

City of Coral Springs, Florida

Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2018

PREPARED BY

THE DEPARTMENT OF FINANCIAL SERVICES

CITY OF CORAL SPRINGS, FLORIDA
Comprehensive Annual Financial Report
Fiscal year ended September 30, 2018



PREPARED BY THE DEPARTMENT OF FINANCIAL SERVICES
DIRECTOR OF FINANCIAL SERVICES.....KIM MOSKOWITZ
ASSISTANT DIRECTOR OF FINANCIAL SERVICES.....LAURA M. NORWALK

CITY OF CORAL SPRINGS, FLORIDA
COMMISSION-MANAGER FORM OF GOVERNMENT

CITY COMMISSION

MAYOR	VACANT
VICE MAYOR	JOY CARTER
COMMISSIONER	DAN DALEY
COMMISSIONER	JOSHUA SIMMONS
COMMISSIONER	LARRY VIGNOLA

CITY MANAGER
MIKE GOODRUM

CITY ATTORNEY	JOHN J. HEARN
CITY CLERK	DEBRA THOMAS

FINANCIAL SERVICES

DIRECTOR OF FINANCIAL SERVICES	KIM MOSKOWITZ
ASSISTANT DIRECTOR OF FINANCIAL SERVICES	LAURA M. NORWALK



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February 15, 2019

Honorable Mayor,
City Commissioners, City Manager and Citizens
City of Coral Springs, Florida

I am pleased to submit the Comprehensive Annual Financial Report ("CAFR") of the City of Coral Springs, Florida (the "City"), for the fiscal year ended September 30, 2018. Both state law and local ordinances require that the City issue annually a report on its financial position and activities, and that an independent firm of certified public accountants audit this report.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. The City operates under a system of accounting internal controls that are concerned with the safeguarding of assets and the reliability of financial records. The definition of accounting control assumes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived.

RSM US LLP, independent auditors, has issued an unmodified opinion on the City of Coral Springs' financial statements for the fiscal year ended September 30, 2018. The independent auditors' report is located at the front of the financial section of this report.

As a recipient of federal, state, and county financial assistance, the City is subject to an annual single audit in conformity with the provisions of the Office of Management and Budget (OMB) issued Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance or Guidance), and Chapter 10.550, Rules of Auditor General of the State of Florida. Information related to the Single Audit, including the schedule of expenditures of federal awards and state financial assistance, findings and recommendations, and auditors' reports on the internal control and compliance with applicable laws and regulations, are included in the Single Audit section.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

Profile of the City

The City was incorporated on July 10, 1963 and is located in northwestern Broward County, Florida. It encompasses 23.93 square miles and has a population of approximately 129,000, making it the fifth largest city in Broward County. The City operates under a Commission-Manager form of government, including five elected officials (the Mayor and four Commissioners). The Mayor is elected at-large on a non-partisan basis for a two-year term. The Commissioners are elected at-large on a non-partisan basis for four-year terms. The City Commission determines policy, adopts legislation, and approves the City's annual budget. The City Commission also appoints the City Manager who, as the Chief Administrative Officer, is charged with the responsibility of enforcing all ordinances and resolutions passed by the City Commission.

The City provides the following full range of municipal services authorized by its Charter: public safety, streets, sanitation, culture, education through its Charter School, recreation, public improvements, planning and zoning, water and sewer, and general administrative services.

This report includes all of the funds of the City. The City has one component unit, the Community Redevelopment Agency ("CRA"), which is shown as a separate discrete component unit.

The City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the City Commission. Activities of the General Fund, Fire Fund, Charter School Fund, Debt Service Fund, Public Arts Fund, Water and Sewer Fund and Solid Waste Fund are included in the annual budget. Project-length financial plans are adopted for the Capital Projects Funds and the Special Revenue Grants Fund. The legal level of control (the level at which actual expenditures and transfers out cannot legally exceed the "budget" appropriations) is maintained at the fund level. The City also maintains an encumbrance accounting system as one method of maintaining budgetary control. Encumbered accounts lapse at year-end for the General Fund and Special Revenue Funds.

Local Economy

As the local and regional economy continues to improve, the City has shifted away from recession recovery and is focused on sustaining long term financial stability.

The Municipal Complex, the most visible expression of constructing the downtown for tomorrow, has been open since January 2018. In addition, Cornerstone at Downtown Coral Springs is a mixed-use project being proposed on a seven-acre property at the SW corner of Sample Road and University Drive. The developer's preliminary plans include a 150 room four star hotel, 450 residential units, 213,000 square feet of commercial space (including restaurants, office and retail), a grocery store, and entertainment. With the recent approval of the new Downtown Mixed-Use (DT-MU) Zoning District, the amount of downtown housing is expected to increase significantly.

Economists are predicting that the high level of real growth in Florida's gross domestic product will see a slowdown over the next couple of years, but will remain above the national average. Florida's personal income growth continues to strengthen and is above the United States average however, per capita personal income is not growing at the same pace.

The economic growth in Florida is driven mainly by population growth, which boosts employment and income. Florida's population growth has seen a net permanent increase due in large part to the 2017 hurricanes that hit the Caribbean islands. As the City's population continues to grow, so does commercial and residential building, providing new jobs and residential housing for our residents. In addition, median sales prices for single-family homes and condominiums in Coral Springs and Broward County have increased. With the increase in population and median home prices, economists do not believe foreclosures are an issue for the housing market. Over the past year, the City has seen major retailers and businesses, such as Costco, WAWA, and MOD Pizza, investing in Coral Springs.

The City is working to attract new businesses, diversify the tax base, and increase property values. The City has seen the recent commercial expansion of Cleveland Clinic with a \$70-million investment, Broward Health Coral Springs, as well as the Village Green development with Starbucks and Holy Cross Urgent Care. These businesses will further diversify the economic base and provide a more solid foundation to withstand future economic downturns.

Long-Term Financial Planning and Relevant Financial Policies

The improving local and regional economy has favorably impacted the City's financial outlook. The City's September 2018 unemployment rate (2.7%) is expected to remain below the National (3.7%) and State (3.1%) rate and signs point toward moderate economic growth. Despite downward pressure on revenues due to residential build-out, tax relief legislation, and the lingering effects of the economic recession, the City's priority is to continue efforts to maintain sound fiscal management and stability. The City's healthy financial position can be attributed to long-term financial planning that identifies emerging issues which may affect our ability to provide the level and type of service customers expect. Our financial, political, and natural environments are forcing management to make the hard decisions to ensure the City continues to provide exceptional levels of service, control expenditure growth, and build a healthy stabilization fund to prepare the City for future challenges.

The City is proud to have earned the highest bond rating available from Standard and Poor's (S&P) (AAA) and Fitch Ratings (AAA). The City also received an Aa1 rating from Moody's Investors Service. The City's goal is to maintain the AAA from S&P and Fitch while making changes needed to earn the Aaa bond rating from Moody's. One way to achieve this goal is to increase fund balance. Achieving AAA bond rating is important for our residents because it indicates to investors that the City is a low-risk investment which translates into lower interest rates and corresponding lower interest payments on general obligation bonds.

The City's intergovernmental, franchise, and other demand-driven revenues fluctuate with the economy. Most experts agree the economy will continue to grow at a modest rate in the near term. However, rather than growth returning to normal levels, the economy will move slowly but steadily upward. In the previous fiscal year, the City Commission approved a millage increase from \$4.782 to \$5.8732 resulting in an 11.6% budgeted increase in overall revenues. Longer term, the City's revenue growth is anticipated to be slow and to more closely approximate the rate of inflation; therefore, forecasts show a growth rate under 3%. The City continues to control expenditure growth to stay within the anticipated growth rate. However, as CPI and other cost drivers increase with inflation, the need for future periodic millage rate increases may need to be considered.

Fund balances are improving as a result of growth-related revenues, improved productivity, and prudent financial management policies. Those fund balances have been leveraged to avoid future debt service by equity financing high priority capital purchases.

Expecting the economic recovery to maintain its slow but steady progression, the City's strategy is focusing its efforts on continuing to invest in the community, as well as providing high quality services to our residents, maintaining and improving our aging infrastructure, and building up our reserves.

Major Initiatives

The City Commission has set the stage for this strategy by incorporating language in the Strategic Plan directing the City to take a leadership role in creating its future by investing in our community. In partnership with the Economic Development Office, Community Redevelopment Agency, the Chamber of Commerce, and other stakeholders, the City will proactively prime the engine of economic growth by assisting our existing business community, devoting resources to encourage the redevelopment of the City's commercial areas such as the Corporate Park, and investing in education. In addition, the City will work to attract businesses and increase property values by investing in the appearance and the safety of our community.

A key component to building a stronger, more vibrant future for the City is the expansion of the commercial tax base. Approximately 45% of the City's revenue comes from property taxes which are the City's single largest revenue source. After several years of declining property values, the City's Total Taxable Assessed Values have steadily increased over the past six years. The tax base is expected to continue to grow due to new commercial entities, such as Cleveland Clinic and Costco, as well as key residential development projects currently underway.

The City will continue to invest in tools that allow its employees to achieve high levels of productivity as well as provide customer service that is second to none. State of the art technology infrastructure is a crucial element in allowing the City to meet its service delivery goals now and in the future. This objective must be balanced against the need to protect the confidentiality, integrity, and availability of information and at the same time control costs. It is also important that all City departments participate in efforts to utilize technology in an efficient and effective manner.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Coral Springs for its comprehensive annual financial report for the fiscal year ended September 30, 2017. This was the thirty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA Award for Distinguished Budget Presentation for the City's budget for the fiscal year ended September 30, 2017. It was the twenty-seventh consecutive year the City received the award for the document, which serves as the City's primary fiscal policy document.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Department of Financial Services. Appreciation is also extended to all employees throughout the City who assisted and contributed to the preparation of this report. In closing, due credit should also be given to the City Commission and City Management for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Kim Modakakis". The signature is fluid and cursive, with the first name "Kim" and last name "Modakakis" clearly distinguishable.

Director of Financial Services





Government Finance Officers Association

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

Presented to

**City of Coral Springs
Florida**

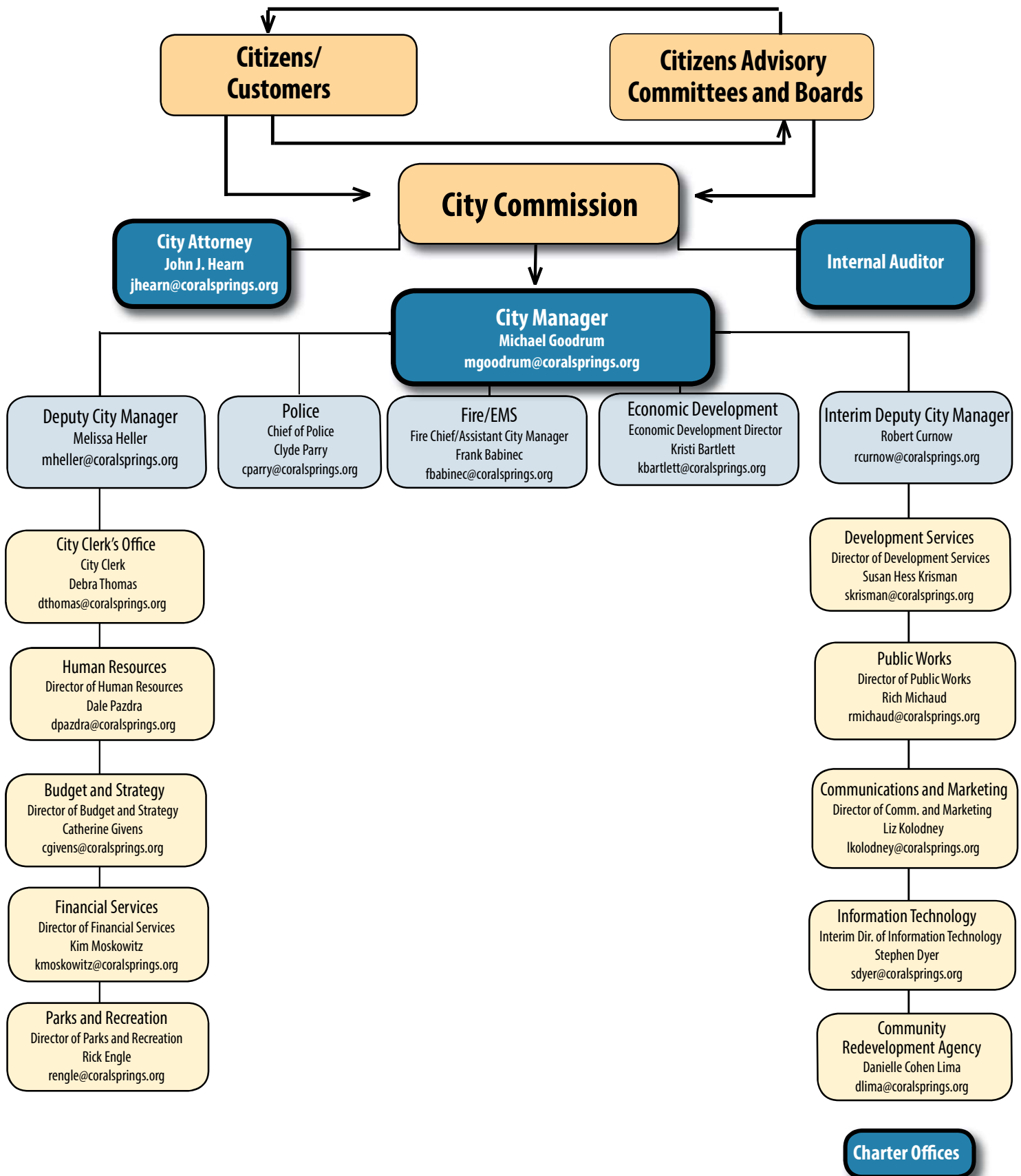
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrell

Executive Director/CEO

City of Coral Springs Organization Chart



CITY OF CORAL SPRINGS, FLORIDA

List of Principal Officials

September 30, 2018

<u>Title</u>	<u>Name</u>
Mayor	Vacant
Vice Mayor	Joy Carter
Commissioner	Larry Vignola
Commissioner	Dan Daley
Commissioner	Joshua Simmons
City Manager	Mike Goodrum
Deputy City Manager	Melissa P. Heller
Acting Deputy City Manager	Robert Curnow
Assistant City Manager/Fire Chief	Frank Babinec
City Attorney	John J. Hearn
City Clerk	Debra Thomas
Director of Budget and Strategy	Catherine Givens
Director of Communications and Marketing	Liz Kolodney
Director of Development Services	Susan H. Krisman
Director of Economic Development	Kristi Bartlett
Director of Financial Services	Kim Moskowitz
Director of Human Resources	Dale Pazdra
Acting Director of Information Technology	Stephen Dyer
Director of Parks & Recreation	Rick Engle
Director of Public Works	Richard Michaud
Police Chief	Clyde Parry



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Coral Springs, 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 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Coral Springs, Florida, 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 Note 16 to the accompanying financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statements No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* effective October 1, 2017. The net position balances of the governmental activities, business-type activities, water and sewer fund, and the aggregate remaining fund information as of October 1, 2017 has been restated. Our opinion is 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, budgetary comparison schedules, and other post-employment benefits and pension schedules* as listed in the table of contents 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 accompanying supplementary information such as the Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General of the State of Florida* and other information, such as the introductory section, statistical section, and combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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 February 15, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

Fort Lauderdale, Florida
February 15, 2019



City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

As management of the City of Coral Springs, 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. Since the management's discussion and analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and current known facts, please read it in conjunction with the transmittal letter and the City's financial statements.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of fiscal year 2018 by approximately \$183,630,000 (net position). Of this amount, approximately \$14,299,000 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. The City's unrestricted net position was negatively impacted by the implementation of GASB Statement No. 75 (GASB 75), Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions, which required the City to record its unfunded liability for Other Post-Employment Benefits (OPEB). This adjustment reduced governmental activities beginning net position by \$27.2 million and business-type activities beginning net position by \$1.3 million. More information can be found in Notes 14 and 16.
- The City's total net position increased by approximately \$17,401,000 or 10.5% in comparison to prior year. The increase in the City's net position is primarily attributable to an increase in general revenue in the governmental activities of \$14.2 million and an increase in operating revenues for business-type activities of \$1.1 million.
- At the end of the current fiscal year, fund balance for the General Fund was approximately \$27,470,000 or 23% of total General Fund expenditures. Of this balance, \$25,000 is restricted by specific legal requirements, \$21,857,000 has been committed to the City's stabilization fund, \$1,944,000 has been assigned to the computer replacement program, \$674,000 has been assigned to facilities replacement, \$365,000 has been assigned to parks replacement, \$1,692,000 has been assigned to fund future capital projects, and \$913,000 is classified as nonspendable.
- The City's business-type activities reported total net position of approximately \$55,054,000, which is a \$4.5 million increase or 8.9% in comparison to prior year net position. Approximately \$12,943,000 or 23.5% is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total debt, before premiums, increased by approximately \$948,000 (0.9%). This was due to the current year issuance of a \$10.0 million Special Obligation Bonds offset by current year payments of principal.

Overview of the Financial Statements

This financial section of the comprehensive annual financial report consists of the following: independent auditor's report, management's discussion and analysis (this section), the basic financial statements, required supplementary information and a section that presents combining and individual fund statements and schedules. The basic financial statements include the following two kinds of statements that present different views of the City:

- Within the government-wide financial statements, there are two statements that provide both long-term and short-term information about the City's overall financial status.
- The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - The Governmental Fund statements tell how general government services, such as public safety, were financed in the short-term, as well as what remains for future spending.

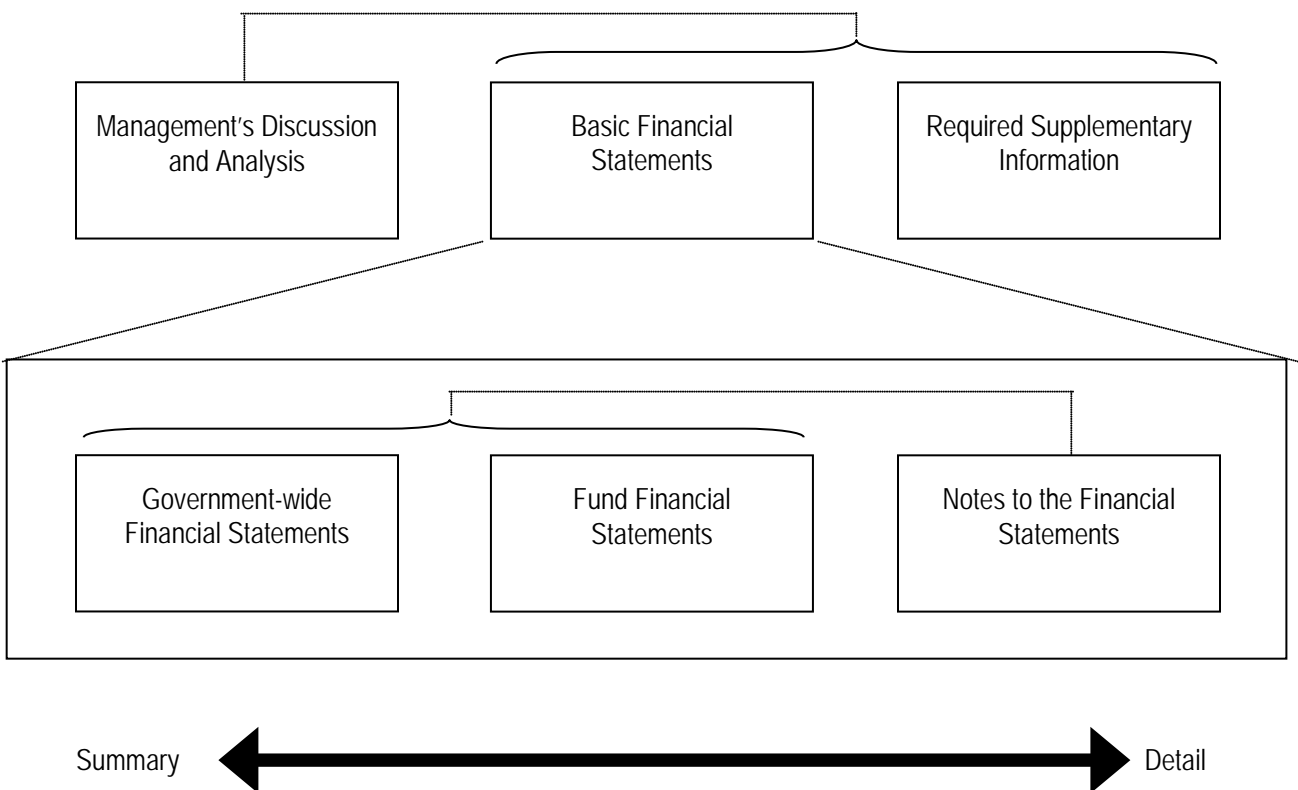
City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

- Proprietary Fund statements offer short-term and long-term financial information about the activities within the government that operate like a business, such as the water and sewer utility operations.
- Fiduciary Fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong (such as the retirement plans for the City's employees).

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that explains and supports the information in the financial statements. The figure below shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about nonmajor governmental funds, each of which are added together and presented in a single column in the basic financial statements. Combining statements are also presented for the Fiduciary Funds. Individual Internal Service Funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid a "doubling-up" effect within the governmental and business-type activities columns of said statements.

Required Components of the City's Comprehensive Annual Financial Report



City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

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 and liabilities/deferred inflows with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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, revenue and expenses are reported in this statement from some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (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, police, fire, parks and recreation, public works, development services, educational and cultural programs, and conference center. The business-type activities of the City include water and sewer utility services and solid waste services.

The government-wide financial statements include not only the City (the primary government), but also the Community Redevelopment Agency ("CRA"). Financial information for the CRA component unit is discretely presented and is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government.

In addition, the City has three separate single-employer defined benefit plans, an Other Post-Employment Benefits (OPEB) Trust Fund, seven defined contribution plans for general employees and City management under contract with the International City Management Association Retirement Corporation, for which the City acts as an agent for participants, and a defined contribution plan for City commissioners. The pension plans are reported as Fiduciary Funds in the fund financial statements of this report, but are not included in the government-wide statements.

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. These statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. The Governmental Fund balance sheet and the Governmental Fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the Governmental Fund balance sheet and in the Governmental Fund statement of revenue, expenditures and changes in fund balances for the General Fund, the Fire Fund, and the Grants Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the Combining and Individual Fund statements and schedules section.

Proprietary Funds

The City maintains the following two different types of proprietary funds:

- Enterprise Funds – These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its water and sewer and solid waste operations.
- Internal Service Funds – These funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds to account for its self-insurance and equipment services operations. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. Internal Services Funds are aggregated and presented in a single column. A statement of cash flows is presented at the fund financial statement level for Proprietary Funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the City. Fiduciary Funds are not reflected in the government-wide financial statements 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.

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.

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. This section also includes a comparison between the City's General Fund's adopted and final budget and actual financial results. Although the City adopts an annual appropriated budget for its General Fund, Fire Special Revenue Fund, Charter School Special Revenue Fund, Public Arts Special Revenue Fund, Debt Service Fund, Internal Service Funds and Enterprise Funds, a budgetary comparison schedule has been provided only for the General Fund and Fire Special Revenue Fund in this section. The budgetary comparison schedules for the other funds can be found in the supplementary information section of the CAFR.

Combining and individual fund statements referred to earlier in connection with nonmajor governmental funds, proprietary funds, and fiduciary funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

The two government-wide financial statements report the City's net position and how they have changed. Net position—the difference between the City's assets and deferred outflows and the City's liabilities and deferred inflows—is one way to measure the City's financial health and position. There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

1. **Net results of activities** could impact (increase/decrease) current assets and unrestricted net position.
2. **Borrowing for capital** will increase noncurrent assets and long-term debt.
3. **Spending borrowed proceeds on new capital assets** will reduce noncurrent assets and increase capital assets.
4. **Spending of nonborrowed current assets on new capital assets** will reduce current assets and increase capital assets and will reduce unrestricted net position and increase net investment in capital assets.
5. **Principal payment on debt** will reduce current assets and reduce long-term debt and reduce unrestricted net position and increase net investment in capital assets.
6. **Reduction of capital assets through depreciation** will reduce capital assets and net investment in capital assets.

City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

Summary Statement of Net Position

The following schedule presents a Summary Statement of Net Position of the City as of September 30, 2018 and 2017:

Summary Statement of Net Position September 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	Total
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 99,995,913	\$ 103,838,835	\$ 20,531,567	\$ 19,565,795	\$ 120,527,480	\$ 123,404,630
Capital assets	202,294,186	194,172,557	60,998,099	59,415,612	263,292,285	253,588,169
Total assets	302,290,099	298,011,392	81,529,666	78,981,407	383,819,765	376,992,799
Deferred outflows of resources	32,976,476	26,877,666	10,419	-	32,986,895	26,877,666
Long-term liabilities						
outstanding	152,369,880	127,490,787	22,673,837	22,884,273	175,043,717	150,375,060
Other liabilities	17,824,280	20,559,926	3,798,101	4,213,294	21,622,381	24,773,220
Total liabilities	170,194,160	148,050,713	26,471,938	27,097,567	196,666,098	175,148,280
Deferred inflows of resources	36,496,390	33,946,325	13,705	-	36,510,095	33,946,325
Net position:						
Net investment in capital assets	116,042,150	113,575,511	41,228,921	37,688,505	157,271,071	151,264,016
Restricted	11,177,345	12,661,504	882,773	1,251,930	12,060,118	13,913,434
Unrestricted	1,356,530	16,655,005	12,942,748	12,943,405	14,299,278	29,598,410
Total net position	\$ 128,576,025	\$ 142,892,020	\$ 55,054,442	\$ 51,883,840	\$ 183,630,467	\$ 194,775,860

The overall position of the City decreased in fiscal year 2018. Over time, net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$183.6 million. The total net position of the City decreased by \$11.1 million or approximately 6% from \$194.8 million in 2017 to \$183.6 million in 2018. The City's overall net position decreased \$11.1 million from the prior year due to an adjustment to beginning net position of \$28.5 million offset by an increase in net position of \$17.4 million from current year operations. As previously discussed, the adjustment to beginning net position was a result of the City adopting the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75. For more information on this adjustment, see Note 16 – Restatement of Prior Year Balances. The City is able to report positive balances in all reported categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

The decrease of \$2.9 million in the City's current and other assets is due primarily to a decrease in cash and investments of approximately \$4.5 million, a decrease in net OPEB asset of \$1.6 million and an increase in net pension asset of \$2.5 million. The decrease in net OPEB asset is due to adopting the provisions of GASB Statement No. 75.

The increase in deferred outflows of resources is due primarily to differences between projected and actual earnings on investment, demographic loss and assumption changes in the calculation of the net pension liability (asset) for the Pension Plans.

City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

Increase in long-term liabilities of approximately \$24.7 million is due to the recording of net OPEB liability of \$27.5 million, the issuance of Special Obligation Bonds of \$10.0 million offset by \$9.1 million in principal payments on debt and a \$3.4 million decrease in the net pension liability.

Increase in deferred inflows of resources is due primarily to differences between projected and actual earning on investments, demographic loss and assumption changes in the calculation of the net pension liability (asset) in the Pension Plans.

The largest portion of the City's net position, \$157.2 (86%) million reflects its investment in capital assets (for example: land, land improvements, public art, buildings, infrastructure, equipment and construction in progress) less any related debt used to acquire these assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position in the amount of \$12.1 million (6%) is reported separately to show legal constraints from covenants and enabling legislation. The remaining balance of unrestricted net position of \$14.3 million (8%) may be used to meet the City's ongoing obligations to citizens and creditors and is designated in its financial policies and strategies. The City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Summary of Changes in Net Position

The following information is presented to assist the reader in understanding the different types of normal impacts that can affect revenue:

1. **Economic condition** can reflect a declining, stable, or growing environment and has an impact on property, non-ad valorem assessments, sales, or other tax revenue as well as consumer spending habits for building permits, user fees, and consumption.
2. **The City Commission** has the authority to set increases or decreases in the City's rates such as water, sewer, permitting, impact fees, user fees and certain taxes.
3. **Changing patterns in intergovernmental and grant revenue** (both recurring and nonrecurring) can change and impact the annual comparisons.
4. **Market impacts on investment income** may cause investment revenue to fluctuate from year to year.

Introduction of new programs can have an impact on property, non-ad valorem assessments, sales or other tax revenue as well as consumer spending habits for building permits, user fees, and consumption. Some other impacts on expenses are as follows:

1. **Changes in service demand levels** can cause the City to increase or decrease authorized staffing. Staffing costs (salary and related benefits) represent approximately 66% of the City's operating costs.
2. **Salary increases** such as performance increases and market adjustments can impact personal service costs.
3. **While inflation** appears to be modest, the City is a consumer of certain commodities such as supplies, fuels, and parts. Some functional expenses may experience unusual commodity specific increases.

City of Coral Springs, Florida

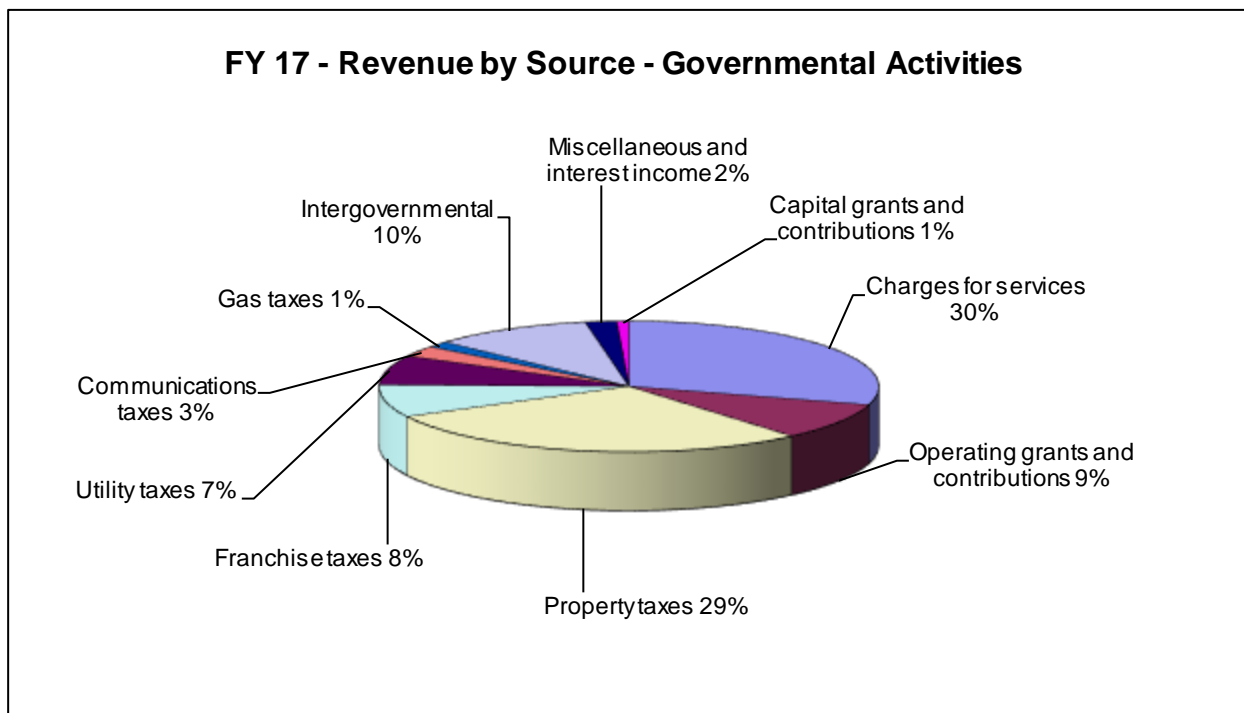
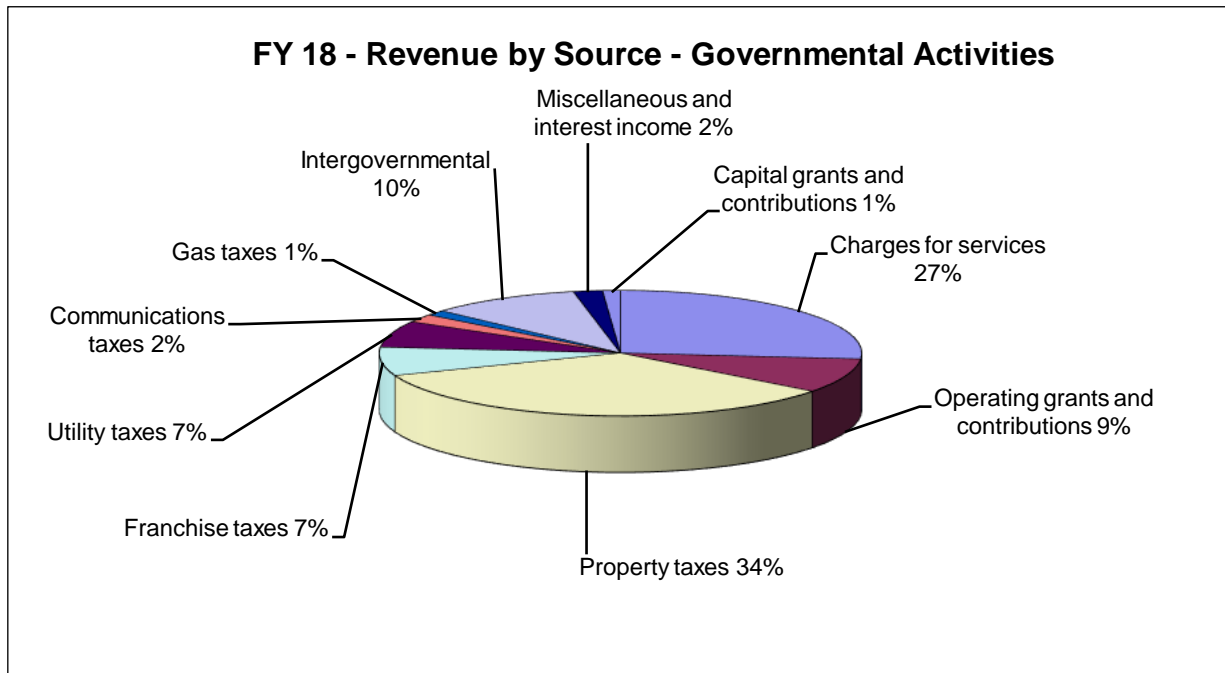
Management's Discussion and Analysis (Unaudited)

The following presents a summary of the City's operations for fiscal year 2018 with comparative information for fiscal year 2017:

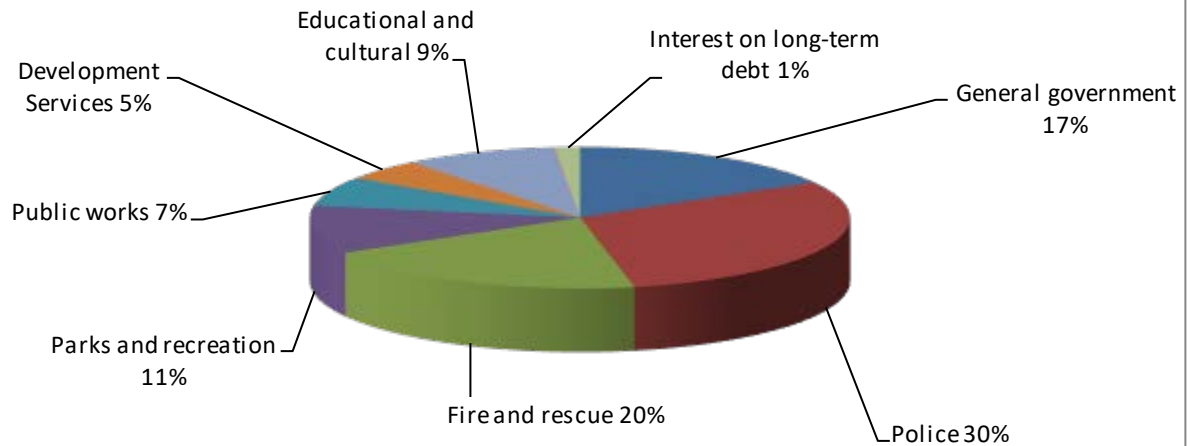
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue:						
Program revenue:						
Charges for services	\$ 45,317,678	\$ 45,514,861	\$ 28,052,851	\$ 26,954,644	\$ 73,370,529	\$ 72,469,505
Operating grants and contributions	15,225,061	14,194,130	-	-	15,225,061	14,194,130
Capital grants and contributions	2,048,316	1,223,532	1,857,234	793,405	3,905,550	2,016,937
General revenue:						
Property taxes	56,907,064	44,299,966	-	-	56,907,064	44,299,966
Franchise taxes	12,546,995	12,394,344	-	-	12,546,995	12,394,344
Utility taxes	11,655,950	11,351,304	-	-	11,655,950	11,351,304
Communications taxes	3,529,670	3,839,170	-	-	3,529,670	3,839,170
Gas taxes	2,307,521	2,301,939	-	-	2,307,521	2,301,939
Intergovernmental	17,304,907	16,067,807	14,367	-	17,319,274	16,067,807
Investment income	953,206	642,818	190,928	135,781	1,144,134	778,599
Miscellaneous	2,360,172	2,482,539	-	-	2,360,172	2,482,539
Total revenue	170,156,540	154,312,410	30,115,380	27,883,830	200,271,920	182,196,240
Expenses:						
General government	26,229,930	20,792,170	-	-	26,229,930	20,792,170
Public safety:						
Police	47,357,019	45,368,722	-	-	47,357,019	45,368,722
Fire and rescue	31,368,955	30,162,429	-	-	31,368,955	30,162,429
Parks and recreation	17,305,750	18,143,273	-	-	17,305,750	18,143,273
Public works	10,604,517	7,901,065	-	-	10,604,517	7,901,065
Development services	7,588,361	7,277,340	-	-	7,588,361	7,277,340
Educational and cultural programs	14,363,170	14,825,628	-	-	14,363,170	14,825,628
Conference center	190,118	190,118	-	-	190,118	190,118
Interest on long-term debt	2,329,765	2,547,323	-	-	2,329,765	2,547,323
Water	-	-	8,664,633	8,053,596	8,664,633	8,053,596
Sewer	-	-	12,405,728	11,340,056	12,405,728	11,340,056
Solid waste	-	-	4,462,767	4,343,534	4,462,767	4,343,534
Total expenses	157,337,585	147,208,068	25,533,128	23,737,186	182,870,713	170,945,254
Increases (decreases) in net position before transfers	12,818,955	7,104,342	4,582,252	4,146,644	17,401,207	11,250,986
Transfers in (out)	63,720	70,223	(63,720)	(70,223)	-	-
Change in net position	12,882,675	7,174,565	4,518,532	4,076,421	17,401,207	11,250,986
Net position, beginning	142,892,020	135,717,455	51,883,840	47,807,419	194,775,860	183,524,874
Cumulative effect of adoption of GASB No. 75	(27,198,670)	-	(1,347,930)	-	(28,546,600)	-
Net position, beginning (as restated)	115,693,350	135,717,455	50,535,910	47,807,419	166,229,260	183,524,874
Net position, ending	\$ 128,576,025	\$ 142,892,020	\$ 55,054,442	\$ 51,883,840	\$ 183,630,467	\$ 194,775,860

The City implemented GASB Statement 75 as of October 1, 2017. Information was not available to implement GASB Statement 75 for the prior periods presented in the MD&A.

