

CITY OF COOPER CITY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020

PREPARED BY:
CITY OF COOPER CITY FINANCE DEPARTMENT

CITY OF COOPER CITY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2020

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August 31, 2021

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

We are pleased to present the City of Cooper City's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020. State law requires that all general-purpose local governments publish a complete set of audited financial statements within nine months of the close of each fiscal year. The financial statements included in the report are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants. Further, the City charter requires an annual independent audit of all City accounts. Pursuant to those requirements, we hereby issue the Comprehensive Annual Financial Report of the City of Cooper City for the fiscal year ended September 30, 2020.

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

The City of Cooper City's financial statements have been audited by GLSC & Company, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Cooper City for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Cooper City's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.





Greg Ross, Mayor
Jeff Green, Commissioner
Max Pulcini, Commissioner
Howard Meltzer, Commissioner
Ryan C. Shrouder, Commissioner
Joseph Napoli, City Manager

This year, the independent auditor also performed the federally mandated "Single Audit", since the reimbursement received from the Federal Emergency Management Agency (FEMA) for hurricane relief exceeded the threshold amount of \$750,000.

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

Unquestionably, Fiscal Year 2020 was marked by the unpredictable challenges brought by COVID-19. Despite the unrelenting obstacles, the City of Cooper City consistently pivoted and planned a course of action allowing the City's residents, businesses, and visitors to rely on the services which make our community "Someplace Special."

Profile of the Government

The City of Cooper City, incorporated in 1959, is located in southwest Broward County, Florida in the southeast region of the state. It is a bedroom community with very limited growth. The City of Cooper City currently occupies a land area of eight square miles and serves a population of approximately 35,556. The City of Cooper City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Commission.

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

The City of Cooper City provides a full range of services, including the construction and maintenance of streets, and other infrastructure; water and sewer; stormwater; growth management; recreational activities and cultural events. Certain sanitation services are provided through a franchise agreement with a private company. Police, code enforcement and fire protection services are contracted with the Broward Sheriff's Office (BSO).

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

The annual budget serves as the foundation for the City of Cooper City's financial planning and control. All departments of the City of Cooper City are required to submit requests for appropriation to the City Manager. The City Manager then presents a proposed budget to the Commission for review by August 15. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget by September 30, the close of the City of Cooper City's fiscal year. The appropriated budget is prepared by fund and department (e.g., Recreation). Budgets are monitored at the activity level within each department. However, at the City Manager's discretion, actual expenditures may exceed their budget within an individual department. Transfers of appropriations between departments, in excess of 2.5% of total budget, require the special approval of the City Commission. A transfer of appropriations greater than \$10,000 requires notifications to the City Commission prior to executing the transfer. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General and Special Revenue Funds, this comparison is presented as part of the required supplementary section. For other governmental funds, with appropriated annual budgets, this comparison is presented in the supplementary information subsection of this report.

Economic and Demographic Conditions and Outlook

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

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

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

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

Homeowner pride contributes to what makes Cooper City “Someplace Special.” Cooper City has the highest rate of owner-occupied units in Broward County at 84.7%. It also has one of the highest rates of family households at 90% and one of the lowest homeowner vacancy rates at just 0.4% of our units. The median housing value in Cooper City is estimated at \$378,100 (2019 American Community Survey) and Cooper City’s median household income is \$106,795 (2019 American Community Survey).

Accordingly, Cooper City has one of the lowest rates of cost-burdened households, where on average only approximately 24% of residents’ household income goes towards housing expenses.

Residential and Commercial Development

The City's Community Development Department has been working with the community to ensure its growth and development. Some of the more significant developments that have been, or are, under review include the following:

Monterra Age-restricted Apartments

City Commission approved the rezoning and site plan for this project to create a 175-unit, multi-family 4-story building for age-restricted (55+) residents. Permits have been issued and construction has begun for this project located on the west side of University Drive, south of Monterra Boulevard Monterra community.

The unit mix consists of 98 one-bedroom and 77 two-bedroom units. The one-bedroom units range from just over 700 sq. ft. to 870 sq. ft. The two bedrooms are from just over 1,000 square feet to over 1,200 square feet in area. The architectural style of the building is compatible with the adjacent Monterra's architecture.

Sienna Subdivision

This nine-acre property on Sheridan Street was previously approved for a single-family community, with 30 single-family homes. The previous developer, D.R Horton, walked away from the project and Mattamy Homes, the developer, has purchased the property. A revised Site Plan and Variance petitions have been submitted for development review through the Development Review Committee (DRC), and is expected to go to the Planning and Zoning Board and City Commission in 2021.

Kingfisher Reserve

CC Devco purchased the 20-acre property from Cameo Farms located on the east side of SW 106th Avenue and has received City Commission approval to build 39 single-family homes. The project consists of one and two story single-family homes, 3 to 6 bedrooms, with models from 2,600 to 4,100 square feet.

Arbor Reserve a.k.a Royal Estates

CC Devco purchased the 10-acre property located on the west side of SW 106th Avenue to build 20 single-family homes. This project was previously approved as the Royal Estates subdivision. Slight modifications to the site plan were made with lot sizes all above 18,000 square feet. Home prices were estimated to be in the \$700,000 to \$1M-plus range. Permits have been issued for every lot in this project and several homes have been completed and Certificate of Occupancies issued for those homes.

La Palma Subdivision

Five acre-estate single-family homes in Royal Palm Ranches are currently under review by the Development Review Committee (DRC).

Marin Ranches

Marin Ranches, was approved by the City Commission in 2016. Kennedy Homes recently completed development of this 20-acre site located on the east side of 106th avenue. The site consists of 19 lots, all in excess of 11,000 square feet, with a minimum home size of 3,000 square feet under air.

Ranchette Isles

Ranchette Isles was approved by City Commission in 2017. Kennedy Homes has completed this subdivision along SW 106th Avenue, between Griffin and Stirling roads. The project consisted of 9 new construction homes on the 4.8-acre tract, with lot sizes all above 8,300 square feet and home sizes above 2,400 square feet. All building permits have been completed and Certificate of Occupancies have been issued for each home.

Commercial Projects

Nur-Ul-Islam

The first phase of this project was approved to include a 12,000 square foot school building which is nearing completion of construction. Phase 2 is a proposed 12,600 square foot mosque with a 100-foot tall minaret which is pending a submittal to be reviewed by the Development Review Committee (DRC), the Planning and Zoning Board and City Commission. Phase 3 is another proposed 11,900 square foot school building, which is also pending a submittal to be reviewed by the Development Review Committee (DRC), the Planning and Zoning Board and City Commission.

Flamingo West Park

Cooper City's newest park includes the development of the passive portion of the park as well as four soccer/football fields of various sizes with artificial turf & lights, a restroom building, maintenance building, two pavilions, a playground, a walking/jogging/nature trail, a parking lot and other miscellaneous support facilities. Construction is complete and the park is now open and thriving.

Cooper City Storage Plaza

The Cooper City Storage Plaza consists of a 120,000 square foot self-storage facility, and a 9,200 square foot commercial building for retail, office, and restaurant uses. The project is located at the southeast corner of

Griffin Road and SW 111th Avenue. Construction of the storage plaza is now complete and a Certificate of Occupancy has been issued.

Cooper Square

Located on Stirling Road across from Cooper City High School, this project was approved by the City Commission for approximately 42,000 square feet of commercial use proposed on the eight-acre site with restaurants, outdoor seating, retail, professional and medical offices, banks, and three drive-thrus. The project was completed in 2020 and is now open for business serving our residents in Cooper City.

Primrose Preschool and Day Care Building

A Primrose Pre-school and Day Care/After School Facility was approved by the City Commission and was completed in 2020. It is located on the final remaining vacant parcel on Sheridan Street and it serves up to 226 students with 24 teachers. Although it is tax exempt, it is a high-quality school with a proven track record on premium pre-school and early childhood education.

Cooper City Eye Doctor Medical Building

The Cooper City Eye Doctor Medical Building is located at the northeast corner of Sheridan Street and Palm Avenue. The site plan proposed a one-story medical office building at 5,100 square feet and 3,400 square feet proposed for an additional tenant. A future building expansion area is also reflected on the plans for a total buildout of 12,000 square feet. Construction was completed in 2020 and is open for business serving our Cooper City Residents.

Chabad of SW Broward

This project is located at 5960 SW 106th Avenue, generally located on the east side of SW 106th Avenue north of Stirling Road. The Chabad has received Commission approval of a Rezoning from M/I, Medic, Institutional District to X-1, Civic District. Other uses approved on site include a daycare center, secondary school for students living on campus, accessory dormitory rooms, a Mikveh, retreat center administrative offices in Phase I of the development and a permanent sanctuary in Phase II. The project is currently in phase one of construction and permits have been submitted for phase two.

Shoppes at Monterra Commons and BrightStar Corporate Offices

City Commission approved the Shoppes at Monterra and BrightStar Corporate office Site Plan in 2020. This site was the last remaining large commercial tract in Monterra, on University Drive. This project consists of a proposed 70,000+ square foot, three-story office building for BrightStar Credit Union corporate headquarters

including a branch credit union with drive-thru lanes. The plans also reflect The Shoppes at Monterra Commons which will consist of four commercial buildings: totaling 39,000 square feet and a 10,000 square foot daycare center. Permits have been submitted for all of the buildings and it is estimated the completion of this project will take one to two years.

Sun Credit Union

Sun Credit Union was issued City Commission Approval in 2021. This project consists of a proposed 32,000 square foot, one story office building for the Sun Credit Union corporate headquarters including a branch credit union with drive-thru lanes. Permits have been submitted for pre-plan review and estimated completion of this project will be a one to two-year time frame.

Major Initiatives and Future Projects

Community Development Block Grant (CDBG) Funding

In 2021, Cooper City reinstated the minor home repair program administered by Broward County which is designed to provide repair assistance to low income single-family homeowners whose homes are in need of repair. The CDBG funding is designed to assist homeowners with repairs limited to corrective action that will eliminate conditions in and around the home that pose a threat to the health, safety, and welfare of the household occupants. As a final component of the CDBG grant funding, \$18,000 will help fund the Senior Transportation Program. The program is designed to provide free transportation to our senior citizens via a shuttle bus. Riders are transported to and from the doctor/dentist office, or other institutional agencies or businesses.

Commitment to Improvements and Excellence

- Maintained excellent ISO (Insurance Survey Organization) rating through Fiscal Year 2020.
- Issued permits for \$54.8 million of construction cost through Fiscal Year 2020.
- Maintained high level of service to residents, business owners and contractors throughout the pandemic.
- Launched electronic submittals for single-use permits that do not require sign and sealed drawings.
- Launched online payments for Building Permits.

Platinum Cities Designation

Cooper City has continued its "Platinum Cities" designation under the Greater Fort Lauderdale Alliance permitting excellence process. The purpose of the permitting excellence process is to provide businesses with a streamlined, first-rate experience when going through the development, permitting and inspection process for

office and industrial properties. The process is intended to be available to high-impact, targeted industry businesses that are relocating or expanding in Broward County.

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

In Fiscal Year 2020, the City also adapted to the community's needs in the midst of the pandemic in numerous ways, including the following:

- Implemented a robust communications plan to keep residents fully informed of the pandemic, City resources, and relief and assistance programs.
- Despite briefly closing publicly accessible city buildings, the City facilitated telecommuting for applicable employees while continuing to provide a high level of service to residents and business owners.
- Conducted virtual Commission meetings and Town Hall meetings.
- Conducted bi-weekly food and blood drives serving thousands of residents in our community.
- Conducted regular outreach to our senior and vulnerable populations, which included regular deliveries of food and medicine.
- Brought the entire workforce back to physical work locations in June 2020. This plan included the health and safety protocols to mitigate internal spread of the COVID-19 virus. The City has been fully and physically operational since then.
- Implemented the CARES Act Task Force at the end of Fiscal Year 2020, to manage programs and projects for disbursement of CARES Act funds to eligible homeowners and small businesses in the community.
- Executed the merger of the Building Department and Growth Management Departments into the Community Development Department.

In Fiscal Year 2020, the Public Works Department completed the following projects:

- Completed mold assessment at Cooper City Fire Station.
- Updated the Geographic Information System (GIS) mapping layers for major departmental responsibilities, such as streetlights, roadways, sidewalks, irrigation, and landscape maintenance locations.
- Completed the sidewalk replacement program in the Timberlake community.
- Installed new fencing at Pool and Tennis Center Basketball Courts.
- Completed the annual asphalt resurfacing program in Flamingo Gardens Phase I.
- Completed the bi-annual routine bridge inspections.
- Completed the citywide pressure-cleaning program, which included the courts, playgrounds, sidewalks, and furniture in 23 passive parks.

- Resurfaced the basketball courts and tennis courts at Ted Ferone, Flamingo Park and added two Pickleball courts at Suellen H. Fardelmann Sports Complex.
- Completed LED retrofit at the City's Community Center.
- Completed the cleanup and refacing of Fleet Maintenance Building.
- Installed emergency generator at the City's Community Center.
- Updated the City's Disaster Debris Management Plan.

The following is a summary of the noteworthy activities undertaken by the Utilities Department and City Engineer's Office during Fiscal Year 2020. This summary focuses on "big picture" items and does not include day-to-day activities that, despite being routine, are valuable to our customers.

- Through the combined efforts of the entire Utility Department Team, the Department was able to produce a budget that only increased rates by 0.3% to account for the increase in the Consumer Price Index (CPI) for the period of June 2019-May 2020. In fact, water and sewer utility rate increases have not exceeded the change in the CPI since 2010.
- Maintained service levels for water, sewer, storm drain, and the City Engineer's Office despite the challenges and restrictions associated with the coronavirus pandemic.
- Produced the 2020 Water & Sewer Rate Study, and the Stormwater Utility Rate Study. The Water & Sewer Rate Study indicated that the utility is financially healthy and that our long term revenue and expense plans, including the 20-year CPI, are on track. Regarding the Stormwater Utility, the rate study indicated that these rates needed to be significantly increased in 2020 and that, if implemented, the long term revenue and expense plans, including the CPI, for this utility will also be on track.
- Applied for several grants for water, sewer, and storm drain improvements, ultimately being awarded \$500,000 for sewer treatment plan improvements.
- Completed replacement of the 500,000-gallon steel water storage tank at the Utilities complex at a cost of \$1.119 million.
- Awarded a contract and began rehabilitation and capacity increase of the deep injection well at a contract amount of \$2.844 million.
- Continued the City's water meter replacement program that will result in all 11,700 accounts having new electronic water meters. Currently, about 6,040 of these meters are installed. The City has also implemented a mobile application and consumer portal called "WaterSmart" that utilizes the data produced by these meters to give customers easy access to their utility accounts and water meter data. Customers can view and pay their bills, monitor water usage, get leak alerts, and have access to tips and information to help conserve water.
- Rehabilitated Lift Station 48, installed approximately 1,200 feet of new sewer force main piping, and rehabilitated 6,400 linear feet of gravity sewer mains in accordance with the Water & Sewer Capital Improvement Master Plan.
- Tested 499 water system backflow preventers, in accordance with state regulations, for the protection of the City's potable water system.
- Began the federally required Risk & Resilience Assessment of the City's water system.

- Continued annual, preventative storm drain maintenance program wherein all the storm drain inlets, piping, and outfalls in the City are being cleaned on a regular basis. In Fiscal Year 2020, we cleaned approximately 444 inlets/manholes and 36,764 feet of pipe, at a contracted cost of \$39,960. The entire storm drain system is being cleaned every 4-5 years.
- Successfully met all federal, state, and local drinking water standards as described in the City's 2019 Water Quality Report.

The Water and Wastewater Capital Improvement Master Plan (updated June 2020) provides a detailed program of capital improvements to be undertaken through the year 2029. The following is a list of improvements that have been identified for implementation within the next 3 years:

- Replacement of the water treatment plant membranes in the last two treatment units, after over 20 years of service, at an estimated cost of \$600,000.
- Rehabilitation of water supply wells #6 and #8 to restore production capacity, at an estimated cost of \$200,000.
- Continue rehabilitation of the sewer collection system in the amount of \$400,000 per year.
- Rehabilitate four sewer pumping stations at a total estimated cost of \$700,000.
- Replacement of the water service lines in the Flamingo Gardens Townhomes, which are failing at a higher rate than the rest of the City, at an estimated cost of \$250,000.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cooper City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the thirtieth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.

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

The City also received the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award for its annual budget document for the Fiscal Year 2019-20. To qualify for this award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. This was the second year in a row that the City has received this prestigious award.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. Subsequently on March 14, 2020, the City of Cooper City declared a local state of emergency and, along with the State and County, imposed

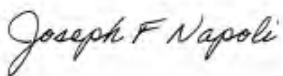
emergency orders to address the pandemic that progressively imposed restrictive measures on residents and businesses which significantly impacted the City's revenues, the local economy and the very livelihood of our City. During the challenging times that ensued, the City adapted and met unprecedented challenges while continuing to provide essential services.

The City carried out its responsibilities by taking many measures to mitigate the pandemic's tremendous impact and to ensure the health, safety, and welfare of our residents.

The City communicated regularly with our elderly and vulnerable population and delivered food, medicine, and personal protective equipment as needed. Additionally, the City organized numerous food drives, food distributions, blood drives, and other critical initiatives to address the immediate needs of those affected most.

The City also provided continuous information to residents addressing preventive measures, testing and vaccination sites, and other resources in addition to information regarding resources and assistance programs available to hard-hit businesses. While the full economic impact of this pandemic is still unknown, the City has remained steadfast in supporting all of our residents and businesses. We have embraced every opportunity to adapt to COVID-19's challenges and are emerging stronger and better than before.

Respectfully Submitted,



Joseph Napoli, City Manager



Sandra Bridgeman, Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cooper City
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

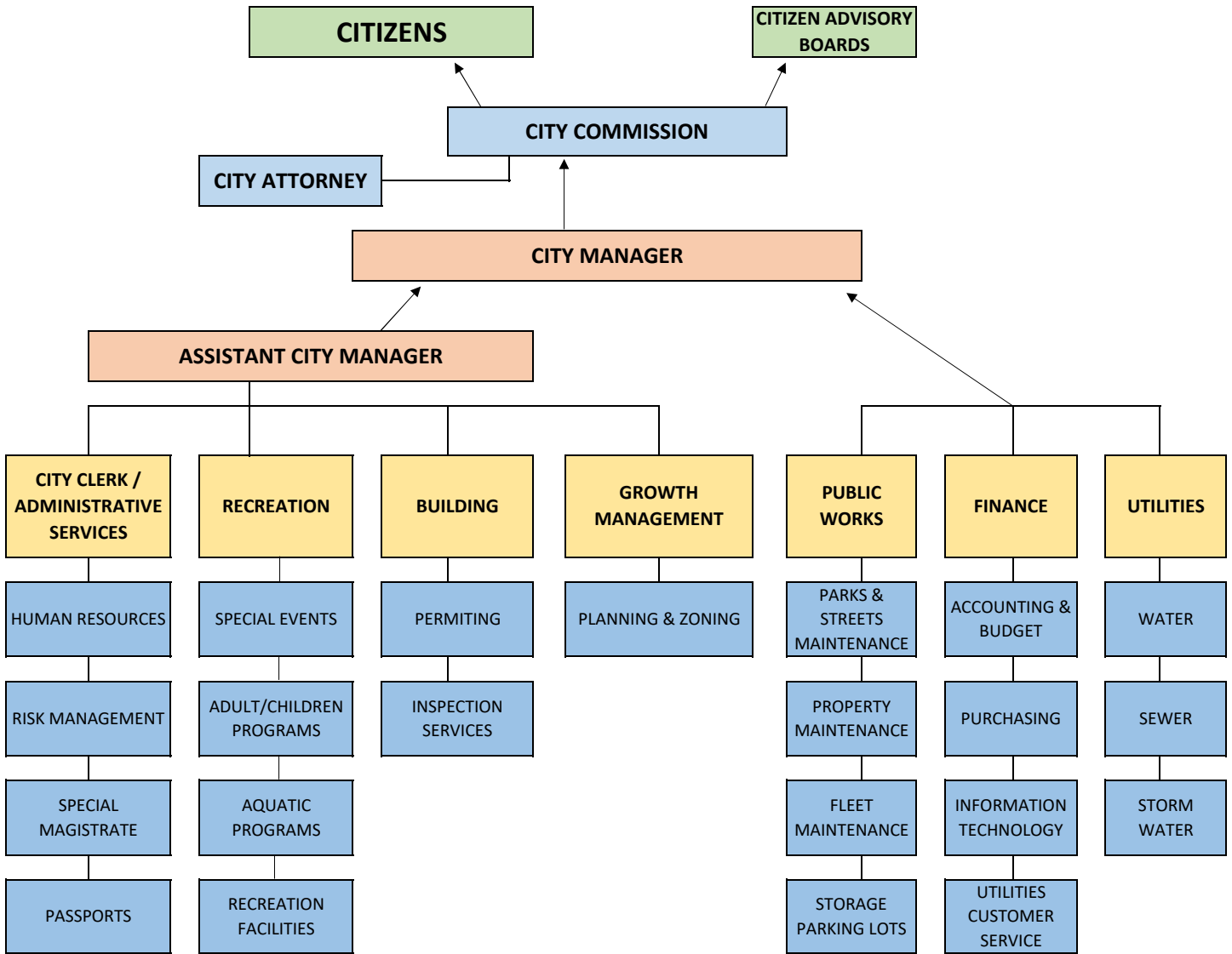
September 30, 2019

Christopher P. Morrill

Executive Director/CEO



CITYWIDE ORGANIZATION CHART



CITY OF COOPER CITY, FLORIDA
LIST OF ELECTED AND APPOINTED OFFICIALS
(As of August 31, 2021)

City Commission

MAYOR

Greg Ross

COMMISSIONER

Jeff Green – District 3

COMMISSIONER

Massimo Pulcini – District 1

COMMISSIONER

Howard Meltzer – District 2

COMMISSIONER

Ryan C. Shrouder – District 4

CITY MANAGER

Joseph Napoli

**ASSISTANT CITY MANAGER/CITY CLERK/DIRECTOR OF ADMINISTRATIVE
SERVICES**

Kathryn Sims

CITY ATTORNEY

Law Offices of Goren, Cherof, Doody & Ezrol, P.A.

