1
Potholes repaired	99	188	85	186	173	129	105	133	125	214
<b>Culture and recreation</b>										
Athletic field permits issued	2	3	3	3	3	2	2	2	3	4
Community center admissions	88,690	66,443	67,931	63,510	59,153	55,800	54,316	54,336	53,896	14,990
Pool and tennis center admissions	113,428	104,999	104,122	96,400	82,816	65,000	51,446	60,578	61,193	62,279
<b>Water</b>										
New connections	9	224	405	377	273	31	16	24	15	5
Water main breaks	1	4	-	12	3	3	1	2	2	4
Average daily consumption (thousands of gallons)	2,885	2,700	2,700	3,010	3,060	3,200	3,200	3,200	3,320	3,320
Peak daily consumption (thousands of gallons)	4,371	3,200	3,200	3,630	3,710	3,900	5,862	4,704	4,850	4,460
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	2,434	2,634	2,634	2,634	2,439	2,485	2,550	2,450	2,447	2,447
<b>Transportation</b>										
Total route miles <sup>(1)</sup>	48,390	42,784	-	-	-	-	-	-	-	-
Passengers <sup>(1)</sup>	18,924	13,406	-	-	-	-	-	-	-	-
Senior citizens bus trips	1,501	1,571	2,533	2,493	2,218	2,172	2,592	3,138	2,906	3,922

Sources: Various City departments.

<sup>(1)</sup> 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)**

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Public safety</b>										
Police:										
Station	1	1	1	1	1	1	1	1	1	1
Fire:										
Station	1	1	1	1	1	1	1	1	1	1
<b>Streets</b>										
Streets (miles)	65.57	74.22	74.00	74.00	121.12	121.12	121.12	121.12	121.00	121.00
Streetlights	2,053	1,953	2,052	2,052	2,052	2,052	2,052	2,052	2,100	2,101
Traffic signals	22	27	27	27	27	27	27	27	27	27
<b>Culture and recreation</b>										
Baseball/softball diamonds	12	12	12	12	11	12	11	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	4
Hockey rinks	2	2	2	2	2	2	2	2	2	1
Multi-purpose fields	-	-	-	-	2	2	2	2	2	15
Parks	21	21	21	21	22	21	21	21	21	23
Parks acreage	106	106	106	106	106	106	106	106	106	106
Pavilions	4	5	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	10
Soccer/football fields	5	5	5	5	5	5	5	5	5	5
Tennis courts	15	15	15	15	15	15	15	14	14	14
Volleyball courts	-	-	-	-	7	7	7	7	7	12
Pickleball courts	-	-	-	-	-	-	-	2	2	2
<b>Water</b>										
Water plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	106.00	104.00	104.00	105.00	105.00	105.38	141.00	141.00	141.00	141.00
Fire hydrants	1,061	1,101	1,101	1,115	1,115	1,115	1,289	1,289	1,379	1,379
Storage capacity (thousands of gallons)	1,980	1,900	1,800	3,500	3,500	3,500	3,500	3,500	3,500	3,500
<b>Wastewater</b>										
Wastewater treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers gravity (miles)	91.00	89.00	89.00	90.00	90.00	90.38	90.00	90.00	90.00	90.00
Sanitary sewers force (miles)	-	-	-	-	-	-	37.00	37.00	37.00	37.00
Storm sewers (miles)	52.00	50.00	50.00	51.00	51.00	11.31	55.00	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.

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## **OTHER REPORTS**

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**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, Florida

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, 2018, 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 21, 2019. 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. The City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of October 1, 2017. Our opinions are not modified with respect to this matter.

**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.

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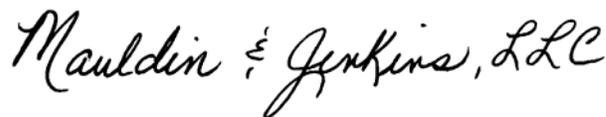
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 21, 2019

CITY OF COOPER CITY, FLORIDA

SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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SECTION I  
SUMMARY OF AUDIT RESULTS

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	___ yes <u>X</u> no
Significant deficiencies identified not considered to be material weaknesses?	___ yes <u>X</u> no
Noncompliance material to financial statements noted?	___ yes <u>X</u> 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, 2018, 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, 2018**

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STATUS OF PRIOR YEAR FINDINGS

None noted.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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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, 2018, and have issued our report thereon dated March 21, 2019. 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 61%, 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 21, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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**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.

**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 21, 2019



## INDEPENDENT ACCOUNTANT'S REPORT

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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, 2018. 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, 2018.

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.

A handwritten signature in cursive script that reads "Mauldin &amp; Jenkins, LLC".

Bradenton, Florida  
March 21, 2019

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