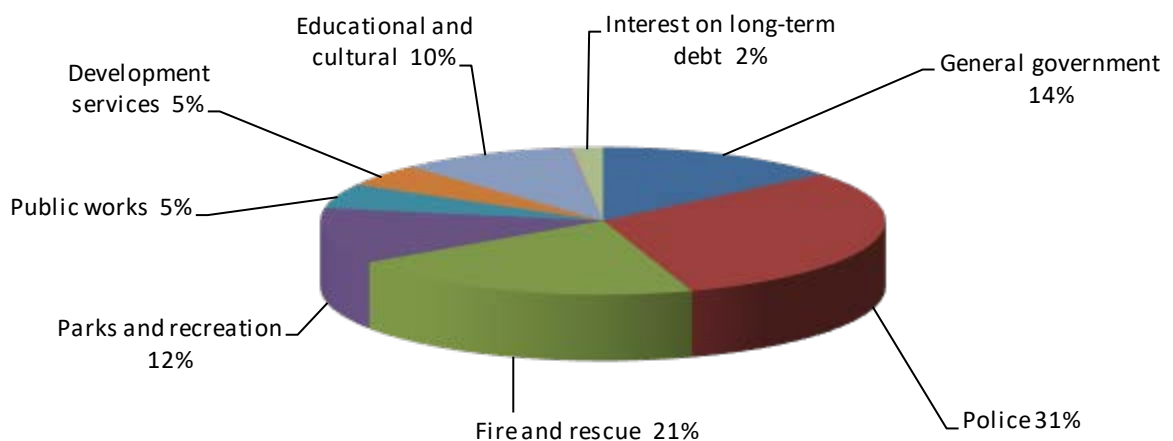
Summary Statement of Changes in Net Position



FY 18 Expenses by Program - Governmental Activities



FY 17 Expenses by Program - Governmental Activities



City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

The City's governmental activities net position decreased from \$142.9 million in 2017 to \$128.6 million in 2018. The \$14.3 million decrease is due primarily to a \$27.2 million adjustment to beginning net position as a result of the City adopting the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions, offset by a \$12.9 million increase from current operations. The increase in governmental activities net position from current operations is due primarily to the following:

- Property tax revenues increased \$12.6 million or 28.0% due primarily to an increase in the City's operating millage rate from 4.7982 to 5.8732 and a slight increase in the City's total taxable assessed value.
- Intergovernmental revenue increased \$1.2 million or 8% due primarily to an increase of \$0.6 million in half cents sales tax and \$0.2 million in state revenue sharing.
- Capital grants and contributions increased approximately \$0.8 million. Operating grants and contributions increased by \$1.0 million primarily due to \$0.5 million received from the state as a result of legislation passed that provides more construction funds to charter schools.
- Expenses during fiscal year 2018 increased by approximately \$10.1 million. Hurricane Irma impacted the City mid-September 2017. Because of the timing, much of the debris related work was accounted for in fiscal year 2018 which added \$6.1 million to expenses. The remaining increase of \$4.0 million, a 2.5% increase over prior years, is due primarily due to an increase in personnel related expenses including salaries, health insurance, pension and other benefits.

The business-type activities net position increased from \$51,884,000 in fiscal year 2017 to \$55,054,000 in fiscal year 2018. The \$3.2 million increase is primarily due to a \$4.5 million increase in net position offset by a charge to beginning net position of \$1.3 million for the implementation of GASB 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions, which required the City to record its unfunded liability for Other Post-Employment Benefits (OPEB). More information can be found in Notes 14 and 16. The Water and Sewer Fund's operating earnings are due primarily to a rate increase implemented in October 2017 offset by an increase in operating and program costs. The water conservation rate structure modification increased certain rates by an average of 3.5% and decreased other rates. The operating and administrative costs increased due primarily to an increase in wastewater treatment fees charged to the City by Broward County. The operating income in the Solid Waste Fund is due to an \$8.25 increase per single family home in the residential assessment. Capital grants and contributions increased \$1,064,000 in fiscal year 2018. These contributions typically vary from year to year based on activity and fluctuations are expected.

Financial Analysis of the City of Coral Springs' Funds

As noted earlier, the City uses fund accounting to help 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, an 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 Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the total fund balance reached approximately \$27,470,000. The City's approved fund balance policy requires a stabilization fund equal to 17% of General Fund budgeted expenditures for the following year. This amount provides a "rainy day" fund for use in unforeseen, unbudgeted emergency situations and is classified as committed fund balance. As a measure of the General Fund's liquidity, it may be useful to compare the total of unassigned fund balance and committed to stabilization fund balance to total fund expenditures as well as the total fund balance to total fund expenditures. The total of unassigned fund balance and committed to stabilization fund balance represents 20% of current year General Fund expenditures, while total fund balance represents 23% of current year General Fund expenditures.

The fund balance of the City's General Fund increased by approximately \$255,000 during the current fiscal year. This is due primarily to an increase in the ad valorem millage rate resulting in an increase in property taxes of \$12.6 million. This was offset by additional operating expenditures incurred for Hurricane Irma in fiscal year 2018 in excess of \$6.1 million. Expenditures for police, fire and public works increased over prior years due primarily to an increase in staffing. This was offset by a decrease in expenditures in parks and recreation, development services and education and cultural.

The fund balance for the Fire Fund increased \$88,000 due primarily to an increase in non-ad valorem special assessments and fire training tuition revenue offset by an increase in salary and benefits expenditures. The fund balance for the Grants Fund decreased \$286,000 which is due to monies earned but not available at year end. The negative fund balance in the Grants Fund will be eliminated in future periods as the City receives reimbursement for expenditures incurred from grantor agencies.

Proprietary Funds

The City's Proprietary Funds include the City's Enterprise Funds – Water and Sewer Fund and the Solid Waste Fund. An Enterprise Fund is used to account for activities for which a fee is charged to external users for goods and services. These funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Unrestricted net position of the Water and Sewer Fund and the Solid Waste Fund at the end of the current fiscal year totaled approximately \$12,697,000 and \$245,000, respectively.
- The operating income for the Water and Sewer Fund and the Solid Waste Fund was approximately \$2,940,000 and \$157,000, respectively.
- The increase in the Water and Sewer Fund is due primarily to a 3.5% rate increase implemented in October 2017 offset by an increase of \$1,279,000 in operating, program and administrative costs. These costs increased primarily due to an increase in wastewater treatment fees charged to the City by Broward County.
- The increase in the Solid Waste Fund is due to an \$8.25 per single family home increase in the residential assessment.

City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

General Fund Budgetary Highlights

The General Fund required some interdepartmental changes to the original budget. The difference between the adopted budget and the final budget was primarily due to the impact of Hurricane Irma on expenditures. The additional expenditures were partially offset by increases in court fines and code liens and fines revenues. The City amended the General Fund budget by \$4.0 million. The City's actual operations, including unbudgeted operations, resulted in a \$560,000 increase to fund balance after all financial policies had been implemented.

General Fund revenue was more than budgeted by approximately \$1,769,000 million or 1.4%. The variance in revenue is primarily due to favorable variances in licenses and permits and fines and forfeitures. Building permit revenue was the primary contributor to the approximately \$0.4 million favorable budget variance in licenses and permits. The favorable budget variance was due to new construction and several large renovation and expansion projects underway during the year. Code liens and fines was the primary contributor to the approximately \$0.8 million favorable variance in fines and forfeitures. Additionally, actual revenues were more than budgeted in the following revenues: approximately \$0.3 million in ad valorem taxes and \$0.4 million in electric and solid waste franchise fees.

General government expenditures were less than budgeted by approximately \$1.4 million or 5.4%. The variance is due in part to a \$2.5 million favorable variance in contingencies related to ensuring the City met its stabilization funding policy at year end. Hurricane Irma impacted the City mid-September 2017. Because of the timing, much of the debris related work was accounted for in fiscal year 2018 amounting to approximately \$6.1 million. This unanticipated expense was partially covered by a budget amendment for \$4.0 million resulting in an unfavorable variance due to Hurricane Irma of \$2.1 million at year end. The remaining variance in general government expenditures is primarily related to vacant positions during the fiscal year that led to a reduction in personnel expenditures. Fire expenditures were greater than budgeted due to overtime and pension costs being greater than budgeted. Parks and Recreation and Development Services expenditures were under budgeted due to salaries and operating expenditures being less than budgeted. The remaining variances are the result of actual expenditures being slightly different than budgeted.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2018 amounts to approximately \$263,292,000 (net of accumulated depreciation). This is a net increase (additions less retirements and depreciation) of approximately \$9,704,000 or 3.8% from last fiscal year. The following summarizes the City's capital assets as of September 30, 2018:

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 33,245,463	\$ 31,588,233	\$ 198,576	\$ 198,576	\$ 33,444,039	\$ 31,786,809
Construction in progress	1,687,616	35,192,776	2,317,606	8,835,193	4,005,222	44,027,969
Public art	951,324	727,192	-	-	951,324	727,192
Land improvements	11,007,251	9,932,732	24,230	29,970	11,031,481	9,962,702
Buildings	101,857,044	65,191,107	6,459,961	7,236,215	108,317,005	72,427,322
Infrastructure	32,981,308	33,115,479	51,056,323	42,110,358	84,037,631	75,225,837
Equipment	20,564,180	18,425,038	941,403	1,005,300	21,505,583	19,430,338
Total	\$ 202,294,186	\$ 194,172,557	\$ 60,998,099	\$ 59,415,612	\$ 263,292,285	\$ 253,588,169

City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

Major capital asset expenditures during the current fiscal year include the following:

- Purchase of land and building in the Greater Coral Springs Research and Development Park – \$6,185,000
- City Hall construction – \$4,618,000
- Purchase of 74 City vehicles – \$3,657,000
- Construction of NW 110th Avenue sidewalks and drainage improvements – \$1,631,000
- Coral Lago water main improvements – \$1,477,000
- Raw water well replacement – \$1,138,000
- Replacement of galvanized water service – \$910,000
- Rehabilitation of sanitary sewer lines – \$886,000
- Roadway resurfacing – \$715,000
- Installation of pedestrian lighting – \$698,000
- Improvements to water main and force main system – \$605,000
- Installation of LED field lighting – \$583,000

Additional information can be found in Note 6 Capital Assets and Construction Commitments.

Long-Term Debt

September 30, 2018 and 2017

At September 30, 2018, the City had \$109.8 million in debt (bonds, notes, etc.) outstanding compared to \$108.9 million last year, a 0.9% increase. Of this amount of debt outstanding, approximately 21% was backed by the full faith and credit of the City and the remaining balance was secured by various revenue sources. The debt position of the City is summarized below and is explained further in Note 8 Long-Term Liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 10,481,358	\$ 11,227,518	\$ -	\$ -	\$ 10,481,358	\$ 11,227,518
General obligation refunding	12,497,830	13,728,613	-	-	12,497,830	13,728,613
Special obligation bonds	32,230,000	22,230,000	-	-	32,230,000	22,230,000
Capital revenue notes	16,580,934	17,326,905	-	-	16,580,934	17,326,905
Capital revenue bonds	8,985,000	10,155,000	-	-	8,985,000	10,155,000
Revenue bonds	-	-	9,613,000	10,529,000	9,613,000	10,529,000
Revenue refunding bonds	7,949,864	11,043,874	-	-	7,949,864	11,043,874
Capital lease	-	462,438	-	-	-	462,438
State revolving fund loans	-	-	11,495,990	12,182,683	11,495,990	12,182,683
	88,724,986	86,174,348	21,108,990	22,711,683	109,833,976	108,886,031
Bond premium	4,432,760	4,780,533	-	-	4,432,760	4,780,533
Total	\$ 93,157,746	\$ 90,954,881	\$ 21,108,990	\$ 22,711,683	\$ 114,266,736	\$ 113,666,564

City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

The slight increase in the City's bonded debt in fiscal year 2018 is due to the issuance of \$10 million Special Obligation Bonds offset by current year principal payments for the applicable debt (see Note 8 for more information).

The City received AAA, the highest investment grade, by Fitch Ratings and by Standard and Poor's and Aa1 by Moody's for all of its General Obligation Bonds. The City received AA+ by Fitch Ratings and AAA by Standard and Poor's for the Special Obligation Bonds.

Economic Factors and Next Year's Budget

The City uses a multi-year strategic planning process that results in a mission and a set of strategic priorities that provide vision and direction for the City. Specific initiatives are developed in response to the priorities identified in the Strategic Plan. The Business Plan is an outcome of the strategic priorities, capturing the City's vision in a specific, directed, and quantifiable form, given the current economic conditions. A key piece in developing the Business Plan and Budget is the researched findings in the environmental scan and the resulting financial strategy.

In developing the Fiscal Year 2019 Business Plan, Annual Budget, and Capital Improvement Program, the following economic factors were considered:

- Although the City has reached residential build-out (defined as having 95% or more of developable land in use) and commercial/industrial is approaching build-out, the City has experienced re-development in the commercial/industrial sector. Commercial re-development is expected to continue aided by the downtown redevelopment and the construction of the new City Hall. In addition, Cornerstone at Downtown Coral Springs, is a mixed-use project being proposed on a 7-acre property site on the SW corner of Sample Road and University Drive in the heart of Downtown Coral Springs.
- With a healthy housing market, new residential development underway, and an energized commercial sector developing, growing and further diversifying the economic base will provide a more solid foundation to withstand future economic downturns.
- The City welcomed Costco, MOD Pizza, Rise Biscuits and Donuts, WAWA, Lady and the Mug, Broward Health Coral Springs, the Village Green development with Starbucks and Holy Cross Urgent Care, and look forward to Cleveland Clinic expanding in Coral Springs.
- Existing business facilities, such as 1750 University Drive Plaza and University Place at City Center are seeing modernizations, renovations, and expansions. Nearly all of the "big box" retail spaces within the City have been filled. Developers are also investing within the 442-acre Corporate Park of Coral Springs. Exeter Group Property is beginning a multi-million dollar renovation and development, which will lead to a total of 569,000 square feet of desirable industrial warehouse buildings.
- Business development continues to grow with 344 new business tax receipts issued since October 2017.
- The City's Total Taxable Assessed Values (TTAV) increased 4.08% between fiscal year 2013 and fiscal year 2014; increased 5.35% between fiscal year 2014 and fiscal year 2015; increased 6.24% between fiscal year 2015 and fiscal year 2016; increased 6.76% between fiscal year 2016 and fiscal year 2017; increased 7.39% between fiscal year 2017 and fiscal year 2018; and increased 6.99% between fiscal year 2018 and fiscal year 2019.

City of Coral Springs, Florida

Management's Discussion and Analysis (Unaudited)

- Overall, demand-driven revenues are expected to increase slightly. While some demand-driven revenues (e.g., Half-Cent Sales Tax, State Shared Revenue, Electric Utility Service Tax, and Electric Franchise Fee) are expected to increase, the projected decrease in Communications Service Tax will offset a portion of the growth the other revenues should experience, causing a slight increase.
- The City adopted a balanced budget for Fiscal Year 2019 using a millage rate of \$5.8732. Although this millage rate is the same millage rate as the Fiscal Year 2018 millage rate, it must be advertised as a tax increase because it is larger than the rolled-back rate of \$5.5366 mills. The Debt Service millage rate will decrease slightly from \$0.2753 to \$0.2652 due to an increase in City Taxable Value.
- The City will continue to fund vehicle and computer replacement and added a parks replacement fund to ensure it has sufficient funding on hand to replace vehicles, technology, and large park items such as new turf fields and a 50 meter pool when necessary, thereby avoiding the issuance of additional debt.
- An average increase of 3.5% in water and sewer rates in accordance with the recommendations of the 2013 Water and Sewer Rate Study.
- The number of residential properties in foreclosure has decreased 91% since 2010. There were approximately 500 properties in foreclosure in May 2018 down from a peak of nearly 5,500 in May 2010. The number of cases in all phases of foreclosure continues to decline.
- The City's unemployment rate has fallen from a high of 10.1% in August 2010 to 2.7% in September 2018.
- Gross Domestic Product, a universally-accepted measure of economic vitality, showed real growth of 2.2% for Florida in 2017 which is slightly lower than the prior year's growth of 2.6%. The growth for both years is above the national average. For 2018, Florida shows a growth rate of 2.5% which continues to be above the national average. As the economy picks up so does the City's revenue. If the economy stagnates, on the other hand, so does a significant portion of the City's revenue stream.

Contacting the City's Financial Services Department

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Financial Services Department, 9500 West Sample Road, Coral Springs, Florida 33065; (954) 344-1088.



City of Coral Springs, Florida

Statement of Net Position
September 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Community Redevelopment Agency
Assets				
Pooled cash and cash equivalents	\$ 23,549,730	\$ 4,077,573	\$ 27,627,303	\$ 657,455
Investments	43,516,734	9,868,551	53,385,285	-
Interest receivable	272,287	61,404	333,691	-
Accounts receivable, net	5,969,036	3,201,445	9,170,481	-
Due from other governments	3,678,474	727,605	4,406,079	-
Asset Held for Resale	375,000	-	375,000	-
Inventory	912,912	63,350	976,262	-
Restricted assets:				
Cash and cash equivalents	6,855,785	2,531,639	9,387,424	-
Investments	66,856	-	66,856	-
Net pension asset	14,799,099	-	14,799,099	-
Capital assets:				
Non-depreciable	35,884,403	2,516,182	38,400,585	55,610
Depreciable (net)	166,409,783	58,481,917	224,891,700	1,701
Total assets	302,290,099	81,529,666	383,819,765	714,766
Deferred outflows of resources:				
Deferred charge on refunding	482,023	-	482,023	-
Pensions (Note 13)	32,296,502	-	32,296,502	-
OPEB (Note 14)	197,951	10,419	208,370	-
Total deferred outflows of resources	32,976,476	10,419	32,986,895	-

City of Coral Springs, Florida

Statement of Net Position

September 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Community Redevelopment Agency
Liabilities				
Accounts payable and accrued liabilities	\$ 7,325,342	\$ 2,461,078	\$ 9,786,420	\$ 12,546
Accrued interest	137,000	145,198	282,198	-
Due to other governments	32,751	-	32,751	88,513
Accrued liability for estimated claims	4,541,147	-	4,541,147	-
Deposits and unearned revenue	5,788,040	1,191,825	6,979,865	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	5,715,598	55,428	5,771,026	-
Bonds, notes and lease payable	7,604,967	1,622,096	9,227,063	-
Landfill closure obligation	25,000	-	25,000	-
Due in more than one year:				
Compensated absences	-	132,144	132,144	-
Bonds, notes and lease payable	85,552,779	19,486,894	105,039,673	-
Landfill closure obligation	26,000	-	26,000	-
Net pension liability	27,277,298	-	27,277,298	-
Net OPEB liability	26,168,238	1,377,275	27,545,513	-
Total liabilities	170,194,160	26,471,938	196,666,098	101,059
Deferred inflows of resources:				
Revenue received in advance	753,425	-	753,425	-
Pensions (Note 13)	35,482,580	-	35,482,580	-
OPEB (Note 14)	260,385	13,705	274,090	-
Total deferred inflows of resources	36,496,390	13,705	36,510,095	-
Net Position				
Net investment in capital assets	116,042,150	41,228,921	157,271,071	57,311
Restricted for:				
Landfill	25,132	-	25,132	-
Fire safety	633,404	-	633,404	-
Charter school operations	6,031,673	-	6,031,673	-
Law enforcement	2,719,758	-	2,719,758	-
Public art	546,238	-	546,238	-
Physical environment	827,439	-	827,439	-
Affordable housing	294,359	-	294,359	-
Road improvement	99,342	-	99,342	-
Impact fees	-	882,773	882,773	-
Capital projects				185,521
Unrestricted	1,356,530	12,942,748	14,299,278	370,875
Total net position	\$ 128,576,025	\$ 55,054,442	\$ 183,630,467	\$ 613,707

See Notes to Financial Statements.

City of Coral Springs, Florida

Statement of Activities
Fiscal Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 26,229,930	\$ 4,126,051	\$ 8,500	\$ -
Police	47,357,019	3,360,828	815,776	78,659
Fire and emergency services	31,368,955	24,251,435	10,086	-
Parks and recreation	17,305,750	3,982,886	92,406	223,305
Public works	10,604,517	87,781	4,942	1,732,319
Development services	7,588,361	7,854,123	945,847	14,033
Educational and cultural programs	14,363,170	1,420,000	13,347,504	-
Conference center	190,118	234,574	-	-
Interest and fiscal charges	2,329,765	-	-	-
Total governmental activities	157,337,585	45,317,678	15,225,061	2,048,316
Business-type activities:				
Water	8,664,633	9,549,786	-	928,752
Sewer	12,405,728	13,883,535	-	928,482
Solid Waste	4,462,767	4,619,530	-	-
Total business-type activities	25,533,128	28,052,851	-	1,857,234
Total primary government	\$ 182,870,713	\$ 73,370,529	\$ 15,225,061	\$ 3,905,550
Component Unit:				
Community Redevelopment	\$ 320,020	\$ -	\$ -	\$ -
	\$ 320,020	\$ -	\$ -	\$ -

General revenue:

Taxes:

Ad valorem, levied for general purpose

Ad valorem, levied for debt service

Franchise fees

Utility taxes

Communication taxes

Gas taxes

Incremental property tax

Intergovernmental not restricted to specific programs

Investment income

Miscellaneous

Transfers

Total general revenue

Change in net position

Net Position – beginning, as restated (Note 16)

Net position, ending

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-Type Activities	Total	Community Redevelopment Agency	
\$ (22,095,379)	\$ -	\$ (22,095,379)	\$ -	
(43,101,756)	-	(43,101,756)	-	
(7,107,434)	-	(7,107,434)	-	
(13,007,153)	-	(13,007,153)	-	
(8,779,475)	-	(8,779,475)	-	
1,225,642	-	1,225,642	-	
404,334	-	404,334	-	
44,456	-	44,456	-	
(2,329,765)	-	(2,329,765)	-	
(94,746,530)	-	(94,746,530)	-	
-	1,813,905	1,813,905	-	
-	2,406,289	2,406,289	-	
-	156,763	156,763	-	
-	4,376,957	4,376,957	-	
(94,746,530)	4,376,957	(90,369,573)	-	
-	-	-	(320,020)	
-	-	-	(320,020)	
54,358,346	-	54,358,346	-	
2,548,718	-	2,548,718	-	
12,546,995	-	12,546,995	-	
11,655,950	-	11,655,950	-	
3,529,670	-	3,529,670	-	
2,307,521	-	2,307,521	-	
-	-	-	485,845	
17,304,907	14,367	17,319,274	-	
953,206	190,928	1,144,134	5,335	
2,360,172	-	2,360,172	5,000	
63,720	(63,720)	-	-	
107,629,205	141,575	107,770,780	496,180	
12,882,675	4,518,532	17,401,207	176,160	
115,693,350	50,535,910	166,229,260	437,547	
\$ 128,576,025	\$ 55,054,442	\$ 183,630,467	\$ 613,707	



City of Coral Springs, Florida

Governmental Funds

Balance Sheet

September 30, 2018

	General Fund	Fire Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and cash equivalents	\$ 10,178,036	\$ 747,551	\$ 308,186	\$ 12,252,861	\$ 23,486,634
Investments	19,034,972	1,400,060	577,193	10,105,862	31,118,087
Interest receivable	116,403	8,561	3,526	67,569	196,059
Accounts receivable, net	5,831,997	107,380	-	29,659	5,969,036
Due from other governments	2,383,485	1,838	1,222,272	70,879	3,678,474
Asset held for resale	-	-	-	375,000	375,000
Inventory	912,912	-	-	-	912,912
Total assets	\$ 38,457,805	\$ 2,265,390	\$ 2,111,177	\$ 22,901,830	\$ 65,736,202
Liabilities, deferred inflows of resources and fund balance:					
Accounts payable and accrued liabilities	4,226,785	793,940	158,577	1,967,245	7,146,547
Due to other governments	32,751	-	-	-	32,751
Deposits and unearned revenue	3,855,489	38,046	1,650,912	243,593	5,788,040
Advance from other funds	-	800,000	-	-	800,000
Total liabilities	8,115,025	1,631,986	1,809,489	2,210,838	13,767,338
Deferred inflows of resources:					
Unavailable and revenue received in advance	2,873,104	-	803,982	-	3,677,086
Total deferred inflows of resources	2,873,104	-	803,982	-	3,677,086
Fund balances:					
Nonspendable:					
Inventory	912,912	-	-	-	912,912
Restricted:					
Landfill long-term care	25,132	-	-	-	25,132
Fire safety	-	633,404	-	-	633,404
Capital projects	-	-	-	6,423,687	6,423,687
Charter school operations	-	-	-	6,031,673	6,031,673
Law enforcement	-	-	-	2,719,758	2,719,758
Public art	-	-	-	546,238	546,238
Physical environment	-	-	-	827,439	827,439
Affordable housing	-	-	-	294,359	294,359
Road improvements	-	-	-	99,342	99,342
Committed:					
Stabilization fund	21,857,275	-	-	-	21,857,275
Assigned:					
Computer replacement program	1,943,906	-	-	-	1,943,906
Facilities replacement	673,848	-	-	-	673,848
Parks replacement	364,621	-	-	-	364,621
Capital projects	1,691,982	-	-	3,252,034	4,944,016
Unassigned:					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Debt Service Fund	-	-	(502,294)	496,462	(5,832)
Total fund balances	27,469,676	633,404	(502,294)	20,690,992	\$ 48,291,778
Total liabilities, deferred inflows of resources and fund balances	\$ 38,457,805	\$ 2,265,390	\$ 2,111,177	\$ 22,901,830	\$ 65,736,202

See Notes to Financial Statements.



City of Coral Springs, Florida

Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
September 30, 2018

Fund balances – total governmental funds		\$ 48,291,778
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		188,648,193
Net pension asset is not reported in the funds as it is not available to pay for current period expenditures.		14,799,099
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.		2,923,661
Internal service funds are used by management to charge the costs of fleet management and self-insurance activities to individual funds. The net position of the internal service funds are included in governmental activities in the statement of net position.		28,529,177
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Accrued interest payable	(137,000)	
Bonds, notes and lease payable	(88,724,986)	
Compensated absences	(5,610,337)	
Landfill closure obligation	(51,000)	
Net pension liability	(27,277,298)	
Net OPEB liability	(25,617,327)	
		(147,417,948)
Certain items are recognized when debt is issued in the governmental funds. These items, however, must be capitalized and amortized in the government-wide statements:		
Premiums and discounts	(4,780,533)	
Accumulated amortization	347,773	
Total		(4,432,760)
Deferred outflows/inflows of resources reported in the statement of net position:		
Deferred charge on refunding	482,023	
Net deferred outflows – pensions	32,296,502	
Net deferred outflows – OPEB	193,784	
Net deferred inflows – pensions	(35,482,580)	
Net deferred inflows – OPEB	(254,904)	
		(2,765,175)
Net position of governmental activities		\$ 128,576,025

See Notes to Financial Statements.



City of Coral Springs, Florida

Governmental Funds

Statement of Revenue, Expenditures and Changes in Fund Balances

Fiscal Year Ended September 30, 2018

	General Fund	Fire Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Ad valorem	\$ 54,358,346	\$ -	\$ -	\$ 2,548,718	\$ 56,907,064
Franchise fees	12,546,995	-	-	-	12,546,995
Utility	11,655,950	-	-	-	11,655,950
Intergovernmental	22,892,603	156,189	2,919,848	13,440,810	39,409,450
Non-ad valorem special assessment	-	11,228,209	-	-	11,228,209
Licenses and permits	4,488,379	-	-	2,285	4,490,664
Charges for services	15,235,477	9,306,499	-	234,574	24,776,550
Fines and forfeitures	3,404,890	-	-	838,074	4,242,964
Interest and other	4,502,989	54,081	15,394	246,351	4,818,815
Total revenue	129,085,629	20,744,978	2,935,242	17,310,812	170,076,661
Expenditures					
Current:					
General government	24,541,474	-	8,500	750	24,550,724
Public safety:					
Police	51,858,722	-	93,842	267,982	52,220,546
Fire and emergency services	11,887,406	21,282,057	10,086	-	33,179,549
Parks and recreation	14,264,562	-	92,406	-	14,356,968
Public works	7,555,055	-	4,942	-	7,559,997
Development services	6,325,021	-	409,290	-	6,734,311
Educational and cultural programs	927,919	-	-	12,781,818	13,709,737
Capital outlay	-	561,337	2,602,022	17,469,904	20,633,263
Debt service:					
Principal	-	-	-	7,449,362	7,449,362
Interest and other	-	-	-	2,597,301	2,597,301
Total expenditures	117,360,159	21,843,394	3,221,088	40,567,117	182,991,758
Excess (deficiency) of revenue over (under) expenditures	11,725,470	(1,098,416)	(285,846)	(23,256,305)	(12,915,097)
Other financing sources (uses)					
Transfers in	-	1,516,799	-	10,776,702	12,293,501
Transfers out	(11,470,823)	(330,448)	-	-	(11,801,271)
Special obligation bonds issued	-	-	-	10,000,000	10,000,000
Total other financing sources (uses)	(11,470,823)	1,186,351	-	20,776,702	10,492,230
Net change in fund balances	254,647	87,935	(285,846)	(2,479,603)	(2,422,867)
Fund balances, beginning of year	27,215,029	545,469	(216,448)	23,170,595	50,714,645
Fund balances, end of year	\$ 27,469,676	\$ 633,404	\$ (502,294)	\$ 20,690,992	\$ 48,291,778

See Notes to Financial Statements.



City of Coral Springs, Florida

**Reconciliation of the Statement of Revenue,
Expenditures and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Fiscal Year Ended September 30, 2018**

Net change in fund balances, total governmental funds		\$	(2,422,867)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:			
Expenditures for capital assets	\$	18,602,766	
Less current year depreciation		(11,382,721)	
Total			7,220,045
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to decrease net position.			(277,201)
Revenues that are earned but not received within the City's availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available. The net difference is recorded as a reconciling item. Net effect of timing of revenue recognition for:			
Grant revenue			282,515
Ambulance transport fee			(253,686)
The issuance of long-term debt provides current financial resources and the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds.			
Debt issued:			
Special Obligation Bond		(10,000,000)	
Principal repayments on bonds and notes payable		7,449,362	
Net effect of amortizing loss on advance refunding, discounts and premiums from issuance of debt		190,816	
Total			(2,359,822)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.			1,483,363
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:			
Compensated absences		104,297	
Landfill closure obligation		24,000	
Accrued interest on long-term debt		18,779	
Credit to pension expense		9,670,201	
OPEB expense		(606,949)	
Total			9,210,328
Change in net position of governmental activities			<u><u>\$ 12,882,675</u></u>

See Notes to Financial Statements.

City of Coral Springs, Florida

Proprietary Funds
Statement of Net Position
September 30, 2018

	Business-Type Activities			Governmental Activities
	Major Fund	Nonmajor Fund		
	Water and Sewer	Solid Waste	Total	Internal Service Funds
Assets				
Current assets:				
Pooled cash and cash equivalents	\$ 3,834,282	\$ 243,291	\$ 4,077,573	\$ 6,918,881
Investments	9,412,896	455,655	9,868,551	12,465,503
Interest receivable	58,618	2,786	61,404	76,228
Accounts receivables, net	1,695,784	-	1,695,784	-
Unbilled usage fees	1,505,661	-	1,505,661	-
Due from other governments	727,251	354	727,605	-
Inventory	63,350	-	63,350	-
Advance to other fund	-	-	-	100,000
Restricted assets:				
Cash and cash equivalents	2,531,639	-	2,531,639	-
Total current assets	19,829,481	702,086	20,531,567	19,560,612
Noncurrent assets:				
Advance to other fund	-	-	-	700,000
Capital assets:				
Land	198,576	-	198,576	-
Construction in progress	2,317,606	-	2,317,606	1,440,467
Land improvements	100,597	-	100,597	-
Equipment	3,820,436	-	3,820,436	34,104,299
Buildings	27,409,843	-	27,409,843	-
Water and sewer system/infrastructure	93,727,860	-	93,727,860	-
Less accumulated depreciation	(66,576,819)	-	(66,576,819)	(21,898,773)
Total capital assets, net	60,998,099	-	60,998,099	13,645,993
Total noncurrent assets	60,998,099	-	60,998,099	14,345,993
Total assets	80,827,580	702,086	81,529,666	33,906,605
Deferred Outflows of Resources				
Deferred outflows - OPEB	10,419	-	10,419	4,167
Total deferred outflows of resources	\$ 10,419	\$ -	\$ 10,419	\$ 4,167

City of Coral Springs, Florida

Proprietary Funds
Statement of Net Position
September 30, 2018

	Business-Type Activities			Governmental Activities
	Major Fund	Nonmajor Fund		
	Water and Sewer	Solid Waste	Total	Internal Service Funds
Liabilities				
Current liabilities payable from current assets:				
Accounts payable and accrued liabilities	\$ 2,010,700	\$ 450,378	\$ 2,461,078	\$ 178,795
Accrued interest	145,198	-	145,198	-
Compensated absences	48,969	6,459	55,428	105,261
Current portion of long-term liabilities	1,622,096	-	1,622,096	-
Accrued liability for estimated claims	-	-	-	4,541,147
Total current liabilities payable from current assets	3,826,963	456,837	4,283,800	4,825,203
Current liabilities payable from restricted assets:				
Deposits	1,191,825	-	1,191,825	-
Total current liabilities payable from restricted assets	1,191,825	-	1,191,825	-
Total current liabilities	5,018,788	456,837	5,475,625	4,825,203
Noncurrent liabilities:				
Compensated absences	132,144	-	132,144	-
Net OPEB liability	1,377,275	-	1,377,275	550,911
Long-term liabilities	19,486,894	-	19,486,894	-
Total noncurrent liabilities	20,996,313	-	20,996,313	550,911
Total liabilities	26,015,101	456,837	26,471,938	5,376,114
Deferred inflows of resources:				
Deferred inflows - OPEB	13,705	-	13,705	5,481
Total deferred inflows of resources	13,705	-	13,705	5,481
Net Position				
Net investment in capital assets	41,228,921	-	41,228,921	13,645,993
Restricted:				
Impact fees	882,773	-	882,773	-
Unrestricted	12,697,499	245,249	12,942,748	14,883,184
Total net position	\$ 54,809,193	\$ 245,249	\$ 55,054,442	\$ 28,529,177

See Notes to Financial Statements.



City of Coral Springs, Florida

Proprietary Funds
Statement of Revenue, Expenses and Changes in Net Position
Fiscal Year Ended September 30, 2018

	Business-Type Activities			Governmental Activities
	Major Fund	Nonmajor Fund		
	Water and Sewer	Solid Waste	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 23,433,321	\$ 4,619,530	\$ 28,052,851	\$ 23,869,741
Other revenue	-	-	-	52,042
Total operating revenue	23,433,321	4,619,530	28,052,851	23,921,783
Operating expenses:				
Operating and program costs	11,235,630	4,346,830	15,582,460	1,422,395
Administration	4,027,373	115,937	4,143,310	3,011,279
Nondepartmental	894,163	-	894,163	-
Depreciation	4,336,005	-	4,336,005	3,188,122
Insurance claims, net of recoveries	-	-	-	12,296,035
Insurance premiums	-	-	-	3,094,773
Total operating expenses	20,493,171	4,462,767	24,955,938	23,012,604
Operating income	2,940,150	156,763	3,096,913	909,179
Nonoperating revenues (expenses):				
Investment income	170,121	20,807	190,928	197,908
Interest expense	(577,885)	-	(577,885)	-
Other revenue	14,367	-	14,367	-
Gain (loss) on disposal of capital assets	695	-	695	130,342
Total nonoperating revenue (expenses)	(392,702)	20,807	(371,895)	328,250
Income (loss) before capital contributions and transfers	2,547,448	177,570	2,725,018	1,237,429
Capital contributions – impact fees	35,655	-	35,655	-
Capital contributions	1,821,579	-	1,821,579	674,444
Transfers in	-	-	-	13,720
Transfers out	(63,720)	-	(63,720)	(442,230)
Change in net position	4,340,962	177,570	4,518,532	1,483,363
Net Position – beginning, as restated (Note 16)	50,468,231	67,679	50,535,910	27,045,814
Net position, ending	\$ 54,809,193	\$ 245,249	\$ 55,054,442	\$ 28,529,177

See Notes to Financial Statements.