DEPARTMENT DIRECTORS

Community Development

Finance

Public Works

Recreation

Utilities

Carlos Vega

Sandra Bridgeman, CFO

Kenneth C. Griffin

Stacie Weiss

Mike Bailey

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cooper City, Florida, as of and for the year ended September 30, 2020, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Cooper City's Firefighters Retirement Plan or the City of Cooper City's Police Officers Retirement Plan, which represent 25% and 35%, respectively, of the net position, 25% and 30%, respectively, of the additions to, and 40% and 30%, respectively, of the deductions from the fiduciary fund totals. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Cooper City's Firefighters Retirement Plan and the City of Cooper City's Police Officers Retirement Plan is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cooper City, Florida, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules on pages 4 through 17 and pages 102 through 120 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cooper City, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, combining fiduciary fund financial statements, schedules of revenue, expenditures, and changes in fund balances – budget and actual, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, combining fiduciary fund financial statements, and schedules of revenues, expenditures, and changes in fund balances – budget and actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, the combining fiduciary fund financial statements and schedules of revenues and expenditures, and changes in fund balances – budget and actual and the schedule of expenditures of federal awards and 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 August 31, 2021 on our consideration of the City of Cooper City, Florida’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 of Cooper City, Florida’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 City of Cooper City, Florida’s internal control over financial reporting and compliance.

GLSC & Company, PLLC

Miami, Florida
August 31, 2021

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CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

As management of the City of Cooper City, Florida (the "City"), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. The City's Management Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) identify any material deviations from the financial plan (the approved budget), and (c) identify any individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be located on pages i through x in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Cooper City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$106.7 million (*net position*), as compared with \$105.1 million for the previous year.
- The City's total net position increased by \$1.6 million during the fiscal year. Included in the net position is the governmental net position which increased \$1.0 million and the business-type net position, which increased \$600 thousand.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9.1 million, an increase of \$4.0 million in comparison with prior year. Approximately \$4.2 million of this total amount is available for spending at the City's discretion (unassigned fund balance).
- Capital assets decreased approximately \$3.2 million as compared to the previous year mainly due to significant projects, such as the Flamingo West Park in the prior year resulting in an increase in the depreciation expense for the current year. In addition, there were not significant governmental activity capital asset additions during the year.

Overview of the Financial Statements

In addition to this discussion and analysis, the financial section of this annual report contains the basic financial statements, required supplementary information, and other supplementary information including combining statements and schedules of non-major funds. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to these basic financial statements, this report also contains other supplementary information.

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

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, roads and bridges, and culture and recreation. The business-type activities of the City include a water and sewer utility, a storm water management utility, and recreational vehicle parking lot facilities.

The government-wide financial statements are for the City, as the *primary government*, and include all operations for which the City is financially accountable. The City does not have any *component units* that should be included in the financial information presented.

The government-wide financial statements can be located on pages 18 and 19 of this report.

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

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

The City of Cooper City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Improvement Fund as they are considered to be major funds. All the other governmental funds

CITY OF COOPER CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

are combined for presentation purposes as nonmajor funds. Individual fund data for each of these nonmajor funds and the fiduciary fund types are aggregated for presentation in the basic governmental fund financial statements and are detailed in the form of *combining statements* elsewhere in this report.

The governmental fund financial statements can be located on pages 20 through 23 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 24 through 27 of this report.

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

The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 101 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and post-employment benefits. Required supplementary information can be found on pages 102 through 120 of this report.

The combining statements for non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules are presented immediately following the required supplementary information on pages 121 through 124 of this report.

CITY OF COOPER CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Government-wide Financial Analysis

As noted previously, the change in net position over time should serve as a useful indicator of a government's financial position. In the case of the City of Cooper City, assets exceeded liabilities by \$106.7 million as of September 30, 2020.

The largest portion of the City's net position consists of \$101.7 million of net investment in capital assets (e.g., land, buildings, machinery and equipment), which is net of any outstanding debt related to their acquisition. The City uses these capital assets to provide services to citizens; consequently, they are *not* available for future spending. Although the City's net investment in capital assets is reported net of related debt, the repayment of this debt must come from sources other than liquidating the assets themselves.

City of Cooper City
Summary of Net Position
September 30, 2020 and 2019
(In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current & other assets	\$ 12,532	\$ 8,829	\$ 17,015	\$ 14,489	\$ 29,546	\$ 23,318
Capital assets	53,925	55,530	49,150	50,776	103,075	106,306
Total assets	66,457	64,359	66,165	65,265	132,621	129,624
Total deferred outflows of resources	4,443	4,785	1,465	1,304	5,908	6,089
Other liabilities	3,485	1,228	1,929	2,419	5,414	3,647
Long-term liabilities	16,482	16,777	8,750	7,408	25,232	24,185
Total liabilities	19,967	18,005	10,679	9,827	30,647	27,832
Total deferred inflows of resources	656	1,875	520	907	1,176	2,782
Net position:						
Net investment in capital assets	53,925	55,530	47,823	49,269	101,748	104,799
Restricted	885	1,054	-	-	885	1,054
Unrestricted	(4,533)	(7,320)	8,608	6,566	4,075	(754)
Total net position	\$ 50,277	\$ 49,264	\$ 56,431	\$ 55,835	\$106,708	\$105,099

CITY OF COOPER CITY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

City of Cooper City
Changes in Net Position
Fiscal Years Ended September 30, 2020 and 2019
(In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 6,544	\$ 6,617	\$ 13,242	\$ 12,418	\$ 19,786	\$ 19,035
Operating grants and contributions	3,059	176	-	-	3,059	176
Capital grants and contributions	893	425	331	313	1,224	738
General revenues:						
Property taxes	20,245	20,557	-	-	20,245	20,557
Other taxes	8,735	9,236	-	-	8,735	9,236
Grants and contributions not restricted to specific programs	2,403	2,455	-	-	2,403	2,455
Other	324	500	92	249	416	749
Total revenues	42,203	39,966	13,665	12,980	55,868	52,946
Operating expenses:						
General government	4,968	5,243	-	-	4,968	5,243
Public safety	29,547	25,626	-	-	29,547	25,626
Physical environment	638	725	-	-	638	725
Transportation	2,256	1,311	-	-	2,256	1,311
Culture and recreation	4,209	4,284	-	-	4,209	4,284
Interest	-	1	-	-	-	1
Parking	-	-	92	127	92	127
Water and sewer	-	-	12,048	11,724	12,048	11,724
Stormwater	-	-	502	370	502	370
Total operating expenses	41,618	37,190	12,642	12,221	54,260	49,411
Increase/Decrease in net position						
before transfers	585	2,776	1,023	759	1,608	3,535
Transfers	427	1,662	(427)	(1,662)	-	-
Change in net position	1,012	4,438	595	(903)	1,607	3,535
Net position, beginning	49,264	44,825	55,835	56,738	105,099	101,563
Net position, ending	\$ 50,277	\$ 49,264	\$ 56,430	\$ 55,835	\$ 106,707	\$ 105,099

Governmental activities

During the current fiscal year, overall net position for governmental activities increased by \$1.6 million, which was due primarily to the an increase in operating grant revenues received, capital grants and contributions that exceeded the increase in expenditures in public safety and transportation.

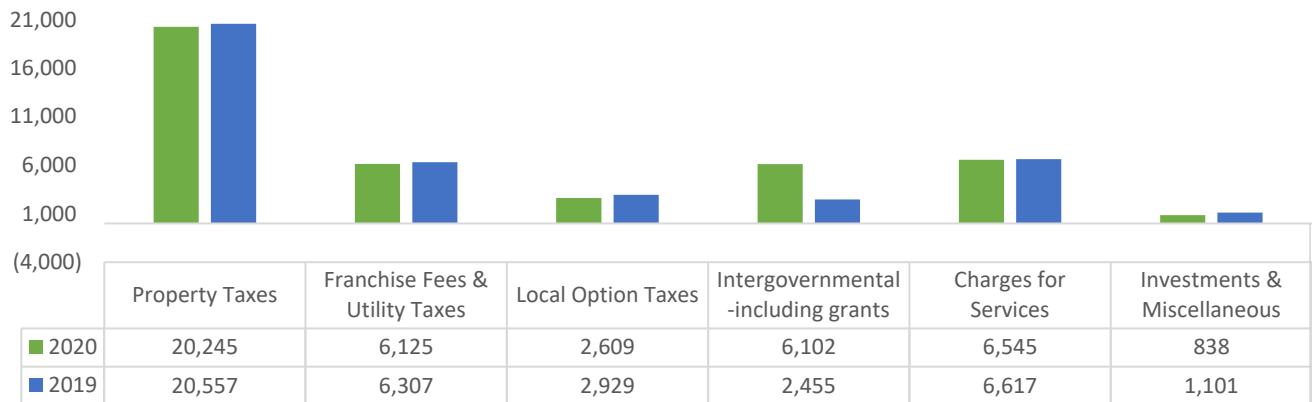
CITY OF COOPER CITY, FLORIDA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Revenues

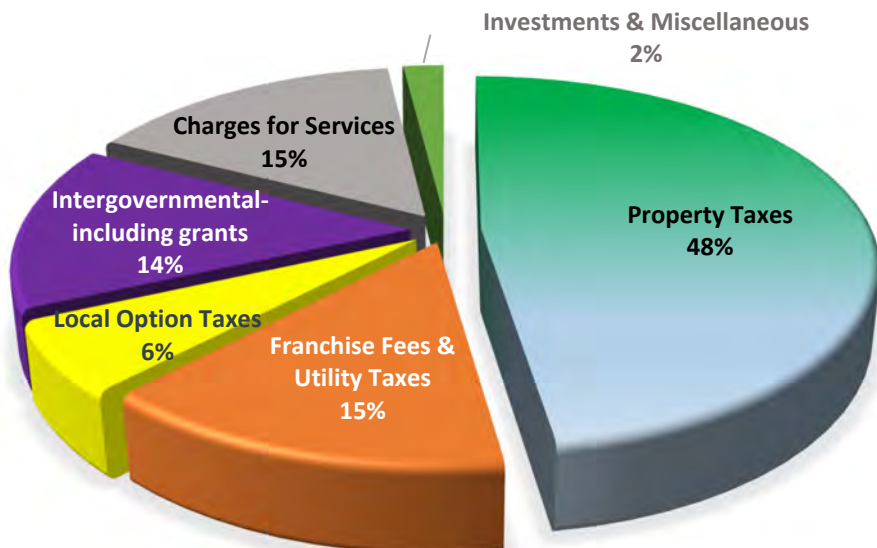
Revenues from governmental activities increased 5.6% or \$2.2 million compared to the prior year. The increase is mainly due to grants revenues received in excess of \$3.0 million from FEMA. This inflow of funds absorbed shortfalls from declining revenues in all other sources. The grants are reported under the intergovernmental category.

**Revenues by Source – Governmental Activities
(In thousands)**



The following chart provides an overall view of the various governmental revenue sources. 48% of the revenues received come from property taxes, 15% from charges for services, 14% from both intergovernmental and franchise fees and utility taxes, 6% from local option taxes and the remaining 2% from impact fees, investments and miscellaneous.

Revenues by Source – Governmental Activities



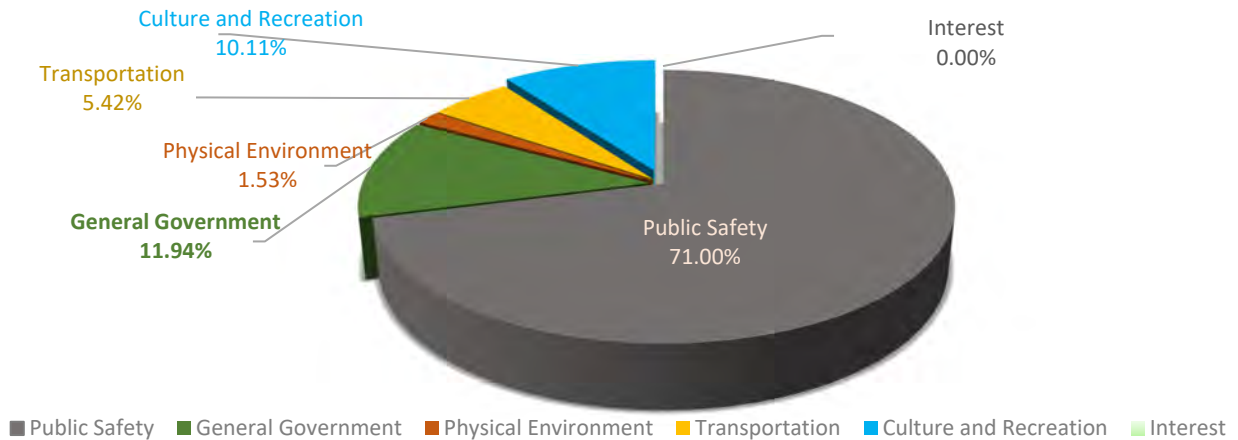
CITY OF COOPER CITY, FLORIDA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Expenses

Public safety continues to be the City’s single largest governmental activity, comprising 71% of its expenses.

Expenses by Function – Governmental Activities



As shown graph below, costs for public safety increased to \$29.5 million in the current fiscal year from \$25.6 million last fiscal year. This increase is mainly due to of the annual increase in the annual City’s contract with BSO combined with an increase in pension contribution costs previously shared by BSO, for a net increase of \$3.9 million. Transportation’s expenses rose by approximately \$900 thousand in 2020 due to major road resurfacing repairs or sidewalks, bikeways and asphalt pavement work at city locations such as Summertime Isles, Hiatus, Sterling, Tanglewood and Flamingo Gardens. The other categories expenses remained relatively consistent with prior year.

**Expenses by Function – Governmental Activities
(In thousands)**



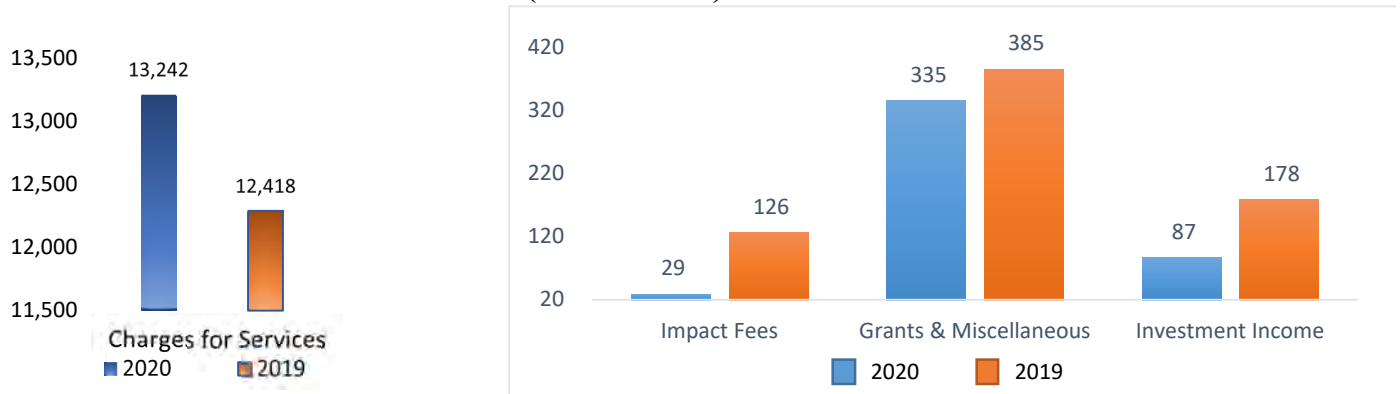
CITY OF COOPER CITY, FLORIDA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Business-type activities

During the current fiscal year, overall net position for business-type activities increased by \$624 thousand for an ending net position of \$56.4 million.

**Revenues by Source – Business-type Activities
(In thousands)**



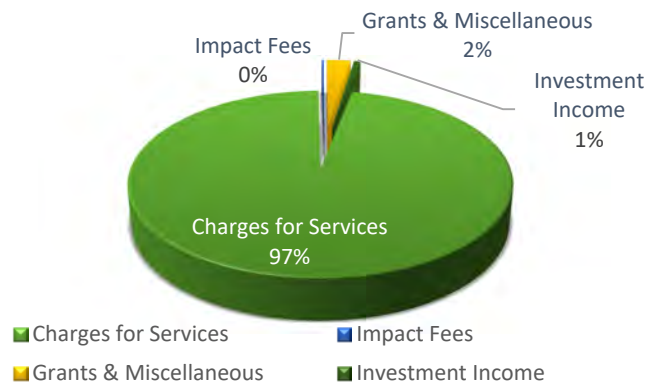
Revenues

Revenues from business-type activities increased \$685 thousand, 5.3% over the prior year. Key elements of the increase are as follows:

- Charges for service increased by 7.5% over last year \$921 thousand attributable to the 1.9% utility rate increase within fiscal year 2020.
- Although there was a sharp decrease in the impact fees collection and investment earnings, the increase in charges for services compensated for the decreases from the other low performing revenue sources.

Revenues by Source – Business-type Activities

The following chart provides an overall view of the various business type activities revenue sources. 97% of the revenues received come from charges for services. Grants and miscellaneous, together, accounted for 2% of the total revenues and the remaining 1% from mostly investment income while impact fees only less than a quarter of a percent.