City of Coral Springs, Florida

Proprietary Funds

Statement of Cash Flows

Fiscal Year Ended September 30, 2018

	Business-Type Activities -Enterprise Funds			Governmental Activities
	Major Fund	Nonmajor Fund		
	Water and Sewer	Solid Waste	Total	Internal Service Funds
Cash Flows From Operating Activities				
Receipts from customers	\$ 23,216,487	\$ 4,619,288	\$ 27,835,775	\$ -
Receipts from other funds	-	-	-	23,869,741
Receipts from employees and other sources	-	-	-	1,746,534
Payments to suppliers for goods and services	(13,735,413)	(4,357,973)	(18,093,386)	(5,264,683)
Payments for claims	-	-	-	(13,615,762)
Payments to employees for services	(3,001,796)	(110,435)	(3,112,231)	(1,699,058)
Net cash provided by operating activities	6,479,278	150,880	6,630,158	5,036,772
Cash Flows From Noncapital Financing Activities				
Receipts from other governments	14,367	-	14,367	-
Transfer to other funds	(63,720)	-	(63,720)	-
Advance from other funds	-	-	-	100,000
Net cash provided by (used in) noncapital financing activities	(49,353)	-	(49,353)	100,000
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(4,096,218)	-	(4,096,218)	(3,708,950)
Proceeds from sale of capital assets	-	-	-	160,547
Transfer to other funds	-	-	-	(442,230)
Principal paid on bonds	(1,602,691)	-	(1,602,691)	-
Interest paid on bonds	(584,179)	-	(584,179)	-
Proceeds from impact fees	35,655	-	35,655	-
Net cash used in capital and related financing activities	(6,247,433)	-	(6,247,433)	(3,990,633)
Cash Flows From Investing Activities				
Interest received	118,843	17,816	136,659	133,010
Proceeds from sale of investments	13,855,291	619,081	14,474,372	17,877,302
Purchase of investments	(13,683,480)	(707,766)	(14,391,246)	(18,323,279)
Net cash provided by (used in) investing activities	290,654	(70,869)	219,785	(312,967)
Net increase in cash and cash equivalents	473,146	80,011	553,157	833,172
Cash and cash equivalents, beginning of year	5,892,775	163,280	6,056,055	6,085,709
Cash and cash equivalents, end of year	6,365,921	243,291	6,609,212	6,918,881
Cash and cash equivalents reported as:				
Cash and cash equivalents, unrestricted	3,834,282	243,291	4,077,573	6,918,881
Cash and cash equivalents, restricted	2,531,639	-	2,531,639	-
\$ 6,365,921 \$ 243,291 \$ 6,609,212 \$ 6,918,881				

City of Coral Springs, Florida

Proprietary Funds

Statement of Cash Flows

Fiscal Year Ended September 30, 2018

	Business-Type Activities			Governmental Activities
	Major Fund	Nonmajor Fund		
	Water and Sewer	Solid Waste	Total	Internal Service Funds
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income	\$ 2,940,150	\$ 156,763	\$ 3,096,913	\$ 909,179
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	4,336,005	-	4,336,005	3,188,122
Changes in assets and liabilities:				
Increase in accounts receivable	(348,779)	-	(348,779)	-
Increase in inventory	(33,454)	-	(33,454)	-
Increase in due from other governments	(59,000)	(242)	(59,242)	-
Decrease in prepaid items	-	-	-	503,640
Increase in deferred outflow	(205)	-	(205)	(81)
Increase (decrease) in accounts payable	(531,968)	(8,785)	(540,753)	48,434
Decrease in due to other governments	-	(91)	(91)	-
Increase in accrued liability for estimated claims	-	-	-	374,765
Increase (decrease) in compensated absences	11,748	3,235	14,983	(421)
Increase in deposits	131,945	-	131,945	-
Increase in net OPEB liability	19,131	-	19,131	7,653
Increase in deferred inflows	13,705	-	13,705	5,481
Total adjustments	3,539,128	(5,883)	3,533,245	4,127,593
Net cash provided by operating activities	\$ 6,479,278	\$ 150,880	\$ 6,630,158	\$ 5,036,772
Noncash investing, capital, noncapital and related financing activities:				
Increase in fair value of investments that are not cash equivalents:				
Unrealized gain on investments	\$ 29,916	\$ 1,624	\$ 31,540	\$ 35,245
Developer contributions	1,821,579	-	1,821,579	-
Net contributions and transfers of equipment from the following sources occurred:				
General Fund	-	-	-	151,839
Fire Fund	-	-	-	37,232
Nonmajor funds	-	-	-	485,373
Water and Sewer Fund	-	-	-	13,720
Total noncash investing, capital, noncapital and related financing activities	\$ 1,851,495	\$ 1,624	\$ 1,853,119	\$ 723,409

See Notes to Financial Statements.

City of Coral Springs, Florida

Fiduciary Funds
Statement of Net Position
September 30, 2018

	Trust Funds
Assets	
Pooled cash and cash equivalents	\$ 11,349,258
Investments:	
Debt securities	61,624,323
Equity securities	296,105,235
Other investments	57,849,888
Pending trades	264,199
Interest receivable	429,817
Employee loan receivable and other assets	1,365,585
Capital assets, net of accumulated depreciation	1,705
Total assets	428,990,010
Liabilities	
Accounts payable and accrued liabilities	326,884
Pending trades	232,938
Total liabilities	559,822
Net Position	
Net position restricted for future pension benefits	1,731,484
Net position restricted for current pension benefits and other purposes	426,698,704
Total net position	\$ 428,430,188

See Notes to Financial Statements.

City of Coral Springs, Florida

Fiduciary Funds

Statement of Changes in Net Position

Fiscal Year Ended September 30, 2018

	Trust Funds
Additions	
Employee contribution	\$ 5,099,980
Employer contribution	14,705,746
State contribution	2,622,165
Rollovers, net	332,022
Total contributions	22,759,913
Investment income	9,016,155
Net appreciation in fair value of investments	31,933,592
Other income	11,104
	40,960,851
Investment expense	(1,790,380)
Net investment income	39,170,471
Total additions	61,930,384
Deductions	
Benefit payments	19,618,533
DROP payments and other	1,670,145
Refunds to participants	62,541
Loan defaults	258,676
Administrative expenses	351,229
Total deductions	21,961,124
Change in net position	39,969,260
Net position restricted for pension benefits and other purposes, beginning of year	388,460,928
Net position restricted for pension benefits and other purposes, end of year	\$ 428,430,188

See Notes to Financial Statements.

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City of Coral Springs, Florida

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Coral Springs (the "City") was incorporated on July 10, 1963, under the provisions of Chapter 63-1248 Laws of Florida, Acts of 1963. The City operates under a Commission-Manager form of government and provides the following full range of municipal services authorized by its charter: public safety, highways and streets, sanitation, culture, education through its charter school, recreation, public improvements, planning and zoning, water and sewer, and general administrative services.

The City's basic financial statements include the operations of all organizations for which the City is considered to be financially accountable.

The City Commission of Coral Springs, Florida under the provisions of Chapter 163 of the Florida Statutes established the Coral Springs Community Redevelopment Agency ("CRA") in 2001, by Ordinance No. 2001-128, as an independent special district. The CRA was established to prepare or have prepared a community redevelopment plan for areas within the City, which are determined to be slum or blighted areas and to carry out the community redevelopment purposes of Part III, Chapter 163, of the Florida Statutes. The CRA is a discretely presented component unit and is reported in a separate column in the government-wide financial statements. The CRA is a discrete component unit in that it is a legally separate entity, it has a governing board that is different from the City, a financial benefit/burden relationship exists with the City, and it does not provide services entirely or almost entirely to the City. The CRA's Board is composed of seven individuals, appointed by the City of Coral Springs' City Commission. Copies of these reports are available at the City Manager's Office in City Hall – 9500 West Sample Road, Coral Springs, Florida 33065.

The following is a summary of the significant accounting policies applicable to the City:

The accounting policies of the City conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

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 along with the notes to the financial statements. Both the government-wide and fund financial statements (within the basic financial statements) distinguish between the governmental and business-type activities of the City.

Government-wide financial statements include a statement of net position and a statement of activities. These statements report on the government as a whole and provide a financial picture of the entire government. The amounts reported as internal balances represent the residual amounts due between governmental and business-type activities. Fiduciary Funds of the government are not included in this presentation since these resources are not available for funding general government programs.

Note 1. Summary of Significant Accounting Policies (Continued)

The statement of net position reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities are those largely supported by taxes and intergovernmental revenue. Business-type activities rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges for goods or services that are recovered directly from customers for services rendered, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are not directly related to program revenue are reported as general revenue.

Separate financial statements are provided for Governmental Funds, Proprietary Funds, and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is provided which briefly explains the adjustments necessary to reconcile the governmental fund financial statements to the governmental activities of the government-wide presentations.

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

The government-wide, the proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are reported when a liability is incurred, regardless of the timing of related cash flows.

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, landfill postclosure care costs, pension costs, OPEB trust costs, and claims and judgments, are recorded only when payment is due.

Property taxes, when levied, franchise taxes, utility taxes, ambulance fees, intergovernmental revenues when the eligibility requirements are met, and interest income associated with the current fiscal period are recorded as revenue when measurable, if available. Licenses and permits, charges for services (excluding ambulance fees) and miscellaneous revenue are recorded as revenue when received in cash because they are generally not measurable until actually received.

City of Coral Springs, Florida

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

D. Major Funds and Basis of Presentation

The financial transactions of the City are recorded in individual funds. The operations of each fund are accounted for using a separate set of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets, liabilities, revenue or expenditures/expenses of the applicable fund category and the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are presented in one column in the respective fund financial statements.

The following is a description of the major governmental funds of the City:

The *General Fund* is the primary operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, charges for services, utility taxes, state, federal and other intergovernmental revenue. General operating expenditures, fixed charges, and capital outlay costs that are not paid through other funds are paid from the General Fund.

The *Fire Fund* is a special revenue fund used to account for the operations of the City's fire prevention and suppression services as well as training provided by the Fire Academy. Revenue is derived primarily from a non-ad valorem special tax assessment, a contractual agreement to provide fire/rescue services to a neighboring City, user fees for training and inspections and other intergovernmental revenue.

The *Grants Fund* is used to account for certain federal, state, and local grants received by the City.

The following is a description of the major proprietary fund of the City:

The *Water and Sewer Fund* accounts for the provision of water and sewer services to residents and businesses of the City that fall under the City's jurisdiction.

Additionally, the City reports the following fund types:

The *Internal Service Funds* are used to account for goods and/or services provided by one department to other departments of the City on a cost-reimbursement basis. The City operates two Internal Service Funds: the *Self-Insurance Fund* and the *Equipment Services Fund*.

The *Fiduciary Funds* are used to account for assets held by the City in a trustee capacity or as an agent on behalf of others. The trust funds account for the financial resources of the City's pension and OPEB trust plans. The funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting.

Note 1. Summary of Significant Accounting Policies (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenue for the various functions concerned.

Amounts reported as program revenue in the government-wide financial statements include: (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. All revenue that is not program revenue is general revenue, and includes all taxes, as well as grants, contributions and investment earnings that are not restricted to a particular program.

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. All revenue and expenses not meeting this definition are reported as nonoperating.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

E. Accounting Standards Adopted

In fiscal year 2018, the City adopted four new statements of financial accounting standards issued by the GASB:

- Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pensions*
- Statement No. 85, *Omnibus 2017*
- Statement No. 86, *Certain Debt Extinguishment Issues*
- Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*

GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pensions*, improved the accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). The adoption of GASB Statement No. 75 is reflected in the government-wide financial statements, proprietary funds financial statements, internal service funds financial statements, in Note 14, Other Post-Employment Benefits, in Note 16, Restatement of Prior Year Balances, as well as the Required Supplementary Information Section.

GASB Statement No. 85, *Omnibus 2017*, addressed practice issues that were identified during implementation and application of certain GASB Statements. The adoption resulted in no financial impact to the City.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, improved the consistency in accounting and financial reporting for in-substance defeasance of debt. The Statement also improved accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in-substance. The adoption resulted in no financial impact to the City.

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, enhanced the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The adoption resulted in approximately \$196,000 of interest not capitalized as capital assets.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Equity in pooled cash and investments: The City, for accounting and investment purposes, maintains a pooled cash and investments account. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earnings potential. Cash and cash equivalents include demand deposits, repurchase agreements, money market funds, cash on hand, commercial paper and certificates of deposits. The City considers all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

For purposes of the statement of cash flows, the Proprietary Funds' cash and cash equivalents, which are included in the City's pooled cash, are considered to be demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certain money market funds and investments in the Florida Municipal Investment Trust Fund are recorded at net asset value (NAV) per share. This method of determining fair value uses member units to which a proportionate share of net assets is attributed.

Interfund receivables and payables: During the course of its operations, the City has numerous transactions between funds that are lending and borrowing arrangements. These receivables and payables are classified as "due from other funds" or "due to other funds." Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. Balances of advances to other funds are classified as nonspendable in the fund balances of the respective funds since these balances are not available for appropriation.

Receivables and pending trades: All trade and other receivables are reported at original amount, net of an allowance for doubtful receivables based on a review of outstanding amounts on a regular basis. Management determines that allowance by specifically identifying uncollectible accounts and a general allowance is calculated based on the City's historic bad-debt experience.

Trust fund pending trades represent investment purchases or sales that have been initiated but have not settled as of the financial statement date, no allowance is recorded for such transactions.

Inventory: Inventory, consisting primarily of expendable supplies held for consumption, is stated at lower of cost or market on a first-in, first-out basis. The City utilizes the consumption method of accounting, which provides that expenditures are recognized when inventory is used. In the governmental funds' balance sheet, inventory is classified as nonspendable in the "fund balance" section to indicate that a portion of the "fund balance" is not available to pay for future expenditures.

City of Coral Springs, Florida

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Restricted assets: Certain proceeds from general obligation bonds and revenue notes and bonds, as well as other monies as required by bond indentures, are classified as restricted assets in the government-wide and proprietary fund statements of net position. Restricted assets are not presented on the balance sheet of the governmental funds; however, certain assets of these funds are restricted as to use.

Capital assets: Capital assets, which include land, public art, property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund statement of net position. Infrastructure assets are defined as public domain capital assets such as roads, bridges, sidewalks, traffic signals and similar items that are immovable and of value only to the government unit. The City capitalizes all capital assets with a cost in excess of a \$1,000 threshold and an estimated life greater than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

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, but are expensed as incurred.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

Asset Type	Years
Equipment	3 – 20
Vehicles	4 – 15
Building improvements	10 – 20
Land improvements	10 – 40
Other infrastructure	10 – 50
Buildings	40 – 50
Bridges	40
Roads	50

Deferred outflows/inflows of resources: The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. Currently, there are three items in this category reported on the Government-wide Statement of Net Position. The deferred charge on refunding is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. The deferred outflows related to pensions are comprised of the following items – investment gains and losses, demographic gains and employer pension contributions made subsequent to the measurement date which will be recognized in the following fiscal year. The deferred outflows related to OPEB is comprised of employer OPEB contributions made subsequent to the measurement date which will be recognized in the following fiscal year.

The Statement of Net Position also includes a separate section for Deferred Inflows of Resources. This represents the acquisition of net position applicable to future periods and will be recognized as revenue in the future period to which it applies. Currently, there are three items in this category. Unavailable revenue is revenue received in advance as listed in the following table. Deferred inflow of pension and OPEB earnings is the difference between expected and actual earnings on pension investments as further explained in Notes 13 and 14.

City of Coral Springs, Florida

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The following are the balances that comprise deferred inflows/outflows of resources at year end.

	Reflected on:	
	Fund Statements	Government-wide Statement
Deferred outflows of resources		
Deferred charge on refunding	\$ -	\$ 482,023
Pensions (Note 13)	-	32,296,502
OPEB (Note 14)	-	208,370
Total deferred outflows of resources	\$ -	\$ 32,986,895
Deferred inflows of resources		
Unavailable ambulance transport revenue	\$ 2,119,679	\$ -
Business tax revenues received in advance	753,425	753,425
Unavailable grant revenue	803,982	-
Pensions (Note 13)	-	35,482,580
OPEB (Note 14)	-	274,090
Total deferred inflows of resources	\$ 3,677,086	\$ 36,510,095

Unearned revenue: Unearned revenue represents grants and similar items for which the City has not met all eligibility requirements imposed by the provider to allow for revenue recognition.

Unavailable revenue: Unavailable revenue (a deferred inflow of resources) is recorded for governmental fund receivables that are not measurable and/or available. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. In addition, inflows that do not meet the criteria for revenue recognition are recorded as unavailable revenue in the government-wide and the fund statements.

Compensated absences: The City grants a specific number of vacation and sick leave hours with pay to its employees. When terminated, an employee is paid for accumulated vacation leave and a percentage of unused sick leave hours subject to certain limitations.

The cost of accumulated vacation and sick leave is recorded when earned by employees in the government-wide and proprietary funds financial statements for both the current and long-term portions. Expenditures for accumulated compensated absences are recorded in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term obligations: In the government-wide and the proprietary funds 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. Bonds payable are reported net of the applicable bond premiums or discounts. Bond premiums or discounts are amortized over the life of the bonds using the effective interest method. Deferred amounts on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method and reported as deferred outflows of resources. Issuance costs are expensed in the year of issuance, except for prepaid bond insurance costs.

Note 1. Summary of Significant Accounting Policies (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Payments to the refunded bonds escrow agent are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payment of debt principal and interest are reported as expenditures.

Nature and Purpose of Fund Balance: In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by: a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation are classified as *restricted* fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance are classified as *committed* fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as *assigned* fund balances. The City Commission, by resolution, authorized the City Manager to assign fund balance. The City Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. *Non-spendable* fund balances include amounts that cannot be spent because they are either: a) not in spendable form, or b) legally or contractually required to be maintained intact. *Unassigned* fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

When both restricted and unrestricted resources are available for use for a given purpose, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed. When unrestricted resources are available for use for a given purpose, it is the City's policy to use committed resources first, then assigned, and then unassigned, as they are needed.

Fund Balance Stabilization Policy: The City's policy is to maintain an adequate General Fund fund balance to provide a "rainy day" fund for use in unforeseen, unbudgeted emergency situations, such as sustained declines in real estate values of more than 10% and/or property tax collections that decline by more than 5%; 1.5% decline in revenues or 1.5% increase in spending requirements imposed by the state or federal government or vital to maintaining day to day operations of the City (e.g. gas, electricity); unreimbursable natural disaster expenditures or emergency infrastructure failures costing greater than \$1,500,000; or unforeseen litigation in excess of \$1,000,000. The City Commission established a committed fund balance reserve equal to 17% of budgeted General Fund expenditures for the following year. Stabilization funds may be used when the City Commission or City Manager recognizes a need to utilize the funds. If established by the City Manager, the specific need must be reported to the City Commission at their next meeting. The City Commission must approve a budget amendment authorizing use of the stabilization funds. When such a need is recognized as part of the budget process, the need and amount will be documented as part of that process and adopted as part of the budget. Should the balance drop below the minimum level of 17% of budgeted General Fund expenditures, the City will develop a plan to replenish the account to the minimum level from net revenue surpluses in subsequent fiscal year(s) until the balance is restored to the minimum level.

Note 1. Summary of Significant Accounting Policies (Continued)

Net position (deficit): Net position (deficit) is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted, and unrestricted. The first category represents capital assets, less accumulated depreciation and net of any outstanding debt associated with the acquisition of capital assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position represents net position that is restricted by requirements of bond indentures and other externally imposed constraints. Unrestricted net position (deficit) represents the net position of the City that is not restricted for any project or purpose.

Self-insurance: The City is partially self-insured for general and auto liability, property, workers' compensation, and employees' health and dental. The operating funds are charged premiums by the City's Self-Insurance Fund, which is accounted for as an Internal Service Fund. The accrued liability for estimated claims reported in the self-insurance fund represents an estimate of the eventual loss on claims including claims incurred but not yet reported.

Pensions: For the purposes of measuring the net pension liability, net pension asset, 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 General Employees' Retirement Plan, Police Officers' Retirement Plan and the Firefighters' Retirement Plan (the Plans) and additions to/deductions from the Plans' 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. Investments in real estate are recorded at market using valuation techniques such as the market approach or the income approach for which sufficient and reliable data is available.

Other Post-Employment Benefits (OPEB): For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Other Post-Employment Trust and additions to/deductions from OPEB fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. Investments are reported at net asset value per share.

G. Other Policies

Property taxes: The City's property tax is levied, becomes a lien on real and personal property located in the City, and is recorded as a receivable on November 1 of each year based upon the assessed value established by the Broward County Property Appraiser as of the prior January 1. The City is permitted by Florida law to levy ad-valorem taxes for real and tangible personal property taxes up to \$10 per \$1,000 of assessed value, except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad-valorem taxes. The assessed value as of January 1, 2017, upon which the 2018 fiscal year levy was based, was approximately \$9.6 billion. Taxes were levied at \$5.8732 per \$1,000 for the General Fund and \$0.2753 per \$1,000 for the Debt Service Fund, for the year ended September 30, 2018.

Taxes become payable on November 1st each year and are discounted 1% for each month for payment prior to the following March 1st. All unpaid taxes become delinquent on April 1st and are subject to the issuance of Tax Sale Certificates on June 1st. Tax collections for the year ended September 30, 2018 were 94.8% of the tax levy, net of discounts allowed.

Note 1. Summary of Significant Accounting Policies (Continued)

The City's tax revenue is first paid to the Broward County Tax Collector who then remits such collections to the City based on a calendar prescribed by law. The City's taxes are billed along with all other taxes due to Broward County taxing entities. The Tax Collector pays the City interest on monies held from the day of collection to the day of distribution. The City has no control over the investment program of the Tax Collector as this program is governed by Florida Statutes. The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets/deferred outflows and liabilities/deferred inflows and disclosure of contingent assets/deferred outflows and liabilities/deferred inflows at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from management's estimates. Significant estimates in the financial statements include the liability for self-insured losses, other post-employment benefits and pension benefits.

Pension and other post-employment benefits disclosure: The City applies GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68* and GASB 82, *Pension Issues-An Amendment of GASB Statements No. 67, No. 68 and No. 7*, for the measurement, recognition and disclosure of pension expenditures or expenses, liabilities and assets as discussed in Note 13 Employees Retirement Plans.

The City applies GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pensions*, for the measurement, recognition and disclosure of OPEB expenditures or expenses, liabilities and assets as discussed in Note 14 Other Post-Employment Benefits for the employer.

Note 2. Deficit Fund Balances of Individual Funds and Budgetary Control

The fund balance deficit in the Grants Fund totaling \$502,294 is expected to be eliminated by revenue collectible in future years, which is reported as unavailable revenue related to reimbursement based grants which do not meet the availability criteria at year end for revenue recognition.

The following fund's actual expenditures exceeded appropriations as of September 30, 2018:

Fund	Exceeds Budget Authorization
Charter School	\$ 598,483
Debt Service	\$ 3,260

In the Charter School Fund, the excess of expenditures over appropriations can be attributed to unbudgeted teacher compensation resulting from the Charter School receiving unbudgeted pass-through state funded grants and bonuses for instructional staff and unbudgeted capital expenditures, specifically related to security improvements.

Note 3. Cash, Cash Equivalents and Investments

General Authorization:

The City maintains a cash and cash equivalents and investments pool that is available for use by all funds except for those in which the cash and investments must be segregated due to bond indenture or other legal restrictions such as in the Pension Trust Funds. Interest earned on pooled cash and investments is allocated to funds based on average daily balances. Cash and cash equivalents include cash on hand, amounts in demand and time deposits, and short-term investments with original maturity dates within three months of the date acquired by the City.

Florida Statutes, Chapter 280, Florida Security for Public Deposits Act (the "Act") prescribes the deposit authority of the City. City policy conforms to state statute. Deposits whose value exceeds the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 200% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. All City depositories at year-end were designated as qualified public depositories. All bank balances were covered by federal deposit insurance and the banks' participation in the Florida Security for Public Deposits Act.

Chapters 218 and 280, Florida Statutes, Section 2-8 City Code of Ordinances, and the adopted investment policy govern the City's investment practices.

Investment Policy

Primary Government

The City is authorized to invest in a wide range of securities that include certificates of deposit, obligations of the U.S. Treasury, its agencies and instrumentalities, prime commercial paper, fixed income mutual funds, money market mutual funds, state and local government taxable and tax-exempt debt, corporate notes and the State Board of Administration investment pool.

Pension Plans

The Pension Plans are authorized to invest in obligations of the U.S. Government, including mortgage-related securities, domestic and international equities, fixed income investments, commercial paper, banker's acceptance and money market funds and mutual funds. The Police Plan may also invest in mortgage-related securities or asset backed securities not issued by the U.S. government or agency or instrumentality thereof, and State of Israel bonds. The investments of the plans are managed by independent investment managers in accordance with the plan provisions as established by each pension board.

The General Employees' Retirement Plan Board has adopted an investment policy to allocate up to 65% of fund assets to equities and the remaining balance invested in fixed income securities and cash equivalents.

City of Coral Springs, Florida

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

The Police Officers' Retirement Plan Board has adopted the following asset allocation policy as of September 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed income	10-30%
Domestic equity	40-60%
International equity	5-25%
Real estate	0-30%
Global macro allocation	0-15%
Managed futures	0-15%

The Firefighters' Retirement Plan Board has adopted the following asset allocation policy as of September 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed income	10-30%
Domestic equity	40-60%
International equity	5-25%
Real estate	0-20%
Global macro allocation	0-15%

At September 30, 2018, cash and investments of the primary government and the fiduciary funds consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Value</u>
Deposits in financial institutions	\$ 25,753,239	\$ 23,511,701
Cash on hand		6,985
Investments		493,876,886
Total		<u>\$ 517,395,572</u>

Statement of Net Position:

Cash and cash equivalents-unrestricted	\$ 27,627,303
Cash and cash equivalents-restricted	9,387,424
Investments-unrestricted	53,385,285
Investments-restricted	66,856

Fiduciary Funds:

Cash and cash equivalents	11,349,258
Investments	415,579,446
Total cash and cash equivalents and investments	<u>\$ 517,395,572</u>

City of Coral Springs, Florida

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Interest Rate Risk. Interest rate risk is the risk that the changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Primary Government

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities of 10 years or less with no more than 50% of the City's investment portfolio in maturities of more than three years. As of September 30, 2018, the average maturity of the City's investment portfolio did not exceed 3 years.

Pension Funds

The established performance objectives require investment maturities to match anticipated cash-flow requirements in order to pay obligations when due. The Plans do not have a formal investment policy that limits investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates.

At September 30, 2018, the primary government and pension funds had the following investments subject to interest rate risk using the segmented time distribution method:

Investment Type	Remaining Maturity (in Years)				Fair Value
	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	
Money Market Mutual Fund	\$ 19,443,015	\$ -	\$ -	\$ -	\$ 19,443,015
Commercial Paper	5,280,947	-	-	-	5,280,947
Certificate of Deposit	-	69,614	-	-	69,614
U.S. Government Securities	20,327,304	33,487,348	10,148,610	5,941,576	69,904,838
Municipal Debt	-	257,186	24,589	144,509	426,284
Asset-Backed Securities	-	4,966,737	-	253,744	5,220,481
Foreign Debt	-	110,560	105,588	9,023	225,171
Corporate Bonds	11,128,664	20,095,929	2,060,021	341,670	33,626,284
Investments in Money Market and Bond Mutual Funds for 401(a) Plans	-	734,247	2,320,042	2,619,121	5,673,410
	<u>\$ 56,179,930</u>	<u>\$ 59,721,621</u>	<u>\$ 14,658,850</u>	<u>\$ 9,309,643</u>	<u>\$ 139,870,044</u>

Investments not subject to Interest Rate Risk:

Cash	51,719
Equity securities	296,105,235
Other investments	57,849,888
Total Investments	<u>\$ 493,876,886</u>

City of Coral Springs, Florida

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Credit Risk. Credit risk exists when there is a possibility the issuer or other counter-party to an investment may be unable to fulfill its obligations. At September 30, 2018, the primary government had the following investments subject to credit risk as noted by their credit rating:

Primary Government

Rating	Investment Type				Total
	Money Market Mutual Funds	Commercial Paper	Asset Backed Securities	Corporate Bonds	
AAAm S&P	\$ 8,259,593	\$ -	\$ -	\$ -	\$ 8,259,593
AAA S&P	-	-	2,162,965	1,334,756	3,497,721
AA+ S&P	-	-	-	2,378,282	2,378,282
AA S&P	-	-	-	3,081,545	3,081,545
AA- S&P	-	-	1,006,996	1,892,423	2,899,419
A+ S&P	-	-	-	1,952,205	1,952,205
A S&P	-	-	-	311,472	311,472
P-1 Moody's	-	5,280,947	-	-	5,280,947
AAA Moody's	-	-	332,860	-	332,860
A1 Moody's	-	-	-	204,006	204,006
A2 Moody's	-	-	956,413	3,196,000	4,152,413
A3 Moody's	-	-	-	1,913,079	1,913,079
	<u>\$ 8,259,593</u>	<u>\$ 5,280,947</u>	<u>\$ 4,459,234</u>	<u>\$ 16,263,768</u>	<u>34,263,542</u>
				U.S. Government Securities *	32,729,143
					<u>\$ 66,992,685</u>

* The rating table above does not include U.S. Government Securities as these securities are backed by the full faith and credit of the U.S. Government.

State law limits investments in commercial paper to the top two ratings used by nationally recognized statistical rating organizations ("NRSROs"). The City's policy is to limit its investments in commercial paper to the top rating issued by NRSROs, to limit its investments in State and Local Government Debt and Fixed Income Mutual / Money Market Funds to funds with underlying securities rated at least "A" by NRSROs and to limit its investments in corporate bonds to an "A", at the time of purchase, by NRSROs. The ratings of the investments held at year-end are shown above. All were rated within the City's policy guidelines, if applicable, when purchased.

City of Coral Springs, Florida

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Pension Funds

At September 30, 2018, the Pension Trust funds had the following investments subject to credit risk as noted by their credit rating:

Rating	Investment Type							Total
	Money Market Mutual Funds	Certificate of Deposit	Municipal Debt	Asset Backed Securities	Foreign Debt	Corporate Bonds	Bond Mutual Fund	
AAAm S&P	\$ 11,183,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,183,422
AAA S&P	-	-	19,103	233,489	33,275	136,098	-	421,965
AA+ S&P	-	-	15,839	-	-	1,029,021	-	1,044,860
AA S&P	-	-	76,839	-	-	295,897	-	372,736
AA- S&P	-	-	-	-	37,692	492,857	-	530,549
A+ S&P	-	-	-	-	70,131	1,104,551	-	1,174,682
A S&P	-	-	41,205	-	9,023	1,745,085	-	1,795,313
A- S&P	-	-	9,793	-	31,573	4,982,086	-	5,023,452
BBB+ S&P	-	-	-	-	24,029	3,333,449	-	3,357,478
BBB S&P	-	-	-	-	19,448	941,801	-	961,249
BBB- S&P	-	-	-	-	-	11,226	-	11,226
Aaa Moody's	-	-	25,626	527,758	-	-	-	553,384
Aa1 Moody's	-	-	174,007	-	-	-	-	174,007
Aa3 Moody's	-	-	30,638	-	-	30,262	-	60,900
A1 Moody's	-	-	-	-	-	369,063	-	369,063
A2 Moody's	-	-	-	-	-	462,427	-	462,427
A3 Moody's	-	-	-	-	-	749,856	-	749,856
Baa1 Moody's	-	-	-	-	-	682,937	-	682,937
Baa2 Moody's	-	-	-	-	-	354,160	-	354,160
Baa3 Moody's	-	-	-	-	-	525,850	-	525,850
Ba1 Moody's	-	-	-	-	-	57,739	-	57,739
AA+ Fitch	-	-	33,234	-	-	-	-	33,234
5 stars Morningstar	-	-	-	-	-	-	2,619,121	2,619,121
3 stars Morningstar	-	-	-	-	-	-	3,054,289	3,054,289
Not rated	-	69,614	-	-	-	58,151	-	127,765
	<u>\$ 11,183,422</u>	<u>\$ 69,614</u>	<u>\$ 426,284</u>	<u>\$ 761,247</u>	<u>\$ 225,171</u>	<u>\$ 17,362,516</u>	<u>\$ 5,673,410</u>	<u>35,701,664</u>
							Cash	51,719
							U.S. Government Securities *	37,175,695
							Florida Municipal Investment Trust**	4,715,946
								<u>\$ 77,645,024</u>

* The rating table above does not include U.S. Government Securities as these securities are backed by the full faith and credit of the U.S. Government.

** The City invested in the Florida Municipal Pension Trust Fund (FMPTF) to provide funding for other post-employment benefits offered by the City. The FMPTF is managed through the Florida Municipal Investment Trust, a Local Government Investment Pool. The Local Government Investment Pool is not rated.

Note 3. Cash, Cash Equivalents and Investments (Continued)

The Pension Plans utilize portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The Pension Plans' investment policies have no limits imposed on fixed income securities issued directly by the U.S. Government or any agency or instrumentality thereof.

General Employees' Plan

The investment policy limits corporate fixed income securities to "Bbb" or higher by Moody's rating services or "BBB" or higher by Standard and Poor's rating services at time of purchase. Bonds downgraded and rated below "BBB" shall not exceed 15% of the entire fixed income portfolio. Investments in Collateralized Mortgage Obligations ("CMOs") are limited to 15% of the fair value of the investment managers' total fixed income portfolio. At September 30, 2018, the portfolio met the credit rating limitations of the investment policy.

Police Plan

The Police Plan limits corporate fixed income securities to the top four ratings classification by a major rating service and limits money market funds to a rating of "A1" or higher by Standard & Poor's or "P1" by Moody's. At September 30, 2018, the portfolio met the credit rating limitations of the investment policy.

Firefighters' Plan

The Fire Plan limits corporate fixed income securities to investment grade or higher as reported by a major credit rating service and limits money market funds to a rating of "A1" or higher by Standard & Poor's or "P1" by Moody's. At September 30, 2018, the portfolio met the credit rating limitations of the investment policy.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government or Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Primary Government

The City's investment policy requires securities, with the exception of securities related to overnight repurchase agreements, be held by a third party custodian and be properly designated as an asset of the City and held in the City's name. As of September 30, 2018, the City's investment portfolio was held with a third-party custodian, and designated as City assets, as required by the City's investment policy.

Pension Funds

The Pension Plans do not have an investment policy for custodial credit risk. As of September 30, 2018, each of the Pension Plans' investment portfolios was held with a third party custodian in the Pension Plans' name.

City of Coral Springs, Florida

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Concentration of Credit Risk. Concentration risk is the risk of loss attributed to the magnitude of the government's or Plan's investment in a single issuer.

Primary Government

The City limits the amount that can be invested in any one issuer of Federal Instrumentalities to 25% of the portfolio. Investments that represent more than 5% of the City's investments are listed below:

Issuer	Investment Type	Reported Amount	Percentage of City's Portfolio
Federal Home Loan Bank	Federal Instrumentalities	\$ 3,151,829	6%

Pension and OPEB Funds

There were no investments that represent more than 5% of the General Employees', Police, Fire or the OPEB Plans' investments.

Restricted Cash

Restricted Cash at September 30, 2018, consists of the following:

	Restricted Cash
Water and Sewer Customer Deposits	\$ 1,191,825
Unspent proceeds for the following debt issuances:	
Capital Revenue Note, Series 2013	66,158
Capital Revenue Note, Series 2014	10,886
General Obligation Bonds, Series 2015	8,519
Capital Revenue Bonds, Series 2015B	2,612,035
Special Obligation Bonds, Series 2016A	178,365
Special Obligation Bonds, Series 2016B	204,789
Special Obligation Bonds, Series 2017	3,775,033
Water and Sewer Revenue Bonds, Series 2012	45,394
Water and Sewer Revenue Bonds, Series 2015	1,294,420
Total	\$ 9,387,424

City of Coral Springs, Florida

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Fair Value Hierarchy

GASB Statement No. 72, *Fair Value Measurement and Application*, requires that investments be categorized according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Pension Funds

The Pension and Other Post-Employment Benefit Plans' investments are categorized as follows according to the GASB 72 fair value hierarchy as of September 30, 2018:

	Fair Value (in thousands)	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments				
Certificate of Deposits	\$ 69,614	\$ -	\$ 69,614	\$ -
Debt Securities:				
U.S. Government Obligations	37,175,695	-	37,175,695	-
Municipal Debt	426,284	-	426,284	-
Asset-Backed Securities	761,247	-	761,247	-
Foreign Debt	225,171	-	225,171	-
Corporate Bonds	17,362,516	-	17,362,516	-
Investments in Bond Mutual Funds for 401(a) Plans	5,673,410	5,673,410	-	-
Equity Securities:				
Common Stocks	117,521,052	117,521,054	-	-
Common Stock Mutual Funds	178,584,183	90,346,804	75,393,991	12,843,388
Other Investments:				
Multi-asset Mutual Funds	14,613,497	-	14,613,497	-
Real Estate Commingled Funds	33,820,222	-	-	33,820,222
Limited Partnerships	4,700,223	-	-	4,700,223
Total Investments by Fair Value Level	410,933,114	\$ 213,541,268	\$ 146,028,015	\$ 51,363,833
Investments Measured at Net Asset Value (NAV)				
Florida Municipal Investment Trust	4,715,946			
Total Investments Measured at Net Asset Value (NAV)	4,715,946			
Cash and money market funds (exempt)	11,279,644			
	<u>\$ 426,928,704</u>			

City of Coral Springs, Florida

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Primary Government

The Primary Government's investments totaling \$66,992,685 are all considered Level 2 and are not listed on the previous table.

Fair Value Hierarchy. Money market and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical securities. Governmental bonds, corporate bonds, other fixed income instruments, and international bonds classified in Level 2 of the fair value hierarchy are valued based on significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities or other market corroborated inputs. Level 3 assets include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

Discretely Presented Component Unit

At year-end, the carrying amount of the Community Redevelopment Agency's deposits was \$657,455 and the bank balance for these deposits totaled \$660,757. Bank balances covered by federal deposit insurance totaled \$250,000 with the remaining funds insured by the banks' participation in the Florida Security for Public Deposits Act. The Community Redevelopment Agency does not have a separate deposit and investment policy and it follows the deposit and investment policies of the City as discussed previously.

Note 4. Receivables and Payables

Receivables for the City's governmental individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental	General	Fire	Nonmajor Governmental Funds	Total
Receivables:				
Accounts	\$ 9,550,891	\$ 107,555	\$ 29,659	\$ 9,688,105
Allowance for uncollectible accounts	(3,718,894)	(175)	-	(3,719,069)
Net governmental receivables	\$ 5,831,997	\$ 107,380	\$ 29,659	\$ 5,969,036

City of Coral Springs, Florida

Notes to Financial Statements

Note 4. Receivables and Payables (Continued)

Receivables for the City's business-type activities and allowances for uncollectible accounts are as follows:

Business-Type	Water and Sewer
Receivables:	
Accounts	\$ 2,013,075
Unbilled usage fees	1,505,661
Allowance for uncollectible accounts receivable	(317,291)
Net business-type receivables	\$ 3,201,445

Payables at year-end for the City's governmental individual major and nonmajor funds, and internal service funds in the aggregate, are as follows:

Governmental	General	Fire	Grants Fund	Nonmajor Governmental Funds	Internal Service	Total
Payables:						
Vendors	\$ 1,554,832	\$ 138,335	\$ 156,270	\$ 1,044,093	\$ 116,026	\$ 3,009,556
Retainage	-	-	2,307	922,849	-	925,156
Salaries and benefits	2,671,953	655,605	-	303	62,769	3,390,630
Net governmental payables	\$ 4,226,785	\$ 793,940	\$ 158,577	\$ 1,967,245	\$ 178,795	\$ 7,325,342

Payables for the City's business-type activities are as follows:

Business-Type	Water and Sewer	Nonmajor Solid Waste	Total
Payables:			
Vendors	\$ 1,732,758	\$ 445,612	\$ 2,178,370
Retainage payable	154,564	-	154,564
Salaries and benefits	116,728	4,766	121,494
Other	6,650	-	6,650
Net business-type payables	\$ 2,010,700	\$ 450,378	\$ 2,461,078

City of Coral Springs, Florida

Notes to Financial Statements

Note 5. Interfund Receivables, Payables and Transfers

Advance and Due to/from Other Funds

Receivable Fund	Payable Fund	Purpose for Balance	Amount
Equipment Services Fund	Fire Fund	Loan to fund construction of fire stations	\$ 800,000

The amount payable to the Equipment Services Fund relates to an advance made to the Fire Fund to provide additional funding for the construction of two fire stations. The advance will be repaid over ten years with a minimum repayment amount of \$100,000 annually.

Transfers

The composition of interfund transfers for the year ended September 30, 2018, is as follows:

Transfers Out	Transfers In			Total Transfers Out
	Fire	Nonmajor Governmental	Internal Service	
General	\$ 1,516,799	\$ 9,954,024	\$ -	\$ 11,470,823
Fire	-	330,448	-	330,448
Internal Service	-	442,230	-	442,230
Water and Sewer	-	50,000	13,720	63,720
Total Transfers In	\$ 1,516,799	\$ 10,776,702	\$ 13,720	\$ 12,307,221

The transfer to the Fire Fund is made to cover ad-valorem and non-ad valorem taxes related to churches and schools that are not assessed due to those entities having tax exempt status. The transfers to the Nonmajor Governmental Funds includes approximately \$7.3 million to the Debt Service Fund to fund principal, interest and lease payments, and approximately \$3.4 million to the General Capital Projects Fund to fund capital projects.

City of Coral Springs, Florida

Notes to Financial Statements

Note 6. Capital Assets and Construction Commitments

Capital assets activity for the year ended September 30, 2018, is as follows:

Primary Government

Governmental Activities (Including Internal Service Funds)	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 31,588,233	\$ 1,660,500	\$ (3,270)	\$ 33,245,463
Public Art	727,192	224,132	-	951,324
Construction in progress	35,192,776	9,238,148	(42,743,308)	1,687,616
Total capital assets not being depreciated	67,508,201	11,122,780	(42,746,578)	35,884,403
Capital assets being depreciated:				
Land improvements	42,890,382	3,450,840	(885,609)	45,455,613
Buildings and improvements	114,477,273	40,540,849	(814,710)	154,203,412
Infrastructure	103,866,776	3,247,066	(350,304)	106,763,538
Equipment	62,518,900	8,516,457	(5,173,855)	65,861,502
Total capital assets being depreciated	323,753,331	55,755,212	(7,224,478)	372,284,065
Less accumulated depreciation for:				
Land improvements	32,957,650	1,694,283	(203,571)	34,448,362
Buildings and improvements	49,286,166	3,696,007	(635,805)	52,346,368
Infrastructure	70,751,297	3,134,960	(104,027)	73,782,230
Equipment	44,093,862	6,045,593	(4,842,133)	45,297,322
Total accumulated depreciation	197,088,975	14,570,843	(5,785,536)	205,874,282
Total capital assets being depreciated, net	126,664,356	41,184,369	(1,438,942)	166,409,783
Governmental activities capital assets, net	\$ 194,172,557	\$ 52,307,149	\$ (44,185,520)	\$ 202,294,186

City of Coral Springs, Florida

Notes to Financial Statements

Note 6. Capital Assets and Construction Commitments (Continued)

Business-Type Activities	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Water and Sewer:				
Capital assets not being depreciated:				
Land	\$ 198,576	\$ -	\$ -	\$ 198,576
Construction in progress	8,835,193	3,100,949	(9,618,536)	2,317,606
Total capital assets not being depreciated	9,033,769	3,100,949	(9,618,536)	2,516,182
Capital assets being depreciated:				
Land improvements	100,597	-	-	100,597
Buildings	27,409,843	-	-	27,409,843
Infrastructure	81,443,601	12,284,259	-	93,727,860
Equipment	3,728,537	151,125	(59,226)	3,820,436
Total capital assets being depreciated	112,682,578	12,435,384	(59,226)	125,058,736
Less accumulated depreciation for:				
Land improvements	70,627	5,740	-	76,367
Buildings	20,173,628	776,254	-	20,949,882
Infrastructure	39,333,243	3,338,294	-	42,671,537
Equipment	2,723,237	215,717	(59,921)	2,879,033
Total accumulated depreciation	62,300,735	4,336,005	(59,921)	66,576,819
Total capital assets being depreciated, net	50,381,843	8,099,379	695	58,481,917
Total business-type activities capital assets, net	\$ 59,415,612	\$ 11,200,328	\$ (9,617,841)	\$ 60,998,099

City of Coral Springs, Florida

Notes to Financial Statements

Note 6. Capital Assets and Construction Commitments (Continued)

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

	Balance
Governmental activities:	
General government	\$ 1,551,008
Public safety:	
Police	3,214,393
Fire	1,843,195
Parks and recreation	3,331,231
Public works	3,361,488
Development services	162,038
Conference center	190,118
Educational and cultural programs	917,372
Total depreciation expense – governmental activities	\$ 14,570,843
Business-type activities:	
Water and sewer	\$ 4,336,005
Total depreciation expense – business-type activities	\$ 4,336,005

Construction Commitments

The City has active construction projects as of September 30, 2018. The significant projects and related construction commitments as of September 30, 2018, are as follows:

Project	Spent-to-Date	Remaining Commitment
Booster station rehabilitation	\$ 981,642	\$ 2,588,358
Wiles road utilities relocation	-	1,038,797
Wiles road street lighting	-	282,900
Roadway resurfacing	495,987	178,547
	\$ 1,477,629	\$ 4,088,602

City of Coral Springs, Florida

Notes to Financial Statements

Note 7. Deposits and Unearned Revenue

The following are the balances that comprise deposits and unearned revenue at year end.

	Reflected on:	
	Governmental Activities	Business-Type Activities
Deposits and unearned revenue		
Lease payments received in advance	\$ 2,901,049 *	\$ -
Grant funding received in advance	1,650,912	-
Utility deposits	-	1,191,825
Other deposits and unearned revenue	1,236,079	-
Total deposits and unearned revenue	\$ 5,788,040	\$ 1,191,825

*On September 27, 2013, the City entered into a 38-year lease assignment and non-exclusive easement agreement with a third-party in exchange for a lump sum cash payment of \$3,359,510. This agreement assigns rent for one tenant's current contract on 4 cell towers located on City property. Should the tenant terminate any of the leases, the third-party can find a single replacement for the tenant for that specific site. The City has no continuing responsibility for the generation of lease revenue at these sites. The agreement also grants non-exclusive access to certain easements over the property. The lump sum payment is being recognized as revenue over a 14 year period ending in 2028.

City of Coral Springs, Florida

Notes to Financial Statements

Note 8. Long-Term Liabilities

The following is a summary of changes in the City's bonded and other indebtedness for the year ended September 30, 2018:

Governmental Activities (Including Internal Service Funds)	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds, notes and lease payable:					
General obligation bonds	\$ 11,227,518	\$ -	\$ (746,160)	\$ 10,481,358	\$ 764,068
General obligation refunding bonds	13,728,613	-	(1,230,783)	12,497,830	1,267,114
Special obligation bonds	22,230,000	10,000,000	-	32,230,000	460,000
Revenue refunding bonds	4,840,874	-	(1,585,010)	3,255,864	1,614,862
Capital revenue refunding bonds	6,203,000	-	(1,509,000)	4,694,000	1,539,000
Capital revenue bonds	10,155,000	-	(1,170,000)	8,985,000	1,488,150
Capital revenue notes	17,326,905	-	(745,971)	16,580,934	471,773
Capital lease	462,438	-	(462,438)	-	-
Total bonds, notes and lease	86,174,348	10,000,000	(7,449,362)	88,724,986	7,604,967
Bond premium (discount)	4,780,533	-	(347,773)	4,432,760	-
Total bonds, notes and lease, net	90,954,881	10,000,000	(7,797,135)	93,157,746	7,604,967
Liability for monitoring and maintenance of landfill	75,000	-	(24,000)	51,000	25,000
Compensated absences	5,820,316	6,169,931	(6,274,649)	5,715,598	5,715,598
Total governmental activity long-term liabilities	\$ 96,850,197	\$ 16,169,931	\$ (14,095,784)	\$ 98,924,344	\$ 13,345,565
<hr/>					
Business-Type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Water and Sewer Fund:					
Revenue bonds	\$ 10,529,000	\$ -	\$ (916,000)	\$ 9,613,000	\$ 930,000
State revolving fund loans payable	12,182,683	-	(686,693)	11,495,990	692,096
Total bonds and loans	22,711,683	-	(1,602,693)	21,108,990	1,622,096
Compensated absences	172,590	147,126	(132,144)	187,572	55,428
Total business-type activity long-term liabilities	\$ 22,884,273	\$ 147,126	\$ (1,734,837)	\$ 21,296,562	\$ 1,677,524

For governmental activities, the General Fund generally liquidates compensated absences. Internal Service Funds predominately serve the governmental funds. Accordingly, their compensated absences totaling \$105,261 are included as part of the above totals for governmental activities.

City of Coral Springs, Florida

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Governmental activities bonds and notes outstanding at September 30, 2018, consist of the following:

	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate
Governmental activities:				
General obligation bonds:				
Series 2005 B	Refunding	\$ 5,855,000	\$ 525,000	3.00 – 3.75%
Series 2013	Refunding	14,302,475	11,972,830	2.18%
Series 2015	Construction of Public Safety Facilities	12,450,000	10,481,358	2.40%
Total general obligation bonds		32,607,475	22,979,188	
Special obligation bonds:				
Series 2016A	Construction of Municipal Complex	18,460,000	18,460,000	5.00%
Series 2016B	Construction of Municipal Parking Garage	3,770,000	3,770,000	2.05 – 2.15%
Series 2017	Acquire, renovate and equip a building for governmental purposes	10,000,000	10,000,000	2.50%
Total special obligation bonds		32,230,000	32,230,000	
Revenue notes and bonds:				
Series 2014 Franchise refunding	Refunding	9,441,272	3,255,864	1.70%
Series 2015 Capital revenue refunding	Refunding	7,780,000	4,694,000	1.75%
Series 2010 Capital revenue note	Capital Improvements	5,913,000	4,085,264	5.09% with a 45% IRS subsidy
Series 2013 Capital revenue note	Capital Improvements	4,679,582	2,452,670	1.95%
Series 2014 Capital revenue note	Design and construction of Municipal Complex	10,043,000	10,043,000	2.47%
Series 2015B Capital revenue bonds	Capital Improvements	12,089,000	8,985,000	2.32%
Total revenue notes and bonds		49,945,854	33,515,798	
Total for governmental activities		\$ 114,783,329	\$ 88,724,986	

City of Coral Springs, Florida

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Line of Credit

The City has a non-revolving line of credit not to exceed \$10,000,000 with a bank to provide liquidity to the City for the 2018 hurricane season and any potential storms that would require the financing of clean-up, collection and disposal of solid waste or other permitted costs. The term of the agreement is an 18 month draw period ending January 25, 2020. At the end of the draw period, the line of credit will convert to a term loan with an amortization period of 5 years. The line bears interest during the draw period at 30 Day Libor + 0.70%. For the term period, the rate can remain a floating rate calculated based on the same formula as the draw period or can convert to a fixed rate equal to the 5 year treasury rate + 0.90%. There were no borrowings against the line for the year ended September 30, 2018.

Estimated Liability for Landfill Monitoring and Maintenance

The City is required under Section 62-701.630(5) of the Florida Administrative Code (F.A.C.) to prepare and submit to the State of Florida Department of Environmental Protection the "Schedule of Cash Receipts and Disbursements" of the City of Coral Springs, Landfill Management Escrow Account. In accordance with the escrow agreement, City of Coral Springs Resolution No. 93-301, and Section 62-701.630, F.A.C., sufficient funds are to be deposited or maintained in the interest bearing escrow account in order to fund the estimated annual long-term care costs for the monitoring and maintenance of the closed landfill to be incurred in the subsequent year. The escrow funds are held in the City's cash concentration account with TD Bank, and are reported as part of the City's pooled cash and investments. The escrow fund balance is calculated based on estimates originally made by a registered professional engineer and adjusted annually for inflation. Such estimates are subject to change due to inflation, technology or applicable laws and regulations and will be recorded as a current cost in future periods. At September 30, 2018, the escrow account was based on the following estimates:

Remaining long-term care cost estimate	\$	51,000
Annual long-term care cost	\$	25,132

The schedule of cash receipts and disbursements for the year ended September 30, 2018, is as follows:

Balance, September 30, 2017	\$	24,371
Current year deposit		476
Investment earnings		285
Balance, September 30, 2018	\$	<u>25,132</u>

There were no withdrawals made from the Landfill Management Escrow Account for the fiscal year ended September 30, 2018. The account is included in the General Fund. The long-term care costs for the fiscal year ended September 30, 2018, were funded from the operating revenue of the General Fund.

In accordance with U.S. Environmental Protection Agency rule *Solid Waste Disposal and Facility Criteria* and GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, a liability has been established representing amounts estimated to be spent on the long-term monitoring and maintenance of the closed landfill. As of September 30, 2018, the total liability of the monitoring and maintenance of the landfill is estimated at \$51,000 and recorded on the Statement of Net Position under governmental activities. The City records the landfill management escrow account balance of \$25,132 as a restricted fund balance in the General Fund which will be used to pay annual long term care costs of the landfill.

City of Coral Springs, Florida

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Business-type activities bonds and loans outstanding at September 30, 2018, consist of the following:

	Purpose of Issue	Original Loan Amount/Awarded	Amount Outstanding	Interest Rate
Business-type activities:				
Water and Sewer Revenue Bonds:				
Series 2012	Capital Improvement	\$ 8,745,000	\$ 6,455,000	2.78%
Water and Sewer Revenue Bonds:				
Series 2015	Capital Improvement	4,772,000	3,158,000	2.00%
		<u>13,517,000</u>	<u>9,613,000</u>	
State Revolving Loans:				
DW0603010	Capital Improvement	5,142,514	4,167,986	2.79-2.82%
DW0603020	Capital Improvement	1,809,728	1,314,173	2.79%
DW0603030	Capital Improvement	2,983,328	2,411,062	2.79%
DW061620	Capital Improvement	1,119,826	859,066	3.06%
DW061630	Capital Improvement	2,310,346	1,564,477	2.50%
WW061610	Capital Improvement	1,037,813	849,110	2.56%
WW822020	Capital Improvement	525,646	330,116	2.72%
		<u>14,929,201</u>	<u>11,495,990</u>	
Total for business-type activities		<u>\$ 28,446,201</u>	<u>\$ 21,108,990</u>	

State Revolving Loans Payable – Enterprise Funds

The City entered into loan agreements with the State Department of Environmental Protection's Clean Water State Revolving Fund Loan Program and Drinking Water State Revolving Fund Loan Program to borrow up to \$14,929,201 to finance the planning, design and construction of water and wastewater infrastructure improvements. As of September 30, 2018, the City has outstanding debt of \$11,495,992. The City is required to maintain rates and charges for services provided by the water and sewer systems which will be sufficient to provide revenue equal to or exceeding 1.15 times the sum of the semi-annual loan payments (debt service). The loans are payable in semi-annual payments upon completion of the projects. The amount of semi-annual payments are calculated based on the actual amount of the principal drawn under the agreements, as well as associated capitalized interest and loan issuance cost. The semi-annual payment amounts are not determined until each project is completed.

City of Coral Springs, Florida

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Pledged Revenue

General long-term debt bonds are collateralized by multiple sources. For example, the general obligation bonds are secured by ad-valorem taxes on all taxable property within the City and the full faith and credit and taxing power of the City. The City has pledged certain revenue to repay certain bonds and notes outstanding as of September 30, 2018. The following table reports the revenue, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenue received in the current year, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount of the remaining principal and interest on the bonds and loans as of September 30, 2018:

Debt Issue	Pledged Revenue	Revenue Received	Current Year Principal and Interest Paid	Outstanding Principal and Interest	Pledged Through
Governmental Activities:					
Franchise Revenue Bonds 2014	Franchise Revenue and Communications Services Tax	\$ 16,076,665	\$ 1,667,357	\$ 3,339,111	2020
Business-type Activities:					
Water & Sewer Revenue Bonds, Series 2012, Series 2015 and Florida DEP Revolving	Net Water and Sewer Revenues	\$ 7,446,276	\$ 2,186,872	\$ 25,101,735	2033

Annual Debt Service Requirements on Long-Term Debt

At September 30, 2018, the annual debt service requirements on long-term debt, other than state loans for uncompleted projects, compensated absences, and landfill closure liability, over the life of the debt is listed below:

Year Ending September 30,	Governmental Activities							
	General Obligation Bonds		Special Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 2,031,182	\$ 559,620	\$ 460,000	\$ 1,355,468	\$ 5,113,785	\$ 849,776	\$ 7,604,967	\$ 2,764,864
2020	2,085,298	504,127	880,000	1,229,690	5,212,275	743,601	8,177,573	2,477,418
2021	2,129,279	450,270	136,000	1,216,990	4,691,031	635,266	6,956,310	2,302,526
2022	2,177,460	395,239	78,000	1,214,315	4,853,207	527,206	7,108,667	2,136,760
2023	2,229,734	338,925	79,000	1,212,352	4,970,809	403,568	7,279,543	1,954,845
2024-2028	10,365,847	825,331	11,400,000	5,534,300	7,896,485	652,104	29,662,332	7,011,735
2029-2033	1,960,388	47,328	16,477,000	2,833,815	778,206	59,689	19,215,594	2,940,832
2034	-	-	2,720,000	136,000	-	-	2,720,000	136,000
Total	\$ 22,979,188	\$ 3,120,840	\$ 32,230,000	\$ 14,732,930	\$ 33,515,798	\$ 3,871,210	\$ 88,724,986	\$ 21,724,980

City of Coral Springs, Florida

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Year Ending September 30,	Business-Type Activities					
	Revenue Bonds		State Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 930,000	\$ 242,880	\$ 692,098	\$ 311,977	\$ 1,622,098	\$ 554,857
2020	951,000	220,902	697,519	292,960	1,648,519	513,862
2021	971,000	198,426	716,893	273,586	1,687,893	472,012
2022	996,000	175,471	736,806	253,672	1,732,806	429,143
2023	1,017,000	151,898	757,274	233,204	1,774,274	385,102
2024-2028	3,088,000	456,943	4,113,907	838,485	7,201,907	1,295,428
2029-2033	1,660,000	93,099	3,781,493	249,242	5,441,493	342,341
Total	\$ 9,613,000	\$ 1,539,619	\$ 11,495,990	\$ 2,453,126	\$ 21,108,990	\$ 3,992,745

Refunded Debt

The City has a number of bond issues that have been defeased and remain outstanding. Such debt is considered extinguished in an in-substance defeasance and, accordingly, is not reflected in the accompanying City financial statements. The following schedule is a summary of the remaining balance outstanding of defeased bonds as of September 30, 2018:

Bond Issue	Balance Outstanding
Franchise Revenue Refunding Bonds, Series 1996 Defeased in 2005	\$ 6,190,000
Franchise Revenue Bonds, Series 2004 Defeased in 2014	3,330,000
General Obligation Bonds, Series 1998 C&D Defeased in 2005	1,105,000
General Obligation Bonds, Series 2006 Defeased in 2013	11,090,000
Capital Revenue Refunding Bonds, Series 2008 Defeased in 2016	4,650,000
Total	<u>\$ 26,365,000</u>

Note 9. Industrial Development Bonds

Under the provisions of the Florida Industrial Development Financing Act, to promote the City's economy and to increase the purchasing power and opportunities for gainful employment, the City authorized and issued the following conduit debt, Industrial Development Bonds. The balances as of September 30, 2018 follow:

Company	Series	Authorized	Outstanding
Coral Vutech Properties, LLC.	2009A	\$ 2,250,000	\$ 1,245,781
Coral Vutech Properties, LLC.	2009B	2,250,000	1,245,781
Total		<u>\$ 4,500,000</u>	<u>\$ 2,491,562</u>

These bonds do not constitute a debt or liability of the City within the meaning of any constitutional or statutory limitation and, accordingly, are not reflected in the accompanying financial statements.

City of Coral Springs, Florida

Notes to Financial Statements

Note 10. Restricted Net Position

Restricted net position in the government-wide governmental activities statements include \$25,132 for landfill monitoring and maintenance, \$633,404 for fire safety protection, \$6,031,673 for charter school operations, \$2,719,758 related to forfeited confiscated property proceeds restricted for law enforcement activity, \$546,238 for preservation and protection of public arts, \$827,439 for tree preservation, \$294,359 for affordable housing programs, and \$99,342 for road improvements.

Restricted net position in the Water and Sewer Fund of \$882,773 are unspent impact fees restricted for capital improvements.

Restricted net position for the Community Redevelopment Agency (CRA) of \$185,521 are unspent tax increment financing revenues restricted for capital projects.

Note 11. 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; employee health and natural disasters. The City's Self-Insurance Internal Service Fund is used to account for and finance both uninsured and insured risks of loss. Coverage is provided as follows:

Type	Self-Insured Retention	Aggregate Stop Loss
Auto Liability	\$ 25,000	\$ 3,000,000
Health	325,000	16,487,016
	Self-Insured Retention	Deductible Stop Loss
Property	\$ 100,000	\$ -
General Liability	25,000	1,515,041
Workers' Compensation	As specified by applicable Federal and Florida Statutes	

Settled claims have not exceeded the City's aggregate excess coverage in force for the last three years.

All operating funds of the City participate in the program and make payments to the Self-Insurance Internal Service Fund based on estimates of the amounts needed to pay prior and current claims. The estimated liability on pending claims at September 30, 2018 of \$4,541,147, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR).

Changes in the balances of claims payable for 2018 and 2017, are as follows:

	2018	2017
Claims payable, beginning of the year	\$ 4,166,382	\$ 3,981,580
Incurred claims (including IBNRs)	14,407,463	13,086,575
Payments on claims	(14,032,698)	(12,901,773)
Claims payable, end of the year	<u>\$ 4,541,147</u>	<u>\$ 4,166,382</u>

Note 12. Commitments and Contingency

The City is a defendant in various legal actions and the ultimate outcome of these lawsuits is uncertain. However, in the opinion of the City's management, the ultimate outcome will not have a material adverse effect on the City's financial condition.

Amounts received and receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to not be material.

Note 13. Employee Retirement Plans

The City's employee retirement plans include three separate single-employer defined benefit plans, eight defined contribution plans for general employees and City management, under contract with the International City Management Association Retirement Corporation ("ICMA-RC") for which the City acts as an agent for participants and a defined contribution plan for the city commission. City employees may participate in one plan. The Police and Fire Pension Plans issue stand-alone financial reports. Copies of those reports are available at the Financial Services Department in City Hall. The General Employees' Retirement Plan does not issue separate financial statements.

The pension plans' financial statements are prepared using the accrual basis of accounting. Contributions from members are recorded in the period the City makes payroll deductions from participants. City contribution requirements are actuarially determined and remitted on a biweekly basis with the members' contributions for the defined contribution plans and annually or semi-annually for the defined benefit plans. Benefit payments and refunds to members are recognized when due and payable in accordance with the terms of the plan.

General Employees' Retirement Plan

General Information about the Pension Plan

Plan Description. The City established the General Employees' Retirement Plan (the General Plan) on June 1, 1973 which was closed to new participants after January 1, 1988. The Plan is a single-employer defined benefit plan available to City employees, except sworn police officers and firefighters. Certain provisions of Chapter 112, Florida Statutes, govern the General Plan. A Board of Trustees, consisting of five members, administers the General Plan. All costs of administering the General Plan are paid from plan assets.

Benefits Provided. The General Plan provides retirement benefits as well as death and disability benefits. Benefits vest 50% after five years of continuous service, plus 5% for each additional year to 100% after 15 years. Employees who retire at age 55 with 10 years of service are entitled to a retirement benefit, payable monthly for life, in an amount equal to 3% of average monthly earnings times continuous service after January 1, 1991 and 2.5% of average monthly earnings times continuous service prior to January 1, 1991 for each year of credited service. Average monthly earnings are equal to 1/12 of the average annual earnings for the highest consecutive three years of the 10 full years' immediately preceding actual retirement. Active members contributing 10% of earnings are also entitled to a 2% cost-of-living adjustment (COLA) beginning at retirement. On January 18, 2000, the City Commission approved a monthly stipend for future retirees of \$200 from retirement to age 65 and \$150 after age 65.

Note 13. Employee Retirement Plans (Continued)

Employees Covered by Benefit Terms. As of October 1, 2016, the following employees were covered by the benefit terms:

	Number of Employees
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	43
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Members	1
Total	46

Contributions. Covered employees are required to contribute 8% (or 10% if electing the COLA) of their salary to the General Plan. If an employee leaves covered employment or dies before five years of credited service, accumulated employee contributions plus 3% interest for each completed year of service are refunded to the employee or designated beneficiary. The City Commission establishes and may amend the contribution requirements of the plan members and the City. The General Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal actuarial cost method.

General Plan member contributions are recognized in the period in which the contributions are due. City contributions to the plan, as calculated by the plan actuary, are recognized as revenue when due and the City has made a formal commitment to provide the contributions. The City and employees' contributions for the fiscal year ended September 30, 2018 were \$587,157 and \$0, respectively. These were made in accordance with actuarially determined contribution requirements ascertained through an actuarial valuation performed at October 1, 2017.

Note 13. Employee Retirement Plans (Continued)

Net Pension Liability

The General Plan's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2016, with updated asset information as of September 30, 2017 using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial assumptions:

Discount rate	7.0% per annum
Investment rate of return	7.0%
Annual salary increases	5.0%
Inflation rate	2.5%
Cost-of-living adjustments	2.0%

Effective October 1, 2016, the mortality table was changed from the fully generation RP-2000 combined healthy participant mortality table for males and females with mortality improvements projected using Scale BB to the RP-2000 mortality tables with blue collar adjustments and generational projections using Scale BB.

The long-term expected rate of return on pension plan investments are developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	0.75%
Domestic equity :	
Large cap equity	3.75%
Mid/Small cap equity	4.50%
International equity	4.75%
U.S. Direct Real estate	4.50%

City of Coral Springs, Florida

Notes to Financial Statements

Note 13. Employee Retirement Plans (Continued)

Discount Rate. The discount rate used to measure the total pension liability decreased from 7.5% to 7.0% for the October 1, 2016 valuation. The projection of cash flows used to determine the discount rate assumes plan members will contribute at the current contribution rate and the City will continue to make future contributions at the actuarially determined contribution rate. Based on those 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.

Changes in Net Pension Liability

	General Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2017	<u>\$ 9,319,189</u>	<u>\$ 7,711,468</u>	<u>\$ 1,607,721</u>
Changes for the year:			
Service cost	9,519	-	9,519
Interest	664,619	-	664,619
Differences between expected and actual experience	(109,367)	-	(109,367)
Contributions – employer	-	529,000	(529,000)
Contributions – employee	-	4,304	(4,304)
Net investment income	-	675,979	(675,979)
Benefit payments, including refunds of employee contributions	(934,246)	(934,246)	-
Assumption changes	468,540	-	468,540
Administrative expense	-	(19,878)	19,878
Net changes	<u>99,065</u>	<u>255,159</u>	<u>(156,094)</u>
Balance at September 30, 2018	<u><u>\$ 9,418,254</u></u>	<u><u>\$ 7,966,627</u></u>	<u><u>\$ 1,451,627</u></u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2018:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Net pension liability	<u>\$ 2,253,612</u>	<u>\$ 1,451,627</u>	<u>\$ 760,123</u>

City of Coral Springs, Florida

Notes to Financial Statements

Note 13. Employee Retirement Plans (Continued)

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

For the year ended September 30, 2018, the City recognized a credit to pension expense of \$24,280. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 233,538	\$ 218,350
Employer contributions made subsequent to the measurement date	587,157	-
Total	<u>\$ 820,695</u>	<u>\$ 218,350</u>

The deferred outflows of resources related to the General plan, totaling \$587,157, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2019	\$ 39,065
2020	61,537
2021	(55,233)
2022	(30,181)
Thereafter	-
	<u>\$ 15,188</u>

Investment Rate of Return

For the year ended September 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 5.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The schedule of changes in the net pension liability and related ratios and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements and provides additional information about the net pension liability, plan assets and contributions.

Note 13. Employee Retirement Plans (Continued)

Police Officers' Retirement Plan

General Information about the Pension Plan

Plan Description. The City established the Police Officers' Retirement Plan (the Police Plan) on June 1, 1973. The Plan is a single-employer defined benefit plan available to all full-time sworn police officers of the City. The Police Plan is also governed by certain provisions of Chapters 112 and 185, Florida Statutes. A Board of Trustees administers the Police Plan. All costs of administering the Police Plan are paid from plan assets.

Benefits Provided. The Police Plan provides retirement benefits as well as death and disability benefits. Eligibility for normal retirement is based on 20 years of continuous service regardless of age (or age 55 with 10 years of service) for participants hired prior to September 30, 2012. For participants hired after September 30, 2012, eligibility for normal retirement is based on 25 years of continuous service regardless of age (or age 55 with 10 years of service). Participants are eligible for early retirement at age 50 with at least 10 years of continuous service. The monthly retirement benefit shall be an amount determined as follows: 3.5% of the old average monthly earnings times continuous service earned prior to October 1, 2012 plus 3% of the new average monthly earnings times continuous service earned after September 30, 2012 where continuous service is limited to 25 years. Participants who earned at least 20 years of continuous service as of October 1, 2012, receive the 3.5% for all service up to 25 years. The maximum monthly retirement benefit is limited to \$110,000 per year.

Old average monthly earnings means 1/12 of the arithmetic average annual earnings for the highest consecutive three years of the 10 full years immediately preceding the actual retirement or termination date of a member, provided that if a member has been employed for fewer than three years such average shall be taken only over the period of his actual employment. Earnings include all compensation excluding leave payouts at separation and off-duty details. For purposes of inclusion in earnings, overtime shall be limited to 300 hours per calendar year, or a prorated amount for a partial year. Compensation other than base salary shall be limited to 14.5% of base salary. New average monthly earnings means 1/12 of the arithmetic average annual earnings for the highest consecutive four years of the 10 full years immediately preceding the actual retirement or termination date of a member. Earnings include base compensation only.

Employees Covered by Benefit Terms. As of October 1, 2016 employee membership data related to the Police Plan is as follows:

	<u>Number of Employees</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	144
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	15
Active Members	<u>197</u>
Total	<u><u>356</u></u>

Note 13. Employee Retirement Plans (Continued)

Contributions. All participants are required to contribute 8.0% of their base pay and additional remuneration up to 7.5% of base pay, to the plan. Participants who earned at least 20 years of continuous service as of October 1, 2012 must contribute 9.875% of their base pay in addition to 14.5% of compensation above base pay. If a participant terminates employment, or dies before 5 years of credited service, accumulated employee contributions plus 3% interest for each completed year of service are refunded to the employee or designated beneficiary. The Police Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal actuarial cost method. The City Commission establishes and may amend the contribution requirements of the plan members and the City.

Police Plan member contributions are recognized in the period in which the contributions are due. City contributions to the plan, as calculated by the plan actuary, are recognized as revenue when due and the City has made a formal commitment to provide the contributions. Contributions for the year ending September 30, 2018, totaling \$12,084,836, were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at October 1, 2016. Contributions for the fiscal year ended September 30, 2018, were \$9,168,553 for the employer and \$1,754,523 for the employees. In addition, contributions in the amount of \$1,161,760 were received from the State of Florida in accordance with Florida Statutes. These on-behalf payments were also recognized as revenue and expenditures in the General Fund.

Deferred Retirement Option Plan. The Deferred Retirement Option Plan (DROP) is available to all Police Plan participants who have attained their normal retirement age. Upon electing to participate in the DROP, members are considered to have retired for pension purposes of the pension plan but continue to remain in active employment with the City. Their benefits accumulate in a DROP account and continue to accrue interest until they retire from the City at which time DROP benefits will be paid. Maximum duration of participation is five years and the election is irrevocable. The balance held by the Police Plan at September 30, 2018 pursuant to the DROP is \$12,388,265.

Net Pension Liability

The Police Plan's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2016 with updated asset information as of September 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial assumptions:

Discount rate	8.55% per annum
Investment rate of return	7.50%
Annual salary increases	4.75%
Inflation rate	2.50%
Cost-of-living adjustments	2.50% for benefits earned prior to October 1, 2012; 1%, delayed for 5 years, for benefits earned after September 30, 2012

Note 13. Employee Retirement Plans (Continued)

Effective October 1, 2016, the mortality table was changed from the 2015 projection of the RP-2000 mortality table for annuitants to the RP-2000 mortality tables with blue collar adjustments and full generational projections using Scale BB.

The long-term expected rate of return on pension plan investments are developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	2.50%
Domestic equity	7.50%
International equity	8.50%
Real estate	4.50%

Discount Rate. The discount rate used to measure the total pension liability was 8.55%. The projection of cash flows used to determine the discount rate assumes plan members will contribute at the current contribution rate and the City will continue to make future contributions at the actuarially determined contribution rate. Based on those 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 Coral Springs, Florida

Notes to Financial Statements

Note 13. Employee Retirement Plans (Continued)

Changes in Net Pension Liability

	Police Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at September 30, 2017	\$ 211,997,313	\$ 182,964,444	\$ 29,032,869
Changes for the year:			
Service cost	3,848,387	-	3,848,387
Interest	17,972,364	-	17,972,364
Differences between expected and actual experience	-	-	-
Demographic experience	612,903	-	612,903
Contributions – employer	-	8,766,068	(8,766,068)
Contributions – employee	-	1,511,546	(1,511,546)
Net investment income	-	22,518,129	(22,518,129)
Benefit payments, including refunds of employee contributions	(11,908,412)	(11,908,412)	-
Assumption changes	6,988,272	-	6,988,272
Administrative expense	-	(166,619)	166,619
Net changes	17,513,514	20,720,712	(3,207,198)
Balance at September 30, 2018	\$ 229,510,827	\$ 203,685,156	\$ 25,825,671

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following table illustrates the impact of interest rate sensitivity on the net pension liability as of September 30, 2018:

	1% Decrease 7.55%	Current Rate 8.55%	1% Increase 9.55%
Net pension liability	\$ 52,321,028	\$ 25,825,671	\$ 3,945,235

Note 13. Employee Retirement Plans (Continued)

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

For the year ended September 30, 2018, the City recognized a credit to pension expense of \$6,337,950. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 4,470,072	\$ 8,202,102
Demographic experience	3,328,773	1,236,071
Assumption changes	5,232,425	14,703,265
Employer contributions made subsequent to the measurement date	9,961,760	-
Total	\$ 22,993,030	\$ 24,141,438

The deferred outflows of resources related to the Police plan, totaling \$9,961,760, resulting from City contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2019	\$ 1,283,817
2020	99,790
2021	2,373,026
2022	3,758,625
2023	2,374,239
Thereafter	1,220,671
	\$ 11,110,168

The schedule of changes in the net pension liability and related ratios and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements and provides additional information about the net pension liability, plan assets and contributions.