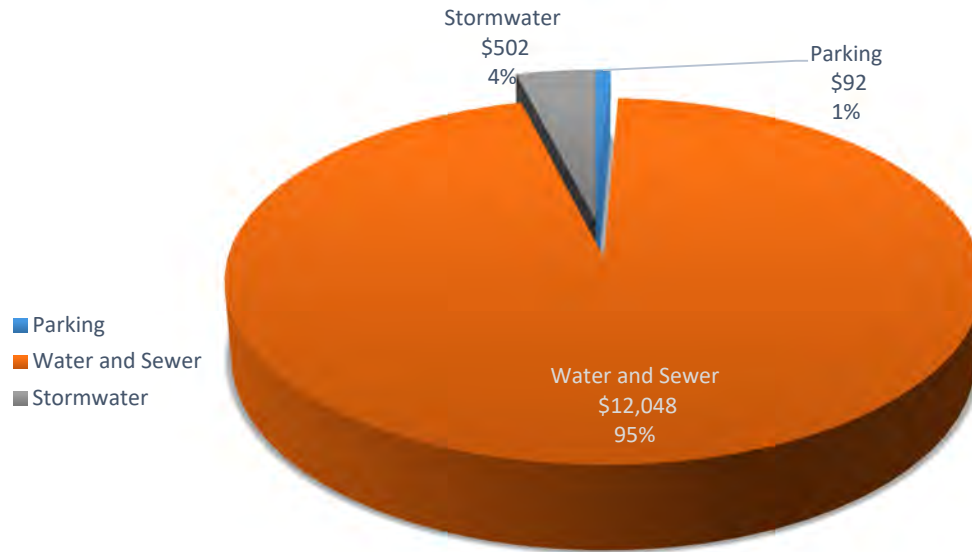
CITY OF COOPER CITY, FLORIDA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Expenses

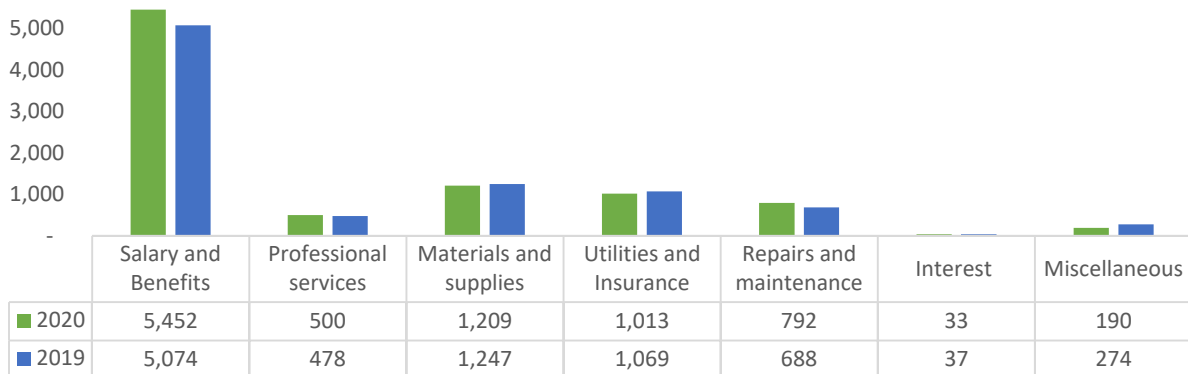
The Water and Sewer Utility continues to be the single largest business-type activity of the City, accounting for approximately 95% total expenses.

Expenses by Function – Business-type Activities



Expenses increased approximately \$421 thousand, due to a combination of the following mainly in personnel costs that increased by \$350 thousand. Even with concerted effort to keep other line items such as utilities, material and supplies low, significant emergency occurred.

**Expenses by Object – Business-type Activities
(In thousands)**



CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

Governmental Funds Financial Analysis

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

At September 30, 2020, the City's governmental funds reported combined ending fund balances of approximately \$9.1 million, a \$4.0 million increase in comparison with the prior year. Approximately \$4.2 million of the fund balance is *unassigned fund balance*, which is available for spending at the City's discretion in the General Fund. The remainder of the balance is either nonspendable (\$27 thousand), restricted for a special purpose (\$885.5 thousand), committed for (\$3 million), for future emergencies previously labeled assigned, or assigned for future employee payouts (\$450 thousand), for encumbrances (\$55.5 thousand) or to next year's budget (\$550.8 thousand).

The General Fund is the main operating fund for the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4.8 million, while the total fund balance was \$8.9 million. As a measure of the general fund's liquidity and in accordance with the City's fund balance policy, it is useful to compare unassigned fund balance and assigned fund balance to total general fund expenditures, including transfers. Revenues in the general fund were \$38.8 million, which represents an increase of \$1.6 million from prior year or 4.3%. The increase is mainly attributable to a significant increase in grants revenues from FEMA and an increase in revenue from licenses and permits while other sources such as fines and forfeitures, franchise fees and utilities taxes, other charges for services, showed notable decreases during the Pandemic. Conversely, expenditures in the general fund rose approximately \$1.4 million or 4.1 % from prior year. This increase was mainly due to higher costs for public safety in excess of a combined decrease of approximately \$617 thousand in expenditures from general government, physical environment and culture and recreation.

The Capital Improvement Fund is used to account for major governmental capital improvements. At the end of the current fiscal year, the fund had a deficit fund balance of \$688 thousand compared to \$2.3 million the prior year. During the fiscal year grants totaled \$893 thousand and Impact fees contributed another \$415 thousand totaling \$1.3 million, an increase of 165% from prior year. Expenditures were \$188 thousand, a decrease of 97.1%. Many projects slowed down considerably during the Pandemic. The change in fund balance for this fund was a positive \$1.6 million, primarily due to \$893 thousand of grant revenues received for portion of the Flamingo West Park project.

Proprietary Funds Financial Analysis

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position for business-type funds was \$8.6 million; \$8.6 million for the water and sewer fund, \$24 thousand for the parking lot fund; the stormwater fund however has a negative \$43 thousand. Total net position for these funds was

CITY OF COOPER CITY, FLORIDA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

\$56.4 million as compared to \$55.8 the prior year which represents an increase 1.08% due to a combination of revenue increases of approximately \$921 thousand from charges for services, compensating for the decreases in investment income, impact fees, grants and miscellaneous revenues. The net position also improved due to a decrease in expenses for professional services, materials and supplies which absorbed increases in emergency repairs and maintenance in the water and sewer and sewer fund. The increase in revenues exceeded the increases in emergency repairs in the water and sewer fund.

General Fund Budgetary Highlights

	Original Budgeted Revenues	Amended Budgeted Revenues	Actuals	Variance with Final Budget
(In thousands)				
<u>Revenues</u>				
Property taxes	\$ 20,246	\$ 20,246	\$ 20,245	\$ (1)
Franchise fees and utility taxes	6,144	6,144	6,125	(19)
Licenses and permits	490	490	418	(72)
Intergovernmental revenues	3,938	4,001	7,035	3,034
Charges for services	4,805	5,161	4,598	(563)
Fines and forfeitures	280	280	97	(183)
Investment earnings	218	218	136	(82)
Miscellaneous revenues	387	450	175	(275)
<u>Expenditures</u>				
Public safety	\$ 26,508	\$ 27,776	\$ 27,695	(81)
Physical environment	526	559	461	(98)
Culture and Recreation	3,610	3,639	3,045	(594)
General Government	4,940	4,778	4,690	(88)

The most significant differences between final budget and actual results were as follows.

- Charge for services - Recreation programs, special events, pool and facility rentals, were either halted, suspended or reduced directly due to COVID-19. Passports processing ceased for remainder of fiscal year after shutdown in March, missing peak revenue periods during schools spring break and summer break. 70% of variance is from culture and recreation, 25% from passport processing and 5% from other sources.
- Local Option Taxes – Revenue share from the state for sales tax came in lower than anticipated due to COVID-19 as per the state revenue website and the inherent lock down and adherence to safety and quarantine measures.
- Other – \$150k of the variance was budgeted as optimistic revenue on the terms of the draft contract that was not executed.

CITY OF COOPER CITY, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

- Fines & forfeitures – Local fines and forfeitures dropped precipitously due to COVID-19. Judgments and County Court fines fell by approximately 33% whereas local fines and forfeitures collection dropped to approximately 77%.
- Intergovernmental - Operating grants & contributions – FEMA reimbursements for Hurricane Irma and Dorian came in during the year absorbing many of the shortfalls from other revenue sources. Reimbursements received for expenditures related to Flamengo West Park.
- Public safety - Actual expenditures include a \$2 million payment for police officers and firefighters pension for the gap year of the contract. BSO paid for pension under the old contract and the City is currently in litigation to determine who was liable for the pension during the gap year.
- Culture and recreation - Certain expenditures were no longer needed with many recreation programs and special events being suspended, discontinued or at held at reduced capacity directly due to COVID-19 restrictions for safety. Staff were repurposed to provide assistance to the community at no cost.
- Investment earnings came low as the market interests on investment dropped significantly.
- General government, physical environment, and transportation- Due to the uncertainty of the longevity and impact of COVID-19 city management took a conservative fiscal monitoring approach to certain operational spending as the pandemic continued and evolved. This approach resulted in a deliberate reduction or elimination of qualified expenditures.

Capital Asset Activity

The City’s net investment in capital assets for its governmental and business type activities as of September 30, 2020, amounted to \$101.7million. The City’s capital assets include land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges as shown below.

**City of Cooper City
Capital Assets
September 30, 2020 and 2019
(In Thousands, net of depreciation)**

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$21,790	\$21,790	\$1,038	\$1,038	\$22,828	\$22,828
Construction in progress	-	-	1,441	2,841	1,441	2,841
Buildings	4,936	5,383	28,723	30,265	33,659	35,648
Improvements other than buildings	14,694	15,288	10,390	11,391	25,084	26,679
Equipment and vehicles	1,644	1,930	3,102	3,408	4,746	5,338
Infrastructure	10,861	11,139	4,456	1,833	15,317	12,972
Total capital assets	<u>\$53,925</u>	<u>\$55,530</u>	<u>\$49,150</u>	<u>\$50,776</u>	<u>\$103,075</u>	<u>\$106,306</u>

CITY OF COOPER CITY, FLORIDA

**MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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

- Replacement of 500,000-gallon steel water storage tank at Utilities complex (\$1.1 mil)
- Installation of back-up generator at community center
- Replacement of water meters throughout the City
- Rehabilitation of sewer pumping stations
- Rehabilitation of deep injection well (\$2.84 mil)

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

Debt Administration Activity

At the end of the current fiscal year, the City’s total debt amounted to \$1.3 million for a notes payable in the stormwater fund. The notes payable is secured by a specific revenue source. Additional information on the City’s long-term debt can be found in Note 6 of this report.

**City of Cooper City
Long-term Debt
September 30, 2020 and 2019
(In Thousands)**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Notes Payable	-	-	\$1,327	\$1,506	\$1,327	\$1,506
Total debt	-	-	\$1,327	\$1,506	\$1,327	\$1,506

Economic Factors and Next Year’s Budgets and Rates

The State of Florida, by constitution, does not have a state personal income tax, and therefore, the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (for example, cities, counties, and school boards) primarily rely on property taxes and a limited array of permitted taxes (sales, communication, gasoline, utilities services, etc.) and fees (franchise, building permits, recreation, etc.) to cover governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. For the business-type and certain governmental activities (fire service, building inspections, recreational programs, etc.) the user pays a related fee or charge associated with the service.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 pandemic has had an adverse impact on to the local, state, and national economy, but especially on those that heavily rely on tourism, travel, and the hospitality industries.

CITY OF COOPER CITY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

For January and February 2020, the state recorded unemployment rates of 3.3%, and had been below 4.0% every month dating back to January of 2018. Due to the coronavirus outbreak, unemployment rate spiked to 14.2% in May 2020, surpassing the prior peak rate of 10.9% recorded in April 2020.

The outbreak in the United States resulted in a disruption to the City's operations, primarily affecting the recreation department, as many programs, special events, and the use of recreation facilities were either suspended, discontinued, or reduced directly due to COVID-19 restrictions for safety. Economic uncertainties continue as the country begins to reopen in fiscal year 2021. Although the pandemic did have a negative impact on the net position of the City during the year ending September 30, 2020, the negative impact was offset by FEMA reimbursements for Hurricane Irma & Dorian. While a disruption was expected during the stabilization period, the City of Cooper City has not experienced disruptions and is not anticipating interruptions of service even in a Pandemic uncertain time. The city will continue to sponsor safety protocols with its workforce and frequently assess the extent of the fiscal impact of COVID-19 on the water & sewer operational and financial performance.

The City is emphasizing a disciplined approach in its allocation of resources and fiscal prudence to keep fund balance in the general fund to a level in accordance with the fund balance policy.

Requests for Information

This financial report is designed to provide a general overview of the City of Cooper City's finances to all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 9090 SW 50th Place, Cooper City, Florida 33328.

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 10,228,127	\$ 8,206,894	\$ 18,435,021
Investments	1,123,370	901,333	2,024,703
Accounts receivable, net	718,077	1,334,263	2,052,340
Due from other governments	435,509	-	435,509
Due from other funds	-	76,268	76,268
Advances to other funds	-	1,860,000	1,860,000
Inventory	26,632	-	26,632
Prepaid items	-	3,500,000	3,500,000
Restricted asset, cash and cash equivalents	-	1,023,318	1,023,318
Restricted investments	-	112,387	112,387
Capital assets			
Non-depreciable	21,790,931	2,479,859	24,270,790
Depreciable, net	32,133,866	46,670,293	78,804,159
Total assets	<u>66,456,512</u>	<u>66,164,615</u>	<u>132,621,127</u>
Deferred outflows of resources			
Pension	3,903,882	1,072,697	4,976,579
OPEB	539,403	392,765	932,168
Total deferred outflows of resources	<u>4,443,285</u>	<u>1,465,462</u>	<u>5,908,747</u>
Liabilities			
Accounts payable	439,150	376,179	815,329
Accrued liabilities	212,109	88,065	300,174
Refundable deposits	34,500	1,135,705	1,170,205
Unearned revenue	750,517	20,328	770,845
Due to other funds	76,268	-	76,268
Advances from other funds	1,860,000	-	1,860,000
Noncurrent liabilities			
Due within one year	112,559	309,696	422,255
Due in more than one year	16,481,729	8,749,609	25,231,338
Total liabilities	<u>19,966,832</u>	<u>10,679,582</u>	<u>30,646,414</u>
Deferred inflows of resources			
Pension	271,115	244,332	515,447
OPEB	384,911	275,423	660,334
Total deferred inflows of resources	<u>656,026</u>	<u>519,755</u>	<u>1,175,781</u>
Net position			
Net investment in capital assets	53,924,797	47,823,102	101,747,899
Restricted for:			
Building department	434,915	-	434,915
Transportation	239,641	-	239,641
Public safety	210,949	-	210,949
Unrestricted	(4,533,363)	8,607,638	4,074,275
Total net position	<u>\$ 50,276,939</u>	<u>\$ 56,430,740</u>	<u>\$ 106,707,679</u>

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

CITY OF COOPER CITY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 4,968,074	\$ 137,768	\$ -	\$ -	\$ (4,830,306)	\$ -	\$ (4,830,306)
Public safety	29,547,128	6,133,038	-	-	(23,414,090)	-	(23,414,090)
Physical environment	638,468	-	3,059,573	-	2,421,105	-	2,421,105
Transportation	2,256,108	-	-	-	(2,256,108)	-	(2,256,108)
Culture and recreation	4,208,455	273,797	-	893,042	(3,041,616)	-	(3,041,616)
Interest on long-term debt	20	-	-	-	(20)	-	(20)
Total governmental activities	<u>41,618,253</u>	<u>6,544,603</u>	<u>3,059,573</u>	<u>893,042</u>	<u>(31,121,035)</u>	<u>-</u>	<u>(31,121,035)</u>
Business-type activities:							
Parking	91,707	123,907	-	-	-	32,200	32,200
Water and sewer	12,048,233	12,798,244	-	330,887	-	1,080,898	1,080,898
Stormwater	501,757	320,055	-	-	-	(181,702)	(181,702)
Total business-type activities	<u>12,641,697</u>	<u>13,242,206</u>	<u>-</u>	<u>330,887</u>	<u>-</u>	<u>931,396</u>	<u>931,396</u>
Total	<u>\$ 54,259,950</u>	<u>\$ 19,786,809</u>	<u>\$ 3,059,573</u>	<u>\$ 1,223,929</u>	<u>(31,121,035)</u>	<u>931,396</u>	<u>(30,189,639)</u>
General revenues:							
Property taxes					20,244,977	-	20,244,977
Franchise fees and utility taxes					6,125,384	-	6,125,384
Local option sales tax					2,070,215	-	2,070,215
Local option gasoline tax					539,170	-	539,170
Unrestricted intergovernmental revenues					2,402,394	-	2,402,394
Investment earnings					145,138	87,022	232,160
Miscellaneous					179,474	4,470	183,944
Transfers					427,286	(427,286)	-
Total general revenues and transfers					<u>32,134,038</u>	<u>(335,794)</u>	<u>31,798,244</u>
Change in net position					1,013,003	595,602	1,608,605
Net position, beginning of year					49,263,936	55,835,138	105,099,074
Net position, end of year					<u>\$ 50,276,939</u>	<u>\$ 56,430,740</u>	<u>\$ 106,707,679</u>

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

CITY OF COOPER CITY, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 8,176,628	\$ 1,056,008	\$ 995,491	\$ 10,228,127
Investments	898,010	115,977	109,383	1,123,370
Accounts receivable, net	718,077	-	-	718,077
Due from other governments	307,735	102,444	25,330	435,509
Inventory	26,632	-	-	26,632
Total assets	<u>\$ 10,127,082</u>	<u>\$ 1,274,429</u>	<u>\$ 1,130,204</u>	<u>\$ 12,531,715</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$ 217,894	\$ -	\$ 221,256	\$ 439,150
Accrued liabilities	199,450	-	12,659	212,109
Refundable deposits	34,500	-	-	34,500
Unearned revenue	648,073	102,444	-	750,517
Due to other funds	76,268	-	-	76,268
Advances from other funds	-	1,860,000	-	1,860,000
Total liabilities	<u>1,176,185</u>	<u>1,962,444</u>	<u>233,915</u>	<u>3,372,544</u>
Deferred inflows of resources				
Unavailable revenue	<u>9,115</u>	<u>-</u>	<u>10,784</u>	<u>19,899</u>
Fund balances				
Nonspendable	26,632	-	-	26,632
Restricted				
Building department	-	-	434,915	434,915
Transportation	-	-	239,641	239,641
Public safety	-	-	210,949	210,949
Assigned to:				
Future employee payouts	450,235	-	-	450,235
Emergency preparedness	3,000,000	-	-	3,000,000
Subsequent year's budget	550,837	-	-	550,837
Encumbrances	55,574	-	-	55,574
Unassigned	4,858,504	(688,015)	-	4,170,489
Total fund balances	<u>8,941,782</u>	<u>(688,015)</u>	<u>885,505</u>	<u>9,139,272</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,127,082</u>	<u>\$ 1,274,429</u>	<u>\$ 1,130,204</u>	<u>\$ 12,531,715</u>

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

CITY OF COOPER CITY, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Fund balances - total governmental funds (page 20)	\$ 9,139,272
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	93,012,832	
Accumulated depreciation	<u>(39,088,035)</u>	53,924,797

Certain revenues are reported as not available to pay for current period expenditures and therefore are reported as unavailable revenue in the governmental funds.	19,899
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Deferred outflows, deferred inflows, the net pension liability and the total OPEB liability related to the City's pension and OPEB plans are not expected to be liquidated with expendable available financial resources and, therefore are not reported in the funds

Deferred outflows - pensions and OPEB	4,443,285	
Deferred inflows - pensions and OPEB	(656,026)	
Total OPEB liability	(4,224,109)	
Net pension liability	<u>(11,919,943)</u>	(12,356,793)

Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.

Compensated absences	<u>(450,236)</u>
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Net position of governmental activities	<u><u>\$ 50,276,939</u></u>
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CITY OF COOPER CITY, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 20,244,977	\$ -	\$ -	\$ 20,244,977
Franchise fees and utility taxes	6,125,384	-	-	6,125,384
Licenses and permits	417,510	-	1,484,690	1,902,200
Intergovernmental revenues	7,035,224	893,042	782,763	8,711,029
Charges for services	4,597,959	-	44,444	4,642,403
Fines and forfeitures	97,045	-	835	97,880
Impact fees	-	415,383	-	415,383
Investment earnings	136,425	-	8,713	145,138
Miscellaneous revenues	175,120	-	4,354	179,474
Total revenues	38,829,644	1,308,425	2,325,799	42,463,868
Expenditures				
Current:				
General government	4,689,965	-	-	4,689,965
Public safety	27,694,810	-	826,747	28,521,557
Physical environment	461,199	-	-	461,199
Transportation	-	-	1,973,306	1,973,306
Culture and recreation	3,044,523	-	-	3,044,523
Capital outlay	-	187,759	-	187,759
Total expenditures	35,890,497	187,759	2,800,053	38,878,309
Excess (deficiency) of revenues over (under) expenditures	2,939,147	1,120,666	(474,254)	3,585,559
Other financing sources (uses):				
Proceeds from line of credit	63,000	-	-	63,000
Payments to line of credit	(63,000)	-	-	(63,000)
Transfers in	1,243,453	502,980	706,698	2,453,131
Transfers out	(1,624,551)	-	(401,294)	(2,025,845)
Total other financing sources (uses)	(381,098)	502,980	305,404	427,286
Change in fund balances	2,558,049	1,623,646	(168,850)	4,012,845
Fund balances, beginning of year	6,383,733	(2,311,661)	1,054,355	5,126,427
Fund balances, ending	\$ 8,941,782	\$ (688,015)	\$ 885,505	\$ 9,139,272

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

CITY OF COOPER CITY, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Net change in fund balances - total governmental funds (page 22)	\$	4,012,845
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are depreciated over their estimated useful lives.		
Capital outlay	\$	202,819
Less current year depreciation		(1,808,311)
Net adjustment		(1,605,492)
Certain revenues are reported as deferred inflows in the fund financial statements due to amount being unavailable; under full accrual accounting they are reported as decrease in revenues		
Grant revenue		(259,898)
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.		
Changes in compensated absences		67,816
OPEB expense		(57,121)
Pension expense		(1,145,147)
		(1,134,452)
Change in net position of governmental activities	\$	<u>1,013,003</u>

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020**

	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Parking Lot Fund</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 8,031,282	\$ 141,840	\$ 33,772	\$ 8,206,894
Investments	882,046	15,578	3,709	901,333
Restricted cash and cash equivalents	1,003,855	-	19,463	1,023,318
Restricted investments	110,250	-	2,137	112,387
Accounts receivable, net	1,287,712	39,139	7,412	1,334,263
Advances to other funds	1,860,000	-	-	1,860,000
Due from other funds	72,294	3,974	-	76,268
Total current assets	<u>13,247,439</u>	<u>200,531</u>	<u>66,493</u>	<u>13,514,463</u>
Noncurrent assets				
Prepays	3,500,000	-	-	3,500,000
Capital assets, non-depreciable	1,944,367	-	535,492	2,479,859
Capital assets, depreciable, net	41,445,430	4,926,857	298,006	46,670,293
Total noncurrent assets	<u>46,889,797</u>	<u>4,926,857</u>	<u>833,498</u>	<u>52,650,152</u>
Total assets	<u>60,137,236</u>	<u>5,127,388</u>	<u>899,991</u>	<u>66,164,615</u>
Deferred outflows of resources				
Pension	1,045,304	27,393	-	1,072,697
OPEB	381,166	11,599	-	392,765
Total deferred outflows of resources	<u>1,426,470</u>	<u>38,992</u>	<u>-</u>	<u>1,465,462</u>
Liabilities				
Current liabilities				
Accounts payable	370,840	4,733	606	376,179
Accrued liabilities	76,404	11,661	-	88,065
Unearned revenue	-	-	20,328	20,328
Notes payable	-	183,997	-	183,997
Compensated absences	120,167	5,532	-	125,699
Liabilities payable from restricted assets				
Customer deposits payable	1,114,105	-	21,600	1,135,705
Total current liabilities	<u>1,681,516</u>	<u>205,923</u>	<u>42,534</u>	<u>1,929,973</u>
Noncurrent liabilities				
Compensated absences	360,500	16,597	-	377,097
Notes payables, net of current position	-	1,143,053	-	1,143,053
Total OPEB liability	2,839,204	84,990	-	2,924,194
Net pension liability	4,161,592	143,673	-	4,305,265
Total noncurrent liabilities	<u>7,361,296</u>	<u>1,388,313</u>	<u>-</u>	<u>8,749,609</u>
Total liabilities	<u>9,042,812</u>	<u>1,594,236</u>	<u>42,534</u>	<u>10,679,582</u>
Deferred inflows of resources				
Pension	236,627	7,705	-	244,332
OPEB	267,330	8,093	-	275,423
Total deferred inflows of resources	<u>503,957</u>	<u>15,798</u>	<u>-</u>	<u>519,755</u>
Net position				
Net investment in capital assets	43,389,797	3,599,807	833,498	47,823,102
Unrestricted	8,627,140	(43,461)	23,959	8,607,638
Total net position	<u>\$ 52,016,937</u>	<u>\$ 3,556,346</u>	<u>\$ 857,457</u>	<u>\$ 56,430,740</u>

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

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Parking Lot Fund</u>	<u>Total</u>
Operating revenues				
Charges for services	\$ 12,769,292	\$ 320,055	\$ 123,907	\$ 13,213,254
Impact fees	28,952	-	-	28,952
Miscellaneous	4,470	-	-	4,470
Total operating revenues	<u>12,802,714</u>	<u>320,055</u>	<u>123,907</u>	<u>13,246,676</u>
Operating expenses				
Personnel services and benefits	5,250,326	182,688	19,500	5,452,514
Professional services	396,159	84,394	19,578	500,131
Materials and supplies	1,206,087	2,449	-	1,208,536
Utilities	629,849	-	6,772	636,621
Insurance	376,055	-	-	376,055
Repairs and maintenance	774,160	9,342	8,927	792,429
Miscellaneous	182,711	6,948	-	189,659
Depreciation	3,232,886	183,004	36,930	3,452,820
Total operating expenses	<u>12,048,233</u>	<u>468,825</u>	<u>91,707</u>	<u>12,608,765</u>
Operating income (loss)	<u>754,481</u>	<u>(148,770)</u>	<u>32,200</u>	<u>637,911</u>
Nonoperating revenues and (expenses)				
Investment income	83,285	3,109	628	87,022
Interest expense	-	(32,932)	-	(32,932)
Total nonoperating revenues and (expenses)	<u>83,285</u>	<u>(29,823)</u>	<u>628</u>	<u>54,090</u>
Income (loss) before capital contributions and transfers	837,766	(178,593)	32,828	692,001
Capital contributions	<u>330,887</u>	<u>-</u>	<u>-</u>	<u>330,887</u>
Transfers in	414,873	-	-	414,873
Transfers out	(788,219)	-	(53,940)	(842,159)
Total transfers	<u>(373,346)</u>	<u>-</u>	<u>(53,940)</u>	<u>(427,286)</u>
Change in net position	795,307	(178,593)	(21,112)	595,602
Total net position, beginning of year	<u>51,221,630</u>	<u>3,734,939</u>	<u>878,569</u>	<u>55,835,138</u>
Total net position, end of year	<u>\$ 52,016,937</u>	<u>\$ 3,556,346</u>	<u>\$ 857,457</u>	<u>\$ 56,430,740</u>

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

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Water and Sewer Fund</u>	<u>Storm Water Fund</u>	<u>Parking Lot Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers for services	\$ 13,014,299	\$ 316,645	\$ 102,762	\$ 13,433,706
Cash payments to suppliers for goods and services	(3,739,048)	(354,529)	(35,695)	(4,129,272)
Cash payments to employees for services	(4,392,132)	(128,605)	(19,500)	(4,540,237)
Net cash provided by (used for) operating activities	<u>4,883,119</u>	<u>(166,489)</u>	<u>47,567</u>	<u>4,764,197</u>
Cash flows from noncapital financing activities:				
Transfer to other funds	(373,346)	-	(53,940)	(427,286)
Advances to other funds	(72,294)	-	-	(72,294)
Net cash (used for) noncapital financing activities	<u>(445,640)</u>	<u>-</u>	<u>(53,940)</u>	<u>(499,580)</u>
Cash flows from capital and related financing activities:				
Principal paid on note payable	-	(179,625)	-	(179,625)
Acquisition and construction of capital assets	(1,465,715)	(30,712)	-	(1,496,427)
Interest paid	-	(32,932)	-	(32,932)
Net cash (used for) capital and related financing activities	<u>(1,465,715)</u>	<u>(243,269)</u>	<u>-</u>	<u>(1,708,984)</u>
Cash flows from investing activities:				
Purchases of investments	(16,162)	-	-	(16,162)
Proceeds from sale of investments	-	63,392	3,230	66,622
Interest received	83,285	3,109	628	87,022
Net cash provided by investing activities	<u>67,123</u>	<u>66,501</u>	<u>3,858</u>	<u>137,482</u>
Net increase (decrease) in cash and cash equivalents	3,038,887	(343,257)	(2,515)	2,693,115
Cash and cash equivalents at beginning of year	5,996,250	485,097	55,750	6,537,097
Cash and cash equivalents at end of year	<u>\$ 9,035,137</u>	<u>\$ 141,840</u>	<u>\$ 53,235</u>	<u>\$ 9,230,212</u>
Displayed as:				
Unrestricted	\$ 8,031,282	\$ 141,840	\$ 33,772	\$ 8,206,894
Restricted	1,003,855	-	19,463	1,023,318
Total pooled cash and cash equivalents	<u>\$ 9,035,137</u>	<u>\$ 141,840</u>	<u>\$ 53,235</u>	<u>\$ 9,230,212</u>

(continued)

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(continued)**

	<u>Water and Sewer Fund</u>	<u>Storm Water Fund</u>	<u>Parking Lot Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 754,481	\$ (148,770)	\$ 32,200	\$ 637,911
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	3,232,886	183,004	36,930	3,452,820
Change in operating assets and liabilities:				
Decrease (Increase) in assets:				
Accounts receivable	200,095	(3,410)	(7,077)	189,608
Pension deferred outflow of resources	(347,833)	(18,858)	-	(366,691)
OPEB deferred outflow of resources	(175,694)	(5,362)	-	(181,056)
Increase (decrease) in liabilities:				
Accounts payable	(174,027)	(251,396)	(13,686)	(439,109)
Compensated absences	(22,445)	1,556	-	(20,889)
Customer deposits	11,490	-	(800)	10,690
Net pension liability	1,188,096	70,153	-	1,258,249
OPEB liability	216,070	6,594	-	222,664
Net cash provided by (used for) operating activities	<u>\$ 4,883,119</u>	<u>\$ (166,489)</u>	<u>\$ 47,567</u>	<u>\$ 4,764,197</u>
Noncash Capital and Financing Activities				
Contributed capital improvements	\$ 330,887	\$ -	\$ -	\$ 330,887

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

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020**

	Pension Trust Funds	Agency Fund
Assets		
Cash and cash equivalents	\$ 4,946,036	\$ 330,024
Receivables/prepays		
Employer contributions	3,598	-
Employee contributions	453	-
Prepaid items	2,750	-
Interest receivable	91,283	-
Due from others	28,689	292,082
Total receivables	126,773	292,082
Investments, at fair value		
U.S. government and agency securities	11,490,875	-
Corporate bonds	8,597,159	-
Equity securities	37,423,478	-
Equity mutual funds	18,658,865	-
Collateralized mortgage obligations	582,998	-
Mortgage/asset backed securities	2,774,461	-
Municipal obligations	224,127	-
Commingled real estate funds	11,456,627	-
Total investments	91,208,590	-
Total assets	96,281,399	622,106
Liabilities		
Accounts payable	179,855	622,106
Total liabilities	179,855	622,106
Deferred Inflows		
Advanced contributions from employer	27,139	-
Total deferred inflows	27,139	-
Net Position		
Restricted for pension benefits - active and retired members' benefits	\$ 96,074,405	\$ -

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

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Pension Trust Funds
Additions	
Contributions:	
City	\$ 2,286,615
Employees	273,465
Broward County Sheriff's Office	575,768
State/other	557,169
Total contributions	3,693,017
Investment income:	
Net increase in fair market value	3,586,937
Interest and dividend income	2,135,722
Less investment expenses	(506,604)
Net investment income	5,216,055
Total additions	8,909,072
Deductions	
Pension benefits	5,744,242
DROP distributions	1,340,758
Administrative expenses	293,102
Total deductions	7,378,102
Change in net position	1,530,970
Net position, restricted for pension benefits	
Beginning of year	94,543,435
End of year	\$ 96,074,405

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

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CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. Financial Reporting Entity

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

The City’s financial statements include three single-employer public employee retirement systems (“PERS”) established and administered by the City to provide pension benefits for its employees. The City also participates in a cost sharing multiple-employer pension plan and an agent multiple-employer pension plan that publish their own financial statements and supplementary information.

B. Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exception to this are payments-in-lieu of taxes and other charges between the City’s water and sewer function and various other functions of the City, as elimination would distort the direct costs and program revenues reported for various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and Fund Financial Statements (continued)

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 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 not properly included among program revenues are reported instead as *general revenues*.

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

Separate fund based financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

Fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

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

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

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The government-wide financial statements, as well as the fund financial statements for proprietary funds and fiduciary funds, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

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

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The City reports the following nonmajor governmental funds:

The *special revenue funds* account for the proceeds of specific revenue sources (other than those for major capital improvements that are restricted legally to expenditures for specified purposes. These include the *Building Inspection, Road and Bridge* and *Police Confiscation Funds*. The *Debt Service Fund* – used to account for the repayment of certain of the City’s general long-term debt – is also included among the non-major funds. During the year ended September 30, 2020, the City closed the *Debt Service Fund* and transferred the remaining fund balance to the *General Fund*.

The City reports the following as major proprietary funds:

Water and Sewer Fund – This fund is used to account for water and wastewater services provided to the residents of the City.

Stormwater Fund – This fund is used to account for the stormwater control activities of the City.

The City reports the following nonmajor proprietary funds:

Parking Lot Fund – This fund is used to account for the revenues and expenses related to the maintenance of the City’s two vehicle storage lots.

Additionally, the City reports the following fund types:

The *agency fund* is used to account for assets held by the City in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The agency fund is as follows:

Sanitation Fund – This fund is used to account for assets held by the City as an agent for private organizations.

The *Pension Trust Funds* are used to account for the General Employees’ Pension Plan (“GEPP”), the City’s Firefighters Retirement Plan (“FRP”) and the City’s Police Officers Retirement Plan (“PORP”), which accumulate resources for pension benefits.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (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 revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include property taxes.

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

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

D. Accounting Estimates

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

E. Encumbrances

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

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Cash and Investments

Bank accounts are not separately maintained for each of the City's funds, as certain funds maintain their deposits in a pooled account. Accounting records are maintained to show the portion of the pooled account attributable to each participant fund. For the purpose of the proprietary funds' Statement of Cash Flows, the City defines cash equivalents as instruments with an original maturity date of three months or less, when purchased, including restricted/designated cash and cash equivalents.

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

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

2. Receivables

All trade receivables are reported net of an allowance for uncollectible, which is generally based on historical collection rates. The City records an allowance for the entire balance of any receivables arising from emergency medical services provided.

3. Inventory

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

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of the prepaid items are recorded as expenditures/expenses when consumed rather than when purchased. As of September 30, 2020, the \$3,500,000 lump-sum payment made to City of Miramar for wastewater capacity rights has been recorded as a prepaid item. Once the expansion of the City of Miramar's reuse system is complete, this amount will be recorded as an intangible asset and amortized over the period set forth in the interlocal agreement between the City and the City of Miramar.

5. Restricted Assets

These assets represent amounts held for customer deposits from the Parking Lot Fund and Water and Sewer Fund. Liabilities which will be payable from restricted/designated assets have been segregated and separately identified in the accompanying financial statements.

6. Capital Assets

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. 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.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

6. Capital Assets (continued)

Land and construction-in-progress are not depreciated. The other property, plant and equipment and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

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

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenues) until that time. The City has deferred outflows and deferred inflows arising from pension related activities and other post-employment benefit related activities, all of which are reported in the government-wide statement of net position.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Deferred Outflows and Inflows of Resources (continued)

Certain changes in the net pension liability and total OPEB liability are recognized as pension or OPEB expenses over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension or total OPEB liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension or OPEB expense over the expected remaining service life of plan members. Changes in actuarial assumptions which adjust the net pension and total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension or OPEB expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a 5 year period. The change in proportion and differences between City contributions and its proportionate share of contributions are also deferred and amortized against pension expense over a 5 year period. Additionally, any contributions made by the City to the pension plan before year-end, but subsequent to the measurement date of the City's net pension liability, are reported as deferred outflows of resources.

8. Unearned Revenue

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

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

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. Noncurrent Liabilities

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

10. Pension and Other Post-employment Benefits (OPEB) Accounting

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

Pension Trust Fund:

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

Funding policy:

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

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

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. Net Position/Fund Balance Classification

Net Position. Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted.

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

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

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

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.

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

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

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

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. Net Position/Fund Balance Classification (continued)

Assigned Fund Balance – Assigned fund balance includes spendable fund balance amounts established by the City Manager or at the direction of the City Commission that are intended to be used for a specific purpose that are neither considered restricted nor committed. Intent is expressed by the City Manager or the City Commission to assign amounts to be used for specific purposes. Appropriations of existing fund balances to eliminate deficits in a future budget and encumbrances are considered assignments of fund balance.

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

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

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

12. Fund Balance Reserve Policy

On December 18, 2018, the City adopted a fund balance reserve policy. This fund balance reserve policy does not create any specific reservation of fund balance for the Special Revenue Funds, the Debt Service Fund or the Capital Projects Fund, except, at a minimum, for the Capital Projects Fund, the fiscal year end fund balance and estimated revenues for the ensuing fiscal year must be sufficient to meet all outstanding fund encumbrances. The policy provides for the maintenance of an unrestricted fund balance for the General Fund at a level that is equivalent to two months of operating expenditures (excluding on-behalf benefits payments) and required transfers. For the fiscal year ended September 30, 2020, the average of two months expenditures before required transfers is approximately \$5.98 million.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

12. Fund Balance Reserve Policy (continued)

Subsequent to the year ended September 30, 2020, the City Commission proposed and subsequently ratified via ordinance the reclassification of \$3 million from the assigned fund for emergency preparedness to committed fund balance for the same purpose effective immediately. The fund balance takes into consideration nonspendable items, restricted funds for building activities, debt service, transportation, and public safety. It properly assigns funds to cover employee payouts, outstanding encumbrances at the end of the year and committed funds as per the highest level of government.

At September 30, 2020, the Capital Improvement fund, a major fund, has a deficit fund balance of \$688,015. It is unusual for a capital improvement fund, especially one that finances capital projects mainly by borrowings, to report a deficit. The reason for the deficit in this case is from the large capital project in the prior year, which was funded from an advance from the Water and Sewer Fund and grant revenue. The advance was reported as a fund liability in the Capital Improvement Fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). Furthermore, the grant revenue is recorded once the City receives the funds. As transfers in and grant revenue are the main sources of revenue for the fund, the result is an overall fund deficit. The deficit will be eliminated as resources are obtained (e.g., from revenues and transfers in) based on the five-year construction in progress plan.

In the event funds are not available to maintain the established required balances, a plan will be submitted by the City Manager to restore the minimum balance within a three-year period. Use of the fund balance below the recommended threshold is permitted only in an emergency, or in the case of an unanticipated economic downturn, which causes a material loss of revenues.

G. Revenue and Expenditures/Expenses

1. Property Taxes

Property values are assessed on a county-wide basis by the Broward County Property Appraiser as of January 1 of each year. Tax bills are mailed for the City from the Broward County Revenue Collector on or about October 1 (the levy date) of each year and are payable with discounts of up to 4% offered for early payment. The City's levy becomes an enforceable claim on November 1. Taxes become delinquent on April 1 of the year following the year of assessment and state law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-earning tax certificates to satisfy unpaid property taxes.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

G. Revenue and Expenditures/Expenses (continued)

1. Property Taxes (continued)

The City is subject to certain limitations on millage rate assessments as defined by state statutes. The City levied taxes at a rate of 6.8102 mills for operations, which was below the maximum millage allowed by statute.

2. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick leave and vacation leave benefits. Sick leave may be accumulated up to 720 hours and vacation leave up to 240 hours. The City permits conversion of excess accrued sick leave for employees for balances over 550 hours. Employees with 5 to 10 years of full-time service vest in 25% of sick leave, employees with 10 to 15 years vest at 50% and employees with greater than 15 years vest at 75%. All sick and vacation leave is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. A liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and the government-wide financial statements.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2. DEPOSITS AND INVESTMENTS

At September 30, 2020, the City had the following deposits and investments:

Statement of Net Position:

Cash on hand	\$ 1,864
Deposits with financial institutions	19,386,064
Florida Municipal Investment Trust	2,109,029
State Board of Administration	98,472
Total	<u>21,595,429</u>

Fiduciary Funds:

Cash and cash equivalents	4,946,036
U.S. Government and agency obligations	11,490,875
Corporate bonds	8,597,159
Equity securities	37,423,478
Equity mutual funds	18,658,865
Collateralized mortgage obligations	582,998
Mortgage/asset backed securities	2,774,461
Municipal obligations	224,127
Commingled real estate funds	11,456,627
Total	<u>96,154,626</u>
Total cash and investments	<u>\$ 117,750,055</u>

The City's cash, cash equivalents and investments, as reported in the accompanying financial statements as of September 30, 2020, were as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 18,435,021
Investments	2,024,703
Restricted asset, cash and cash equivalents	1,023,318
Restricted investments	112,387
	<u>\$ 21,595,429</u>

Fiduciary Funds:

Cash and cash equivalents	\$ 4,946,036
Investments	91,208,590
	<u>\$ 96,154,626</u>

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

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

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

The City has a comprehensive written investment policy, which applies to all funds held or controlled by the City in excess of those required to meet current expenses. The City has confined its depository and investment activities to those that are authorized pursuant to its investment policy. Among other things, the policy designates the qualified institutions, the types of investments the City can undertake, and the extent to which the City can concentrate funds in any of the permitted types. The City used financial institutions from the list of financial institutions and depositories authorized to provide investment services.