Note 13. Employee Retirement Plans (Continued)

Firefighters' Retirement Plan

General Information about the Pension Plan

Plan Description. The Firefighters' Retirement Plan (the "Fire Plan") is a single-employer defined benefit plan, which covers all full-time certified firefighters. The Fire Plan was established by the City Commission with an effective date of December 31, 2002. The Fire Plan is also governed by certain provisions of Chapters 112 and 175, Florida Statutes. A Board of Trustees administers the Fire Plan. All costs of administering the Fire Plan are paid from plan assets.

Benefits Provided. The Fire Plan provides retirement benefits as well as death and disability benefits. Eligibility for normal retirement is based on age 55 with 10 years of service, age 52 with 20 years of service, age 56 with 3 years of service (12/31/02 entrants only) or any age with 25 years of service. Participants are eligible for early retirement at age 50 with at least 10 years of continuous service. The monthly retirement benefit shall be an amount determined as follows: 3.5% of the average monthly earnings times continuous service (2.25%, 3.25%, 3.5% or a blended rate for past service prior to December 31, 2002 depending on extent to which the member transferred the required additional contribution).

Average monthly earnings means the average annual earnings for the highest consecutive 3 years of the 10 full years immediately preceding the actual retirement or termination date of a member, provided that a member has been employed for fewer than three years such average shall be taken only over the period of actual employment.

Employees Covered by Benefit Terms. As of October 1, 2016, employee membership data for the Fire Plan is as follows:

	<u>Number of Employees</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	11
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Members	<u>162</u>
Total	<u><u>175</u></u>

Contributions. All participants are required to contribute 8.75% of their salary to the plan. If a participant terminates employment, or dies before 10 years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary. The City Commission establishes and may amend the contribution requirements of the plan members and the City. The Fire Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal actuarial cost method. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation.

Note 13. Employee Retirement Plans (Continued)

Fire Plan member contributions are recognized in the period in which the contributions are due. City contributions to the plan, as calculated by the plan actuary, are recognized as revenue when due and the City has made a formal commitment to provide the contributions. Contributions for the year ending September 30, 2018, totaling \$5,343,915, were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at October 1, 2016. Contributions for the year ending September 30, 2018, were \$2,588,448 for the employer and \$1,295,062 for the employee. In addition, contributions in the amount of \$1,460,405 were received from the State of Florida in accordance with Florida Statutes. These on-behalf payments were also recognized as revenue and expenditures in the General Fund.

Deferred Retirement Option Plan. The Deferred Retirement Option Plan (DROP) is available to all Fire Plan participants who have attained their normal retirement age. Upon electing to participate in the DROP, members are considered to have retired for pension purposes of the pension plan but continue to remain in active employment with the City. Their benefits accumulate in a DROP account and continue to accrue interest until they retire from the City at which time DROP benefits will be paid. Maximum duration of participation is five years and the election is irrevocable. The balance held by the Fire Plan at September 30, 2018 pursuant to the DROP is \$2,325,000.

Net Pension Liability (Asset)

The Fire Plan's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of October 1, 2016.

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2016 with updated asset information as of September 30, 2017, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Actuarial assumptions:

Discount rate	8.50% per annum
Investment rate of return	7.50%
Annual salary increases	4.75%
Inflation rate	2.50%
Cost-of-living adjustments	1.00%

Effective October 1, 2016, the mortality table was changed from the 2007 projection of the RP-2000 mortality table for annuitants to the RP-2000 mortality tables with blue collar adjustments and full generational projections using Scale BB.

Note 13. Employee Retirement Plans (Continued)

The long-term expected rate of return on pension plan investments are developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	2.50%
Domestic equity	7.50%
International equity	8.50%
Real estate	4.50%

Discount Rate. The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumes plan members will contribute at the current contribution rate and the City will continue to make future contributions at the actuarially determined contribution rate. Based on those 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 Coral Springs, Florida

Notes to Financial Statements

Note 13. Employee Retirement Plans (Continued)

Changes in Net Pension Liability (Asset)

	Firefighters' Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at September 30, 2017	\$ 66,008,588	\$ 78,258,774	\$ (12,250,186)
Changes for the year:			
Service cost	3,367,278	-	3,367,278
Interest	5,869,494	-	5,869,494
Differences between expected and actual experience	-	-	-
Demographic experience	(843,752)	-	(843,752)
Contributions – employer	-	2,786,119	(2,786,119)
Contributions – employee	-	1,209,511	(1,209,511)
Net investment income	-	9,668,604	(9,668,604)
Benefit payments, including refunds of employee contributions	(758,448)	(758,448)	-
Assumption changes	2,588,902	-	2,588,902
Administrative expense	-	(133,399)	133,399
Net changes	10,223,474	12,772,387	(2,548,913)
Balance at September 30, 2018	\$ 76,232,062	\$ 91,031,161 *	\$ (14,799,099)

* The Fiduciary Net Position excludes contributions totaling \$1,194,830 as of September 30, 2017, such amounts are restricted for future benefits and are not available to offset the total pension liability.

Net position restricted for future benefits. Florida State Statutes Chapter 175 establishes minimum benefits and standards for all municipal Fire pension plans. The statutes govern the allocation of insurance premium excise taxes that are levied to provide a partial funding source for these plans. In 2015, the statutes were amended to allow the City and Fire Union to mutually agree on the use of these funds.

In accordance with the provisions of the 2017 firefighters' collective bargaining agreement, the City and Union agreed that excess insurance premium excise taxes will be used to fund the Coral Springs Firefighters' Share Plan (the "Share Plan") a defined contribution component of the Fire Plan, effective September 30, 2017. The balance in the Share Plan at September 30, 2018 is \$1,731,484.

City of Coral Springs, Florida

Notes to Financial Statements

Note 13. Employee Retirement Plans (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following table illustrates the impact of interest rate sensitivity on the net pension liability (asset) as of September 30, 2018:

	1% Decrease 7.50%	Current Rate 8.50%	1% Increase 9.50%
Net pension liability (asset)	\$ (4,028,614)	\$ (14,799,099)	\$ (23,683,023)

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

For the year ended September 30, 2018, the City recognized a credit to pension expense of \$3,307,971. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Firefighters' Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,475,068	\$ 3,318,218
Demographic experience	4,486	2,413,429
Assumption changes	2,245,090	5,391,145
Employer contributions made subsequent to the measurement date	3,758,133	-
Total	<u>\$ 8,482,777</u>	<u>\$ 11,122,792</u>

The deferred outflows of resources related to the Fire plan, totaling \$3,758,133, resulting from City contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2019	\$ 913,533
2020	443,632
2021	1,681,167
2022	1,501,882
2023	924,266
Thereafter	933,668
	<u>\$ 6,398,148</u>

City of Coral Springs, Florida

Notes to Financial Statements

Note 13. Employee Retirement Plans (Continued)

The schedule of changes in the net pension liability and related ratios and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements and provides additional information about the net pension liability, plan assets and contributions.

The following table summarizes net pension asset, net pension liability, deferred inflow and outflow of resources and pension expense as previously disclosed in Note 13 for each defined benefit pension plan:

Plan	Net Pension Asset	Net Pension Liability	Deferred Inflows of Resources	Deferred Outflows of Resources	Pension Expense (Credit)
General Employees	\$ -	\$ 1,451,627	\$ 218,350	\$ 820,695	\$ (24,280)
Police Officers	-	25,825,671	24,141,438	22,993,030	(6,337,950)
Firefighters	14,799,099	-	11,122,792	8,482,777	(3,307,971)
Total	<u>\$ 14,799,099</u>	<u>\$ 27,277,298</u>	<u>\$ 35,482,580</u>	<u>\$ 32,296,502</u>	<u>\$ (9,670,201)</u>

City of Coral Springs, Florida

Notes to Financial Statements

Note 13. Employee Retirement Plans (Continued)

Pension and Other Post-Employment Benefit (OPEB) Plans That Do Not Issue Stand-Alone Financial Statements

The following are the employee pension plans that do not issue stand-alone financial statements:

	General Employees' Pension	City Commission Pension	General Employees' 401 (a) Plan	Management 401 (a) Plan	City Manager & City Attorney 401 (a) Plan	OPEB Trust
Assets:						
Pooled cash and cash equivalents	\$ 524,977	\$ 44,503	\$ 368,914	\$ 257,759	\$ 15,504	\$ -
Debt securities	2,963,042	83,350	3,121,295	2,289,203	262,912	-
Equity securities	4,449,410	-	60,819,628	14,901,993	839,661	-
Other investments	-	-	-	-	-	4,715,946
Interest receivable	28,605	509	-	-	-	-
Employee loan receivable and other assets	-	-	1,305,525	60,060	-	-
Total assets	7,966,034	128,362	65,615,362	17,509,015	1,118,077	4,715,946
Liabilities:						
Pending trades	14,103	-	-	-	-	-
Total liabilities	14,103	-	-	-	-	-
Net position restricted for pension and OPEB benefits	\$ 7,951,931	\$ 128,362	\$ 65,615,362	\$ 17,509,015	\$ 1,118,077	\$ 4,715,946
Additions:						
Employee contribution	\$ -	\$ -	\$ 1,726,650	\$ 323,745	\$ -	\$ -
Employer contribution	587,157	5,231	1,498,856	542,474	106,657	208,370
Rollover	-	-	184,440	147,582	-	-
Total contributions	587,157	5,231	3,409,946	1,013,801	106,657	208,370
Investment income	212,935	1,751	58,621	3,795	-	-
Net appreciation (depreciation) in fair value of investments	231,991	(326)	5,664,520	1,329,648	55,078	258,484
Other income	82	-	-	-	-	-
	445,008	1,425	5,723,141	1,333,443	55,078	258,484
Less investment expense	(54,625)	-	-	-	-	-
Net investment income	390,383	1,425	5,723,141	1,333,443	55,078	258,484
Total additions	977,540	6,656	9,133,087	2,347,244	161,735	466,854
Deductions:						
Benefit payments	973,128	4,800	2,718,126	4,581,888	-	-
Loan defaults	-	-	210,732	47,944	-	-
Plan to Plan transfers	-	-	10,907	(10,907)	-	-
Administrative expenses	19,110	-	38,041	5,053	427	4,955
Total deductions	992,238	4,800	2,977,806	4,623,978	427	4,955
Net increase (decrease) in plan net position	(14,698)	1,856	6,155,281	(2,276,734)	161,308	461,899
Net position restricted for pension and OPEB benefits						
Net position, beginning	7,966,629	126,506	59,460,081	19,785,749	956,769	4,254,047
Net position, ending	\$ 7,951,931	\$ 128,362	\$ 65,615,362	\$ 17,509,015	\$ 1,118,077	\$ 4,715,946

Note 13. Employee Retirement Plans (Continued)

General Employees' and Management Defined Contribution Pension Plans

The City has contracted with the ICMA-RC on behalf of its general employees for three defined contribution pension plans and a qualified domestic relations order (QDRO) plan. The City also contracts with the ICMA-RC for three defined contribution pension plans for all general employees categorized as directors and managers and a separate plan for the City Manager and City Attorney. All eight plans are established under the provisions of Section 401(a) of the Internal Revenue Code as Money Purchase Plans and Trusts. The City Commission has the authority for establishing or amending the plans' provisions. The assets of the plans are owned by the employee; however, the City has a custodial responsibility to properly administer the plans. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

The General Employees' 401(a) Plan provisions require the City to contribute 7% of each participant's salary for the first seven years of service and 9% of the participant's salary thereafter. Participants are required to contribute 6%, 8% or 10% of earnings (depending on plan selection) for the plan year. Employees are eligible to participate from the date of employment. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. City contributions for, and interest forfeited by employees who leave employment before five years of service are refunded to the City by the trustee after a minimum holding period of three years. At September 30, 2018, there were 86 plan members in the 6% plan, 122 in the 8% plan, and 193 in the 10% plan.

For the year ended September 30, 2018, the City's and employees' contributions to the three defined contribution plans were \$1,498,856 and \$1,726,650, respectively.

The Management 401(a) Plan provisions require the City to contribute 11% of each participant's salary for the first seven years of service and 13% of the participant's salary thereafter. Participants contribute 0%, 5% or 10% of salary (depending on plan selection) for the plan year. Employees are eligible to participate in the plan from the date of employment. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested at the time of the contribution.

The City's contributions were calculated using the covered payroll amount of approximately \$5.0 million for the fiscal year ended September 30, 2018. The City's and employees' contributions for the fiscal year ended September 30, 2018 were \$82,543 and \$0 for the Management 401(a) Plan – 0%; \$140,038 and \$60,180 for the Management 401(a) Plan – 5%; \$319,893 and \$263,565 for the Management 401(a) Plan – 10%; and \$106,657 and \$0 for the City Manager 401(a) Plan, respectively. At September 30, 2018, there were 5 plan members in the 0% plan, 10 plan members in the 5% plan and 26 members in the 10% plan.

The City Manager's 401(a) Plan requires the City to contribute 20% of the City Manager's and the City Attorney's salary for each plan year. The City Manager and City Attorney may contribute up to 10% of their salary for each plan year. The City's contribution and those of the City Manager and City Attorney (and interest allocated to their account) are fully vested at the time of the contribution.

City of Coral Springs, Florida

Notes to Financial Statements

Note 14. Other Post-Employment Benefits

General Information about the OPEB Plan

Plan description. On June 17, 2008, the City established an OPEB trust, a single-employer defined benefit healthcare plan administered by the City. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses and families. The City Commission is authorized to establish and amend benefit levels, subject to the minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The Plan does not have a separate board of trustees. The Plan does not issue a separate financial statement.

The City elected to establish an irrevocable Other Post-Employment Benefits (OPEB) trust and began funding the obligation in fiscal year 2008.

Benefits provided. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The City does not provide retirees who participate in the PPO with any subsidy for this benefit. The City covers 50% of the cost for those retirees who participate in the HMO up to age 65.

Contributions. The City Commission is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. The City Commission establishes the contribution requirements of plan members and the City. These contributions are neither mandated nor guaranteed. The retiree pays the full cost of the premium each month for themselves, spouses and other dependents, which are also eligible for coverage. The City does not provide retirees who participate in the PPO with any subsidy for this benefit. The City covers 50% of the cost for those retirees who participate in the HMO up to age 65.

Investments. The Plan does not have a formal investment policy. The City invests in the Florida Municipal Pension Trust Fund (FMPTF) to provide funding for other post-employment benefits offered by the City.

EMPLOYER REPORTING AS REQUIRED BY GASB 75

Employees Covered by benefit terms. As of October 1, 2016, employee membership data related to the Plan is as follows:

Inactive employees or beneficiaries currently receiving benefit payments	72
Inactive employees entitled to but not yet receiving benefit payments	773
Total	<u>845</u>

Note 14. Other Post-Employment Benefits (Continued)

Net OPEB Liability

The City's net OPEB liability was measured as of September 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined as of that date.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of October 1, 2016 with updated asset information as of September 30, 2017, using the following assumptions, applied to all prior periods included in the measurement:

Actuarial assumptions:

Measurement date	September 30, 2017
Inflation rate	2.99%
Salary increases	3.00%
Investment rate of return	6.50%
Discount rate	2.98%
Healthcare cost trend rates:	
Medical	
Select rates	8% for 2016/17 graded to 5.0% for 2022/23
Ultimate rate	5% per annum
Dental/Vision	
Select rates	Not applicable
Ultimate rate	3.0% per annum

Mortality rates were based on the RP-2000 combined Mortality Table for general employees or the RP-2000 Blue Collar Mortality Table for public safety employees both with full generational improvements in mortality using Scale AA.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense 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.

The target allocation and best estimates of real rates of return for each major asset class as of September 30, 2017 (measurement date), are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity-large cap	35.00%	6.01%
Domestic equity-small cap	7.50%	6.76%
International equity	7.50%	6.76%
Fixed income	20.00%	0.51%
Multisector	30.00%	1.01%
	<u>100.00%</u>	

City of Coral Springs, Florida

Notes to Financial Statements

Note 14. Other Post-Employment Benefits (Continued)

Discount rate. The discount rate used to measure the total OPEB liability was 2.98%. The projection of cash flows used to determine the discount rate assumes that City contributions will be made at rates equal to the actuarially determined contribution rates. The long-term expected rate of return on OPEB plan investments are based on a blend of the expected long-term rate of return on assets of 6.5% for benefit payments during the first seven years after the valuation date and a yield on 20-year grade AA/Aa or higher municipal bonds of 2.80% per year for benefit payments beyond the first seven years after the valuation date.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at September 30, 2017	\$ 30,764,166	\$ 3,601,281	\$ 27,162,885
Changes for the year:			
Service cost	897,710	-	897,710
Interest	931,779	-	931,779
Contributions – employer	-	204,285	(204,285)
Net investment income	-	452,887	(452,887)
Benefit payments	(794,095)	-	(794,095)
Administrative expense	-	(4,406)	4,406
Net changes	1,035,394	652,766	382,628
Balance at September 30, 2018	\$ 31,799,560	\$ 4,254,047 *	\$ 27,545,513

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following table illustrates the impact of interest rate sensitivity on the net OPEB liability of the City as of September 30, 2018:

	1% Decrease 1.98%	Discount Rate 2.98%	1% Increase 3.98%
Net OPEB liability	\$ 34,881,649	\$ 27,545,513	\$ 22,104,632

Sensitivity of the Net OPEB Liability to Changes in the healthcare cost trend rates. The following table illustrates the impact of healthcare cost trend rate sensitivity on the net OPEB liability of the City as of September 30, 2018:

	Healthcare Cost		
	1% Decrease (7% decreasing to 4.0%)	Trend Rates (8% decreasing to 5.0%)	1% Increase (9% decreasing to 6.0%)
Net OPEB liability	\$ 22,148,658	\$ 27,545,513	\$ 34,922,624

City of Coral Springs, Florida

Notes to Financial Statements

Note 14. Other Post-Employment Benefits (Continued)

OPEB Expense, 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 \$652,633. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 274,090
Employer contributions made subsequent to the measurement date	208,370	-
Total	<u>\$ 208,370</u>	<u>\$ 274,090</u>

The deferred outflows of resources related to the OPEB plan, totaling \$208,370, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and as deferred inflows of resources related to the Plan will be recognized in expense as follows:

Year ended September 30:	
2019	\$ 68,523
2020	68,523
2021	68,522
2022	68,522
	<u>\$ 274,090</u>

PLAN REPORTING AS REQUIRED BY GASB 74

The following disclosures for the City's OPEB Trust Fund are required by GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans*. However, the balance for the Net OPEB Liability is not required to be reported on the City's financial statements until September 30, 2019.

Employees Covered by benefit terms. As of October 1, 2017, employee membership data related to the Plan is as follows:

Inactive employees or beneficiaries currently receiving benefit payments	157
Inactive employees entitled to but not yet receiving benefit payments	<u>811</u>
Total	<u>968</u>

City of Coral Springs, Florida

Notes to Financial Statements

Note 14. Other Post-Employment Benefits (Continued)

Investments

Rate of return. For the year ended September 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 5.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City

The components of the net OPEB liability of the City as of September 30, 2018 (measurement date), were as follows:

Total OPEB liability	\$ 22,747,774
Plan fiduciary net position	4,715,946
City's net OPEB liability	<u>\$ 18,031,828</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>20.73%</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of October 1, 2017 with updated asset information as of September 30, 2018, using the following assumptions, applied to all prior period included in the measurement:

Actuarial assumptions:

Measurement date	September 30, 2018
Inflation rate	2.50%
Salary increases	3.00%
Investment rate of return	5.50%
Discount rate	4.17%
Healthcare cost trend rates	
Medical	
Select rates	5.70% / 6.10% initial medical trend rate for retirees (pre-65 / post-65)
Ultimate rate	3.81% / 3.82% per annum beginning in the year 2073
Dental/Vision	
Select rates	Not applicable
Ultimate rate	3% per annum

The decrease of \$9.5 million in the Net OPEB liability from the September 30, 2017 measurement date to the September 30, 2018 measurement date is primarily due to a change in the discount rate. The discount rate is driven primarily by the yield on 20-year grade AA/Aa or higher municipal bonds. The 20-year yield used at September 30, 2017 was 2.8% compared to a 3.75% yield used at September 30, 2018.

Note 14. Other Post-Employment Benefits (Continued)

For police and fire employees, mortality rates were based on sex distinct RP-2014h blue collar headcount weighted mortality table adjusted to 2006 with generational mortality improvement scale MP-2018. For all other employees, mortality rates were based on sex distinct RP-2014h total dataset headcount weighted mortality table adjusted to 2006 with generational mortality improvement scale MP-2018.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense 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.

The target allocation and best estimates of real rates of return for each major asset class as of September 30, 2018 (measurement date), are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	40.00%	5.50%
International equity	10.00%	8.50%
Fixed income	40.00%	4.75%
Real estate	9.00%	5.75%
Cash	1.00%	2.00%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the total OPEB liability was 4.17%. The projection of cash flows used to determine the discount rate assumes that City contributions will be made at rates equal to the actuarially determined contribution rates. The long-term expected rate of return on OPEB plan investments are based on a blend of the expected long-term rate of return on assets of 5.50% for benefit payments during the first sixteen years after the valuation date and a yield on 20-year grade AA/Aa or higher municipal bonds of 3.75% per year for benefit payments beyond the first sixteen years after the valuation date.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following table illustrates the impact of interest rate sensitivity on the net OPEB liability of the City as of September 30, 2018 (measurement date):

	1% Decrease 3.17%	Discount Rate 4.17%	1% Increase 5.17%
Net OPEB liability	\$ 22,340,572	\$ 18,031,828	\$ 14,712,433

Sensitivity of the Net OPEB Liability to Changes in the healthcare cost trend rates. The following table illustrates the impact of healthcare cost trend rate sensitivity on the net OPEB liability of the City as of September 30, 2018 (measurement date):

	1% Decrease (4.7% decreasing to 2.81%)	Healthcare Cost Trend Rates (5.7% decreasing to 3.81%)	1% Increase (6.7% decreasing to 4.81%)
Net OPEB liability	\$ 14,291,030	\$ 18,031,828	\$ 22,917,196

City of Coral Springs, Florida

Notes to Financial Statements

Note 15. Tax Abatements

The City enters into property tax abatement agreements with local businesses under Florida Statute, Chapter 288.106 Tax Refund Program for Qualified Target Industry Businesses. The purpose of the Qualified Target Industry Tax refund incentive is to attract companies that create high wage jobs in targeted high value-added industries. Under this Statute, a municipality may grant property tax refunds up to \$3,000 multiplied by the number of jobs specified in the tax refund agreement. The refund increases \$1,000 per job if the business pays 150% of the average annual area salary and an additional \$1,000 per job if the business pays 200% of the average annual area salary. The City contributes 20% of the total tax refund.

For the fiscal year ended September 30, 2018, the City abated property taxes totaling \$13,300 under the program. The abatement was awarded to a pharmaceutical company for the creation of 35 high skilled, high wage jobs within the City.

Note 16. Restatement of Prior Year Balances

The City implemented GASB Statement 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* which resulted in the restatement of beginning net position. The restatement and effect of the change in accounting principle is summarized in the following table:

	Governmental Activities	Business-type Activities	Water and Sewer Fund	Internal Service Funds
Net Position – October 1, 2017	\$ 142,892,020	\$ 51,883,840	\$ 51,816,161	\$ 27,584,986
Cumulative effect of adoption of GASB No. 75	(27,198,670)	(1,347,930)	(1,347,930)	(539,172)
Net Position as restated – October 1, 2017	<u>\$ 115,693,350</u>	<u>\$ 50,535,910</u>	<u>\$ 50,468,231</u>	<u>\$ 27,045,814</u>

The implementation of GASB Statement No. 75 resulted in the City recording deferred outflows of \$194,071 and a net OPEB liability of \$27,392,741 for governmental activities, deferred outflows of \$10,214 and a net OPEB liability of \$ 1,358,144 for business-type activities and deferred outflows of \$4,086 and a net OPEB liability of \$ 543,258 for internal service funds.

Note 17. Pronouncements Issued But Not Yet Adopted

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued November 2016. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2019.

GASB Statement No.84, *Fiduciary Activities*, was issued January 2017. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2020.

GASB Statement No.87, *Leases*, was issued June 2017. This Statement improves the accounting and financial reporting for leases by governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021.

Note 17. Pronouncements Issued But Not Yet Adopted (Continued)

GASB Statement No.88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, was issued April 2018. This statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2020.

GASB Statement No.90, *Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61*, was issued August 2018. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2020.

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

City of Coral Springs, Florida

Required Supplementary Information

General Fund

Schedule of Revenue, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances –

Budget and Actual (Budgetary Basis) – Unaudited

Fiscal Year Ended September 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenue:				
Taxes:				
Ad valorem	\$ 54,079,618	\$ 54,079,618	\$ 54,358,346	\$ 278,728
Franchise fees	12,176,813	12,176,813	12,546,995	370,182
Utility	11,681,366	11,681,366	11,655,950	(25,416)
Intergovernmental	20,301,350	20,301,350	20,270,439	(30,911)
Licenses and permits	4,040,498	4,040,498	4,488,379	447,881
Charges for services	15,417,922	15,417,922	15,235,477	(182,445)
Fines and forfeitures	2,584,851	2,584,851	3,404,890	820,039
Interest and other	4,412,273	4,412,273	4,502,989	90,716
Total revenue	124,694,691	124,694,691	126,463,465	1,768,774
Expenditures:				
Current:				
General government	22,119,998	25,629,458	24,236,056	1,393,402
Public safety:				
Police	51,221,438	51,058,238	50,696,962	361,276
Fire	10,186,941	10,186,941	10,427,001	(240,060)
Parks and recreation	14,931,228	14,871,128	14,264,562	606,566
Public works	7,615,677	7,615,517	7,555,055	60,462
Development services	7,066,895	7,006,895	6,325,021	681,874
Educational and cultural	990,900	990,900	927,919	62,981
Total expenditures	114,133,077	117,359,077	114,432,576	2,926,501
Excess of revenue over expenditures	10,561,614	7,335,614	12,030,889	4,695,275
Other financing sources (uses):				
Transfers in	135,209	135,209	-	(135,209)
Transfers out	(10,696,823)	(11,470,823)	(11,470,823)	-
Total other financing sources (uses)	(10,561,614)	(11,335,614)	(11,470,823)	(135,209)
Appropriated fund balance	-	4,000,000	-	(4,000,000)
Net change in fund balances	\$ -	\$ -	560,066	\$ 560,066
Fund balance, beginning of year			37,775,054	
Fund balance, end of year			\$ 38,335,120	

See Notes to Required Supplementary Information.

City of Coral Springs, Florida

Required Supplementary Information

Fire Special Revenue Fund

Schedule of Revenue, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances –

Budget and Actual (Budgetary Basis) – Unaudited

Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenue:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 156,189	\$ 106,189
Non-ad valorem special assessment	10,982,337	10,982,337	11,228,209	245,872
Charges for services	9,384,007	9,384,007	9,306,499	(77,508)
Interest and other	55,000	55,000	54,081	(919)
Total revenue	20,471,344	20,471,344	20,744,978	273,634
Expenditures:				
Current:				
Fire	20,980,483	21,203,824	21,282,057	(78,233)
Capital outlay	624,800	639,671	561,337	78,334
Total expenditures	21,605,283	21,843,495	21,843,394	101
Excess (deficiency) of revenue over (under) expenditures	(1,133,939)	(1,372,151)	(1,098,416)	273,735
Other financing sources (uses):				
Transfers in	1,516,799	1,516,799	1,516,799	-
Transfers out	(382,860)	(430,448)	(330,448)	100,000
Total other financing sources (uses)	1,133,939	1,086,351	1,186,351	100,000
Appropriated fund balance	-	285,800	-	(285,800)
Net change in fund balance	\$ -	\$ -	87,935	\$ 87,935
Fund balance, beginning of year			545,469	
Fund balance, end of year			\$ 633,404	

See Notes to Required Supplementary Information.

City of Coral Springs, Florida

Required Supplementary Information

General Employees' Retirement Plan

Schedule of Changes in the Net Pension Liability and Related Ratios

Last Four Fiscal Years

(Unaudited)

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 9,519	\$ 38,723	\$ 51,515	\$ 57,052
Interest	664,619	680,454	681,195	646,841
Differences between expected and actual experience	(109,367)	84,905	-	-
Changes in assumptions	468,540	-	275,902	239,005
Benefit payments, including refunds of employee contributions	(934,246)	(867,969)	(761,493)	(748,884)
Net change in total pension liability	99,065	(63,887)	247,119	194,014
Total pension liability – beginning	9,319,189	9,383,076	9,135,957	8,941,943
Total pension liability – ending (a)	\$ 9,418,254	\$ 9,319,189	\$ 9,383,076	\$ 9,135,957
Plan fiduciary net position				
Contributions-employer	\$ 529,000	\$ 529,000	\$ 529,000	\$ 529,000
Contributions-employee	4,304	10,079	21,913	22,326
Net investment income	675,979	666,659	(19,423)	644,954
Benefit payments, including refunds of employee contributions	(934,246)	(867,969)	(761,493)	(748,884)
Administrative expense	(19,878)	(18,807)	(16,788)	(16,629)
Net change in plan fiduciary net position	255,159	318,962	(246,791)	430,767
Plan fiduciary net position – beginning	7,711,468	7,392,506	7,639,297	7,208,530
Plan fiduciary net position – ending (b)	\$ 7,966,627	\$ 7,711,468	\$ 7,392,506	\$ 7,639,297
City's net pension liability – (a) – (b)	\$ 1,451,627	\$ 1,607,721	\$ 1,990,570	\$ 1,496,660
Plan fiduciary net position as a percentage of the total pension liability	84.59%	82.75%	78.79%	83.62%
Covered payroll	\$ 43,036	\$ 49,416	\$ 219,126	\$ 223,257
City's net liability as a percentage of covered payroll	3373.05%	3253.44%	908.41%	670.38%
Measurement date	9/30/2017	9/30/2016	9/30/2015	9/30/2014

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information

Police Officers' Retirement Plan

Schedule of Changes in the Net Pension Liability and Related Ratios

Last Four Fiscal Years

(Unaudited)

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 3,848,387	\$ 4,026,131	\$ 3,960,640	\$ 5,129,594
Interest	17,972,364	17,276,218	16,386,234	14,808,396
Demographic experience	612,903	(1,619,349)	4,343,366	134,405
Benefit payments, including refunds of employee contributions	(11,908,412)	(10,884,662)	(10,002,824)	(9,224,785)
Changes of benefit terms	-	-	1,850,931	-
Assumption changes	6,988,272	-	(22,826,617)	-
Net change in total pension liability	17,513,514	8,798,338	(6,288,270)	10,847,610
Total pension liability – beginning	211,997,313	203,198,975	209,487,245	198,639,635
Total pension liability – ending (a)	\$ 229,510,827	\$ 211,997,313	\$ 203,198,975	\$ 209,487,245
Plan fiduciary net position				
Contributions-employer	\$ 8,766,068	\$ 9,537,098	\$ 9,218,730	\$ 9,393,477
Contributions-employee	1,511,546	1,514,657	1,198,413	1,199,916
Net investment income	22,518,129	16,635,024	2,794,517	16,754,911
Benefit payments, including refunds of employee contributions	(11,908,412)	(10,884,662)	(10,002,824)	(9,224,785)
Administrative expense	(166,619)	(169,932)	(121,308)	(61,970)
Net change in plan fiduciary net position	20,720,712	16,632,185	3,087,528	18,061,549
Plan fiduciary net position – beginning	182,964,444	166,332,259	163,244,731	145,183,182
Plan fiduciary net position – ending (b)	\$ 203,685,156	\$ 182,964,444	\$ 166,332,259	\$ 163,244,731
City's net pension liability – (a) – (b)	\$ 25,825,671	\$ 29,032,869	\$ 36,866,716	\$ 46,242,514
Plan fiduciary net position as a percentage of the total pension liability	88.75%	86.31%	81.86%	77.93%
Covered payroll	\$ 14,558,858	\$ 14,881,215	\$ 14,375,815	\$ 13,987,337
City's net liability as a percentage of covered payroll	177.39%	195.10%	256.45%	330.60%
Measurement date	9/30/2017	9/30/2016	9/30/2015	9/30/2014

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information

Firefighters' Retirement Plan

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

Last Four Fiscal Years

(Unaudited)

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 3,367,278	\$ 3,115,093	\$ 3,036,432	\$ 3,619,881
Interest	5,869,494	5,316,210	5,426,558	4,297,600
Demographic experience	(843,752)	(1,503,467)	(781,690)	7,626
Benefit payments, including refunds of employee contributions	(758,448)	(662,875)	(699,229)	(496,377)
Changes of benefit terms	-	-	(197,858)	-
Assumption changes	2,588,902	-	(8,086,717)	-
Net change in total pension liability	10,223,474	6,264,961	(1,302,504)	7,428,730
Total pension liability – beginning	66,008,588	59,743,627	61,046,131	53,617,401
Total pension liability – ending (a)	\$ 76,232,062	\$ 66,008,588	\$ 59,743,627	\$ 61,046,131
Plan fiduciary net position				
Contributions-employer	\$ 2,786,119	\$ 3,069,685	\$ 2,669,685	\$ 4,157,476
Contributions-employee	1,209,511	1,134,480	1,084,035	1,042,328
Net investment income	9,668,604	6,820,097	(493,412)	6,614,161
Benefit payments, including refunds of employee contributions	(758,448)	(662,875)	(699,229)	(496,377)
Administrative expense	(133,399)	(114,194)	(87,545)	(60,964)
Net change in plan fiduciary net position	12,772,387	10,247,193	2,473,534	11,256,624
Plan fiduciary net position – beginning	78,258,774	68,011,581	65,538,047	54,281,423
Plan fiduciary net position – ending (b)	\$ 91,031,161	\$ 78,258,774	\$ 68,011,581	\$ 65,538,047
City's net pension liability (asset) – (a) – (b)	\$ (14,799,099)	\$ (12,250,186)	\$ (8,267,954)	\$ (4,491,916)
Plan fiduciary net position as a percentage of the total pension liability	119.41%	118.56%	113.84%	107.36%
Covered payroll	\$ 13,459,531	\$ 12,808,109	\$ 12,414,588	\$ 11,912,320
City's net liability as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable
Measurement date	9/30/2017	9/30/2016	9/30/2015	9/30/2014

* The Fiduciary Net Position excludes contributions totaling \$1,194,830 at September 30, 2018.

The contributions are restricted for future benefits and are not available to offset the total pension liability.

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information
General Employees' Retirement Plan
Schedule of Contributions
Last Five Fiscal Years
(Unaudited)

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 587,157	\$ 428,916	\$ 410,992	\$ 446,374	\$ 432,121
Contribution made in relation to the actuarially determined contribution	587,157	529,000	529,000	529,000	529,000
Contribution – deficiency (excess)	\$ -	\$ (100,084)	\$ (118,008)	\$ (82,626)	\$ (96,879)
Covered payroll	*	\$ 43,036	\$ 49,416	\$ 219,126	\$ 223,257
Contributions as a percentage of covered payroll	N/A	1229.20%	1070.50%	241.41%	236.95%

* Beginning in fiscal year 2018, there were no active employees in the General Employees' Retirement Plan.
As a result, covered payroll is zero.

Notes to Schedule:

Valuation date 10/1/2017

The following actuarial methods and assumptions were used in 2018 to determine contribution rates reported in this schedule:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	6 years
Asset valuation method	Three-year smoothed market value
Actuarial assumptions:	
Investment rate of return	6.50%
Assumed annual salary increases	5.00%
Inflation	2.50%
Cost-of-living adjustments	2.00%
Mortality rates	RP-2000 mortality tables with blue collar adjustments and generational projections using Scale BB.