The investments of fiduciary funds are managed by The Boards of Trustees of the City of Cooper City retirement trust funds who have authorized the funds' investment managers to invest and maintain the funds' assets. Their portfolios may consist of obligations guaranteed by the U.S. government, time or savings accounts, corporate bonds, common or preferred stocks, collateralized mortgage obligations, mortgage/asset backed securities, international equity funds and mutual funds. The purchase of common stocks may not exceed 60% of the total assets of the fund. The funds used security broker/dealers from an approved list of broker/dealers selected by creditworthiness. In addition, the Boards of Trustees have authorized investments in real estate.

In line with its policies, practices and statutory provisions, the City structured its portfolio, firstly, to ensure preservation of capital and to maintain sufficient liquidity to meet operating requirements. The optimization of investment returns is secondary to the safety of principal and liquidity of funds. The City strives to preserve capital by mitigating its credit and interest rate risks. The City maintains sufficient liquidity by structuring its portfolio so that it contains an adequate amount of securities with active secondary or resale markets, or enough money market mutual funds or local government investment pools that offer same-day liquidity for short-term funds.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2. Deposits and Investments (continued)

Concentration of credit risk: The City's policy requires diversification of assets to control risks resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer or bank. The Police Officers and Firefighters' Pension Funds limit amounts that may be invested in any one issuer to no more than 5% of the plan net position, other than those issued by the U.S. Government or its agencies. More than 5% of the funds plan net position are invested in debt securities issued by the Federal National Mortgage Association.

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City will minimize the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City's investment policy state that securities purchased by or on behalf of the City shall have a final maturity of five years or less from the date of settlement, and the overall weighted average duration of principal return for portfolios should be less than three years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Securities Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement.

Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is noted below:

Investments	Total	Maturities (years)			
		Less than 1	1-5	6-10	More than 10
Governmental and Business- Type Activities:					
Florida Municipal Investment Trust	\$ 2,109,029	\$ 246,982	\$ 1,862,047	\$ -	\$ -
SBA Florida PRIME	98,472	98,472	-	-	-
	<u>\$ 2,207,501</u>	<u>\$ 345,454</u>	<u>\$ 1,862,047</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary funds:					
Equity securities	\$ 37,423,478	N/A	\$ -	\$ -	\$ -
Equity mutual funds	18,658,865	N/A	-	-	-
Cash and cash equivalents	4,946,036	N/A	-	-	-
Commingled real estate fund	11,456,627	N/A	-	-	-
Collateralized mortgage obligations	582,998	-	68,489	192,946	321,563
Mortgage/asset backed securities	2,774,461	-	144,210	1,161,817	1,468,433
U.S. Government and agency obligations	11,490,875	220,756	1,384,335	2,275,052	7,610,732
Municipal obligations	224,127	-	54,018	170,109	-
Corporate bonds	8,597,159	268,580	2,016,534	4,987,674	1,324,371
	<u>\$ 96,154,626</u>	<u>\$ 489,336</u>	<u>\$ 3,667,586</u>	<u>\$ 8,787,599</u>	<u>\$ 10,725,099</u>

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2. Deposits and Investments (continued)

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

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The investment policy of the City minimizes this risk by prohibiting purchase of securities subject to custodial credit risk. The pension plans' investments are registered, but not insured. The investments are registered in the plans' name. As of September 30, 2020, the General Employee Pension Plan held \$38,424,066; the Fire Pension Plan held \$24,274,350; and the Police Pension Plan held \$33,456,210 in uninsured investments, held by its custodial bank. Cash and short-term investments exceed the federally insured limits. The City has no formal policy for custodial credit risk.

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

Average Rating	Collateralized Mortgage Obligations	Mortgage/Asset Backed Securities	Corporate Bonds	U.S. Government and Agency Obligations
Aaa	\$ -	\$ 185,907	\$ 230,278	\$ 3,818,520
Aa1	-	-	169,557	170,555
Aa2	-	-	59,263	-
Aa3	-	-	568,426	-
A1	-	-	1,371,464	-
A2	-	-	2,990,735	-
A3	-	-	1,343,003	-
Baa1-3	-	-	1,772,030	-
Unrated	582,998	2,588,554	92,374	7,501,800
	<u>\$ 582,998</u>	<u>\$ 2,774,461</u>	<u>\$ 8,597,159</u>	<u>\$ 11,490,875</u>
	Municipal Obligations	Commingled Real Estate Fund	Total	
Aaa	\$ 196,996	\$ -	\$ 4,431,701	
Aa1	27,131	-	367,243	
Aa2	-	-	59,263	
Aa3	-	-	568,426	
A1	-	-	1,371,464	
A2	-	-	2,990,735	
A3	-	-	1,343,033	
Baa1-3	-	-	1,772,030	
Unrated	-	11,456,627	22,222,353	
	<u>\$ 224,127</u>	<u>\$ 11,456,627</u>	<u>\$ 35,126,246</u>	

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2. Deposits and Investments (continued)

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets and Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. Level 3 inputs are developed using a government's own data and cannot be corroborated by observable market data.

The City has the following recurring fair value measurements in its fiduciary funds as of September 30, 2020:

Investments	Fair Value	Level 1	Level 2	Level 3
Equity securities	\$ 37,423,478	\$ 32,916,638	\$ 4,506,840	\$ -
Equity mutual funds	18,658,865	18,658,865	-	-
U.S. Government and agency obligations	11,490,875	2,816,747	8,674,128	-
Corporate bonds	8,597,159	-	8,597,159	-
Collateralized mortgage obligations	582,998	-	582,998	-
Mortgage/asset backed securities	2,774,461	-	2,774,461	-
Municipal obligations	224,127	-	224,127	-
Commingled real estate funds	2,131,118	-	-	2,131,118
Total investments measured at fair value	<u>\$ 81,883,081</u>	<u>\$ 54,392,250</u>	<u>\$ 25,359,713</u>	<u>\$ 2,131,118</u>
Investments measured at Net Asset Value (NAV)				
Cash and cash equivalents	4,946,036			
Commingled real estate funds	<u>9,325,509</u>			
Total investments	<u>\$ 96,154,626</u>			

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

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

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3. RECEIVABLES

Receivables and the related allowance for uncollectible accounts as of September 30, 2020 are as follows:

	General Fund	Capital Improvement Fund	Non-major Government Fund	Water and Sewer Fund
Receivables				
Accounts receivable:				
EMS transport	\$ 2,003,847	\$ -	\$ -	\$ -
Trade	-	-	-	1,839,478
Miscellaneous	59,344	-	-	-
Franchise fees and utility taxes	658,733	-	-	-
Less allowance for uncollectible receivables	(2,003,847)	-	-	(551,766)
Due from other governments	307,735	102,444	25,330	-
	\$ 1,025,812	\$ 102,444	\$ 25,330	\$ 1,287,712

	Stormwater Fund	Parking Lot Fund	Total
Receivables			
Accounts receivable:			
EMS transport	\$ -	\$ -	\$ 2,003,847
Trade	39,139	7,412	1,886,029
Miscellaneous	-	-	59,344
Franchise fees and utility taxes	-	-	658,733
Less allowance for uncollectible receivables	-	-	(2,555,613)
Due from other governments	-	-	435,509
	\$ 39,139	\$ 7,412	\$ 2,487,849

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4. CAPITAL ASSETS

Capital assets activities for governmental funds for the fiscal year ended September 30, 2020 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 21,790,931	\$ -	\$ -	\$ 21,790,931
Total capital assets, not being depreciated	<u>21,790,931</u>	<u>-</u>	<u>-</u>	<u>21,790,931</u>
Capital assets, being depreciated:				
Buildings	15,120,704	144,917	-	15,265,621
Improvements other than buildings	20,730,588	16,842	-	20,747,430
Machinery and equipment	5,287,547	41,060	-	5,328,607
Infrastructure	29,880,243	-	-	29,880,243
Total capital assets, being depreciated	<u>71,019,082</u>	<u>202,819</u>	<u>-</u>	<u>71,221,901</u>
Less accumulated depreciation for:				
Buildings	(9,738,642)	(590,595)	-	(10,329,237)
Improvements other than buildings	(5,442,523)	(611,811)	-	(6,054,334)
Machinery and equipment	(3,357,359)	(327,453)	-	(3,684,812)
Infrastructure	(18,741,200)	(278,452)	-	(19,019,652)
Total accumulated depreciation	<u>(37,279,724)</u>	<u>(1,808,311)</u>	<u>-</u>	<u>(39,088,035)</u>
Total capital assets, being depreciated, net	<u>33,739,358</u>	<u>(1,605,492)</u>	<u>-</u>	<u>32,133,866</u>
Governmental activities capital assets, net	<u>\$ 55,530,289</u>	<u>\$ (1,605,492)</u>	<u>\$ -</u>	<u>\$ 53,924,797</u>

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4. CAPITAL ASSETS (continued)

Capital assets activities for business-type activities for the fiscal year ended September 30, 2020 were as follows:

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,038,309	\$ -	\$ -	\$ -	\$1,038,309
Construction-in-progress	2,840,804	1,034,283	-	(2,433,537)	1,441,550
Total capital assets, not being depreciated	<u>3,879,113</u>	<u>1,034,283</u>	<u>-</u>	<u>(2,433,537)</u>	<u>2,479,859</u>
Capital assets, being depreciated:					
Buildings	65,350,443	330,887	-	-	65,681,331
Improvements other than buildings	16,115,813	-	-	-	16,115,813
Machinery and equipment	6,704,115	91,886	(46,842)	-	6,749,159
Infrastructure	6,896,095	370,257	-	2,433,537	9,699,889
Total capital assets, being depreciated	<u>95,066,466</u>	<u>793,030</u>	<u>(46,842)</u>	<u>2,433,537</u>	<u>98,246,192</u>
Less accumulated depreciation for:					
Buildings	(35,085,118)	(1,872,751)	-	-	(36,957,869)
Improvements other than buildings	(4,725,924)	(1,000,180)	-	-	(5,726,104)
Machinery and equipment	(3,295,872)	(398,382)	46,842	-	(3,647,412)
Infrastructure	(5,063,007)	(181,507)	-	-	(5,244,514)
Total accumulated depreciation	<u>(48,169,921)</u>	<u>(3,452,820)</u>	<u>46,842</u>	<u>-</u>	<u>(51,575,899)</u>
Total capital assets, being depreciated, net	<u>46,896,545</u>	<u>(2,659,790)</u>	<u>-</u>	<u>2,433,537</u>	<u>46,670,293</u>
Business-type activities capital assets, net	<u>\$ 50,775,658</u>	<u>\$ (1,625,507)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,150,152</u>

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4. CAPITAL ASSETS (continued)

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

Governmental activities:	
General government services	\$ 270,227
Public safety	163,785
Physical environment	140,052
Transportation	282,802
Culture/recreation	951,445
Total	<u>\$ 1,808,311</u>
 Business-type activities:	
Parking	\$ 36,930
Water and sewer	3,232,886
Stormwater	183,004
Total	<u>\$ 3,452,820</u>

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund transfers for the year ended September 30, 2020 is as follows:

Transfers In					
Transfers Out	General Fund	Road & Bridge	Capital Improvement	Water & Sewer	Total
General Fund	\$ -	\$ 706,698	\$ 502,980	\$ 414,873	\$ 1,624,551
Bldg Inspection Services	275,000	-	-	-	275,000
Debt Service	126,294	-	-	-	126,294
Parking Lot	53,940	-	-	-	53,940
Water & Sewer	<u>788,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>788,219</u>
Total	<u>\$ 1,243,453</u>	<u>\$ 706,698</u>	<u>\$ 502,980</u>	<u>\$ 414,873</u>	<u>\$ -</u>

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Transfers are used to: 1) move revenues from the fund with collection authorization to the fund with expenditure authorization, 2) move unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations and 3) transfer residual equity to separate building services fund to special revenue fund.

The composition of interfund balances as of September 30, 2020 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Stormwater fund	General fund	\$ 3,974
Water and sewer fund	General fund	72,294

The outstanding balance between the funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advance from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water and sewer fund	Capital improvement fund	\$ 1,860,000

The amount payable to the water and sewer fund relates to an advance of \$1,860,000 made to the capital improvement fund. During the year ended September 30, 2020, the Capital Improvement Fund did not make the scheduled payment of \$417,230 (\$338,580 for principal and \$78,652 for interest) based on the annual repayment schedule. These amounts are expected to be repaid in the following year along with the annual 2021 amount, unless otherwise instructed by the Commission. The advance is to be repaid in annual installments bearing interest at a rate of 4.61% through September 2024 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	693,100	141,361	834,460
2022	371,214	46,016	417,230
2023	388,693	28,537	417,230
2024	406,993	10,236	417,230
Total	<u>\$ 1,860,000</u>	<u>\$ 226,150</u>	<u>\$ 2,086,150</u>

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6. NONCURRENT LIABILITIES

The following is a summary of the noncurrent liability activity of the City for the year ended September 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Total OPEB liability	\$ 3,918,428	\$ 15,226	\$ (209,545)	\$ 4,224,109	\$ -
Net pension liability	10,146,100	1,960,966	(187,123)	11,919,943	-
Compensated absences	518,052	53,703	(121,519)	450,236	112,559
Total governmental activities	<u>\$ 14,582,580</u>	<u>\$2,529,895</u>	<u>\$ (518,187)</u>	<u>\$ 16,594,288</u>	<u>\$ 112,559</u>
Business-type activities:					
Note payable	\$ 1,506,675	\$ -	\$ (179,625)	\$ 1,327,050	\$ 183,997
Total OPEB liability	2,701,530	375,300	(152,636)	2,924,194	-
Net pension liability	3,047,016	1,320,646	(62,397)	4,305,265	-
Compensated absences	523,685	12,139	(33,028)	502,796	125,699
Total business-type activities	<u>\$ 7,778,906</u>	<u>\$1,708,085</u>	<u>\$ (427,686)</u>	<u>\$ 9,059,305</u>	<u>\$ 309,696</u>

Note payable: In April 2017, the City entered into a note payable agreement with a financial institution to borrow \$1,900,000 for the purpose of financing improvements to the City's stormwater management utility system. This note bears interest at a rate of 2.27% through the maturity date of April 1, 2027. The note payable is secured by a lien upon and pledge of i) stormwater revenues and ii) an additional covenant to budget and appropriate from legally available non-ad valorem revenue if the pledged revenue is insufficient or unavailable to pay the principal of and interest on the Note. The City may prepay and redeem the Note, in whole or part, at any time or from time to time, without penalty or premium. The Note contains events of default provisions such as payment defaults, breaches of covenants or representation and warranties, the occurrence of a material adverse effect and certain bankruptcy events providing the lender the authority to pursue action in any court to enforce collection. However, it is not construed as granting the lender a lien on any real property of the City.

Total Other Post-Employment Benefits (OPEB) liability: This amount represents the City's total OPEB liability as of September 30, 2020. The governmental activities total OPEB liability is generally liquidated from the General Fund and the business-type activities total OPEB liability is generally liquidated by the Water and Sewer and Stormwater funds.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6. NONCURRENT LIABILITIES (continued)

The annual debt service payments required on outstanding debt at September 30, 2020, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 183,997	\$ 28,559	\$ 212,556
2022	188,210	24,346	212,556
2023	192,519	20,037	212,556
2024	196,926	15,630	212,556
2025	201,434	11,122	212,556
2026 - 2027	<u>363,964</u>	<u>8,302</u>	<u>372,266</u>
Total	<u>\$ 1,327,050</u>	<u>\$ 107,996</u>	<u>\$ 1,435,046</u>

Compensated absences: This amount represents the City's long-term liability for earned and unpaid vacation and sick leave benefits as of September 30, 2020. Such benefits are not expected to be paid with current available resources. Governmental activities compensated absences are generally paid out of the General Fund, and Business-type activities compensated absences are paid out of the Water and Sewer and Stormwater funds.

Net pension liability: This amount represents the City's net pension liability as of September 30, 2020. The governmental activities net pension liability is generally liquidated from the General Fund and the business-type activities net pension liability is generally liquidated by the Water and Sewer and Stormwater Funds.

Line of credit: On December 19, 2019, the City entered into a qualified tax-exempt Emergency Line of Credit Revolving Note (the "Note") with a maximum borrowing amount of \$10,000,000. Proceeds from the Note are expected to be used primarily to finance the cost of emergency disaster recovery. The Note bears interest at a variable rate of the Prime Rate, as defined, less one hundred twenty five basis points multiplied by 80.25%. Payments of accrued interest on outstanding draws will be due on the first day of each February, May, August and November. Any grant funds received from Federal Emergency Management Agency ("FEMA") or the State of Florida will be applied to repay the note. Any outstanding principal or interest on the note shall be payable on the Maturity Date, December 15, 2022, with the option to renew at the bank's discretion. During the year ended September 30, 2020, the City borrowed and repaid \$63,000 from the line of credit for payment of disaster recovery invoices. The City did not withdraw any other amounts during the year or subsequent to year end as of the date of this report.

Short-term debt activity for the year ended September 30, 2020, was as follows:

	<u>Beginning Balance</u>		<u>Draws</u>		<u>Repayments</u>		<u>Ending Balance</u>
Line of credit	\$ -	-	\$ 63,000	-	\$ 63,000	-	\$ -

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS

The City maintains three separate single-employer public employee retirement system (“PERS”) pension plans, (1) the City of Cooper City General Employees’ Retirement Plan (“GEPP”), (2) the City of Cooper City Firefighters Retirement Plan (“FRP”), and (3) the City of Cooper City Police Officers Retirement Plan (“PORP”) to provide benefits for its employees. The City also participates in a cost-sharing multiple employer plan (the Florida Retirement System) and an agent multiple employer pension plan (the Florida Municipal Pension Trust Fund).

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

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

A. General Employees’ Retirement Plan

Basis of Accounting

The Plan’s policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment and administrative expenses are paid out of Plan assets that are replenished by investment earnings and employee and City contributions in order to maintain the Plan actuarially sound.

Method Used to Value Investments

Investments are reported at fair value in the financial statements based on the quoted market prices as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by the custodial bank and investment counsel.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

A. General Employees' Retirement Plan (continued)

The GEPP Pension Trust Fund does not issue separate stand-alone financial statements; therefore, included below is the Statement of Net Position – Fiduciary Fund as of September 30, 2020 and the Statement of Changes in Net Position – Fiduciary Fund for the year end September 30, 2020.

**General Employees' Pension Trust Fund
Statement of Net Position
Fiduciary Fund
September 30, 2020**

Assets	
Cash and cash equivalents	\$ 1,232,229
Employer contributions receivable	635
Interest receivable	31,016
Investments, at fair value	
U.S. government and agency securities	1,716,204
Corporate bonds	3,767,524
Equity securities	23,870,687
Equity mutual funds	28,658
Collateralized mortgage obligations	582,998
Mortgage/asset backed securities	2,774,461
Municipal obligations	224,127
Commingled real estate funds	4,227,178
Total investments	<u>37,191,837</u>
Total assets	<u>\$ 38,455,717</u>
Liabilities	
Accounts payable	<u>\$ 80,414</u>
Total liabilities	<u>80,414</u>
Net Position	
Restricted for pension benefits - active and retired members' benefits	<u>38,375,303</u>
Total liabilities and net position	<u>\$ 38,455,717</u>

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

A. General Employees' Retirement Plan (continued)

**General Employees' Pension Trust Fund
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended September 30, 2020**

Additions	
Contributions:	
City	\$ 757,491
Employees	251,519
Broward County Sheriff's Office	202,025
State/other	3,278
Total contributions	<u>1,214,313</u>
Investment income:	
Net increase in fair value	2,184,838
Interest and dividend income	859,610
Less investment expenses	<u>(221,616)</u>
Net investment income	<u>2,822,832</u>
Total additions	<u>4,037,145</u>
Deductions	
Pension benefits	2,035,963
DROP distributions	48,127
Administrative expenses	<u>122,064</u>
Total deductions	<u>2,206,154</u>
Change in net position	1,830,991
Net position, restricted for pension benefits	
Beginning of year	<u>36,544,312</u>
End of year	<u>\$ 38,375,303</u>

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

A. General Employees' Retirement Plan (continued)

General Information

All full-time general employees hired before October 25, 2011 are eligible for membership on the date of employment. After October 25, 2011, the plan was closed to new hires. Service is measured as the total number of years and completed months as a general employee with the City. Earnable compensation mean a member's base compensation including pick-up contributions for all straight time hours worked, but excluding bonuses, overtime, any other non-regular payments and lump sum payments of unused leave. Final Monthly Compensation ("FMC") is the average monthly rate of earnable compensation over the highest three years of credited service.

At October 1, 2018, the date of the latest actuarial valuation, participation in the GEPP consisted of the following:

Retirees and beneficiaries currently receiving benefits	98
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>50</u>
Total	<u>151</u>

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

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

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

A. General Employees' Retirement Plan (continued)

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

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

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

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

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

A. General Employees' Retirement Plan (continued)

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

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

Contributions

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

Rate of Return

For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.1%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

A. General Employees' Retirement Plan (continued)

Net Pension Liability of the City

The components of the net pension liability of the City are as follows:

Total pension liability	\$ 41,333,422
Plan fiduciary net position	<u>(36,544,312)</u>
City net pension liability	<u><u>\$ 4,789,110</u></u>
Plan fiduciary net position as a percentage of total pension liability	88.41%
Net pension liability as a percentage of covered payroll	153.30%

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

The City's net pension liability for the GEPP is measured as the total pension liability less the pension plan's fiduciary net position. At September 30, 2020, the City reported a net pension liability of \$4,789,110 related to the GEPP. The net pension liability was measured as of September 30, 2020, using an annual actuarial valuation as of October 1, 2018, rolled forward to September 30, 2020, using standard update procedures. For the fiscal year ended September 30, 2020, the City recognized pension expense of \$498,304 related to the GEPP.

	Total Pension Liability	Plan Fiduciary Net Position	City Net Pension Liability
Balances at September 30, 2019			
Changes for the year:	\$ 39,691,709	\$ 36,015,682	\$ 3,676,027
Service cost	677,417	-	677,417
Interest	2,709,166	-	2,709,166
Experience differences	61,745	-	61,745
Assumption changes	405,082	-	405,082
Contributions - employer	-	764,183	(764,183)
Contributions - non-employer contributing entity (from BSO)	-	108,544	(108,544)
Contributions - employee	-	343,129	(343,129)
Net investment income	-	1,590,091	(1,590,091)
Benefit payments, including refunds of employee contributions	(2,211,697)	(2,211,697)	-
Administrative expense	-	(65,620)	65,621
Net change	<u>1,641,713</u>	<u>528,630</u>	<u>1,113,083</u>
Balances at September 30, 2020	<u><u>\$ 41,333,422</u></u>	<u><u>\$ 36,544,312</u></u>	<u><u>\$ 4,789,110</u></u>

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

A. General Employees' Retirement Plan (continued)

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

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,582	\$ -
Assumption Changes	135,027	-
Net difference between projected and actual earnings on GEPP investments	-	256,848
GEPP contributions subsequent to the measurement date	757,490	
Total	<u>\$ 913,099</u>	<u>\$ 256,848</u>

The deferred outflows of resources related to the GEPP totaling \$757,490, resulting from employer contributions to the GEPP subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. The remaining amounts reported as deferred outflows and inflows of resources related to the GEPP will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2021	\$ (93,656)
2022	(186,347)
2023	7,089
2024	171,675
2025	-
Thereafter	-
Total	<u>\$ (101,239)</u>

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

A. General Employees' Retirement Plan (continued)

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

Actuarial Methods and Significant Assumptions

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

Valuation date	October 1, 2018
Measurement date	September 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	6.80%
Salary increases	6.00%, including inflation
Inflation	2.50%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition.
Mortality	Table for males and females with mortality improvements projected using Scale BB for all years after 2000.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

A. General Employees' Retirement Plan (continued)

Actuarial Methods and Significant Assumptions (continued)

A single discount rate of 6.80% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.80%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019, the measurement date, are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash equivalents and short-term investments	3%	3.00%
Domestic and international equities	55%	7.50%
Domestic and international fixed income	30%	4.50%
Real estate	12%	7.00%
Private Equity	0%	10.00%

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

A. General Employees' Retirement Plan (continued)

Actuarial Methods and Significant Assumptions (continued)

Sensitivity Analysis of the Net Pension Liability

Regarding the sensitivity of the GEPP's net pension liability to changes in the single discount rate, the following presents the GEPP's net pension liability, calculated using a single discount rate of 6.80%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage-point higher:

1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
\$ 9,237,492	\$ 4,789,110	\$ 1,023,680

DROP Account

A portion of the GEPP fiduciary net position is designated for benefits that accrue in relation to the DROP account as described in the plan description. The DROP balance for the fiscal year ended September 30, 2020, was \$842,022.

B. Firefighter Retirement Plan

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

Audited financial statements were issued for the FRP for the fiscal year ended September 30, 2020. Requests for the financial statements should be addressed to the Office of the Finance Director of Cooper City, Florida, P.O. Box 290910, Cooper City, Florida, 33329-0910.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

B. Firefighters Retirement Plan (continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources Related to Pensions

The City's net pension liability for the FRP is measured as the total pension liability less the pension plan's fiduciary net position. At September 30, 2020, the City reported a net pension liability of \$3,243,405 related to the FRP. The net pension liability was measured as of September 30, 2019, using an annual actuarial valuation date of October 1, 2018. For the fiscal year ended September 30, 2020, the City recognized a pension benefit of \$1,397,857 related to the FRP.

The components of net pension liability of the FRP as measured at September 30, 2020, were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2019			
Changes for the year:	\$ 28,678,190	\$ 26,551,179	\$ 2,127,011
Service cost	68,885	-	68,885
Interest	1,877,264	-	1,877,264
Experience differences	177,506	-	177,506
Assumption changes	1,277,986	-	1,277,986
Contributions - employer	-	298,706	(298,706)
Contributions - non-employer contributing entity (from BSO)	-	946,677	(946,677)
Contributions - employee	-	8,788	(8,788)
Net investment income	-	1,135,710	(1,135,710)
Benefit payments, including refunds of employee contributions	(3,858,027)	(3,858,027)	-
Administrative expense	-	(99,285)	99,285
Other (change in share plan reserve)f	5,349	-	5,349
Net change	(451,037)	(1,567,431.)	1,116,394
Balances at September 30, 2020	\$ 28,227,153	\$ 24,983,748	\$ 3,243,405

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

B. Firefighters Retirement Plan (continued)

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

At September 30, 2020, the City reported deferred outflows of resources related to the FRP from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on FRP investments	\$ 118,656	\$ -
FRP contributions subsequent to the measurement date	673,865	-
Total	<u>\$ 792,521</u>	<u>\$ -</u>

The deferred outflows of resources related to the FRP totaling \$673,865, resulting from employer contributions to the FRP subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. The remaining amounts reported as net deferred inflows of resources related to the FRP will be recognized in pension expenses as follows:

Fiscal Year Ending September 30:	Amount
2021	\$ (98,302)
2022	(8,083)
2023	99,390
2024	125,651
Total	<u>\$ 118,656</u>

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

B. Firefighters Retirement Plan (continued)

Actuarial Methods and Significant Assumptions

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

Valuation date	October 1, 2018
Measurement date	September 30, 2019
Actuarial cost method	Aggregate
Investment rate of return	6.50%
Salary increases	7.25%, including inflation
Inflation	2.50%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS) for the July 1, 2018 actuarial valuation, as mandated by Chapter 112.63, Florida Statutes.

A single discount rate of 6.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

B. Firefighters Retirement Plan (continued)

Actuarial Methods and Significant Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

Index	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	26%-69%	8.50%
International equity	8%-25%	4.10%
Fixed income	No maximum	3.70%
TIPS	5%-10%	2.60%
Real estate	0%-10%	5.00%
Master limited partnerships	0%-10%	7.90%
Private real estate	0%-10%	5.30%

Sensitivity Analysis of the Net Pension Liability

Regarding the sensitivity of the FRP's net pension liability to changes in the single discount rate, the following presents the FRP's net pension liability, calculated using a single discount rate of 6.50%, as well as what the plan's net pension liability would be if it were calculate using a single discount rate that is 1-percentage point lower or 1-percentage point higher:

1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
\$ 6,197,100	\$ 3,243,405	\$ 799,810

DROP Account

A portion of the FRP fiduciary net position is designated for benefits that accrue in a relation to the DROP account as described in the plan description. The DROP balance for the fiscal year ended September 30, 2020 was \$4,130,566.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

C. Police Officers Retirement Plan

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

Audited financial statements were issued for the PORP for the fiscal year ended September 30, 2020. Requests for the financial statements should be addressed to the Office of the Finance Director of Cooper City, Florida, P.O. Box 290910, Cooper City, Florida 33329-0910.

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

The City's net pension liability for the PORP is measured as the total pension liability less the pension plan's fiduciary net position. At September 30, 2020, the City reported a net pension liability of \$3,233,661 related to the PORP. The net pension liability was measured as of September 30, 2019, using an annual actuarial valuation as of October 1, 2018, rolled forward to September 30, 2019, using standard update procedures. For the fiscal year ended September 30, 2020, the City recognized a pension benefit related to the PORP of \$(541,789).

The components of net pension liability of the PORP as measured at September 30, 2020, were as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2019			
Changes for the year:	\$ 35,076,697	\$ 31,929,030	\$ 3,147,667
Service cost	56,603	-	56,603
Interest	2,387,144	-	2,387,144
Experience differences	514,495	-	514,495
Assumption changes	276,580	-	276,580
Contributions - employer	-	373,578	(373,578)
Contributions - non-employer contributing entity (from BSO)	-	1,317,193	(1,317,193)
Contributions - employee	-	19,937	(19,937)
Net investment income	-	1,533,635	(1,533,635)
Benefit payments, including refunds of employee contributions	(2,062,483)	(2,062,483)	-
Administrative expense	-	(95,515)	95,515
Net change	<u>1,172,339</u>	<u>1,086,345</u>	<u>85,994</u>
Balances at September 30, 2020	<u>\$ 36,249,036</u>	<u>\$ 33,015,375</u>	<u>\$ 3,233,661</u>

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

C. Police Officers Retirement Plan (continued)

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

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on PORP investments	\$ -	\$ 64,723
PORP contributions subsequent to the measurement date	1,460,117	-
Total	\$ 1,460,117	\$ 64,723

The deferred outflows of resources related to the PORP totaling \$1,460,117, resulting from employer contributions to the PORP subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. The remaining amount reported as deferred inflows of resources related to the PROP will be recognized in the pension expense as follows:

Fiscal Year Ending September 30:	Amount
2021	\$ (208,245)
2022	(107,192)
2023	113,564
2024	137,150
Total	\$ (64,723)

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

C. Police Officers Retirement Plan (continued)

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

Actuarial Methods and Significant Assumptions

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

Valuation date	October 1, 2018
Measurement date	September 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	6.90%
Salary increases	5-10%, depending on service, including inflation
Inflation	2.50%
Retirement age	100% when first eligible for normal retirement or DROP entry.
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS) for the July 1, 2018 actuarial valuation, as mandated by Chapter 112.63 Florida Statutes.

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

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

C. Police Officers Retirement Plan (continued)

Actuarial Methods and Significant Assumptions (continued)

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

<u>Index</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic large cap equities	27.50%	5.45%
Domestic mid cap equities	10.00%	6.63%
Domestic small cap equities	10.00%	5.84%
Fixed income	27.50%	2.68%
Real estate	15.00%	6.16%
International equities	10.00%	4.01%

Sensitivity Analysis of the Net Pension Liability

Regarding the sensitivity of the PORP's net pension liability to changes in the single discount rate, the following presents the PORP's net pension liability, calculated using a single discount rate of 6.90%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage-point higher:

<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
\$ 6,301,101	\$ 3,233,661	\$ 677,771

DROP Account

A portion of the FRP fiduciary net positions is designated for benefits that accrue in relation to the DROP account as described in the plan description. The DROP balance for the fiscal year ended September 30, 2020, was \$6,228,752.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

D. Florida Retirement System Plan

General Information

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

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

Plan Description

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

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

Benefits Provided

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

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

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

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

D. Florida Retirement System Plan (continued)

Plan Description (continued)

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

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

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from July 1, 2019 through June 30, 2020, and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular—6.75% and 8.28%; Special Risk Administrative Support—36.87% and 34.12%; Special Risk—23.76% and 22.73%; Senior Management Service—23.69% and 25.57%; Elected Officers’—47.10% and 47.46%; and DROP participants—12.94% and 15.26%. These employer contribution rates do not include 1.66% HIS Plan subsidy for the periods July 1, 2019 through June 30, 2020, and from July 1, 2020 through September 30, 2020.

The City’s contributions, including employee contributions, to the Pension Plan totaled \$256,087 for the measurement period ended June 30, 2020.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

D. Florida Retirement System Plan (continued)

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

At September 30, 2020, the City reported a liability of \$3,340,555 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's 2020 fiscal year contributions relative to the 2019 fiscal year contributions of all participating members. At June 30, 2020, the City's proportionate share was 0.007707528%, which was an decrease of 0.00014621% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$520,012. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 198,900	\$ -
Change of assumptions	604,747	-
Net difference between projected and actual earnings on pension plan investments	127,850	-
Changes in proportion and differences between City pension plan contributions and proportionate share of contributions	238,905	48,467
City pension plan contributions subsequent to the measurement date	96,530	-
Total	<u>\$ 1,266,932</u>	<u>\$ 48,467</u>

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

D. Florida Retirement System Plan (continued)

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

The deferred outflows of resources related to the Pension Plan, totaling \$96,530 resulting from City contributions to FRS subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2021	\$ 269,954
2022	365,788
2023	299,811
2024	159,117
2025	27,265
Thereafter	-
Total	<u>\$ 1,121,935</u>

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

D. Florida Retirement System Plan (continued)

Actuarial Assumptions (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash equivalents	1.00%	2.20%	2.20%	1.20%
Fixed income	19.00%	3.00%	2.90%	3.50%
Global equity	54.20%	8.00%	6.70%	17.10%
Real estate	10.30%	6.40%	5.80%	11.70%
Private equity	11.10%	10.80%	8.10%	25.70%
Strategic investments	4.40%	5.50%	5.30%	6.90%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.40%	1.70%

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

D. Florida Retirement System Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City’s proportionate share of the net pension liability	\$ 5,334,307	\$ 3,340,555	\$ 1,675,367

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At September 30, 2020, the City reported a payable in the amount of \$47,822 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2020.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

E. HIS Plan

Plan Description

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

Benefits Provided

For the fiscal year ended September 30, 2020, retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for specified employees. For the fiscal year ended September 30, 2020, the HIS contribution for the period October 1, 2019 through September 30, 2020, was 1.66%. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislation may reduce or cancel HIS payments.

The City's contributions to the HIS Plan totaled \$70,499 for the measurement period ended June 30, 2020.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

E. HIS Plan (continue)

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

At September 30, 2020, the City reported a liability of \$1,493,751 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City’s proportionate share of the net pension liability was based on the City’s 2020 fiscal year contributions relative to the 2019 fiscal year contributions of all participating members.

At June 30, 2020, the City's proportionate share was 0.012233992%, which was an increase of 0.00016340% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$155,280. In addition, the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,193	\$ -
Change of assumptions	160,621	86,856
Net differences between projected and actual earnings on HIS Plan investments	59,951	-
Changes in proportion and differences between City HIS Plan contributions	301,782	-
City HIS Plan contributions subsequent to the measurement date	20,363	-
Total	\$ 543,910	\$ 86,856

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

E. HIS Plan (continue)

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

The deferred outflows of resources related to the HIS Plan, totaling \$20,363 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2021	\$ 131,300
2022	106,898
2023	75,166
2024	64,782
2025	34,745
Thereafter	23,801
Total	<u>\$ 436,691</u>

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	2.21%

The actuarial assumptions used in the July 1, 2019 valuation were based on certain results from the most recent experience study for the FRS Pension Plan.

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

E. HIS Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
City's proportionate share of the net pension liability	\$ 1,726,709	\$ 1,493,751	\$ 1,303,075

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At September 30, 2020, there were no payables for outstanding contributions to the HIS Plan.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

F. Investment Plan

The State Board Administration (“SBA”) administers the defined contribution retirement plan officially titled the Florida Retirement System Investment Plan (“Investment Plan”). The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Contributions to the investment members’ accounts during the 2020 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and Elected Officers class 11.34%.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

F. Investment Plan (continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service in the employer contributions and any investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Unvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5 year period, the balance, plus accrued earnings, will be returned to the employee's account. If the employee does not return within the 5 year period, the employee will forfeit the unvested balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

G. Florida Municipal Pension Trust Fund

Plan Description

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

The report may be obtained by writing Florida League of Cities, Inc. 301 South Bronough Street, Suite 300 Post Office Box 1757, Tallahassee, Florida 32302-1757. Consequently, this plan is not included in the accompanying pension trust funds of the City.

As of October 1, 2018, the date of the latest actuarial valuation, participation by City employees in the FMPTF consisted of the following:

Retirees and beneficiaries currently receiving benefits	6
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>2</u>
Total	<u>8</u>

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

G. Florida Municipal Pension Trust Fund (continued)

Plan Description (continued)

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

Normal Retirement – Members are eligible for normal retirement at age 55 with 6 years of credited service. The Plan represents the managerial employees of the City and is bifurcated into two groups, Group 1 and Group 2. The benefit received is computed based on the number of years of credited service multiplied by 2.0% and 2.25% for Group 1 and Group 2 employees, respectively, and multiplied by the final average compensation. A supplemental benefit for life of \$20 per month for each year of service will also be awarded. The form of benefit is a 10 year certain and life annuity.

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

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

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

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

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

G. Florida Municipal Pension Trust Fund (continued)

Contributions

The member contribution rate is 11.00% of earnings. Employer contributions are equal to the remaining amount necessary for payment of normal (current year) cost and amortization of the accrued past service liability as provided in *Part VII of Florida Statutes, Chapter 112*. City did not contribute funds for the fiscal year ended September 30, 2020. Previous periods excess contribution was used to cover the actuarial determined contribution for the fiscal year. The entry age normal method is used for valuing assets of the plan.

Deferred Retirement Option Plan (“DROP”)

A member is eligible to participate in DROP once they have attained normal retirement age.

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

The City's net pension liability for the FMPTF is measured as the total pension liability less the pension plan's fiduciary net position. At September 30, 2020, the City reported a net pension liability of \$124,726 related to the plan. The net pension liability was measured as of September 30, 2020, using an annual actuarial valuation as of October 1, 2018, rolled forward to September 30, 2020, using standard update procedures. The City recognized a pension expense of \$7,032 for the year ended September 30, 2020.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

G. Florida Municipal Pension Trust Fund (continued)

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

The components of net pension liability of the City as of September 30, 2020, related to the FMPTF were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2019			
Changes for the year:	\$ 5,128,921	\$ 4,941,798	\$ 187,123
Service cost	56,316	-	56,316
Interest	351,780	-	351,780
Experience differences	(56,902)	-	(56,902)
Contributions - employer	-	137,084	(137,084)
Contributions - employee	-	23,114	(23,114)
Net investment income	-	267,552	(267,552)
Benefit payments, including refunds of employee contributions	(295,462)	(295,462)	-
Administrative expense	-	(14,159)	14,159
Net change	55,732	(118,129)	(62,397)
Balances at September 30, 2020	\$ 5,184,653	\$ 5,059,927	\$ 124,726

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on FMPTF investments	\$ -	\$ 58,553
Total	\$ -	\$ 58,553

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

G. Florida Municipal Pension Trust Fund (continued)

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

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

Fiscal Year Ending September 30:	Amount
2021	\$ 45,410
2022	38,624
2023	(10,836)
2024	(14,645)
Total	<u>\$ 58,553</u>

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 4.23% plus 2.77% for long-term inflation. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (4.23%) was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7. PENSION PLANS (continued)

G. Florida Municipal Pension Trust Fund (continued)

Actuarial Assumptions

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

Valuation date	October 1, 2018
Measurement date	September 30, 2020
Discount rate	7.00% per annum (2.77% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.
Salary increases	4.00% per annum
Cost-of-living increases	None assumed
Mortality	Sex-distinct rates set forth in the RP-2000 Mortality Table with full generational improvements in mortality using Scale BB.
Retirement age	Retirement is assumed to occur at the later of normal retirement age or one year after the valuation date.
Other decrements	None assumed
Future contributions	Contributions from the employer and employees are assumed to be made as legally required.