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information
Police Officers' Retirement Plan
Schedule of Contributions
Last Five Fiscal Years
(Unaudited)

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 10,220,960	\$ 9,194,365	\$ 9,015,031	\$ 9,248,652	\$ 9,164,486
Contribution made in relation to the actuarially determined contribution	10,330,313	8,766,068	9,537,098	9,218,730	9,393,477
Contribution – deficiency (excess)	\$ (109,353)	\$ 428,297	\$ (522,067)	\$ 29,922	\$ (228,991)
Covered payroll	\$ 16,479,660	\$ 14,558,858	\$ 14,881,215	\$ 14,375,815	\$ 13,987,337
Contributions as a percentage of covered payroll	62.69%	60.21%	64.09%	64.13%	67.16%

Notes to Schedule:

Valuation date 10/1/2017

The following actuarial methods and assumptions were used in 2018 to determine contribution rates reported in this schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Five-year smoothed market value
Actuarial assumptions:	
Investment rate of return	7.50%
Assumed annual salary increases	4.75%
Inflation	2.50%
Cost-of-living adjustments	2.5% for benefits earned prior to October 1, 2012; 1%, delayed for 5 years, for benefits earned after September 30, 2012
Mortality rates	Full generational projection using Scale BB of the RP-2000 Mortality Table

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information
Firefighters' Retirement Plan
Schedule of Contributions
Last Five Fiscal Years
(Unaudited)

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 3,758,133	\$ 3,432,180	\$ 3,306,199	\$ 3,207,505	\$ 3,320,998
Contribution made in relation to the actuarially determined contribution	3,758,133	2,786,119	3,069,685	2,669,685	3,369,685
Contribution – deficiency (excess)	\$ -	\$ 646,061	\$ 236,514	\$ 537,820	\$ (48,687)
Covered payroll	\$ 14,193,075	\$ 13,459,531	\$ 12,808,109	\$ 12,414,588	\$ 11,912,320
Contributions as a percentage of covered payroll	26.48%	23.97%	23.97%	21.50%	28.29%

Notes to Schedule:

Valuation date 10/1/2017

The following actuarial methods and assumptions were used in 2018 to determine contribution rates reported in this schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Five-year smoothed market value
Actuarial assumptions:	
Investment rate of return	7.50%
Assumed annual salary increases	4.75%
Inflation	2.50%
Cost-of-living adjustments	1.00%
Mortality rates	Full generational projection using Scale BB of the RP-2000 Mortality Table

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information
General Employees' Retirement Plan
Schedule of Investment Returns
Last Four Fiscal Years
(Unaudited)

	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	5.20%	9.00%	9.40%	(0.40)%

Notes to Schedule:

This Schedule is presented to illustrate the requirements of GASB 67.

The requirement is to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information

Other Post-Employment Benefits - Employer Reporting

Schedule of Changes in the Net OPEB Liability and Related Ratios
(Unaudited)

	2018
Total OPEB liability	
Service cost	\$ 897,710
Interest	931,779
Benefit payments, including refunds of employee contributions	(794,095)
Net change in total OPEB liability	<u>1,035,394</u>
Total OPEB liability – beginning	<u>30,764,166</u>
Total OPEB liability – ending (a)	<u><u>\$ 31,799,560</u></u>
Plan fiduciary net position	
Contributions-employer	\$ 204,285
Net investment income	452,887
Administrative expense	(4,406)
Net change in plan fiduciary net position	<u>652,766</u>
Plan fiduciary net position – beginning	<u>3,601,281</u>
Plan fiduciary net position – ending (b)	<u><u>\$ 4,254,047</u></u>
City's net OPEB liability – (a) – (b)	<u><u>\$ 27,545,513</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	13.38%
Covered payroll	\$ 51,070,572
City's net liability as a percentage of covered payroll	53.94%
Measurement date	9/30/2017

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information
Other Post-Employment Benefits - Employer Reporting
Schedule of City Contributions – OPEB
(Unaudited)

	2018
Actuarially determined contribution	\$ 1,812,791
Contribution made in relation to the actuarially determined contribution	1,660,067
Contribution – deficiency (excess)	<u>\$ 152,724</u>
Covered payroll	\$ 56,183,655
Contributions as a percentage of covered payroll	3.00%

Notes to Schedule:

Valuation date 10/1/2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	5.50%
Assumed annual salary increases	3.00%
Inflation	2.50%
Healthcare cost trend rates	
Medical	
Select rates	5.70% / 6.10% initial medical trend rate for retirees (pre-65/post-65)
Ultimate rate	3.81% / 3.82% per annum beginning 2073
Dental/Vision	
Select rates	Not applicable
Ultimate rate	3.0% per annum
Mortality rates	
Police and Fire employees	SOA RP-2014h sex distinct tables with adjustment to 2006 blue collar headcount weighted table using generational mortality improvement scale MP-2018
All other employees	SOA RP-2014h sex distinct tables with adjustment to 2006 total dataset headcount experience using generational mortality improvement scale MP-2018

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information
Other Post-Employment Benefits - Plan Reporting
Schedule of Changes in the Net OPEB Liability and Related Ratios
(Unaudited)

	2018	2017
Total OPEB liability		
Service cost	\$ 1,927,287	\$ 897,710
Interest	965,321	931,779
Differences between expected and actual experience	(607,682)	-
Changes of assumptions	(9,885,015)	-
Benefit payments, including refunds of employee contributions	(1,451,697)	(794,095)
Net change in total OPEB liability	(9,051,786)	1,035,394
Total OPEB liability – beginning	31,799,560	30,764,166
Total OPEB liability – ending (a)	\$ 22,747,774	\$ 31,799,560
Plan fiduciary net position		
Contributions-employer	\$ 208,370	\$ 204,285
Net investment income	258,484	452,887
Administrative expense	(4,955)	(4,406)
Net change in plan fiduciary net position	461,899	652,766
Plan fiduciary net position – beginning	4,254,047	3,601,281
Plan fiduciary net position – ending (b)	\$ 4,715,946	\$ 4,254,047
City's net OPEB liability (asset) – (a) – (b)	\$ 18,031,828	\$ 27,545,513
Plan fiduciary net position as a percentage of the total OPEB liability	20.73%	13.38%
Covered payroll	\$ 56,183,655	\$ 51,070,572
City's net liability as a percentage of covered payroll	32.09%	53.94%
Measurement date	9/30/2018	9/30/2017

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information
Other Post-Employment Benefits - Plan Reporting
Schedule of City Contributions – OPEB
(Unaudited)

	2018	2017
Actuarially determined contribution	\$ 1,812,791	\$ 298,000
Contribution made in relation to the actuarially determined contribution	1,660,067	596,000
Contribution – deficiency (excess)	<u>\$ 152,724</u>	<u>\$ (298,000)</u>
Covered payroll	\$ 56,183,655	\$ 51,070,572
Contributions as a percentage of covered payroll	3.00%	1.17%

Notes to Schedule:

Valuation date 10/1/2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	5.50%
Assumed annual salary increases	3.00%
Inflation	2.50%
Healthcare cost trend rates	
Medical	
Select rates	5.70% / 6.10% initial medical trend rate for retirees (pre-65/post-65)
Ultimate rate	3.81% / 3.82% per annum beginning 2073
Dental/Vision	
Select rates	Not applicable
Ultimate rate	3.0% per annum
Mortality rates	
Police and Fire employees	SOA RP-2014h sex distinct tables with adjustment to 2006 blue collar headcount weighted table using generational mortality improvement scale MP-2018
All other employees	SOA RP-2014h sex distinct tables with adjustment to 2006 total dataset headcount experience using generational mortality improvement scale MP-2018

This Schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Required Supplementary Information
Other Post-Employment Benefits - Plan Reporting
Schedule of Investment Returns – OPEB
(Unaudited)

	2018	2017
Annual money-weighted rate of return, net of investment expense	5.92%	11.97%

Notes to Schedule:

This Schedule is presented to illustrate the requirement of GASB 74.

The requirement is to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

City of Coral Springs, Florida

Notes to Required Supplementary Information September 30, 2018 (Unaudited)

Budgetary Procedures and Budgetary Accounting

The City adheres to the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

Prior to September 30, the City Manager submits to the City Commission proposed operating budgets for the General Fund, Debt Service Fund, Fire Special Revenue Fund, Charter School Special Revenue Fund, Public Art Special Revenue Fund, Enterprise Funds, and Internal Service Funds for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them. As part of the City's annual budgeting process, expenditures and funding sources for capital projects are identified through the Capital Improvement Program Budget. The Grant Fund does not have a legally adopted budget.

Public hearings are conducted at City Hall to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of a resolution.

Each department director is authorized to transfer budget amounts within individual departments. Revisions that alter the total expenditures of any department within a fund must be approved by the City Manager. The City Commission must approve revisions that alter the total expenditures of any fund. Actual expenditures and operating transfers out may not exceed budget appropriations at the individual fund level. Legal level of control is maintained at the fund level.

If during the course of the fiscal year it becomes evident that a particular fund is unable to provide the required level of services to the community due to unexpected higher costs of providing services or a shortfall of revenue, the budget may be amended. The Director of Budget and Strategy submits to the City Commission a request to amend the budget. The request contains explanations written by the director(s) of the department(s) making the request. The request includes a proposal for financing if additional expenditures are requested.

From time to time, the City may appropriate funds that are intended to roll into fund balance at the end of a given fiscal year. While these funds are not considered part of fund balance until the end of the applicable fiscal year in which it is budgeted, such appropriation provides additional capacity to fund unanticipated expenditures that may occur.

The accompanying budgetary data represents the original and the final amended budgets as approved by the City Commission. The difference between the two columns represents authorized budget transfers within the fiscal year.

City of Coral Springs, Florida

Notes to Required Supplementary Information
September 30, 2018
(Unaudited)

The following schedule reconciles the General Fund's revenue and expenditure amounts on *the schedule of revenue, expenditures, and changes in fund balances – budget and actual (budgetary basis)* to amounts on *the statement of revenue, expenditures, and changes in fund balances*:

	Revenues	Expenditures
Revenue and expenditures – budgetary basis	\$ 126,463,465	\$ 114,432,576
State contribution for Police and Fire Pension Funds	2,622,164	-
Expenses related to the State contribution for the Police and Fire Pension Funds	-	2,622,164
Computer replacement expenditures for the year ended September 30, 2018	-	305,419
Revenue, expenditures and transfers – GAAP basis	<u>\$ 129,085,629</u>	<u>\$ 117,360,159</u>

The General Fund budget is prepared on the modified accrual basis. However, certain General Fund operations are not budgeted and are excluded from the budget to actual presentation. The operations that are not budgeted are the State Contributions for the Police and Fire Pension Funds and the Computer Replacement Reserve expenditures.

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for specific revenue that is restricted to expenditures for particular purposes.

- Charter School Fund – to account for the operations of the Coral Springs Charter School.
- Law Enforcement Contraband Forfeiture Fund – to account for law enforcement related projects funded by the proceeds from forfeited confiscated property.
- Tree Trust Fund – to account for fines received in accordance with the City's tree preservation ordinance.
- Public Art Fund – to account for the operations related to the City's public art program.
- Affordable Housing Fund – to account for the fees charged to developers as means to fund the City's affordable housing program for the benefit of current and future residents.

Nonmajor Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general government debt principal, interest, and related costs paid primarily from taxes levied by the City.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- General Capital Projects Fund – to account for funds received and expended for the acquisition and construction of major capital facilities other than those financed by proprietary funds, grants, and general obligation and revenue bonds and notes.
- Capital Revenue Note 2010 Fund – to account for the acquisition and construction of downtown capital improvements and other improvements within the City funded by this note.
- Capital Revenue Note 2013 Fund – to account for the acquisition of vehicles and equipment, and construction of improvements within the City funded by this note.
- Capital Revenue Note 2014 Fund – to account for a portion of the acquisition and construction of a new City Hall within the City funded by this note.
- G.O. Bond Series 2015 Fund – to account for the upgrade of the public safety communications system, reconstructing two Fire Stations, renovating and expanding the crime scene investigations and evidence facility and constructing a Safety Town building funded by this bond series.
- Capital Revenue Bond Series 2015B Fund – to account for construction of improvements within the City funded by this bond series.
- Special Obligation Bond Series 2016A Fund – to account for the construction of City Hall funded by this bond series.
- Special Obligation Bond Series 2016B Fund – to account for the acquisition and construction of the City's municipal parking garage within the City funded by this bond series.
- Special Obligation Bond Series 2017A Fund – to account for the acquisition and renovation of an existing building which will be used for governmental purposes and to construct additional parking.

City of Coral Springs, Florida

Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2018

	Charter School Fund	Law Enforcement Contraband Forfeiture Fund	Tree Trust Fund
Assets			
Pooled cash and cash equivalents	\$ 2,068,260	\$ 978,843	\$ 294,576
Pooled investments	3,873,594	1,764,203	551,704
Interest receivable	23,687	10,787	3,374
Accounts receivables, net	-	29,659	-
Due from other governments	70,622	-	-
Total assets	\$ 6,036,163	\$ 2,783,492	\$ 849,654
Liabilities			
Accounts payable and accrued liabilities	\$ 4,490	\$ 26,866	\$ 22,215
Deposits and unearned revenue	-	36,868	-
Total liabilities	4,490	63,734	22,215
Fund Balances			
Restricted:			
Charter school operations	6,031,673	-	-
Law enforcement	-	2,719,758	-
Physical environment	-	-	827,439
Public art	-	-	-
Affordable housing	-	-	-
Unassigned:			
Special Revenue Funds	-	-	-
Total fund balances (deficit)	6,031,673	2,719,758	827,439
Total liabilities and fund balances (deficit)	\$ 6,036,163	\$ 2,783,492	\$ 849,654

(Continued)

	Public Art Fund	Affordable Housing Fund	Total Nonmajor Special Revenue Funds
\$	247,213	\$ 102,055	\$ 3,690,947
	462,999	191,137	6,843,637
	2,832	1,167	41,847
	-	-	29,659
	-	-	70,622
\$	713,044	\$ 294,359	\$ 10,676,712
\$	3,780	\$ -	\$ 57,351
	163,026	-	199,894
	166,806	-	257,245
	-	-	6,031,673
	-	-	2,719,758
	-	-	827,439
	546,238	-	546,238
	-	294,359	294,359
	-	-	-
	546,238	294,359	10,419,467
\$	713,044	\$ 294,359	\$ 10,676,712



City of Coral Springs, Florida

Nonmajor Debt Service Fund
Combining Balance Sheet
September 30, 2018

	Debt Service Fund
Assets	
Pooled cash and cash equivalents	\$ 187,185
Pooled investments	350,575
Interest receivable	2,144
Due from other governments	257
Total assets	<u>\$ 540,161</u>
Liabilities	
Due to other funds	\$ -
Deposits and unearned revenue	43,699
Total liabilities	<u>43,699</u>
Fund Balances	
Assigned:	
Debt service	496,462
Total fund balances	<u>496,462</u>
Total liabilities and fund balances	<u><u>\$ 540,161</u></u>

(Continued)

City of Coral Springs, Florida

Nonmajor Capital Projects Funds
Combining Balance Sheet (Continued)
September 30, 2018

	General Capital Projects Fund	Capital Revenue Note 2010 Fund	Capital Revenue Note 2013 Fund	Capital Revenue Note 2014 Fund
Assets				
Pooled cash and cash equivalents	\$ 1,518,944	\$ -	\$ 66,158	\$ 10,886
Pooled investments	2,844,794	-	-	20,388
Interest receivable	17,396	-	57	124
Accounts receivables, net	-	-	-	-
Due from other governments	-	-	-	-
Asset held for resale	375,000	-	-	-
Total assets	\$ 4,756,134	\$ -	\$ 66,215	\$ 31,398
Liabilities				
Accounts payable and accrued liabilities	\$ 1,404,758	\$ -	\$ 5,192	\$ 31,370
Deposits and unearned revenue	-	-	-	-
Total liabilities	1,404,758	-	5,192	31,370
Fund Balances				
Restricted:				
Capital projects	-	-	61,023	28
Charter school operations	-	-	-	-
Law enforcement	-	-	-	-
Public art	-	-	-	-
Physical environment	-	-	-	-
Affordable housing	-	-	-	-
Road improvements	99,342	-	-	-
Assigned:				
Capital projects	3,252,034	-	-	-
Unassigned:				
Special Revenue Funds	-	-	-	-
Debt Service Fund	-	-	-	-
Total fund balances	3,351,376	-	61,023	28
Total liabilities and fund balances	\$ 4,756,134	\$ -	\$ 66,215	\$ 31,398

General Obligation Bond Series 2015 Fund	Capital Revenue Bond 2015B Fund	Special Obligation Bond Series 2016A Fund	Special Obligation Bond Series 2016B Fund	Special Obligation Bond Series 2017A Fund	Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 8,519	\$ 2,612,035	\$ 178,365	\$ 204,789	\$ 3,775,033	\$ 8,374,729	\$ 12,252,861
15,955	19,651	-	10,862	-	2,911,650	10,105,862
97	2,510	191	223	2,980	23,578	67,569
-	-	-	-	-	-	29,659
-	-	-	-	-	-	70,879
-	-	-	-	-	375,000	375,000
<u>\$ 24,571</u>	<u>\$ 2,634,196</u>	<u>\$ 178,556</u>	<u>\$ 215,874</u>	<u>\$ 3,778,013</u>	<u>\$ 11,684,957</u>	<u>\$ 22,901,830</u>
\$ -	\$ 74,144	\$ 178,556	\$ 215,874	\$ -	\$ 1,909,894	\$ 1,967,245
-	-	-	-	-	-	243,593
<u>-</u>	<u>74,144</u>	<u>178,556</u>	<u>215,874</u>	<u>-</u>	<u>1,909,894</u>	<u>2,210,838</u>
24,571	2,560,052	-	-	3,778,013	6,423,687	6,423,687
-	-	-	-	-	-	6,031,673
-	-	-	-	-	-	2,719,758
-	-	-	-	-	-	546,238
-	-	-	-	-	-	827,439
-	-	-	-	-	-	294,359
-	-	-	-	-	99,342	99,342
-	-	-	-	-	3,252,034	3,252,034
-	-	-	-	-	-	-
-	-	-	-	-	-	496,462
<u>24,571</u>	<u>2,560,052</u>	<u>-</u>	<u>-</u>	<u>3,778,013</u>	<u>9,775,063</u>	<u>20,690,992</u>
<u>\$ 24,571</u>	<u>\$ 2,634,196</u>	<u>\$ 178,556</u>	<u>\$ 215,874</u>	<u>\$ 3,778,013</u>	<u>\$ 11,684,957</u>	<u>\$ 22,901,830</u>

City of Coral Springs, Florida

Nonmajor Special Revenue Funds

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

Fiscal Year Ended September 30, 2018

	Charter School Fund	Law Enforcement Contraband Forfeiture Fund	Tree Trust Fund
Revenues			
Intergovernmental	\$ 13,347,504	\$ -	\$ -
Licenses and permits	-	-	2,285
Charges for services	-	-	-
Fines and forfeitures	-	723,510	114,564
Interest and other	70,891	27,871	9,588
Total revenue	13,418,395	751,381	126,437
Expenditures			
Current:			
General government	-	-	-
Public safety:			
Police	-	267,982	-
Fire and rescue	-	-	-
Parks and recreation	-	-	-
Public works	-	-	-
Development services	-	-	-
Educational and cultural programs	12,724,276	-	-
Capital outlay	265,887	94,702	149,235
Total expenditures	12,990,163	362,684	149,235
Excess (deficiency) of revenue over (under) expenditures	428,232	388,697	(22,798)
Fund balances (deficit), beginning of year	5,603,441	2,331,061	850,237
Fund balances (deficit), end of year	\$ 6,031,673	\$ 2,719,758	\$ 827,439

(Continued)

Public Art Fund	Affordable Housing Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 13,347,504
-	-	2,285
234,574	-	234,574
-	-	838,074
7,781	3,242	119,373
242,355	3,242	14,541,810
-	-	-
-	-	267,982
-	-	-
-	-	-
-	-	-
57,542	-	12,781,818
92,553	-	602,377
150,095	-	13,652,177
92,260	3,242	889,633
453,978	291,117	9,529,834
\$ 546,238	\$ 294,359	\$ 10,419,467



City of Coral Springs, Florida

Nonmajor Debt Service Fund
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Fiscal Year Ended September 30, 2018

	Debt Service Fund
Revenues	
Ad valorem tax	\$ 2,548,718
Intergovernmental	93,306
Interest and other	29,360
Total revenue	<u>2,671,384</u>
Expenditures	
Current:	
General government	750
Debt service:	
Principal	7,449,362
Interest and other	2,539,360
Total expenditures	<u>9,989,472</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(7,318,088)</u>
Other financing sources	
Transfers in	7,346,884
Total other financing sources	<u>7,346,884</u>
Net change in fund balances	<u>28,796</u>
Fund balances, beginning of year	467,666
Fund balances, end of year	<u><u>\$ 496,462</u></u>

(Continued)

City of Coral Springs, Florida

Nonmajor Capital Projects Funds

Combining Statement of Revenue, Expenditures and Changes in Fund Balances (Continued)

Fiscal Year Ended September 30, 2018

	General Capital Projects Fund	Capital Revenue Note 2010 Fund	Capital Revenue Note 2013 Fund	Capital Revenue Note 2014 Fund	General Obligation Bond Series 2015 Fund
Revenues					
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest and other	45,892	928	394	180	323
Total revenue	45,892	928	394	180	323
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety:					
Police	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Development services	-	-	-	-	-
Educational and cultural programs	-	-	-	-	-
Capital outlay	3,578,573	153,520	9,416	31,370	11,333
Debt service:					
Principal	-	-	-	-	-
Interest and other	-	-	-	-	-
Total expenditures	3,578,573	153,520	9,416	31,370	11,333
Excess (deficiency) of revenue over (under) expenditures	(3,532,681)	(152,592)	(9,022)	(31,190)	(11,010)
Other financing sources					
Transfers in	3,429,818	-	-	-	-
Special obligation bonds issued	-	-	-	-	-
Total other financing sources	3,429,818	-	-	-	-
Net change in fund balance	(102,863)	(152,592)	(9,022)	(31,190)	(11,010)
Fund balances, beginning of year	3,454,239	152,592	70,045	31,218	35,581
Fund balances, end of year	\$ 3,351,376	\$ -	\$ 61,023	\$ 28	\$ 24,571

Capital Revenue Bond 2015B Fund	Special Obligation Bond Series 2016A Fund	Special Obligation Bond Series 2016B Fund	Special Obligation Bond Series 2017A Fund	Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,548,718
-	-	-	-	-	13,440,810
-	-	-	-	-	2,285
-	-	-	-	-	234,574
-	-	-	-	-	838,074
20,866	7,346	1,078	20,611	97,618	246,351
20,866	7,346	1,078	20,611	97,618	17,310,812
-	-	-	-	-	750
-	-	-	-	-	267,982
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	12,781,818
2,895,581	3,736,509	266,568	6,184,657	16,867,527	17,469,904
-	-	-	-	-	7,449,362
-	-	-	57,941	57,941	2,597,301
2,895,581	3,736,509	266,568	6,242,598	16,925,468	40,567,117
(2,874,715)	(3,729,163)	(265,490)	(6,221,987)	(16,827,850)	(23,256,305)
-	-	-	-	3,429,818	10,776,702
-	-	-	10,000,000	10,000,000	10,000,000
-	-	-	10,000,000	13,429,818	20,776,702
(2,874,715)	(3,729,163)	(265,490)	3,778,013	(3,398,032)	(2,479,603)
5,434,767	3,729,163	265,490	-	13,173,095	23,170,595
\$ 2,560,052	\$ -	\$ -	\$ 3,778,013	\$ 9,775,063	\$ 20,690,992

City of Coral Springs, Florida

Coral Springs Charter School Special Revenue Fund – Nonmajor
Schedule of Revenue, Expenditures and Changes in Fund Balances –
Budget and Actual (Budgetary Basis) (Unaudited)
Fiscal Year Ended September 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenue:				
Intergovernmental	\$ 12,153,888	\$ 12,153,888	\$ 13,347,504	\$ 1,193,616
Interest and other	72,400	72,400	70,891	(1,509)
Total revenue	12,226,288	12,226,288	13,418,395	1,192,107
Expenditures:				
Educational programs	12,341,680	12,341,680	12,724,276	(382,596)
Capital outlay	50,000	50,000	265,887	(215,887)
Total expenditures	12,391,680	12,391,680	12,990,163	(598,483)
Excess (deficiency) of revenue				
over (under) expenditures	(165,392)	(165,392)	428,232	593,624
Appropriated fund balance	165,392	165,392	-	(165,392)
Net change in fund balance	\$ -	\$ -	428,232	\$ 428,232
Fund balance, beginning of year			5,603,441	
Fund balance, end of year			\$ 6,031,673	

In the Charter School Fund, the excess of expenditures over appropriation can be attributed to unbudgeted teacher compensation and unbudgeted capital expenditures.

City of Coral Springs, Florida

Public Art Special Revenue Fund – Nonmajor
Schedule of Revenue, Expenditures, and Changes in Fund Balances –
Budget and Actual (Unaudited)
Fiscal Year Ended September 30, 2018

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenue:				
Charges for services	\$ 15,000	\$ 15,000	\$ 234,574	\$ 219,574
Interest and other	8,000	8,000	7,781	(219)
Total revenue	23,000	23,000	242,355	219,355
Expenditures:				
Educational & cultural	103,700	103,700	57,542	46,158
Capital outlay	233,200	233,200	92,553	140,647
Total expenditures	336,900	336,900	150,095	186,805
Excess (deficiency) of revenue over (under) expenditures	(313,900)	(313,900)	92,260	406,160
Appropriated fund balance	313,900	313,900	-	(313,900)
Net change in fund balance	\$ -	\$ -	92,260	\$ 92,260
Fund balance, beginning of year			453,978	
Fund balance, end of year			\$ 546,238	

City of Coral Springs, Florida

Debt Service Fund – Nonmajor
Schedule of Revenue, Expenditures and Changes in Fund Balances –
Budget and Actual (Unaudited)
Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenue:				
Ad valorem taxes	\$ 2,534,925	\$ 2,534,925	\$ 2,548,718	\$ 13,793
Intergovernmental	11,647	11,647	93,306	81,659
Interest and other	92,756	92,756	29,360	(63,396)
Total revenue	2,639,328	2,639,328	2,671,384	32,056
Expenditures:				
Current:				
General government	1,400	1,400	750	650
Debt service:				
Principal	7,449,362	7,449,362	7,449,362	-
Interest and other	2,535,450	2,535,450	2,539,360	(3,910)
Total expenditures	9,986,212	9,986,212	9,989,472	(3,260)
Excess (deficiency) of revenue over (under) expenditures	(7,346,884)	(7,346,884)	(7,318,088)	28,796
Other financing sources:				
Transfers in	7,346,884	7,346,884	7,346,884	-
Total other financing sources	7,346,884	7,346,884	7,346,884	-
Net change in fund balances	\$ -	\$ -	28,796	\$ 28,796
Fund balance, beginning of year			467,666	
Fund balance, end of year			\$ 496,462	

City of Coral Springs, Florida

Water and Sewer Fund

Schedule of Revenue, Expenses and Other Financing Sources (Uses)

(Budgetary Basis) Compared to Budget (Unaudited)

Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Operating revenue:				
Water sales	\$ 9,078,009	\$ 9,078,009	\$ 9,346,715	\$ 268,706
Sewer service charge	13,583,410	13,583,410	13,652,366	68,956
Charges for services	250,369	250,369	399,990	149,621
Total operating revenue	22,911,788	22,911,788	23,399,071	487,283
Operating expenses:				
Wastewater treatment	6,065,210	6,065,210	6,025,105	40,105
Water treatment	3,106,453	3,106,453	2,672,464	433,989
Water distribution	1,168,645	1,168,645	1,007,686	160,959
Wastewater collection	1,255,105	1,256,213	1,222,130	34,083
Administration	4,076,404	4,075,296	3,984,990	90,306
Insurance expense	754,879	754,879	754,879	-
Renewal and replacement	6,219,000	6,599,000	6,599,000	-
Capital replacement	996,700	616,700	379,251	237,449
Total operating expenses	23,642,396	23,642,396	22,645,505	996,891
Operating income	(730,608)	(730,608)	753,566	1,484,174
Nonoperating revenue (expenses):				
Interest income	31,012	31,012	77,482	46,470
Meter sales	10,300	10,300	36,955	26,655
Debt service	(2,163,411)	(2,163,411)	(2,180,576)	(17,165)
Other revenue	-	-	14,367	14,367
Total nonoperating revenue (expenses)	(2,122,099)	(2,122,099)	(2,051,772)	70,327
Other financing sources (uses):				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing uses	(50,000)	(50,000)	(50,000)	-
Appropriated fund balance	2,902,707	2,902,707	-	(2,902,707)
Excess of revenue over expenses	\$ -	\$ -	\$ (1,348,206)	\$ (1,348,206)

The above schedule reflects certain adjustments to actual revenue and expenses to present data on a basis comparable to the adopted budget.

City of Coral Springs, Florida

Solid Waste Fund
Schedule of Revenue, Expenses and Other Financing Sources (Uses)
(Budgetary Basis) Compared to Budget (Unaudited)
Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Operating revenue:				
Charges for services	\$ 4,585,987	\$ 4,585,987	\$ 4,619,530	\$ 33,543
Total operating revenue	4,585,987	4,585,987	4,619,530	33,543
Operating expenses:				
Current expenses	4,424,180	4,424,180	4,346,830	77,350
Administration	161,807	161,807	115,937	45,870
Total operating expenses	4,585,987	4,585,987	4,462,767	123,220
Operating income	-	-	156,763	156,763
Nonoperating revenue (expenses):				
Interest income	-	-	20,807	20,807
Total nonoperating revenue				
(expenses)	-	-	20,807	20,807
Excess of revenue over expenses	\$ -	\$ -	177,570	\$ 177,570
Fund balance, beginning of year			67,679	
Fund balance, end of year			\$ 245,249	

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and other government units, on a cost reimbursement basis.

- Self-Insurance Fund – to account for the costs of insuring the City in the areas of general liability, auto liability, property, life and medical benefits, and workers' compensation. The City is primarily self-insured in these areas. Other funds are billed to cover actual premium costs, claims, and to maintain an adequate net position balance.
- Equipment Services Fund – to account for the costs of operating a maintenance facility for City vehicles. Other departments are billed to cover operating costs, including insurance and depreciation on the vehicles, and to provide for future replacement of the vehicles. New vehicles are initially purchased by the user departments and contributed to the Equipment Services Fund.

City of Coral Springs, Florida

Internal Service Funds
Combining Statement of Net Position
September 30, 2018

	Self- Insurance Fund	Equipment Services Fund	Total
Assets			
Current assets:			
Pooled cash and cash equivalents	\$ 4,273,749	\$ 2,645,132	\$ 6,918,881
Pooled investments	7,511,499	4,954,004	12,465,503
Interest receivable	45,934	30,294	76,228
Advance to other fund	-	100,000	100,000
Total current assets	11,831,182	7,729,430	19,560,612
Noncurrent assets:			
Advance to other fund	-	700,000	700,000
Capital assets, net	-	13,645,993	13,645,993
Total assets	11,831,182	22,075,423	33,906,605
Deferred outflows of resources:			
Deferred outflows for OPEB	-	4,167	4,167
Total deferred outflow of resources	-	4,167	4,167
Liabilities			
Accounts payable and accrued liabilities	46,937	131,858	178,795
Compensated absences	23,758	81,503	105,261
Accrued liability for estimated claims	4,541,147	-	4,541,147
Net OPEB liability	-	550,911	550,911
Total liabilities	4,611,842	764,272	5,376,114
Deferred inflows of resources:			
Deferred inflows for OPEB	-	5,481	5,481
Total deferred inflow of resources	-	5,481	5,481
Net Position			
Net investment in capital assets	-	13,645,993	13,645,993
Unrestricted	7,219,340	7,663,844	14,883,184
Total net position	\$ 7,219,340	\$ 21,309,837	\$ 28,529,177

City of Coral Springs, Florida

Internal Service Funds

Combining Statement of Revenue, Expenses and Changes in Net Position

Fiscal Year Ended September 30, 2018

	Self- Insurance Fund	Equipment Services Fund	Total
Operating revenues:			
Charges for services	\$ 17,040,418	\$ 6,829,323	\$ 23,869,741
Other revenue	-	52,042	52,042
Total operating revenue	17,040,418	6,881,365	23,921,783
Operating expenses:			
Operating and program costs	-	1,422,395	1,422,395
Administration	1,329,834	1,681,445	3,011,279
Depreciation	-	3,188,122	3,188,122
Insurance claims, net of recoveries	12,296,035	-	12,296,035
Insurance premiums	3,094,773	-	3,094,773
Total operating expenses	16,720,642	6,291,962	23,012,604
Operating income	319,776	589,403	909,179
Nonoperating revenues:			
Investment income	115,370	82,538	197,908
Gain on disposal of capital assets	-	130,342	130,342
Total nonoperating revenue (expenses), net	115,370	212,880	328,250
Income (loss) before contributions and transfers	435,146	802,283	1,237,429
Capital contributions	-	674,444	674,444
Transfers in	-	13,720	13,720
Transfers out	-	(442,230)	(442,230)
Change in net position	435,146	1,048,217	1,483,363
Net position, beginning of year	6,784,194	20,261,620	27,045,814
Net position, end of year	\$ 7,219,340	\$ 21,309,837	\$ 28,529,177

City of Coral Springs, Florida

Internal Service Funds
Combining Statement of Cash Flows
Fiscal Year Ended September 30, 2018

	Self- Insurance Fund	Equipment Services Fund	Total
Cash Flows From Operating Activities			
Receipts from other funds	\$ 17,040,418	\$ 6,829,323	\$ 23,869,741
Receipts from employees and other sources	1,694,492	52,042	1,746,534
Payments to suppliers for goods and services	(3,486,694)	(1,777,989)	(5,264,683)
Payments for claims and premiums	(13,615,762)	-	(13,615,762)
Payments to employees for services	(436,061)	(1,262,997)	(1,699,058)
Net cash provided by operating activities	1,196,393	3,840,379	5,036,772
Cash Flows From Noncapital Financing Activities			
Advance from other funds	-	100,000	100,000
Net cash provided by noncapital financing activities	-	100,000	100,000
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	(3,708,950)	(3,708,950)
Proceeds from sale of capital assets	-	160,547	160,547
Transfer to other funds	-	(442,230)	(442,230)
Net cash used in capital and related financing activities	-	(3,990,633)	(3,990,633)
Cash Flows From Investing Activities			
Interest received	74,983	58,027	133,010
Proceeds from sale of investments	10,266,655	7,610,647	17,877,302
Purchase of investments	(11,009,696)	(7,313,583)	(18,323,279)
Net cash provided by (used in) investing activities	(668,058)	355,091	(312,967)
Net increase in cash and cash equivalents	528,335	304,837	833,172
Cash and cash equivalents, beginning of year	3,745,414	2,340,295	6,085,709
Cash and cash equivalents, end of year	\$ 4,273,749	\$ 2,645,132	\$ 6,918,881

City of Coral Springs, Florida

Internal Service Funds
Combining Statement of Cash Flows
Fiscal Year Ended September 30, 2018

	Self- Insurance Fund	Equipment Services Fund	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 319,776	\$ 589,403	\$ 909,179
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	3,188,122	3,188,122
Changes in assets and liabilities:			
Decrease in prepaid items	503,640	-	503,640
Increase in deferred outflows	-	(81)	(81)
Increase (decrease) in accounts payable	(8,787)	57,221	48,434
Increase in accrued liability for estimated claims	374,765	-	374,765
Increase (decrease) in compensated absences	6,999	(7,420)	(421)
Increase in net OPEB liability	-	7,653	7,653
Increase in deferred inflows	-	5,481	5,481
Total adjustments	876,617	3,250,976	4,127,593
Net cash provided by operating activities	\$ 1,196,393	\$ 3,840,379	\$ 5,036,772
Noncash investing and capital financing activities:			
Increase (decrease) in fair value of investments that are not cash equivalents:			
Unrealized gain on investments	\$ 20,678	\$ 14,567	\$ 35,245
Purchases of equipment from the following funds totaling \$688,164 were received from the:			
General Fund	-	151,839	151,839
Fire Fund	-	37,232	37,232
Nonmajor Funds	-	485,373	485,373
Water and Sewer Fund	-	13,720	13,720
	-	688,164	688,164
Total noncash investing, capital, noncapital and related financing activities	\$ 20,678	\$ 702,731	\$ 723,409

City of Coral Springs, Florida

Self-Insurance Fund
Schedule of Revenue and Expenses
(Budgetary Basis) Compared to Budget (Unaudited)
Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Operating revenue:				
Charges for services:				
General Fund	\$ 13,072,080	\$ 13,072,080	\$ 13,072,080	\$ -
Water and Sewer Fund	1,435,662	1,435,662	1,435,662	-
Solid Waste Fund	46,220	46,220	46,220	-
Equipment Services Fund	252,108	252,108	252,108	-
Self-Insurance Fund	36,840	36,840	36,840	-
Health Fund	4,660	4,660	4,660	-
Fire Fund	2,192,848	2,192,848	2,192,848	-
Recoveries	1,836,100	1,836,100	1,944,130	108,030
Other revenue	400,000	400,000	499,928	99,928
Interest	45,000	45,000	115,370	70,370
Total operating revenue	19,321,518	19,321,518	19,599,846	278,328
Operating expenses:				
Life, health and dental	14,873,748	14,873,748	14,942,408	(68,660)
Property and casualty	2,592,640	2,592,640	2,443,423	149,217
Workers' compensation	1,855,130	1,855,130	1,778,869	76,261
Total operating expenses	19,321,518	19,321,518	19,164,700	156,818
Excess (deficiency) of revenue over (under) expenses	-	-	435,146	435,146
Net change in fund balance	\$ -	\$ -	\$ 435,146	\$ 435,146

The above schedule reflects certain adjustments to actual revenue and expense to present data on a basis comparable to the adopted budget.