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

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

G. Florida Municipal Pension Trust Fund (continued)

Actuarial Assumptions (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020, the measurement date, are summarized in the following table:

Index	Asset Allocation	Long-Term Expected Real Rate of Return
Core bonds	15.00%	1.60%
Core plus	15.00%	2.10%
U.S. large cap equity	34.00%	4.60%
U.S. small cap equity	11.00%	5.50%
Non-U.S. equity	15.00%	6.70%
Core real estate	10.00%	5.00%

Sensitivity Analysis of the Net Pension Liability

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

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$ 644,624	\$ 160,973	\$ (253,422)

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7. PENSION PLANS (continued)

Applicable totals for the City's defined benefit pension plans are reflected below:

	GEPP	FRP	PORP	FRS
Net pension liability	\$ 4,789,110	\$ 3,243,405	\$ 3,233,661	\$ 3,340,555
Deferred outflows of resources	913,099	792,521	1,460,117	1,266,932
Deferred inflows of resources	256,848	-	64,723	48,467
Pension expense/expenditure	498,304	1,397,857	(541,789)	520,012
	HIS	FMPTF	Total	
Net pension liability	\$ 1,493,751	\$ 124,726	\$ 16,225,208	
Deferred outflows of resources	543,910	-	4,976,579	
Deferred inflows of resources	86,856	58,553	515,447	
Pension expense/expenditure	155,280	7,032	2,036,696	

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

The OPEB Plan is a single employer plan and does not issue a publicly available financial report.

Participants of the plan consisted of the following as of September 30, 2020, the measurement date:

Retirees and beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	-
Active employees	96
Total	122

CITY OF COOPER CITY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (continued)

Contributions

The City has elected to fund the plan on a “pay as you go” basis. The City contributes the current year benefit costs of the plan which are not paid by the retiree. For the fiscal year ended September 30, 2020, the City contributed \$362,181 for the pay as you go benefits for the plan.

Total OPEB Liability of the City

The City’s total OPEB liability was measured as of September 30, 2020 and was determined by using an actuarial valuation as of October 1, 2019, rolled forward to the measurement date, using standard update procedures.

Actuarial assumptions.

The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	2.14%
Healthcare Cost Trend Rate:	2.00% - 7.50%, initial 4.50%, Ultimate rate is reached in 2036
Inflation Rate:	3.00%
Salary increase:	4.00%, including inflation
Participation rate:	20%

Mortality rates were based on the Pub G.H-2010 Mortality Table - General.

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period 2010-2011.

Discount rate

The discount rate used to measure the total OPEB liability was 2.14%. This is the S&P Municipal Bond 20-Year High-Grade Rate Index as of September 30, 2020.

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (continued)

Changes in the Total OPEB Liability of the City

The changes in the total OPEB liability of the City for the year ended September 30, 2020, were as follows:

	Total OPEB Liability
	<u> </u>
Balance at September 30, 2019	\$ 6,619,958
Changes for the year:	
Service cost	200,267
Interest	230,300
Difference between expected and actual experience	(297,119)
Changes of assumptions and other inputs	757,078
Benefit payments	<u>(362,181)</u>
Net change	<u>528,345</u>
Balance at September 30, 2020	<u>\$ 7,148,303</u>

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

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

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

	Current	
1% Decrease	Discount Rate	1% Increase
(1.14%)	(2.14%)	(3.14%)
<u>\$ 7,964,036</u>	<u>\$ 7,148,303</u>	<u>\$ 6,471,059</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

1% Decrease	Current rate	1% Increase
<u>\$ 6,451,084</u>	<u>\$ 7,148,303</u>	<u>\$ 7,974,490</u>

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2020, and the current sharing pattern of costs between employer and inactive employees.

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$57,121. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ 932,168	\$ 352,548
Experience differences	-	307,786
Total	\$ 932,168	\$ 660,334

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

Year ending September 30:	
2021	\$ 30,344
2022	30,344
2023	30,344
2024	51,285
2025	68,094
Thereafter	61,423
Total	\$ 271,834

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9. DEFERRED COMPENSATION PLAN

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

NOTE 10. RISK MANAGEMENT

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

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

NOTE 11. ENCUMBRANCES

Purchase orders are issued throughout the year to encumber budgets in the governmental funds. These amounts are included within the assigned fund balance on the face of the governmental fund financial statements and are assigned primarily for various capital projects. Encumbrances as of September 30, 2020, are as follows:

General Fund	\$ 55,574
Stormwater Fund	35,126
Water & Sewer Fund	3,612,505
Total encumbrances	<u>\$ 3,703,205</u>

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE 12. COMMITMENTS AND CONTINGENCIES

Broward Sheriff's Office: On January 13, 2004, the City entered in an agreement with the Sheriff of Broward County, Florida ("BSO") whereby the BSO would provide the City with daily law enforcement, fire protection/prevention and emergency medical services (the "Original Agreement"). The Original Agreement was for 5 years with two additional 5 year options. The City exercised the first 5 year option in 2010 and the second 5 year option in 2014. The Original Agreement reached its final expiration during fiscal year ended September 30, 2019. The Original Agreement provided for a one-year transition period under the same terms and conditions (the "Transition Period"), during which time the City and BSO continued to negotiate a new contract for law enforcement and fire rescue services. On or about October 1, 2020, the City and BSO entered into new 5-year agreements for law enforcement and fire protection/prevention and emergency medical services. The City and BSO were in disagreement about each party's pension obligations during the Transition Period. During the Transition Period, BSO continued to provide services to the City, and the City made payments to BSO under protest, pending resolution of the dispute about each party's pension obligations. On or about October 9, 2020, the City filed a lawsuit against BSO seeking to recover the pension payments made by the City during the Transition Period. As of the date of this report, the City and BSO are part of an ongoing litigation, the outcome of which is not determinable at this time.

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

In addition, BSO leased the fire and police facility from the City for \$29,710 per month. This lease was removed from the BSO contract that was signed on October 1, 2020.

Outstanding Construction Commitments: The City had outstanding construction commitments in the amount of \$3,282,106 as of September 30, 2020.

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

CITY OF COOPER CITY, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

The City is not a defendant in any lawsuit at this time. The City only has regular insurance claims.

NOTE 13. COVID-19

The COVID-19 coronavirus outbreak in the United States has resulted in disruption of national and global markets and economies since the declaration of the pandemic in March 2020. The City continues to evaluate and monitor the potential adverse effect COVID-19 may have on its financial position, operations, and cash flows. The full impact of COVID-19 is unknown, and therefore, the City is unable to estimate the extent of the impact of COVID-19 on the City's operational and financial performance.

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CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 20,246,117	\$ 20,246,117	\$ 20,244,977	\$ (1,140)
Franchise fees and utility taxes	6,144,488	6,144,488	6,125,384	(19,104)
Licenses and permits	490,000	490,000	417,510	(72,490)
Intergovernmental revenues	3,938,363	4,001,138	7,035,224	3,034,086
Charges for services	4,805,374	5,161,894	4,597,959	(563,935)
Fines and forfeitures	280,000	280,000	97,045	(182,955)
Investment earnings	217,986	217,986	136,425	(81,561)
Miscellaneous revenues	387,000	449,864	175,120	(274,744)
Total revenues	<u>36,509,328</u>	<u>36,991,487</u>	<u>38,829,644</u>	<u>1,838,157</u>
Expenditures				
Current:				
General government				
City Commission	301,890	302,609	278,219	24,390
Administrative	335,006	436,519	423,149	13,370
City Clerk	575,346	602,346	612,524	(10,178)
Finance	1,145,434	1,146,737	1,142,574	4,163
Legal	405,000	405,000	390,922	14,078
Boards and committees	12,750	12,750	7,680	5,070
Comprehensive planning	372,686	372,686	366,672	6,014
Public works administrative	714,243	642,743	568,114	74,629
Fleet services	358,068	361,268	364,478	(3,210)
Nondepartmental	720,555	495,157	535,633	(40,476)
Total general government	<u>4,940,978</u>	<u>4,777,815</u>	<u>4,689,965</u>	<u>87,850</u>
Public safety				
Code enforcement	473,250	437,840	441,030	(3,190)
Police	14,201,361	15,308,655	15,204,765	103,890
Fire	11,832,909	12,029,344	12,049,015	(19,671)
Total public safety	<u>26,507,520</u>	<u>27,775,839</u>	<u>27,694,810</u>	<u>81,029</u>

(continued)

CITY OF COOPER CITY, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Physical environment				
Property maintenance	526,187	559,316	461,199	98,117
Total physical environment	<u>526,187</u>	<u>559,316</u>	<u>461,199</u>	<u>98,117</u>
Culture and recreation				
Parks	1,807,477	1,825,696	1,564,200	261,496
Recreation	1,802,916	1,813,629	1,480,323	333,306
Total culture and recreation	<u>3,610,393</u>	<u>3,639,325</u>	<u>3,044,523</u>	<u>594,802</u>
Total expenditures	<u>35,585,078</u>	<u>36,752,295</u>	<u>35,890,497</u>	<u>861,798</u>
Excess of revenues over expenditures	<u>924,250</u>	<u>239,192</u>	<u>2,939,147</u>	<u>2,699,955</u>
Other financing sources (uses)				
Proceeds from line of credit	-	-	63,000	63,000
Payments to line of credit	-	-	(63,000)	(63,000)
Transfers in	328,940	1,117,159	1,243,453	126,294
Transfers out	(1,207,321)	(1,209,678)	(1,624,551)	(414,873)
Total other financing sources (uses)	<u>(878,381)</u>	<u>(92,519)</u>	<u>(381,098)</u>	<u>(288,579)</u>
Change in fund balance	45,869	146,673	2,558,049	2,411,376
Fund balances, beginning of year	6,383,733	6,383,733	6,383,733	-
Fund balances, end of year	<u>\$ 6,429,602</u>	<u>\$ 6,530,406</u>	<u>\$ 8,941,782</u>	<u>\$ 2,411,376</u>

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

CITY OF COOPER CITY, FLORIDA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

The annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

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

CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION PLAN

Reporting period as of:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Measurement date as of:	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability:						
Service cost	\$ 677,417	\$ 668,832	\$ 817,482	\$ 802,604	\$ 801,521	\$ 871,704
Interest	2,709,166	2,627,781	2,519,908	2,492,570	2,444,577	2,317,934
Difference between expected and actual experience	61,745	174,284	109,331	(630,774)	(533,237)	22,168
Assumption change	405,082	392,598	824,532	345,787	335,762	-
Benefit payments	(2,211,697)	(2,085,119)	(2,064,187)	(2,240,698)	(1,545,365)	(1,153,732)
Refunds	-	-	-	-	(49,992)	(64,469)
Net change in total pension liability	1,641,713	1,778,376	2,207,066	769,489	1,453,266	1,993,605
Total pension liability - beginning	39,691,709	37,913,333	35,706,267	34,936,778	33,483,512	31,489,907
Total pension liability - ending	<u>\$ 41,333,422</u>	<u>\$ 39,691,709</u>	<u>\$ 37,913,333</u>	<u>\$ 35,706,267</u>	<u>\$ 34,936,778</u>	<u>\$ 33,483,512</u>
Plan fiduciary net position:						
Contributions - employer (City)	\$ 764,183	\$ 813,108	\$ 786,998	\$ 860,950	\$ 999,117	\$ 993,478
Contributions - non-employer contributing entity (BSO)	108,544	121,532	126,703	135,040	96,707	248,338
Contributions - employee	343,129	367,684	413,738	437,430	364,865	527,463
Net investment income	1,590,091	3,152,883	3,134,831	2,401,377	741,361	2,812,142
Benefit payments	(2,211,697)	(2,085,119)	(2,064,187)	(2,240,698)	(1,545,365)	(1,153,732)
Refunds	-	-	-	-	(76,770)	(64,469)
Administrative expenses	(65,620)	(61,705)	(51,226)	(57,388)	(77,950)	(40,559)
Net change in plan fiduciary net position	528,630	2,308,383	2,346,857	1,536,711	501,965	3,322,661
Plan fiduciary net position - beginning	36,015,682	33,707,299	31,360,442	29,823,731	29,321,766	25,999,105
Plan fiduciary net position - ending	<u>\$ 36,544,312</u>	<u>\$ 36,015,682</u>	<u>\$ 33,707,299</u>	<u>\$ 31,360,442</u>	<u>\$ 29,823,731</u>	<u>\$ 29,321,766</u>
Net pension liability	\$ 4,789,110	\$ 3,676,027	\$ 4,206,034	\$ 4,345,825	\$ 5,113,047	\$ 4,161,746
Plan fiduciary net position as a percentage of the total pension liability	88.4%	90.7%	88.9%	87.8%	85.4%	87.6%
Covered payroll	\$ 3,123,915	\$ 3,139,861	\$ 3,770,460	\$ 3,755,374	\$ 3,812,310	\$ 4,137,685
Net pension liability as a percentage of covered payroll	153.3%	117.1%	111.6%	115.7%	134.1%	100.6%

Notes to the Schedule:

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

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

Reporting period:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 946,938	\$ 950,442	\$ 999,254	\$ 963,025	\$ 1,068,704	\$ 1,269,828	\$ 1,278,957
Actual City Contribution	966,289	931,174	1,000,080	981,925	1,068,704	1,095,824	1,375,537
Contribution Deficiency/(Excess)	<u>\$ (19,351)</u>	<u>\$ 19,268</u>	<u>\$ (826)</u>	<u>\$ (18,900)</u>	<u>\$ -</u>	<u>\$ 174,004</u>	<u>\$ (96,580)</u>
Covered payroll	\$ 2,883,883	\$ 3,123,915	\$ 3,139,861	\$ 3,770,460	\$ 3,755,374	\$ 3,812,310	\$ 4,137,685
Contributions as a percentage of covered payroll	33.51%	29.81%	31.85%	26.04%	28.46%	28.74%	33.24%

Notes to Schedule:

Actuarial cost method	Entry Age Normal
Inflation	2.50%
Salary increases	6.00%, including inflation
Investment rate of return	6.80%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition.
Mortality	Table for males and females with mortality improvements projected using Scale BB for all years after 2000.

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

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

Reporting period:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual money-weighted rate of return	<u>7.10%</u>	<u>6.80%</u>	<u>6.75%</u>	<u>7.20%</u>	<u>4.50%</u>	<u>3.12%</u>	<u>10.60%</u>

Notes to Schedule:

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

CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIIGHTERS PENSION PLAN

Reporting period as of:	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Measurement date as of:	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability:						
Service cost	\$ 68,885	\$ 92,137	\$ 127,131	\$ 159,041	\$ 158,031	\$ 188,438
Interest	1,877,264	1,937,118	1,961,774	1,973,413	1,939,322	1,885,382
Difference between expected and actual experience	177,506	213,127	(368,423)	(544,532)	47,678	104,017
Assumption changes	1,277,986	-	(300,125)	-	-	-
Benefit payments	(3,858,027)	(2,290,342)	(1,184,833)	(2,259,752)	(1,058,286)	(1,727,969)
Other	5,349	-	-	-	-	10,020
Net change in total pension liability	(451,037)	(47,960)	235,524	(671,830)	1,086,745	459,888
Total pension liability - beginning	28,678,190	28,726,150	28,490,626	29,162,456	28,075,711	27,615,823
Total pension liability - ending	<u>\$ 28,227,153</u>	<u>\$ 28,678,190</u>	<u>\$ 28,726,150</u>	<u>\$ 28,490,626</u>	<u>\$ 29,162,456</u>	<u>\$ 28,075,711</u>
Plan fiduciary net position:						
Contributions - employer (City)	\$ 98,221	\$ 105,415	\$ 55,398	\$ 29,947	\$ -	\$ 1,580
Contributions - employer (State)	200,485	188,622	238,638	238,638	255,058	304,056
Contributions - non-employer contributing entity (BSO)	946,677	1,043,371	942,216	985,120	299,251	1,032,767
Contributions - employee	8,788	9,147	13,068	16,021	18,257	20,357
Net investment income	1,135,710	1,893,466	2,183,286	1,995,879	(542,222)	2,339,825
Benefit payments	(3,858,027)	(2,290,342)	(1,184,833)	(2,259,752)	(1,058,286)	(1,727,969)
Administrative expenses	(99,285)	(87,968)	(78,548)	(97,893)	(71,424)	(60,591)
Net change in plan fiduciary net position	(1,567,431)	861,711	2,169,225	907,960	(1,099,366)	1,910,025
Plan fiduciary net position - beginning	26,551,179	25,689,468	23,520,243	22,612,283	23,711,649	21,801,624
Plan fiduciary net position - ending	<u>\$ 24,983,748</u>	<u>\$ 26,551,179</u>	<u>\$ 25,689,468</u>	<u>\$ 23,520,243</u>	<u>\$ 22,612,283</u>	<u>\$ 23,711,649</u>
Net pension liability	\$ 3,243,405	\$ 2,127,011	\$ 3,036,682	\$ 4,970,383	\$ 6,550,173	\$ 4,364,062
Plan fiduciary net position as a percentage of the total pension liability	88.5%	92.6%	89.4%	82.6%	77.5%	84.5%
Covered payroll	\$ 254,661	\$ 245,265	\$ 378,798	\$ 464,086	\$ 529,204	\$ 590,048
Net pension liability as a percentage of covered payroll	1273.6%	867.2%	801.7%	1071.0%	1237.7%	739.6%

Notes to the Schedule:

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

**CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FIREFIGHTERS PENSION PLAN**

Reporting period:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 673,865	\$ 1,256,550	\$ 1,337,407	\$ 1,220,415	\$ 1,279,156	\$ 1,358,054	\$ 1,296,957
Actual City Contribution	674,577	1,245,383	1,337,408	1,236,252	1,253,705	554,309	1,328,383
Contribution Deficiency/(Excess)	<u>\$ (712)</u>	<u>\$ 11,167</u>	<u>\$ (1)</u>	<u>\$ (15,837)</u>	<u>\$ 25,451</u>	<u>\$ 803,745</u>	<u>\$ (31,426)</u>
Covered payroll	\$ 141,767	\$ 254,661	\$ 245,265	\$ 378,798	\$ 464,086	\$ 529,204	\$ 590,048
Contributions as a percentage of covered payroll	475.83%	489.04%	545.29%	326.36%	270.14%	104.74%	225.13%

Notes to Schedule:

Actuarial cost method	Aggregate
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	7.25%
Investment rate of return	6.50%
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS) for the July 1, 2018 actuarial valuation, as mandated by Chapter 112.63, Florida Statutes.