City of Coral Springs, Florida

Equipment Services Fund
Schedule of Revenue and Expenses
(Budgetary Basis) Compared to Budget (Unaudited)
Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Operating revenue:				
Charges for services	\$ 6,829,323	\$ 6,829,323	\$ 6,829,323	\$ -
Interest income	50,000	50,000	82,538	32,538
Other revenue	235,500	235,500	212,588	(22,912)
Total operating revenue	7,114,823	7,114,823	7,124,449	9,626
Operating expenses:				
Personal services	1,327,917	1,327,917	1,259,734	68,183
Current expenses	1,872,541	1,872,541	1,684,771	187,770
Depreciation expense	3,694,862	3,694,862	3,188,123	506,739
Equipment purchases	4,028,137	4,028,137	3,788,288	239,849
Total operating expenses	10,923,457	10,923,457	9,920,916	1,002,541
Excess (deficiency) of revenue over (under) expenses	(3,808,634)	(3,808,634)	(2,796,467)	1,012,167
Other financing sources (uses):				
Transfers out	(442,230)	(442,230)	(442,230)	-
Total other financing uses	(442,230)	(442,230)	(442,230)	-
Appropriated fund balance	4,250,864	4,250,864	-	(4,250,864)
Net change in fund balance	\$ -	\$ -	\$ (3,238,697)	\$ (3,238,697)

The above schedule reflects certain adjustments to actual revenue and expenses to present data on a basis comparable to the adopted budget.



Fiduciary Funds

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent on behalf of others.

- General Employees', Police Officers', and Firefighters' Pension Trust Funds – to account for the accumulation of resources to be used for retirement benefit payments to the City's employees. Resources are contributed by the employees at rates fixed by law and by the City at amounts determined by annual actuarial valuations.
- City Commission Pension Trust Fund – to account for the accumulation of resources to be used for retirement benefit payments to city commissioners. Resources are contributed by the City at rates fixed by the City.
- Defined Contribution Plans – to account for the assets of eight employee 401(a) plans for which the City acts as an agent on behalf of plan participants.
- OPEB Trust Fund – to account for the accumulation of resources to be used for funding other post-employment benefit payments on behalf of City employees. Resources are contributed by the City at amounts determined by bi-annual actuarial valuations.

City of Coral Springs, Florida

Fiduciary Funds
Combining Statement of Net Position
September 30, 2018

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	City Commission Pension	General Employees' 401 (a) Plan – QDRO	General Employees' 401 (a) Plan – 6%
Assets						
Pooled cash and cash equivalents	\$ 524,977	\$ 8,263,931	\$ 1,873,670	\$ 44,503	\$ -	\$ 49,546
Debt securities	2,963,042	33,517,700	19,386,821	83,350	-	268,359
Equity securities	4,449,410	145,331,342	69,763,201	-	131,427	7,097,837
Other investments	-	37,974,950	15,158,992	-	-	-
Pending trades	-	264,199	-	-	-	-
Interest receivable	28,605	283,522	117,181	509	-	-
Employee loan receivable and other assets	-	-	-	-	-	312,925
Capital assets, net of accumulated depreciation	-	938	767	-	-	-
Total assets	7,966,034	225,636,582	106,300,632	128,362	131,427	7,728,667
Liabilities						
Accounts payable and accrued liabilities	-	227,614	99,270	-	-	-
Pending trades	14,103	218,835	-	-	-	-
Total liabilities	14,103	446,449	99,270	-	-	-
Net Position						
Net position restricted for future pension benefits	-	-	1,731,484	-	-	-
Net position restricted for current pension benefits and other purposes	7,951,931	225,190,133	104,469,878	128,362	131,427	7,728,667
Total net position	\$ 7,951,931	\$ 225,190,133	\$ 106,201,362	\$ 128,362	\$ 131,427	\$ 7,728,667

General Employees' 401 (a) Plan – 8%	General Employees' 401 (a) Plan – 10%	Management 401 (a) Plan – 0%	Management 401 (a) Plan – 5%	Management 401 (a) Plan – 10%	City Manager & City Attorney 401 (a) Plan	OPEB Trust	Total
\$ 75,326	\$ 244,042	\$ -	\$ 40,482	\$ 217,277	\$ 15,504	\$ -	\$ 11,349,258
1,153,880	1,699,056	25,366	399,466	1,864,371	262,912	-	61,624,323
16,247,282	37,343,082	3,999,070	1,547,079	9,355,844	839,661	-	296,105,235
-	-	-	-	-	-	4,715,946	57,849,888
-	-	-	-	-	-	-	264,199
-	-	-	-	-	-	-	429,817
361,595	631,005	-	46,730	13,330	-	-	1,365,585
-	-	-	-	-	-	-	1,705
17,838,083	39,917,185	4,024,436	2,033,757	11,450,822	1,118,077	4,715,946	428,990,010
-	-	-	-	-	-	-	326,884
-	-	-	-	-	-	-	232,938
-	-	-	-	-	-	-	559,822
-	-	-	-	-	-	-	1,731,484
17,838,083	39,917,185	4,024,436	2,033,757	11,450,822	1,118,077	4,715,946	426,698,704
\$ 17,838,083	\$ 39,917,185	\$ 4,024,436	\$ 2,033,757	\$ 11,450,822	\$ 1,118,077	\$ 4,715,946	\$ 428,430,188

City of Coral Springs, Florida

Fiduciary Funds

Combining Statement of Changes in Net Position

Fiscal Year Ended September 30, 2018

	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	City Commission Pension	General Employees' 401 (a) Plan – QDRO	General Employees' 401 (a) Plan – 6%
Additions:						
Employee contribution	\$ -	\$ 1,754,523	\$ 1,295,062	\$ -	\$ -	\$ 257,562
Employer contribution	587,157	9,168,553	2,588,448	5,231	-	261,508
State contribution	-	1,161,760	1,460,405	-	-	-
Rollovers, net	-	-	-	-	-	49,551
Total contributions	587,157	12,084,836	5,343,915	5,231	-	568,621
Investment income	212,935	5,763,992	2,975,061	1,751	-	13,573
Net appreciation (depreciation) in fair value of investments	231,991	17,429,141	6,965,056	(326)	3,409	584,634
Other income	82	7,591	3,431	-	-	-
	445,008	23,200,724	9,943,548	1,425	3,409	598,207
Investment expense	(54,625)	(1,375,688)	(360,067)	-	-	-
Net investment income	390,383	21,825,036	9,583,481	1,425	3,409	598,207
Total additions	977,540	33,909,872	14,927,396	6,656	3,409	1,166,828
Deductions:						
Benefit payments	973,128	10,743,386	597,205	4,800	25,000	580,269
DROP payments and other	-	1,441,974	228,171	-	-	-
Refunds to participants	-	54,601	7,940	-	-	-
Loan defaults	-	-	-	-	-	20,281
Plan to Plan transfers	-	-	-	-	(153,018)	-
Administrative expenses	19,110	164,934	118,709	-	-	8,538
Total deductions	992,238	12,404,895	952,025	4,800	(128,018)	609,088
Change in net position	(14,698)	21,504,977	13,975,371	1,856	131,427	557,740
Net position restricted, beginning	7,966,629	203,685,156	92,225,991	126,506	-	7,170,927
Net position restricted, ending	\$ 7,951,931	\$ 225,190,133	\$ 106,201,362	\$ 128,362	\$ 131,427	\$ 7,728,667

General Employees' 401 (a) Plan – 8%	General Employees' 401 (a) Plan – 10%	Management 401 (a) Plan – 0%	Management 401 (a) Plan – 5%	Management 401 (a) Plan – 10%	City Manager & City Attorney 401 (a) Plan	OPEB Trust	Total
\$ 466,092	\$ 1,002,996	\$ -	\$ 60,180	\$ 263,565	\$ -	\$ -	\$ 5,099,980
432,456	804,892	82,543	140,038	319,893	106,657	208,370	14,705,746
-	-	-	-	-	-	-	2,622,165
35,688	99,201	-	-	147,582	-	-	332,022
934,236	1,907,089	82,543	200,218	731,040	106,657	208,370	22,759,913
16,294	28,754	18	2,816	961	-	-	9,016,155
1,539,165	3,537,312	451,026	176,100	702,522	55,078	258,484	31,933,592
-	-	-	-	-	-	-	11,104
1,555,459	3,566,066	451,044	178,916	703,483	55,078	258,484	40,960,851
-	-	-	-	-	-	-	(1,790,380)
1,555,459	3,566,066	451,044	178,916	703,483	55,078	258,484	39,170,471
2,489,695	5,473,155	533,587	379,134	1,434,523	161,735	466,854	61,930,384
987,393	1,125,464	1,665,581	626,296	2,290,011	-	-	19,618,533
-	-	-	-	-	-	-	1,670,145
-	-	-	-	-	-	-	62,541
117,140	73,311	-	-	47,944	-	-	258,676
153,018	10,907	-	-	(10,907)	-	-	-
11,266	18,237	225	2,210	2,618	427	4,955	351,229
1,268,817	1,227,919	1,665,806	628,506	2,329,666	427	4,955	21,961,124
1,220,878	4,245,236	(1,132,219)	(249,372)	(895,143)	161,308	461,899	39,969,260
16,617,205	35,671,949	5,156,655	2,283,129	12,345,965	956,769	4,254,047	388,460,928
\$ 17,838,083	\$ 39,917,185	\$ 4,024,436	\$ 2,033,757	\$ 11,450,822	\$ 1,118,077	\$ 4,715,946	\$ 428,430,188



CITY OF CORAL SPRINGS, FLORIDA

Index

Statistical Section (Unaudited)

This part of the City of Coral Springs' 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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Financial Trends (Unaudited)	
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These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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



City of Coral Springs, Florida

Net Position by Component (Unaudited)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2018	2017	2016	2015	2014
Governmental activities					
Net investment in capital assets	\$ 116,042,150	\$ 113,575,511	\$ 112,287,063	\$ 114,857,824	\$ 121,631,760
Restricted	11,177,345	12,661,504	12,339,454	10,780,409	9,713,668
Unrestricted	1,356,530	16,655,005	11,090,938	2,265,168	51,539,412
Total governmental activities net position	\$ 128,576,025	\$ 142,892,020	\$ 135,717,455	\$ 127,903,401	\$ 182,884,840
Business-type activities					
Net investment in capital assets	\$ 41,228,921	\$ 37,688,505	\$ 31,111,084	\$ 31,352,457	\$ 30,980,127
Restricted	882,773	1,251,930	2,814,703	1,644,867	1,531,532
Unrestricted	12,942,748	12,943,405	13,881,632	15,742,446	9,757,424
Total business-type activities net position	\$ 55,054,442	\$ 51,883,840	\$ 47,807,419	\$ 48,739,770	\$ 42,269,083
Primary government					
Net investment in capital assets	\$ 157,271,071	\$ 151,264,016	\$ 143,398,147	\$ 146,210,281	\$ 152,611,887
Restricted	12,060,118	13,913,434	15,154,157	12,425,276	11,245,200
Unrestricted	14,299,278	29,598,410	24,972,570	18,007,614	61,296,836
Total primary government net position	\$ 183,630,467	\$ 194,775,860	\$ 183,524,874	\$ 176,643,171	\$ 225,153,923

The City implemented GASB Statement 75 as of October 1, 2017. Information was not available to implement GASB Statement 75 for the prior periods presented in the Statistical Section.

Source: City of Coral Springs, Financial Services Department

Table 1

2013	2012	2011	2010	2009
\$ 117,004,836	\$ 121,372,458	\$ 115,610,324	\$ 117,510,633	\$ 120,383,738
10,488,534	11,760,145	13,019,611	4,828,798	7,344,109
59,822,346	61,902,192	69,790,374	88,651,758	86,167,181
\$ 187,315,716	\$ 195,034,795	\$ 198,420,309	\$ 210,991,189	\$ 213,895,028
\$ 29,435,866	\$ 27,470,054	\$ 32,963,332	\$ 29,719,132	\$ 33,645,340
2,026,065	2,022,750	2,006,276	1,967,856	2,704,325
8,215,038	8,142,118	6,622,981	7,135,044	1,902,269
\$ 39,676,969	\$ 37,634,922	\$ 41,592,589	\$ 38,822,032	\$ 38,251,934
\$ 146,440,702	\$ 148,842,512	\$ 148,573,656	\$ 147,229,765	\$ 154,029,078
12,514,599	13,782,895	15,025,887	6,796,654	10,048,434
68,037,384	70,044,310	76,413,355	95,786,802	88,069,450
\$ 226,992,685	\$ 232,669,717	\$ 240,012,898	\$ 249,813,221	\$ 252,146,962

City of Coral Springs, Florida

Changes in Net Position (Unaudited)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2018	2017	2016	2015	2014
Expenses					
Governmental activities:					
General government	\$ 26,229,930	\$ 20,792,170	\$ 18,197,201	\$ 14,473,583	\$ 14,141,479
Police	47,357,019	45,368,722	45,425,067	45,442,083	47,275,922
Fire	31,368,955	30,162,429	27,648,206	28,559,339	28,471,646
Parks and recreation	17,305,750	18,143,273	17,399,137	17,225,075	17,902,034
Public works	10,604,517	7,901,065	8,162,585	8,098,646	9,372,985
Development services	7,588,361	7,277,340	7,050,663	9,001,843	7,636,809
Educational and cultural programs	14,363,170	14,825,628	13,701,284	14,196,965	14,285,130
Conference center	190,118	190,118	191,305	191,645	191,910
Interest on long-term debt	2,329,765	2,547,323	2,188,666	1,757,961	1,708,815
Total governmental activities expenses	157,337,585	147,208,068	139,964,114	138,947,140	140,986,730
Business-type activities:					
Water	8,664,633	8,053,596	8,222,629	7,705,213	7,487,184
Sewer	12,405,728	11,340,056	12,023,215	10,839,560	10,196,706
Solid waste	4,462,767	4,343,534	4,327,706	4,190,011	2,995,990
Center for the Arts	-	-	-	-	-
Total business-type activities expenses	25,533,128	23,737,186	24,573,550	22,734,784	20,679,880
Total primary government expenses	\$ 182,870,713	\$ 170,945,254	\$ 164,537,664	\$ 161,681,924	\$ 161,666,610
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 4,126,051	\$ 3,805,245	\$ 3,666,801	\$ 3,623,019	\$ 3,100,813
Police	3,360,828	2,667,138	2,310,072	2,575,632	2,268,162
Fire	24,251,435	23,292,818	22,135,459	22,397,366	20,523,224
Parks and recreation	3,982,886	4,156,636	4,036,953	4,429,436	4,328,460
Public works	87,781	75,258	49,777	50,284	48,007
Development services	7,854,123	9,921,344	9,790,449	6,707,885	5,160,247
Educational and cultural programs	1,420,000	1,596,422	1,697,520	1,628,491	1,585,156
Conference center	234,574	-	-	-	-
Operating grants and contributions	15,225,061	14,194,130	14,004,758	14,310,179	15,176,635
Capital grants and contributions	2,048,316	1,223,532	535,726	494,367	719,565
Total governmental activities program revenues	\$ 62,591,055	\$ 60,932,523	\$ 58,227,515	\$ 56,216,659	\$ 52,910,269

(Continued)

Table 2

	2013	2012	2011	2010	2009
\$	14,297,963	\$ 13,389,775	\$ 13,775,026	\$ 12,760,481	\$ 13,127,189
	46,281,674	47,606,362	48,631,717	49,923,077	40,876,135
	27,312,423	26,933,798	25,150,483	20,346,816	22,344,627
	17,914,267	16,915,165	15,926,106	15,441,103	15,448,561
	8,975,912	7,625,254	8,151,016	7,388,371	6,761,456
	6,959,760	7,493,430	7,773,421	8,150,992	7,496,283
	12,474,469	11,304,969	12,570,489	12,567,654	12,176,680
	192,035	192,835	241,117	256,568	281,683
	2,116,136	2,133,219	2,298,532	2,457,950	2,526,261
	136,524,639	133,594,807	134,517,907	129,293,012	121,038,875
	6,991,252	6,424,422	5,872,921	5,788,285	6,469,192
	10,091,199	10,088,520	9,940,289	10,654,425	6,982,647
	-	-	-	-	-
	-	-	924,867	847,777	1,027,055
	17,082,451	16,512,942	16,738,077	17,290,487	14,478,894
\$	153,607,090	\$ 150,107,749	\$ 151,255,984	\$ 146,583,499	\$ 135,517,769
\$	2,952,470	\$ 2,659,756	\$ 2,350,664	\$ 2,338,359	\$ 2,174,721
	1,807,081	1,719,970	1,809,426	1,734,092	1,590,776
	19,707,166	18,789,278	18,034,004	16,323,512	16,499,855
	4,105,450	4,094,341	4,126,178	4,098,731	4,037,915
	80,553	48,174	49,524	2,130	1,800
	4,928,370	4,773,841	4,601,486	4,628,493	4,456,091
	1,420,000	1,436,651	1,420,000	1,478,607	1,447,034
	30,057	-	75,968	109,230	166,002
	12,543,979	12,550,526	13,995,322	17,198,281	13,598,743
	1,380,726	1,493,037	855,249	2,207,825	2,811,268
\$	48,955,852	\$ 47,565,574	\$ 47,317,821	\$ 50,119,260	\$ 46,784,205

City of Coral Springs, Florida

Changes in Net Position (Unaudited) (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2018	2017	2016	2015	2014
Business-type activities:					
Charges for services:					
Water	\$ 9,549,786	\$ 9,261,079	\$ 8,849,258	\$ 8,597,058	\$ 8,301,341
Sewer	13,883,535	13,280,776	12,909,333	12,425,010	11,958,575
Solid waste	4,619,530	4,412,789	4,166,000	4,035,954	3,892,484
Capital grants and contributions	1,857,234	793,405	1,228,034	587,038	6,653
Total business-type activities	29,910,085	27,748,049	27,152,625	25,645,060	24,159,053
Total primary government					
program revenues	\$ 92,501,140	\$ 88,680,572	\$ 85,380,140	\$ 81,861,719	\$ 77,069,322
Net (Expense)/Revenue					
Governmental activities	(94,746,530)	(86,275,545)	(81,736,599)	(82,730,481)	(88,076,461)
Business-type activities	4,376,957	4,010,863	2,579,075	2,910,276	3,479,173
Total primary government					
net expense	\$ (90,369,573)	\$ (82,264,682)	\$ (79,157,524)	\$ (79,820,205)	\$ (84,597,288)
General Revenues and Other Changes					
in Net Position					
Governmental activities:					
Taxes:					
Ad valorem, levied for general purpose	\$ 54,358,346	\$ 41,736,095	\$ 39,282,218	\$ 35,279,815	\$ 33,847,000
Ad valorem, levied for debt service	2,548,718	2,563,871	2,400,836	1,573,553	1,508,312
Franchise taxes	12,546,995	12,394,344	12,218,962	12,245,054	12,236,915
Utility taxes	11,655,950	11,351,304	11,163,482	11,054,809	10,859,975
Communication taxes	3,529,670	3,839,170	4,017,589	4,643,614	4,878,703
Gas taxes	2,307,521	2,301,939	2,236,759	2,195,696	2,142,076
Intergovernmental not restricted to					
specific programs	17,304,907	16,067,807	15,640,460	18,044,303	14,243,226
Investment income	953,206	642,818	636,751	391,918	355,666
Miscellaneous	2,360,172	2,482,539	1,876,101	2,714,133	2,611,677
Transfers	63,720	70,223	77,495	86,000	962,035
Special item	-	-	-	-	-
Total governmental activities	107,629,205	93,450,110	89,550,653	88,228,895	83,645,585
Business-type activities:					
Investment income	190,928	135,781	146,199	66,281	74,976
Miscellaneous	14,367	-	-	-	-
Transfers	(63,720)	(70,223)	(77,495)	(86,000)	(962,035)
Special item	-	-	-	-	-
Total business-type activities	141,575	65,558	68,704	(19,719)	(887,059)
Total primary government	107,770,780	93,515,668	89,619,357	88,209,176	82,758,526
Change in Net Position					
Governmental activities	12,882,675	7,174,565	7,814,054	5,498,414	(4,430,876)
Business-type activities	4,518,532	4,076,421	2,647,779	2,890,557	2,592,114
Total primary government	\$ 17,401,207	\$ 11,250,986	\$ 10,461,833	\$ 8,388,971	\$ (1,838,762)

Source: City of Coral Springs, Financial Services Department

Table 2

	2013		2012		2011		2010		2009
\$	8,600,960	\$	8,258,211	\$	8,227,626	\$	7,757,304	\$	7,559,980
	10,856,861		10,450,221		10,285,789		9,039,266		8,649,664
	-		-		-		-		-
	139,761		170,269		369,238		532,359		149,364
	19,597,582		18,878,701		18,882,653		17,328,929		16,359,008
\$	68,553,434	\$	66,444,275	\$	66,200,474	\$	67,448,189	\$	63,143,213
	(87,568,787)		(86,029,233)		(87,200,086)		(79,173,752)		(74,254,670)
	2,515,131		2,365,759		2,144,576		38,442		1,880,114
\$	(85,053,656)	\$	(83,663,474)	\$	(85,055,510)	\$	(79,135,310)	\$	(72,374,556)
\$	32,726,176	\$	31,133,669	\$	31,512,835	\$	31,378,077	\$	31,947,040
	2,081,501		2,065,981		1,277,185		1,429,219		1,671,274
	10,229,175		9,988,006		9,628,384		9,722,320		10,599,427
	10,170,739		9,726,733		9,551,411		9,544,390		8,938,082
	5,143,101		5,707,392		5,750,264		6,119,035		6,806,077
	2,082,232		2,080,520		2,229,949		2,238,157		2,288,006
	15,435,864		13,259,233		12,741,825		12,919,818		12,753,996
	239,598		665,388		859,304		1,514,078		3,675,424
	3,137,287		1,598,662		1,625,279		1,799,819		1,249,828
	50,000		-		(547,230)		(395,000)		(417,301)
	-		6,418,135		-		-		-
	81,295,673		82,643,719		74,629,206		76,269,913		79,511,853
	52,015		94,709		78,751		138,108		145,991
	-		-		-		(1,452)		(916)
	(50,000)		-		547,230		395,000		417,301
	-		(6,418,135)		-		-		-
	2,015		94,709		625,981		531,656		562,376
	81,297,688		82,738,428		75,255,187		76,801,569		80,074,229
	(6,273,114)		(3,385,514)		(12,570,880)		(2,903,839)		5,257,183
	2,517,146		2,460,468		2,770,557		570,098		2,442,490
\$	(3,755,968)	\$	(925,046)	\$	(9,800,323)	\$	(2,333,741)	\$	7,699,673

City of Coral Springs, Florida

Fund Balances, Governmental Funds (Unaudited)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2018	2017	2016	2015	2014
General Fund					
Nonspendable:					
Inventory and prepaids	\$ 912,912	\$ 935,702	\$ 949,546	\$ 1,138,336	\$ 1,075,825
Refundable grant receivable	-	-	-	-	-
Long-term note receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted for:					
Landfill	25,132	24,687	24,371	24,153	23,820
Parks	-	81,945	81,945	81,945	81,945
Committed to:					
Stabilization fund	21,857,275	21,221,083	19,019,790	18,333,974	17,548,453
Assigned to:					
Computer replacement program	1,943,906	1,830,834	2,291,671	1,882,094	1,426,266
Facilities replacement	673,848	948,778	919,265	542,357	665,867
Parks replacement	364,621	212,746	-	-	-
Capital projects	1,691,983	-	-	-	400,000
Subsequent years' expenditures	-	-	-	-	-
Unassigned	-	1,959,254	4,655,576	3,544,390	-
Total general fund	\$ 27,469,677	\$ 27,215,029	\$ 27,942,164	\$ 25,547,249	\$ 21,222,176
All Other Governmental Funds					
Nonspendable:					
Prepaid items	\$ -	\$ 20,000	\$ -	\$ -	\$ -
Restricted for:					
Bond reserves	-	-	-	-	-
Fire Safety	633,404	545,469	710,933	2,562,042	2,501,899
Capital projects	6,423,687	9,718,856	40,864,636	16,169,223	14,327,091
Charter School	6,031,673	5,603,441	5,627,420	5,198,329	4,927,093
Law enforcement	2,719,758	2,331,061	2,178,788	1,747,761	1,396,176
Public art	546,238	453,978	614,297	470,524	449,850
Physical environment	827,439	850,237	350,480	309,994	191,134
Affordable housing	294,359	291,117	288,773	286,317	-
Public safety complex	-	-	-	-	-
Road Improvements	99,342	99,342	99,342	99,342	141,751
Debt service	-	2,380,227	2,363,105	-	-
Assigned to:					
Debt service	-	-	-	256,311	252,937
Library maintenance	-	-	-	-	-
Conference Center	-	-	-	-	-
Capital projects	4,944,016	3,334,897	5,019,743	2,876,410	5,429,828
Unassigned	(5,832)	(2,129,009)	(1,850,473)	(126,736)	(32,502)
Total all other governmental funds	\$ 22,514,084	\$ 23,499,616	\$ 56,267,044	\$ 29,849,517	\$ 29,585,257

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Fiscal years 2007-2010 amounts have been restated to conform to the new statement requirements.

Source: City of Coral Springs, Financial Services Department

Table 3

2013	2012	2011	2010	2009
\$ 1,033,162	\$ 1,139,347	\$ 708,929	\$ 645,935	\$ 593,964
-	-	23,415	-	-
1,435,000	2,500,000	2,600,000	2,575,000	2,869,595
-	-	222,988	189,073	-
23,000	23,000	23,000	22,000	22,000
81,945	81,945	81,945	81,945	81,945
17,053,991	16,798,428	16,655,463	16,149,143	15,596,447
1,355,098	538,512	1,316,793	2,200,773	1,861,803
1,204,951	1,397,106	2,641,235	3,086,349	3,491,532
-	-	-	-	-
-	-	-	-	-
-	-	2,863,177	2,550,000	1,645,459
-	-	-	1,086,188	2,060,517
\$ 22,187,147	\$ 22,478,338	\$ 27,136,945	\$ 28,586,406	\$ 28,223,262
\$ -	\$ -	\$ 43,915	\$ 39,463	\$ -
-	-	1,762,463	1,762,463	-
2,675,464	2,489,670	2,192,305	1,744,308	2,229,826
7,079,693	6,147,144	6,418,890	581,442	571,837
5,314,888	5,729,107	5,178,808	5,331,423	5,703,190
1,554,087	2,460,400	3,661,320	4,828,798	5,559,303
427,026	516,566	583,162	537,376	482,373
270,373	304,303	770,617	1,087,943	1,171,640
-	-	-	-	-
-	-	-	2,089,308	10,047,724
141,751	155,154	528,454	523,413	513,355
-	-	-	-	-
184,636	1,895,891	1,317,127	2,084,690	4,371,009
-	-	-	2,545,166	2,534,005
-	-	-	1,151,253	1,024,517
7,529,618	7,172,879	8,122,308	8,409,967	10,899,831
(115,398)	(979,567)	(1,530,268)	(2,084,743)	(2,219,149)
\$ 25,062,138	\$ 25,891,547	\$ 29,049,101	\$ 30,632,270	\$ 42,889,461

City of Coral Springs, Florida

Changes in Fund Balances, Governmental Funds (Unaudited)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2018	2017	2016	2015	2014
Revenues					
Ad valorem taxes	\$ 56,907,064	\$ 44,299,966	\$ 41,683,054	\$ 36,853,368	\$ 35,355,312
Franchise fees	12,546,995	12,394,344	12,218,962	12,245,054	12,236,915
Utility taxes	11,655,950	11,351,304	11,163,482	11,054,809	10,859,975
Intergovernmental	39,409,450	36,578,230	35,764,672	38,947,555	36,862,376
Non ad valorem special assessment	11,228,209	10,446,316	9,635,043	9,596,691	9,365,347
Licenses and permits	4,490,664	5,008,628	4,053,595	3,657,309	3,354,617
Charges for services	24,776,550	23,365,720	22,794,859	23,634,478	20,695,145
Fines and forfeitures	4,242,964	5,527,679	5,883,075	3,272,198	2,258,773
Interest and other	4,818,815	4,562,984	4,498,455	4,536,211	4,727,675
Total revenues	170,076,661	153,535,171	147,695,197	143,797,673	135,716,135
Expenditures					
General government	24,550,724	19,291,612	16,239,539	14,887,837	13,801,624
Police	52,220,546	49,644,809	47,791,993	46,088,275	46,102,398
Fire	33,179,549	30,921,219	29,273,425	28,502,527	26,961,912
Parks and recreation	14,356,968	15,022,183	14,333,636	14,297,945	14,240,666
Public works	7,559,997	5,022,054	4,910,544	5,193,223	6,200,804
Development services	6,734,311	7,046,810	6,871,847	7,254,341	6,900,923
Educational and cultural programs	13,709,737	13,803,418	13,225,940	13,249,630	13,347,467
Capital outlay	20,633,263	36,576,834	17,513,043	10,391,025	13,267,158
Debt service					
Principal	7,449,362	7,296,127	6,561,209	5,082,350	3,416,439
Interest	2,597,301	2,653,408	1,913,429	1,595,487	1,522,819
Total expenditures	182,991,758	187,278,474	158,634,605	146,542,640	145,762,210
Excess (deficiency) of revenues over (under) expenditures	(12,915,097)	(33,743,303)	(10,939,408)	(2,744,967)	(10,046,075)
Other Financing Sources (Uses)					
Transfers in	12,293,501	10,068,996	12,290,210	11,418,416	13,509,841
Transfers out	(11,801,271)	(9,820,256)	(12,015,010)	(16,534,116)	(7,067,381)
Issuance of debt	10,000,000	-	34,319,000	12,450,000	10,043,000
Refunding bonds issues	-	-	7,780,000	-	9,441,272
Capital lease	-	-	-	-	-
Premium received (discount paid)	-	-	5,115,279	-	-
Payment to refunded bond escrow agent	-	-	(7,737,629)	-	(10,887,509)
Special item	-	-	-	-	(1,435,000)
Total other financing sources (uses)	10,492,230	248,740	39,751,850	7,334,300	13,604,223
Net change in fund balances	\$ (2,422,867)	\$ (33,494,563)	\$ 28,812,442	\$ 4,589,333	\$ 3,558,148
Debt service as a percentage of noncapital expenditures	6.1%	6.5%	6.0%	5.2%	3.71%

Source: City of Coral Springs, Financial Services Department

Table 4

2013	2012	2011	2010	2009
\$ 34,807,677	\$ 33,199,650	\$ 32,790,020	\$ 32,807,296	\$ 33,618,314
10,229,175	9,988,006	9,628,384	9,722,320	10,599,427
10,170,739	9,726,733	9,551,411	9,544,390	8,938,082
37,251,761	34,470,266	36,886,331	39,561,851	36,781,577
8,792,351	8,278,476	7,812,339	7,651,545	7,499,229
3,033,743	3,295,415	3,518,889	3,537,210	3,590,039
20,235,199	19,537,083	17,933,806	16,741,855	16,404,682
1,795,120	1,934,786	2,202,102	1,861,811	1,681,200
4,742,280	3,648,056	3,849,913	4,698,756	5,533,735
131,058,045	124,078,471	124,173,195	126,127,034	124,646,285
13,334,454	13,831,717	13,269,521	12,789,941	13,192,355
44,663,174	46,130,965	47,444,240	45,430,373	41,504,188
26,519,051	25,986,700	23,901,508	23,661,693	23,111,905
13,640,348	13,040,571	12,555,754	12,259,708	12,381,922
5,104,232	4,799,129	4,529,797	4,441,659	4,118,979
6,152,234	6,873,669	6,119,612	6,951,377	6,626,584
12,260,770	10,250,022	12,001,334	12,564,094	11,986,120
10,447,047	7,969,173	9,189,001	13,666,469	11,065,307
4,354,871	3,934,983	3,590,000	3,480,000	3,888,217
1,986,474	2,064,069	1,970,828	1,993,675	2,066,878
138,462,655	134,880,998	134,571,595	137,238,989	129,942,455
(7,404,610)	(10,802,527)	(10,398,400)	(11,111,955)	(5,296,170)
7,621,038	7,029,854	6,775,137	6,573,830	9,937,427
(7,470,871)	(3,815,865)	(5,322,367)	(7,355,922)	(10,363,500)
4,679,582	-	5,913,000	-	518,217
14,302,475	-	-	-	-
2,511,998	-	-	-	-
-	-	-	-	-
(14,295,212)	-	-	-	-
(1,065,000)	(227,623)	-	-	-
6,284,010	2,986,366	5,913,000	(782,092)	92,144
\$ (1,120,600)	\$ (7,816,161)	\$ (4,485,400)	\$ (11,894,047)	\$ (5,204,026)
4.9%	4.7%	4.5%	4.5%	5.0%



Tax Revenues by Source, Governmental Funds (Unaudited)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Franchise Fees	Utility Taxes
2009	\$ 33,618,314	\$ 10,599,427	\$ 8,938,082
2010	32,807,296	9,722,320	9,544,390
2011	32,790,020	9,628,384	9,551,411
2012	33,199,650	9,988,006	9,726,733
2013	34,807,677	10,229,175	10,170,739
2014	35,355,312	12,236,915	10,859,975
2015	36,853,368	12,245,054	11,054,809
2016	41,683,054	12,218,962	11,163,482
2017	44,299,966	12,394,344	11,351,304
2018	56,907,064	12,546,995	11,655,950
Change 2009 – 2018	69.3%	18.4%	30.4%

Source: City of Coral Springs, Financial Services Department

City of Coral Springs, Florida

Total Taxable Assessed Value as a Percentage of Estimated Total Fair Market Value (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Tax Year	Just Value		Less: Tax-Exempt Property	Total Taxable Assessed Value (1)
		Real Property	Personal Property		
2009	2008	\$ 14,373,016,820	\$ 368,658,122	\$ 4,940,486,847	\$ 9,801,188,095
2010	2009	11,609,693,780	350,805,143	3,437,814,209	8,522,684,714
2011	2010	10,043,766,040	322,512,123	2,838,471,832	7,527,806,331
2012	2011	9,981,163,380	299,027,030	2,907,879,976	7,372,310,434
2013	2012	9,969,079,580	297,986,582	2,810,218,089	7,456,848,073
2014	2013	10,453,861,780	318,294,294	3,031,465,118	7,740,690,956
2015	2014	11,412,537,360	317,049,452	3,617,377,109	8,112,209,703
2016	2015	12,303,061,250	332,402,623	4,151,263,806	8,484,200,067
2017	2016	13,071,314,270	355,396,855	4,401,497,852	9,025,213,273
2018	2017	13,807,106,290	360,143,069	4,557,398,241	9,609,851,118

Note: Tax Roll Ad Valorem Assessments are determined as of January 1st for each ensuing fiscal year. Per Florida State Statutes property must be assessed at 100% of Market Value; Just Value is Market Value less reasonable fees and costs of purchase, etc. for Real Property. Personal Property figures assume on average the Assessed Value has been depreciated 45% from the cost net.

- (1) Figures as of November (DR-403) versus previous July 1st DR-420; The Prior Year's Final Gross Taxable Value appears (Line 7) on the next Tax Year's DR-420. The Difference between Total Taxable Assessed Value and Final Gross Taxable Value is Value Adjustment Board (VAB) Changes.
- (2) Total Direct Tax Rate is the sum of the City's Operating and Debt Millage Rates.
- (3) Estimated Total Fair Market Value figures based on Real Property assessed on average at 88% and Personal Property at 55%.

Source: Broward County, Florida Property Appraiser- Form DR-403 (Revised Recapitulation of the Ad Valorem Assessment Rolls for Coral Springs)

Table 6

Total Direct Tax Rate (2)	Estimated Total Fair Market Value (3)	Total Taxable Assessed Value as a Percentage of Estimated Total Fair Market Value
3.5414	\$ 17,003,261,154	57.64%
4.0629	13,830,661,374	61.62%
4.5322	11,999,756,178	62.73%
4.6854	11,885,916,623	62.03%
4.8603	11,870,293,308	62.82%
4.7730	12,458,105,285	62.13%
4.7735	13,545,246,004	59.89%
5.0915	14,585,119,826	58.17%
5.0930	15,499,942,316	58.23%
6.1485	16,344,699,091	58.79%

City of Coral Springs, Florida

Direct and Overlapping Property Tax Rates (Unaudited)
Last Ten Fiscal Years

Fiscal Year	City of Coral Springs			County		
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage
2009	3.3651	0.1763	3.5414	4.8889	0.4256	5.3145
2010	3.8866	0.1763	4.0629	4.8889	0.5000	5.3889
2011	4.3559	0.1763	4.5322	5.1021	0.4509	5.5530
2012	4.3939	0.2915	4.6854	5.1860	0.3670	5.5530
2013	4.5697	0.2906	4.8603	5.2576	0.2954	5.5530
2014	4.5697	0.2033	4.7730	5.4400	0.2830	5.7230
2015	4.5697	0.2038	4.7735	5.4584	0.2646	5.7230
2016	4.7982	0.2933	5.0915	5.4741	0.2489	5.7230
2017	4.7982	0.2948	5.0930	5.4474	0.2216	5.6690
2018	5.8732	0.2753	6.1485	5.4623	0.2067	5.6690

Source: Broward County, Florida Property Appraiser.

Table 7

Overlapping Rates							
School District			Children's Services	North	South Florida	Florida	Total
Operating Millage	Debt Service Millage	Total School Millage		Broward Hospital District	Water Management District	Inland Navigation District	Direct & Overlapping Rates
7.4170	-	7.4170	0.3754	1.7059	0.6240	0.0345	19.0127
7.4310	-	7.4310	0.4243	1.7059	0.6240	0.0345	19.6715
7.6310	-	7.6310	0.4696	1.8750	0.6240	0.0345	20.7193
7.4180	-	7.4180	0.4789	1.8750	0.4363	0.0345	20.4811
7.4560	-	7.4560	0.4902	1.8564	0.4289	0.0345	20.6793
7.4800	-	7.4800	0.4882	1.7554	0.4110	0.0345	20.6651
7.4380	-	7.4380	0.4882	1.5939	0.3842	0.0345	20.4353
7.2030	0.0710	7.2740	0.4882	1.4425	0.3551	0.0320	20.4063
6.8360	0.0703	6.9063	0.4882	1.3462	0.3307	0.0320	19.8654
6.4740	0.0654	6.5394	0.4882	1.2483	0.3100	0.0320	20.4354

Principal Property Taxpayers (Unaudited)
Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Coral-CS/LTD Associates	\$ 118,173,770	1	1.23%	\$ 100,151,100	1	1.02%
Florida Power & Light	81,838,002	2	0.85%	-	-	-
Spa the Grove LLC	62,000,000	3	0.65%	46,653,920	4	0.48%
AMFP III Sherwood Forest LLC	61,400,010	4	0.64%	-	-	-
Mid-America Apartments LP	45,370,220	5	0.47%	-	-	-
CLP Harbor Inn Owner LLC	42,758,980	6	0.44%	-	-	-
Club Mira Lago Trust Cort	39,894,370	7	0.42%	-	-	-
EQR-Turtle Run LLC	38,952,010	8	0.41%	-	-	-
SCG Atlas Sabal Pointe LLC	37,850,990	9	0.39%	-	-	-
Alliance PJRT Limited Partnership	37,191,980	10	0.39%	-	-	-
North Broward Hospital District	-	-	-	84,153,090	2	0.86%
Knickerbocker Properties Inc.	-	-	-	46,936,240	3	0.48%
JPI Coral Springs LP	-	-	-	44,405,530	5	0.45%
ERP Operating LP	-	-	-	35,249,840	6	0.36%
Walmart Stores East LP	-	-	-	34,231,910	7	0.35%
ProLogis	-	-	-	33,378,340	8	0.34%
Target Corporations	-	-	-	31,300,480	9	0.32%
Cabot	-	-	-	30,450,740	10	0.31%
Total	\$ 565,430,332		5.89%	\$ 486,911,190		4.97%

Property Tax Levies and Collections (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 34,574,072	\$ 34,474,754	99.7%	\$ 109,254	\$ 34,584,008	100.0%
2010	34,997,517	32,980,757	94.2%	241,137	33,221,894	94.9%
2011	34,517,604	32,502,775	94.2%	(17,221)	32,485,554	94.1%
2012	34,686,488	33,245,211	95.8%	(134,698)	33,110,513	95.5%
2013	36,360,853	34,910,449	96.0%	(196,877)	34,713,572	95.5%
2014	35,544,125	34,003,197	95.7%	(194,493)	33,808,704	95.1%
2015	37,439,941	35,450,789	94.7%	16,070	35,466,859	94.7%
2016	41,174,819	39,281,224	95.4%	31,666	39,312,890	95.5%
2017	43,502,299	41,748,731	96.0%	61,143	41,809,874	96.1%
2018	57,345,137	54,345,793	94.8%	-	54,345,793	94.8%

Source: Broward County, Florida Revenue Collector

City of Coral Springs, Florida

Water Sold by Type of Customer (Unaudited)
Last Ten Fiscal Years
(In millions of gallons)

	2018	2017	2016	2015	2014
Type of Customer					
Residential:					
Single-Family	830,580	862,231	852,494	888,573	907,101
Multi-Family	797,407	810,654	811,239	809,483	812,429
Commercial	221,361	209,579	200,684	198,623	187,187
Irrigation	128,766	130,006	115,253	122,063	125,961
Public-private	77,793	91,710	91,998	98,540	85,370
Construction	27	64	264	314	1,360
Fire Hydrant	2,216	324	5,471	462	1,049
Total	2,058,150	2,104,568	2,077,403	2,118,058	2,120,457

Total direct rate per 1,000 gallons	\$	1.63	\$	1.57	\$	1.52	\$	1.47	\$	1.42
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Source: City of Coral Springs, Financial Services Department

Table 10

2013	2012	2011	2010	2009
886,132	894,340	939,393	916,319	970,838
811,736	814,470	805,154	767,571	762,022
179,983	184,311	176,797	173,395	177,392
117,360	111,623	123,264	121,696	147,203
85,548	96,327	94,342	88,346	85,459
601	698	1,322	1,625	1,267
307	1,093	502	237	1,791
2,081,667	2,102,862	2,140,774	2,069,189	2,145,972
\$ 1.56	\$ 1.51	\$ 1.47	\$ 1.43	\$ 1.36



Water and Sewer Rates (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons *	Monthly Base Rate	Rate per 1,000 Gallons
2009	\$ 11.60	\$ 1.36	\$ 15.96	\$ 2.18
2010	12.18	1.43	16.76	2.70
2011	12.55	1.47	17.26	2.78
2012	12.93	1.51	17.78	2.86
2013	13.32	1.56	18.31	2.95
2014	11.35	1.42	18.74	3.57
2015	11.75	1.47	19.40	3.69
2016	12.16	1.52	20.08	3.82
2017	12.59	1.57	20.78	3.95
2018	13.03	1.63	21.51	4.09

* The rate stated is for the first 4,000 gallons of water consumed.

Source: City of Coral Springs, Financial Services Department

City of Coral Springs, Florida

Ratios of Outstanding Debt by Type (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						
	General Obligation Bonds	General Obligation Refunding Bonds	Special Obligation Bonds	Revenue Bonds	Revenue Note	Revenue Refunding Bonds	Capital Lease
2009	\$ 13,422,534	\$ 8,949,256	\$ -	\$ -	\$ -	\$ 30,576,796	\$ -
2010	13,428,644	7,779,880	-	-	-	28,730,522	-
2011	13,434,755	6,568,676	-	-	5,913,000	26,679,694	-
2012	13,440,865	5,315,545	-	-	5,673,017	24,307,549	-
2013	-	18,337,241	-	-	10,105,898	22,024,098	2,233,828
2014	-	17,274,543	-	-	19,466,942	19,516,447	1,784,521
2015	12,450,000	16,100,138	-	-	18,769,534	16,730,364	1,354,438
2016	11,956,190	14,928,133	27,345,278	11,298,000	18,056,312	14,088,708	913,830
2017	11,227,518	13,728,851	27,010,295	10,155,000	17,326,905	11,043,874	462,438
2018	10,481,358	12,497,830	36,662,760	8,985,000	16,580,934	7,949,864	-

Source: City of Coral Springs, Financial Services Department

Note: Due to the implementation of GASB 65 in fiscal year 2013, deferred charge on refunding is shown as a deferred outflow and no longer included with long-term liabilities.

Table 12

Business-Type Activities		State			
Revenue Bonds	Revenue Refunding Bonds	Revolving Fund Loans	Total Primary Government	Percentage of Personal Income	Per Capita
\$ -	\$ 10,260,000	\$ 2,501,507	\$ 65,710,093	1.59%	526
-	7,782,165	4,875,891	62,597,102	1.71%	521
-	5,250,705	7,397,115	65,243,945	1.77%	536
-	2,655,627	11,397,671	62,790,274	1.68%	514
-	8,480,000	13,474,347	74,655,412	1.99%	607
8,095,000	-	13,822,713	79,960,166	2.08%	647
12,302,000	-	13,501,099	91,207,573	2.36%	734
11,425,000	-	12,850,885	122,862,336	2.36%	973
10,529,000	-	12,182,683	113,666,564	2.84%	892
9,613,000	-	11,495,990	114,266,736	2.64%	887

Ratios of General Bonded Debt Outstanding (Unaudited)
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	General Obligation Refunding Bonds	Total		
2009	\$ 13,422,534	\$ 8,949,256	\$ 22,371,790	0.23%	\$175.88
2010	13,428,644	7,779,880	21,208,524	0.25%	176.22
2011	13,434,755	6,568,676	20,003,431	0.27%	165.35
2012	13,440,865	5,315,545	18,756,410	0.25%	152.89
2013	-	18,337,241	18,337,241	0.25%	149.09
2014	-	17,274,543	17,274,543	0.22%	139.74
2015	12,450,000	16,100,138	28,550,138	0.35%	229.72
2016	11,956,190	14,928,132	26,884,322	0.32%	212.92
2017	11,227,518	13,728,851	24,956,369	0.28%	195.92
2018	10,481,358	12,497,830	22,979,188	0.24%	178.47

Source: City of Coral Springs, Financial Services Department

Note: Due to the implementation of GASB 65 in fiscal year 2013, deferred charge on refunding is shown as a deferred outflow and no longer included with long-term liabilities.

Direct and Overlapping Governmental Activities Debt (Unaudited)
As of September 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Broward County	\$ 181,970,000	5.02870%	\$ 9,150,725
Broward County School Board	151,991,000	5.02089%	7,631,301
Subtotal, overlapping debt			16,782,026
City direct debt			93,157,746
Total direct and overlapping debt			<u>\$ 109,939,772</u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Coral Springs. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Legal Debt Margin Information (Unaudited)
Last Ten Fiscal Years

The charter of the City of Coral Springs does not impose a bonded debt limit.

Pledged-Revenue Coverage (Unaudited)
Last Ten Fiscal Years

Water and Sewer Revenue Bonds and State Revolving Loans						
Fiscal Year	Gross Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	\$ 16,355,635	\$ 9,962,799	\$ 6,392,836	\$ 2,230,000	\$ 554,110	2.30
2010	16,934,678	13,068,178	3,866,500	2,345,116	397,402	1.41
2011	18,592,666	12,789,308	5,803,358	2,820,508	325,980	1.84
2012	18,803,141	13,141,403	5,661,738	2,551,622	303,414	1.98
2013	19,509,836	13,213,179	6,296,657	3,217,139	562,771	1.67
2014	20,318,841	13,762,754	6,556,087	957,497	569,931	4.29
2015	21,081,314	14,482,734	6,598,580	1,204,879	593,347	3.67
2016	21,896,336	15,756,134	6,140,202	1,527,214	635,921	2.84
2017	22,663,702	14,880,043	7,783,659	1,564,202	599,205	3.60
2018	23,603,442	16,157,166	7,446,276	1,602,693	584,179	3.40

(1) Includes operating revenue and interest income.

(2) Includes other nonoperating expenses and excludes depreciation, interest, and amortization of bond issue costs.

Demographic and Economic Statistics (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2009	127,198	\$ 4,209,109,018	\$ 33,091	36.1	26,393	8.8%
2010	127,359	3,855,539,007	30,273	36.5	29,516	9.7%
2011	121,651	3,682,740,723	30,273	36.9	28,740	8.6%
2012	122,681	3,742,138,543	30,503	37.0	30,525	6.7%
2013	122,994	3,751,685,982	30,503	36.5	30,247	5.3%
2014	123,618	3,849,093,666	31,137	36.5	30,100	4.7%
2015	124,282	3,869,768,634	31,137	36.5	29,899	4.8%
2016	126,264	3,961,280,472	31,373	36.5	30,809	4.5%
2017	127,381	3,996,324,113	31,373	36.5	31,064	3.2%
2018	128,757	4,331,256,723	33,639	37.8	30,903	2.7%

Source:

- (1) Bureau of Economic and Business Research
- (2) U.S. Census Bureau- ESRI
- (3) School Board of Broward County, Florida
- (4) U.S. Bureau of Labor Statistics

Principal Employers (Unaudited)
Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Broward County Schools	2,252	1	3.12%	2,679	1	3.80%
First Data	1,617	2	2.24%	900	6	1.28%
Publix Supermarkets	1,190	3	1.65%	1,124	3	1.59%
Coral Springs Medical Center	1,152	4	1.59%	1,100	4	1.56%
City of Coral Springs	860	5	1.19%	754	7	1.07%
Walmart/Sam's Club	846	6	1.17%	1,344	2	1.91%
Coral Springs Auto Mall	371	7	0.51%	525	8	0.74%
Target	307	8	0.42%	425	10	0.60%
Macy's	250	9	0.35%	500	9	0.71%
Sears Roebuck & Co.	233	10	0.32%	-	-	0.00%
Alliance Entertainment	-	-	-	1,000	5	1.42%
Total	<u>9,078</u>		<u>12.56%</u>	<u>10,351</u>		<u>14.68%</u>

Source: City of Coral Springs Economic Development Office,
U.S. Department of Labor, Bureau of Labor Statistics and



Full-Time Equivalent City Government Employees by Function (Unaudited)
Last Ten Fiscal Years

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	94	93	92	92	87	82	83	83	85	85
Police	309	302	301	301	298	297	294	294	295	295
Fire & EMS	185	180	179	178	173	173	169	169	169	169
Parks and recreation	105	106	105	105	105	105	101	96	94	96
Public works	35	29	28	28	28	27	27	28	28	31
Development services	68	66	66	66	65	63	60	60	61	63
Water and sewer	41	40	40	40	39	35	36	35	36	36
Equipment services	15	15	15	15	15	15	15	15	15	16
Other	8	6	5	3	3	3	3	3	2	3
Total	860	837	831	828	813	800	788	783	785	794

Source: City of Coral Springs, Financial Services Department

City of Coral Springs, Florida

Operating Indicators by Function (Unaudited) Last Ten Fiscal Years

Function	2018	2017	2016	2015	2014
General government					
Building permits issued	10,667	9,902	9,928	9,281	8,941
Building inspections conducted	34,296	30,665	21,217	24,778	24,638
Police					
Physical arrests	1,712	1,821	2,179	2,588	3,043
Parking violations	3,562	2,151	2,701	3,383	3,976
Traffic violations	25,409	14,680	17,229	22,452	24,525
Fire					
Emergency responses	15,367	15,137	14,762	14,902	13,504
Fire responses	180	170	185	181	181
Inspections	11,381	6,392	7,092	7,430	6,840
Public works					
Streets resurfacing (miles)	5	1	3	-	15
Potholes repaired	98	106	85	89	122
Recreation and culture					
Athletic field permits issued	1,473	1,315	1,619	1,892	1,878
Center for the Arts	110,712	115,173	111,376	102,683	128,216
Water					
Consumers	13,142	13,038	12,991	13,012	12,993
Water main breaks	9	6	10	6	5
Average daily consumption (thousands of gallons)	6,082	6,131	5,829	6,055	5,900
Sewer					
Average daily sewage treatment (thousands of gallons)	8,450	7,620	8,410	7,140	7,170
Transit					
Total route miles	89,981	96,660	90,251	89,778	88,304
Passengers	56,416	75,859	78,689	85,208	84,338

Source: City of Coral Springs, Florida

Table 20

2013	2012	2011	2010	2009
8,919	8,557	10,084	9,068	8,336
26,600	26,931	27,125	26,586	29,003
2,567	2,518	3,469	3,674	3,219
2,305	2,064	3,094	2,511	3,645
14,847	14,742	20,454	18,926	17,930
13,624	13,425	13,329	13,061	13,216
219	197	249	233	271
5,123	5,788	5,780	6,130	6,898
-	3	7	4	12
159	191	104	137	95
1,647	1,863	1,860	1,715	1,280
138,090	109,324	95,975	95,813	124,863
12,962	12,904	12,868	12,878	12,862
1	4	4	7	5
5,542	5,429	5,234	5,416	6,286
8,070	6,896	6,896	8,359	8,369
93,597	90,591	91,713	91,713	92,854
90,595	97,060	88,299	87,513	108,740

City of Coral Springs, Florida

Capital Asset Statistics by Function (Unaudited)
Last Ten Fiscal Years

Function	2018	2017	2016	2015	2014
Police					
Stations	1	1	1	1	1
Substations	2	2	2	1	1
Patrol units	146	140	140	140	140
Fire					
Stations	5	5	5	5	5
Public works					
Streets (lane miles)	224	224	224	224	224
Streetlights	454	387	387	387	387
Recreation and culture					
Parks	49	49	48	48	48
Parks – acres	768	768	765	765	765
Playgrounds	33	33	33	33	33
Playgrounds – acres	3	3	3	3	3
Pools	10	10	10	10	10
Tennis courts	39	39	39	39	37
Baseball/softball diamonds	24	24	24	24	24
Soccer/football fields	15	15	15	15	15
Center for the Arts	1	1	1	1	1
Community centers	3	3	3	3	3
Water					
Water mains (miles)	165	165	165	165	165
Fire hydrants	1,155	1,155	1,155	1,150	1,150
Storage capacity (millions of gallons)	8,400	8,400	8,400	8,400	8,400
Sewer					
Sanitary sewers (miles)	32	32	32	32	32
Treatment capacity (thousands of gallons)	9,790	9,790	9,790	9,790	9,790
Transit					
Buses	2	2	2	2	2

Source: City of Coral Springs, Florida

Table 21

2013	2012	2011	2010	2009
1	1	1	1	1
1	1	1	2	2
140	165	165	165	165
5	5	5	5	5
224	224	222	222	222
387	387	387	387	387
48	48	48	49	49
765	765	765	765	765
33	33	33	33	33
3	3	3	3	3
10	10	10	10	10
37	35	35	35	35
24	24	24	24	24
15	15	15	15	15
1	1	1	1	1
3	3	3	3	3
165	157	157	157	157
1,150	1,054	1,054	1,054	1,054
8,400	8,400	8,400	8,400	8,400
31	31	31	31	31
9,790	9,790	9,790	9,790	9,790
2	2	2	2	2



**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed In Accordance with
*Government Auditing Standards***

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Coral Springs, 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 February 15, 2019. Our report includes an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

RSM US LLP

Fort Lauderdale, Florida
February 15, 2019

**Report on Compliance For Each Major Federal Program and State Project and
Report on Internal Control Over Compliance**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Coral Springs, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on the City's major federal program and state project for the year ended September 30, 2018. The City's major federal program and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program and state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General of the State of Florida. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General of the State of Florida, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and state project for the year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and state project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida. Accordingly, this report is not suitable for any other purpose.

RSM US LLP

Fort Lauderdale, Florida
February 15, 2019

City of Coral Springs, Florida
Schedule of Expenditures of Federal Awards
Fiscal Year Ended September 30, 2018

Federal Agency, Pass-Through Entity, Federal Program	CFDA Number	Contract Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Housing and Urban Development:				
Community Development Block Grant	14.218	B-12-MC-12-0036	Not applicable	\$ 20,971
Community Development Block Grant	14.218	B-13-MC-12-0036	Not applicable	4,225
Community Development Block Grant	14.218	B-14-MC-12-0036	Not applicable	850
Community Development Block Grant	14.218	B-15-MC-12-0036	Not applicable	331,540
Community Development Block Grant	14.218	B-16-MC-12-0036	Not applicable	198,775
Community Development Block Grant	14.218	B-17-MC-12-0036	Not applicable	284,901
Total CDBG – Entitlement Grants Cluster				<u>841,262</u>
Passed through Broward County:				
Home Investment Partnership	14.239	12-HFCD-103-HOME	59-600-0531	125
Home Investment Partnership	14.239	14-HFCD-132-HOME	59-600-0531	94,729
Home Investment Partnership	14.239	15-HFCD-150-HOME	59-600-0531	60,465
Home Investment Partnership	14.239	16-HFCD-169-HOME	59-600-0531	40,388
Total Home Investment Partnership				<u>195,707</u>
Total U.S. Department of Housing and Urban Development				<u>1,036,969</u>
U.S. Department of Justice:				
Passed through the Florida Department of Law Enforcement:				
JAG Local Sol	16.738	2017-JAGC-BROW-10-R3-256	80-939-6781	14,420
JAG Local Sol	16.751	2018-JAGE-BROW-3-E9-002	80-939-6781	42,287
Equitable Sharing Program	16.922	Not applicable	Not applicable	108,166
Total U.S. Department of Justice				<u>164,873</u>
U.S. Department of Treasury:				
Equitable Sharing Program	21.000	Not applicable	Not applicable	<u>74,364</u>
U.S. Department of Transportation:				
Passed through Florida Department of Transportation:				
Highway Planning and Construction	20.205	G0I12	80-939-7102	1,065,701
Pedestrian and Bicycle Safety Grant – 2017	20.205	G0E08	80-939-7102	17,576
Pedestrian and Bicycle Safety Grant – 2018	20.205	G0O23	80-939-7102	17,124
Total Highway Planning and Construction Cluster				<u>1,100,401</u>
Speed and Aggressive Driving Grant – 2017	20.600	G0F91	80-939-7102	34,128
Speed and Aggressive Driving Grant – 2018	20.600	G1116	80-939-7102	30,931
Total Highway Safety Cluster				<u>65,059</u>
Total U.S. Department of Transportation				<u>1,165,460</u>
U.S. Department of Homeland Security:				
Passed through the City of Miami, Florida:				
Urban Areas Security Initiative (UASI)	97.067	17-DS-V9-11-23-02-346	07-222-0791	62,662
Passed through the Florida Division of Emergency Management:				
Assistance to Firefighter Grant	97.044	EMW-2016-FO-03422	93-017-2528	10,086
Total U.S. Department of Homeland Security				<u>72,748</u>
Total Expenditures of Federal Awards				<u>\$ 2,514,414</u>

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

City of Coral Springs, Florida
Schedule of State Financial Assistance
Fiscal Year Ended September 30, 2018

State Agency, Pass-Through Entity, State Project	CSFA Number	Contract Number	Expenditures
Florida Department of Environmental Protection:			
Water Quality Improvement Project (Automatic Flushers)	37.039	LP06166	\$ 75,000
Florida Housing Finance Corporation:			
State Housing Initiatives Partnership (SHIP) Program	40.901	not applicable	602,586
Florida Department of State, Division of Cultural Affairs:			
Cultural Facilities Grant	45.014	not applicable	223,305
Specific Cultural Project Grant	45.062	not applicable	8,500
			231,805
Total Expenditures of State Awards			\$ 909,391

See Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

(1) Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the Schedules) presents the activity of all federal awards and state financial assistance of the City of Coral Springs, Florida (the City) for the year ended September 30, 2018. The information in the Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General of the State of Florida. Because the Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net positions, or cash flows of the City. The City's reporting entity is defined in Note 1 to the City's basic financial statements.

(2) Summary of Significant Accounting Policies

The Schedules are presented using the modified accrual basis of accounting for expenditures accounted for in the governmental funds and on the accrual basis of accounting for expenses of the proprietary fund types, which are described in Note 1 to the City's basic financial statements. Such expenditures/expenses are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, wherein certain types of expenditures/expenses are not allowable or are limited as to reimbursement.

(3) Subrecipient Awards

Of the federal awards and state financial assistance presented in the Schedules, the City did not provide any amounts to subrecipients.

(4) Indirect Cost Recovery

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

City of Coral Springs, Florida

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2018

I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are
not considered to be material weakness(es)?

_____ Yes X None Reported

Noncompliance material to financial statements
noted?

_____ Yes X No

Federal Awards

Internal control over major program:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not
considered to be material weakness(es)?

_____ Yes X No

Type of auditor's report issued on compliance for
major program:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with Section
2 CFR 200.516(a)?

_____ Yes X No

Identification of major program:

CFDA Number

Name of Federal Program or Cluster

20.205

Highway Planning and Construction Cluster

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

(Continued)

City of Coral Springs, Florida

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2018

State Financial Assistance

Internal control over major project:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not
considered to be material weakness(es)?

_____ Yes X None Reported

Type of auditor's report issued on compliance for
major project:

_____ Unmodified _____

Identification of major project:

CSFA Number

Name of State Project

40.901

State Housing Initiatives Partnership (SHIP) Program

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

\$ 272,817

II – Financial Statement Findings

None reported.

III – Federal Awards Findings and Questioned Costs

None reported.

IV – State Financial Assistance Findings and Questioned Costs

None reported.

City of Coral Springs, Florida

Summary Schedule of Prior Audit Findings
Fiscal Year Ended September 30, 2018

IC 2017-01 Reporting

**U.S. Department of Housing and Urban Development
Community Development Block Grants – Entitlement Grants Cluster
CFDA 14.218**

Current Year Status: Corrected.

CF 2017-01 Reporting

**U.S. Department of Housing and Urban Development
Community Development Block Grants – Entitlement Grants Cluster
CFDA No. 14.218**

Current Year Status: Corrected.

The City of Coral Springs, Florida

Report to the Honorable Mayor and
Members of the City Commission

Fiscal Year Ended September 30, 2018





RSM US LLP

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February 15, 2019

The Honorable Mayor and Members of
the City Commission
Coral Springs, Florida

Attention: Honorable Mayor and Members of the City Commission

We are pleased to present this report related to our audit of the basic financial statements of the City of Coral Springs, Florida (the City) for the year ended September 30, 2018. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting process.

This report is intended solely for the information and use of the Mayor and Members of the City Commission and management, and is not intended to be, and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the City.

RSM US LLP

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Exhibit A—Significant written communications between management and our firm	
Representation letters	
Management letter	

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, have been described to you in our audit arrangement letter dated July 16, 2018.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices</p> <p>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City.</p> <p>As discussed in Note 16 to the accompanying financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statements No. 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i> effective October 1, 2017. The net position balances of the governmental activities, business-type activities, water and sewer fund, and the aggregate remaining fund information as of October 1, 2017 has been restated. Our opinion is not modified with respect to this matter.</p> <p>The City did not adopt any other significant new accounting policies, nor have there been any other changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions</p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>

Area	Comments
Management's Judgments and Accounting Estimates	
	Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is included in the attached Summary of Significant Accounting Estimates.
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	A summary of uncorrected misstatements is included with the management representation letter attached as Exhibit A.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed with or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Letter Communicating Significant Deficiencies and Material Weaknesses in Internal Control over Financial Reporting	We have issued, under separate cover, the following reports in connection with our audit, as required by <i>Government Auditing Standards, Uniform Guidance, and Chapter 10.550, Rules of the Auditor General of the State of Florida</i> :
	♦ <i>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</i>
	♦ <i>Independent Auditor's Report on Compliance For Each Major Federal Program and State Project and Report On Internal Control Over Compliance</i>
Certain Written Communications between Management and Our Firm	Copies of material written communications between our firm and management of the City, including the representation letters provided to us by management, are attached as Exhibit A.

Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the City's September 30, 2018 basic financial statements.

Estimate	Accounting Policy	Management's Estimation Process	Comments
Actuarial Assumptions Used for the Self-Insurance Program (Risk Management)	The City is partially self-insured for general and auto liability, property, workers' compensation, and employees' health and dental. The accrued liability for estimated claims represents an estimate of the eventual loss on claims, including claims incurred but not yet reported.	The City utilizes the services of an actuary to assist in developing any risk reserves for general and auto liability, property and workers' compensation. A look back calculation is performed for employees' health and dental Insurance for incurred but not reported amounts.	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied and have deemed the resulting estimate to be reasonable.
Accounting for Pension Plans and Related Net Pension Liabilities	The net pension liabilities and related pension amounts are actuarially determined in accordance with the parameters established by the Governmental Accounting Standards Board. The difference between total pension liability and plan fiduciary net position at each plans' measurement date and any associated deferred outflows/inflows as of the period ended are recognized in the financial statements.	City management and/or the pension plans' management, with input from its actuary, developed the actuarial assumptions based on relevant criteria. City management reviewed and approved the financial statement estimates derived from the pension plans' actuarial reports.	We have audited the underlying data supporting the estimate and reviewed management's methodology, including evaluating the actuarial reports and assumptions used which appears reasonable and consistently applied, and have deemed the resulting estimates to be reasonable.

Estimate	Accounting Policy	Management's Estimation Process	Comments
Depreciation of Capital Asset	Depreciation on capital assets is provided using the straight-line method. The depreciable life of capital assets is established based on management's estimate of the useful lives of the assets.	Depreciation of capital assets is determined using straight-line method of depreciation over the estimated useful lives of the asset, as assigned by management.	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied and have deemed the resulting estimate to be reasonable.
Allowance for Doubtful Accounts	All trade and other receivables are shown net of an allowance for uncollectible amounts to arrive at the net realizable value.	Receivables are analyzed for their collectability based on the terms and conditions stated in individual agreements. In addition to receivables specifically identified as uncollectible, a general allowance is calculated based on the City's historical experience.	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied and have deemed the resulting estimate to be reasonable.
Accounting for Other Post-Employment Benefits	Annual required contributions (ARC), net postemployment benefits (OPEB) liabilities, related deferred OPEB amounts and expense are actuarially determined in accordance with the parameters established by the GASB.	Management with input from its OPEB actuary developed the actuarial assumptions based on relevant criteria. Management reviewed and approved the financial statement estimates derived from the OPEB actuarial report.	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied and have deemed the resulting estimate to be reasonable.

Pronouncements Issued But Not Yet Adopted

The following pronouncements issued by the Governmental Accounting Standards Board (GASB) are applicable to the City in future fiscal years. The City's management has not yet determined the effect these statements will have on the City's financial statements.

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued November 2016. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2019.
- GASB Statement No.84, *Fiduciary Activities*, was issued January 2017. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2020.
- GASB Statement No.87, *Leases*, was issued June 2017. This Statement improves the accounting and financial reporting for leases by governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021.
- GASB Statement No.88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, was issued April 2018. This statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2019.
- GASB Statement No.90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, was issued August 2018. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2020.

Exhibit A – Material Written Communications between Management and Our Firm



February 15, 2019

RSM US LLP
100 NE 3rd Avenue
Suite 300
Fort Lauderdale, FL 33301

This representation letter is provided in connection with your audit of the basic financial statements of the City of Coral Springs Florida (the City) as of and for the year ended September 30, 2018, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit services contract dated August 19, 2016 and your arrangement letter dated July 16, 2018, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with component units for which the City is accountable and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. There are no unasserted claims or assessments that our lawyers have advised us are probable of assertion and must be disclosed in accordance with GASB Statement No. 10 and 62 beyond those accounted for in the City's risk retention estimated liabilities.
9. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders that is not disclosed in the financial statements.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
11. As of and for the year ended September 30, 2018, we are aware of proposed yet unrecorded adjustments to the financial statements to accrue interest expense on outstanding debt. This results in a Dr. Interest Expense and Cr. Accrued Interest Payable for \$226,700 in the General Fund and Governmental Activities opinion units. We believe that the effects of the uncorrected adjustments are immaterial, both individually and in the aggregate to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Information Provided

12. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of fraud or suspected fraud affecting the City's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements received in communications from employees, former employees, analysts, regulators, or others.
17. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
18. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, beyond those accounted for in the City's risk retention estimated liabilities.

19. We have disclosed to you the identity of the City's related parties and all the related-party relationships and transactions of which we are aware.
20. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.
21. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
22. We agree with the findings of specialists in evaluating our estimated liabilities for self-insurance, net other post-employment benefit liability, and the net pension liability of the City. We have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
23. We believe that the actuarial assumptions and methods used to measure pension and other postemployment liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Supplementary Information

24. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
25. With respect to Required Supplementary Information presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
26. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
27. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

28. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Compliance Considerations

29. In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm that management:
- a. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
 - b. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
 - c. Is not aware of any fraud and noncompliance with provisions of laws and regulations that could have a material effect on the financial statements or any other instances that warrant the attention of those charged with governance.
 - d. Is not aware of any noncompliance with provisions of contracts and grant agreements that could have a material effect on the determination of financial statement amounts.
 - e. Is not aware of any abuse that could be quantitatively or qualitatively material to the financial statements.
 - f. Is responsible for 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.
 - g. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
 - h. Has a process to track the status of audit findings and recommendations.
 - i. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
30. Kim Moskowitz, Director of Financial Services, who has sufficient skills, knowledge, and experience; has supervised, reviewed, and approved, and takes full responsibility for the financial statements and related notes and acknowledges the auditor's role in the preparation of this information.
31. Kim Moskowitz, Director of Financial Services, who has sufficient skills, knowledge, and experience; has supervised, reviewed, and approved, and takes full responsibility for the printing and binding of the City's comprehensive annual financial report (CAFR) and acknowledges the auditor's role in the printing and binding of the CAFR.
32. Kim Moskowitz, Director of Financial Services, who has sufficient skills, knowledge, and experience; has supervised, reviewed, and approved, and takes full responsibility for the Community Redevelopment Agency financial statements which are included as a component unit of the City, and acknowledges the auditor's role in preparing the Community Redevelopment Agency financial statements and the printing and binding of the financial statements.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the audit of state projects conducted in accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida (Chapter 10.550), we confirm the following:

33. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance and Chapter 10.550.
34. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs and state projects.
35. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs and state projects that provides reasonable assurance that the auditee is managing federal awards and state projects in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each federal program and state project.
36. Management has prepared the schedule of expenditures of federal awards and state financial assistance in accordance with Uniform Guidance and Chapter 10.550, which represents and includes all the grant activity of the reporting entity of the City and have included expenditures made during the period being audited for all awards provided by federal and state agencies in the form of grants, cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
37. Management has identified and disclosed to the auditor the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program or project.
38. Management has made available all federal and state awards (including amendments, if any) and any other correspondence relevant to federal and state programs and related activities that have taken place with federal and state agencies or pass-through entities.
39. Management has identified and disclosed to the auditor that there are no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal and state awards.
40. Management believes that the auditee has complied with the direct and material compliance requirements (except for instances of noncompliance identified in the audit).
41. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
42. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
43. Management has disclosed to the auditor any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report, when applicable.

44. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report, when applicable.
45. Management is responsible for taking corrective action on audit findings of the compliance audit.
46. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions, when applicable.
47. Management has disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period, when applicable.
48. There are no known instances of noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.
49. There are no changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.
50. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
51. The copies of federal and state program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal and state agency or pass-through entity, as applicable.
52. Federal and/or state awards received by the City were not passed-through/awarded to any subrecipients.
53. Management has charged costs to federal and state awards in accordance with applicable cost principles of the Uniform Guidance and Chapter 10.550.
54. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance, when applicable.
55. The reporting package does not contain protected personally identifiable information.
56. Management will accurately complete the appropriate sections of the data collection form. We further acknowledge our responsibility for the complete, accurate, and timely filing of the data collection form with the Federal Audit Clearinghouse.
57. Management has disclosed all contracts or other agreements with service organizations. Management is not aware of any communications from service organizations relating to instances of noncompliance at those organizations.
58. Management has complied with the requirements of Section 218.415, Florida Statutes regarding investment of public funds.

59. We did not meet any of the conditions described in Section 218.503(1), Florida Statutes which might indicate a deteriorating financial condition.

During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

The City of Coral Springs, Florida



Michael Goodrum
City Manager



Kim Moskowitz, CPA
Director of Financial Services



Laura Norwalk, CPA
Assistant Director of Financial Services





February 15, 2019

RSM US LLP
100 NE 3rd Avenue
Suite 300
Fort Lauderdale, FL 33301

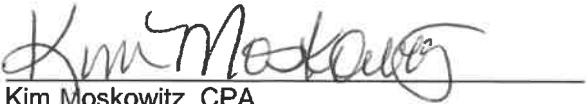
In connection with your examination of the City of Coral Springs, Florida's (the City) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies (the Statute)* during the year ended September 30, 2018, in accordance with attestation standards established by the American Institute of Certified Public Accountants, we confirm to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

1. We are responsible for the City's compliance with the Statute.
2. We are responsible for establishing and maintaining effective internal control over the City's compliance with the Statute.
3. We have performed an evaluation of the City's compliance with the Statute. Based on our evaluation, the City has complied with the Statute during the year ended September 30, 2018.
4. There has been no known noncompliance with the Statute during the year ended September 30, 2018 or through the date of this letter.
5. There are no known communications from regulatory agencies, internal auditors, or other practitioners concerning the City's possible noncompliance with the Statute received by us during the year ended September 30, 2018 or through the date of this letter.
6. Our interpretation of the requirements set forth by the State of Florida are that the City's adopted investment policy should adhere to guidelines listed in the Statute.
7. We have made available to you all documentation related to the City's compliance with the Statute.
8. There has been no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in the internal control, or
 - c. Others where fraud could have a material effect on the City's compliance with the Statute.
9. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, analysts, regulators, or others.
11. We have responded fully to all inquiries made to us by you during your engagement.
12. During the course of your engagement you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

The City of Coral Springs, Florida



Michael Goodrum
City Manager



Kim Moskowitz, CPA
Director of Financial Services



Laura Norwalk, CPA
Assistant Director of Financial Services



City of Coral Springs, Florida

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

Fiscal Year Ended September 30, 2018

**Management Letter Required By
Chapter 10.550 of the *Rules of the*
*Auditor General of the State of Florida***

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

Report on the Financial Statements

We have audited the financial statements of the City of Coral Springs, Florida (the City), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated February 15, 2019. Our report includes an emphasis of matter paragraph for the adoption of Governmental Accounting Standards Board Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General of the State of Florida.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 of the State of Florida. Disclosures in those reports and schedule, which are dated February 15, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report for *ML 2017-01 - User Access Reviews* and *ML 2017-02 - Data Restoration*.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This is disclosed in Note 1 of the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City 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.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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, City Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

February 15, 2019
Fort Lauderdale, Florida

Independent Accountant's Report

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

We have examined the City of Coral Springs, Florida's (the City) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* during the period October 1, 2017 to September 30, 2018. Management of the City 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 judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the period October 1, 2017 to September 30, 2018.

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

RSM US LLP

Fort Lauderdale, Florida
February 15, 2019