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

**CITY OF COOPER CITY, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURN
 FIREFIGHTERS PENSION PLAN**

Reporting period:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual money-weighted rate of return	<u>7.10%</u>	<u>5.00%</u>	<u>7.90%</u>	<u>9.80%</u>	<u>9.50%</u>	<u>2.00%</u>	<u>11.40%</u>

Note to the schedule:

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

CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS PENSION PLAN

Reporting period as of:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Measurement date as of:	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability:						
Service cost	\$ 56,603	\$ 120,978	\$ 108,626	\$ 134,806	\$ 130,185	\$ 130,185
Interest	2,387,144	2,320,098	2,312,576	2,304,869	2,267,290	2,218,607
Difference between expected and actual experience	514,495	504,319	146,557	(228,987)	(120,237)	53,154
Assumption changes	276,580	-	411,295	671,944	-	-
Benefit payments	(2,062,483)	(1,783,947)	(1,705,552)	(1,675,341)	(1,886,260)	(1,619,438)
Net change in total pension liability	1,172,339	1,161,448	1,273,502	1,207,291	390,978	782,508
Total pension liability - beginning	35,076,697	33,915,249	32,641,747	31,434,456	31,043,478	30,260,970
Total pension liability - ending	<u>\$ 36,249,036</u>	<u>\$ 35,076,697</u>	<u>\$ 33,915,249</u>	<u>\$ 32,641,747</u>	<u>\$ 31,434,456</u>	<u>\$ 31,043,478</u>
Plan fiduciary net position:						
Contributions - employer (City)	\$ 28,735	\$ 37,897	\$ 40,744	\$ 33,729	\$ 261,740	\$ 68,240
Contributions - employer (State)	344,843	319,503	299,282	299,282	-	263,432
Contributions - non-employer contributing entity (BSO)	1,317,193	1,253,792	1,117,071	865,777	-	921,133
Contributions - employee	19,937	91,839	37,028	173,408	92,898	43,899
Net investment income	1,533,635	2,204,851	3,060,337	2,376,767	(91,957)	2,463,427
Benefit payments	(2,062,483)	(1,783,947)	(1,705,552)	(1,675,341)	(1,886,260)	(1,619,438)
Administrative expenses	(95,515)	(97,551)	(77,654)	(94,541)	(77,791)	(65,442)
Net change in plan fiduciary net position	1,086,345	2,026,384	2,771,256	1,979,081	(1,701,370)	2,075,251
Plan fiduciary net position - beginning	31,929,030	29,902,646	27,131,390	25,152,309	26,853,679	24,778,428
Plan fiduciary net position - ending	<u>\$ 33,015,375</u>	<u>\$ 31,929,030</u>	<u>\$ 29,902,646</u>	<u>\$ 27,131,390</u>	<u>\$ 25,152,309</u>	<u>\$ 26,853,679</u>
Net pension liability	\$ 3,233,661	\$ 3,147,667	\$ 4,012,603	\$ 5,510,357	\$ 6,282,147	\$ 4,189,799
Plan fiduciary net position as a percentage of the total pension liability	91.08%	91.03%	88.17%	83.12%	80.02%	86.50%
Covered payroll	\$ 222,733	\$ 379,803	\$ 492,517	\$ 605,532	\$ 606,307	\$ 583,916
Net pension liability as a percentage of covered payroll	1451.81%	828.76%	814.71%	910.00%	1036.13%	717.53%

Notes to the Schedule:

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

**CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
POLICE OFFICERS PENSION PLAN**

Reporting period:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 1,752,785	\$ 1,625,926	\$ 1,562,525	\$ 1,461,567	\$ 1,531,436	\$ 1,380,815	\$ 1,048,841
Actual City Contribution	1,721,857	1,638,596	1,571,687	1,426,753	1,198,788	261,740	1,252,805
Contribution Deficiency/(Excess)	<u>\$ 30,928</u>	<u>\$ (12,670)</u>	<u>\$ (9,162)</u>	<u>\$ 34,814</u>	<u>\$ 332,648</u>	<u>\$ 1,119,075</u>	<u>\$ (203,964)</u>
Covered payroll	\$ 131,668	\$ 222,733	\$ 379,803	\$ 492,517	\$ 605,532	\$ 606,307	\$ 583,916
Contributions as a percentage of covered payroll	1307.73%	735.68%	413.82%	289.69%	197.97%	43.17%	214.55%

Notes to Schedule:

Actuarial cost method	Entry Age Normal
Asset valuation method	Level dollar
Remaining amortization period	5 years
Asset valuation method	5 years smoothed market
Inflation	2.50%
Salary increases	5-10%, based on service, including inflation
Investment rate of return	6.80%
Retirement age	100% when first eligible for Normal Retirement or DROP entry
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS) for the July 1, 2018 actuarial valuation, as mandated by Chapter 112.63, Florida Statutes.

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

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

Reporting period:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Annual money-weighted rate of return	3.00%	4.99%	7.78%	11.44%	9.56%	0.05%	10.30%

Note to the schedule:

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

CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FLORIDA MUNICIPAL PENSION TRUST FUND

Reporting period as of:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Measurement date as of:	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total pension liability:						
Service cost	\$ 56,316	\$ 60,324	\$ 57,604	\$ 51,781	\$ 51,781	\$ 43,630
Interest	351,780	363,172	327,264	330,375	313,814	356,197
Difference between expected and actual experience	(56,902)	(22,497)	201,569	-	11,098	-
Assumption changes	-	-	85,442	(125,142)	126,551	-
Benefit payments	(295,462)	(559,765)	(246,044)	(244,921)	(244,921)	(350,405)
Net change in total pension liability	55,732	(158,766)	425,835	12,093	258,323	49,422
Total pension liability - beginning	5,128,921	5,287,687	4,861,852	4,849,759	4,591,436	4,542,014
Total pension liability - ending	<u>\$ 5,184,653</u>	<u>\$ 5,128,921</u>	<u>\$ 5,287,687</u>	<u>\$ 4,861,852</u>	<u>\$ 4,849,759</u>	<u>\$ 4,591,436</u>
Plan fiduciary net position:						
Contributions - employer (City)	\$ 137,084	\$ 378,645	\$ 415,079	\$ 407,167	\$ 366,299	\$ 506,288
Contributions - employee	23,114	31,616	31,636	30,554	29,366	28,150
Net investment income	267,552	347,409	536,281	289,334	(9,895)	240,525
Benefit payments	(295,462)	(559,765)	(246,044)	(244,921)	(244,921)	(261,166)
Administrative expenses	(14,159)	(17,383)	(10,544)	(8,288)	(12,748)	(7,138)
Net change in plan fiduciary net position	118,129	180,522	726,408	473,846	128,101	506,659
Plan fiduciary net position - beginning	4,941,798	4,761,276	4,034,868	3,561,022	3,432,921	2,926,262
Plan fiduciary net position - ending	<u>\$ 5,059,927</u>	<u>\$ 4,941,798</u>	<u>\$ 4,761,276</u>	<u>\$ 4,034,868</u>	<u>\$ 3,561,022</u>	<u>\$ 3,432,921</u>
Net pension liability	\$ 124,726	\$ 187,123	\$ 526,411	\$ 826,984	\$ 1,288,737	\$ 1,158,515
Plan fiduciary net position as a percentage of the total pension liability	97.6%	96.4%	90.0%	83.0%	73.4%	74.8%
Covered payroll	\$ 298,277	\$ 303,864	\$ 288,873	\$ 266,146	\$ 266,146	\$ 255,910
Net pension liability as a percentage of covered payroll	41.8%	61.6%	182.2%	310.7%	484.2%	452.7%

Notes to the Schedule:

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

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

Reporting period:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 158,132	\$ 158,132	\$ 174,977	\$ 210,104	\$ 183,587	\$ 183,587	\$ 506,288
Actual City Contribution	-	137,084	378,645	415,079	407,167	366,299	506,288
Contribution Deficiency/(Excess)	<u>\$ 158,132</u>	<u>\$ 21,048</u>	<u>\$ (203,668)</u>	<u>\$ (204,975)</u>	<u>\$ (223,580)</u>	<u>\$ (182,712)</u>	<u>\$ -</u>
 Covered payroll	 \$ 298,277	 \$ 298,277	 \$ 303,864	 \$ 288,873	 \$ 266,146	 \$ 266,146	 \$ 255,910
 Contributions as a percentage of covered payroll	 0.00%	 45.96%	 124.61%	 143.69%	 152.99%	 137.63%	 197.84%

Notes to Schedule:

Inflation 2.77%
Salary increases 4.00% per annum
Mortality Sex-distinct rates set forth in the RP-2000 Mortality Table with full generational improvements in mortality using Scale BB.

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

CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS
FLORIDA RETIREMENT SYSTEM PENSION PLAN

Reporting period as of: Measurement date as of:	<u>9/30/2020</u> 6/30/2020	<u>9/30/2019</u> 6/30/2019	<u>9/30/2018</u> 6/30/2018	<u>9/30/2017</u> 6/30/2017	<u>9/30/2016</u> 6/30/2016	<u>9/30/2015</u> 6/30/2015	<u>9/30/2014</u> 6/30/2014
City's proportion of the FRS net pension liability	0.007707528%	0.007853738%	0.007980310%	0.006409960%	0.005146441%	0.483135000%	0.003887584%
City's proportionate share of the FRS net pension liability	3,340,556	2,704,718	2,403,711	1,896,021	1,299,481	624,034	237,200
Covered payroll	\$ 4,095,748	\$ 3,788,107	\$ 2,873,589	\$ 2,799,670	\$ 1,656,858	\$ 1,210,578	\$ 1,066,552
City's proportionate share of the FRS net pension liability as a percentage of its covered payroll	81.56%	71.40%	83.65%	67.72%	78.43%	51.55%	22.24%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Notes to the Schedule:

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

A publicly available financial statement for the Plan can be obtained from the Florida Department of Management Services (DMS), Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000; phone 850-488-5706; website (www.dms.myflorida.com) which includes additional financial reporting requirements, including the annual money-weighted rate of return on pension investments.

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

Reporting period:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Contractually required FRS contribution	\$ 256,087	\$ 243,523	\$ 229,865	\$ 166,867	\$ 125,504	\$ 117,792	\$ 85,155
FRS contributions in relation to the contractually required FRS contribution	256,087	243,523	229,865	166,867	125,504	117,792	85,155
FRS Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,095,748	\$ 3,836,597	\$ 3,788,107	\$ 2,873,589	\$ 2,799,670	\$ 1,656,858	\$ 1,210,578
FRS contributions as a percentage of covered payroll	6.25%	6.35%	6.07%	5.81%	4.48%	7.11%	7.03%

Notes to Schedule:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.8%, net of pension plan investment expense, including inflation
Mortality	PUB-2010 base

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

A publicly available financial statement for the Plan can be obtained from the Florida Department of Management Services (DMS), Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000; phone 850-488-5706; website (www.dms.myflorida.com) which includes additional financial reporting requirements, including the annual money-weighted rate of return on pension investments.

CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS
RETIREE HEALTH INSURANCE SUBSIDY PENSION PLAN

Reporting period as of: Measurement date as of:	<u>9/30/2020</u> 6/30/2020	<u>9/30/2019</u> 6/30/2019	<u>9/30/2018</u> 6/30/2018	<u>9/30/2017</u> 6/30/2017	<u>9/30/2016</u> 6/30/2016	<u>9/30/2015</u> 6/30/2015	<u>9/30/2014</u> 6/30/2014
City's proportion of the HIS net pension liability	0.012233992%	0.012070592%	0.012040480%	0.009212296%	0.007545538%	0.006719761%	0.005526173%
City's proportionate share of the HIS net pension liability	1,493,751	1,350,579	1,274,378	985,021	879,401	685,310	516,711
Covered payroll	\$ 4,095,748	\$ 3,788,107	\$ 2,873,589	\$ 2,799,670	\$ 1,656,858	\$ 1,210,578	\$ 1,066,552
City's proportionate share of the HIS net pension liability as a percentage of its covered payroll	36.47%	35.65%	44.35%	35.18%	53.08%	56.61%	48.45%
FRS Plan fiduciary net position as a percentage of the HIS total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Notes to the Schedule:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation
Mortality	PUB-2010 base

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

A publicly available financial statement for the Plan can be obtained from the Florida Department of Management Services (DMS), Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000; phone 850-488-5706; website (www.dms.myflorida.com) which includes additional financial reporting requirements, including the annual money-weighted rate of return on pension investments.

**CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
RETIREE HEALTH INSURANCE SUBSIDY PENSION PLAN**

Reporting period:	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Contractually required HIS contribution	\$ 70,499	\$ 67,027	\$ 65,493	\$ 48,754	\$ 38,676	\$ 25,687	\$ 18,931
HIS contributions in relation to the contractually required HIS contribution	70,499	67,027	65,493	48,754	38,676	25,687	18,931
HIS Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 4,095,748	 \$ 3,836,597	 \$ 3,788,107	 \$ 2,873,589	 \$ 2,799,670	 \$ 1,656,858	 \$ 1,210,578
 HIS contributions as a percentage of covered payroll	 1.72%	 1.75%	 1.73%	 1.70%	 1.38%	 1.55%	 1.56%

Notes to Schedule:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	2.21%

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

A publicly available financial statement for the Plan can be obtained from the Florida Department of Management Services (DMS), Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000: phone 850-488-5706; website (www.dms.myflorida.com) which includes additional financial reporting requirements, including the annual money-weighted rate of return on pension investments.

CITY OF COOPER CITY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service Cost	\$ 200,267	\$ 345,032	\$ 333,449
Interest on total OPEB liability	230,300	226,550	212,199
Experience differences	(297,119)	-	(99,432)
Changes of assumptions and other inputs	757,078	38,360	(41,026)
Benefit payments	(362,181)	(429,273)	(332,286)
Other Changes	-	615	(134,672)
Net change in total pension liability	<u>528,345</u>	<u>181,284</u>	<u>(61,768)</u>
Total OPEB liability - beginning	<u>6,619,958</u>	<u>6,438,674</u>	<u>6,500,442</u>
Total OPEB liability - ending	<u>\$ 7,148,303</u>	<u>\$ 6,619,958</u>	<u>\$ 6,438,674</u>
Covered-employee payroll	\$ 5,498,370	\$ 6,772,929	\$ 6,608,393
Total OPEB liability as a percentage of covered-employee payroll	130.01%	97.74%	97.43%

Notes to the Schedule:

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

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

CITY OF COOPER CITY, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Building Inspection Fund	Road and Bridge Fund	Police Confiscation Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 418,064	\$ 387,362	\$ 190,065	\$ -	\$ 995,491
Investments	45,936	42,563	20,884	-	109,383
Due from other governments	10,784	14,546	-	-	25,330
Total assets	<u>\$ 474,784</u>	<u>\$ 444,471</u>	<u>\$ 210,949</u>	<u>\$ -</u>	<u>\$ 1,130,204</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 16,426	\$ 204,830	\$ -	\$ -	\$ 221,256
Accrued liabilities	12,659	-	-	-	12,659
Total liabilities	<u>29,085</u>	<u>204,830</u>	<u>-</u>	<u>-</u>	<u>233,915</u>
Deferred inflows of resources					
Unavailable revenue	10,784	-	-	-	10,784
Fund balances					
Restricted					
Building department	434,915	-	-	-	434,915
Transportation	-	239,641	-	-	239,641
Public safety	-	-	210,949	-	210,949
Total fund balances	<u>434,915</u>	<u>239,641</u>	<u>210,949</u>	<u>-</u>	<u>885,505</u>
Total liabilities and fund balances	<u>\$ 474,784</u>	<u>\$ 444,471</u>	<u>\$ 210,949</u>	<u>\$ -</u>	<u>\$ 1,130,204</u>

CITY OF COOPER CITY, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Building Inspection Fund	Road and Bridge Fund	Police Confiscation Fund	Debt Service Fund	
Revenues					
Licenses and permits	\$ 1,484,690	\$ -	\$ -	\$ -	\$ 1,484,690
Intergovernmental revenues	-	782,763	-	-	782,763
Charges for services	44,444	-	-	-	44,444
Fines and forfeitures	-	-	835	-	835
Investment earnings	795	5,974	1,944	-	8,713
Miscellaneous revenues	4,354	-	-	-	4,354
Total revenues	<u>1,534,283</u>	<u>788,737</u>	<u>2,779</u>	<u>-</u>	<u>2,325,799</u>
Expenditures					
Current					
Public safety	825,046	-	1,701	-	826,747
Transportation	-	1,973,306	-	-	1,973,306
Debt service					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>825,046</u>	<u>1,973,306</u>	<u>1,701</u>	<u>-</u>	<u>2,800,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>709,237</u>	<u>(1,184,569)</u>	<u>1,078</u>	<u>-</u>	<u>(474,254)</u>
Other financing sources (uses)					
Transfers in	-	706,698	-	-	706,698
Transfers out	(275,000)	-	-	(126,294)	(401,294)
Total other financing sources (uses)	<u>(275,000)</u>	<u>706,698</u>	<u>-</u>	<u>(126,294)</u>	<u>305,404</u>
Change in fund balances	434,237	(477,871)	1,078	(126,294)	(168,850)
Fund balances, beginning of year	678	717,512	209,871	126,294	1,054,355
Fund balances, end of year	<u>\$ 434,915</u>	<u>\$ 239,641</u>	<u>\$ 210,949</u>	<u>\$ -</u>	<u>\$ 885,505</u>

CITY OF COOPER CITY, FLORIDA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2020**

	Pension Trust Funds			
	General Employees	Police	Firefighters	Totals
Assets				
Cash and cash equivalents	\$ 1,232,229	\$ 2,787,340	\$ 926,467	\$ 4,946,036
Receivables/prepays				
Employer contributions	635	-	2,963	3,598
Employee contributions	-	453	-	453
Prepaid items	-	2,750	-	2,750
Interest receivable	31,016	35,864	24,403	91,283
Other receivables	-	27,189	1,500	28,689
Total receivables	31,651	66,256	28,866	126,773
Investments, at fair value				
U.S. government and agency securities	1,716,204	4,954,765	4,819,906	11,490,875
Corporate bonds	3,767,524	2,696,503	2,133,132	8,597,159
Equity securities	23,870,687	10,373,048	3,179,743	37,423,478
Equity mutual funds	28,658	7,546,223	11,083,984	18,658,865
Collateralized mortgage obligations	582,998	-	-	582,998
Mortgage/asset backed securities	2,774,461	-	-	2,774,461
Municipal obligations	224,127	-	-	224,127
Commingled real estate funds	4,227,178	5,098,331	2,131,118	11,456,627
Total investments	37,191,837	30,668,870	23,347,883	91,208,590
Total assets	38,455,717	33,522,466	24,303,216	96,281,399
Liabilities				
Accounts payable	80,414	65,078	34,363	179,855
Total liabilities	80,414	65,078	34,363	179,855
Deferred Inflows				
Advanced contributions from employer	-	13,828	13,311	27,139
Total deferred inflows	-	13,828	13,311	27,139
Net Position				
Restricted for pension benefits - active and retired members' benefits	\$ 38,375,303	\$ 33,443,560	\$ 24,255,542	\$ 96,074,405

CITY OF COOPER CITY, FLORIDA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>General Employees</u>	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
Additions				
Contributions:				
City	\$ 757,491	\$ 1,430,224	\$ 98,900	\$ 2,286,615
Employees	251,519	11,222	10,724	273,465
Broward County Sheriff's Office	202,025	-	373,743	575,768
State/other	3,278	342,773	211,118	557,169
Total contributions:	<u>1,214,313</u>	<u>1,784,219</u>	<u>694,485</u>	<u>3,693,017</u>
Investment income:				
Net increase in fair market value	2,184,838	311,359	1,090,740	3,586,937
Interest and dividend income	859,610	715,029	561,083	2,135,722
Less investment expenses	<u>(221,616)</u>	<u>(176,535)</u>	<u>(108,453)</u>	<u>(506,604)</u>
Net investment income	<u>2,822,832</u>	<u>849,853</u>	<u>1,543,370</u>	<u>5,216,055</u>
Total additions	<u>4,037,145</u>	<u>2,634,072</u>	<u>2,237,855</u>	<u>8,909,072</u>
Deductions				
Pension benefits	2,035,963	2,116,749	1,591,530	5,744,242
DROP distributions	48,127	100	1,292,531	1,340,758
Administrative expenses	122,064	89,038	82,000	293,102
Total deductions	<u>2,206,154</u>	<u>2,205,887</u>	<u>2,966,061</u>	<u>7,378,102</u>
Change in net position	1,830,991	428,185	(728,206)	1,530,970
Net position, restricted for pension benefits				
Beginning of year	36,544,312	33,015,375	24,983,748	94,543,435
End of year	<u>\$ 38,375,303</u>	<u>\$ 33,443,560</u>	<u>\$ 24,255,542</u>	<u>\$ 96,074,405</u>

CITY OF COOPER CITY, FLORIDA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Balance September 30, <u>2019</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2020</u>
Sanitation Fund				
Assets:				
Cash and short-term investments	\$ -	\$ 2,819,102	\$ 2,489,078	\$ 330,024
Other receivables	-	2,907,677	2,615,595	292,082
Total assets	<u>\$ -</u>	<u>\$ 5,726,779</u>	<u>\$ 5,104,673</u>	<u>\$ 622,106</u>
Liabilities:				
Accounts payable	\$ -	\$ 4,416,751	\$ 5,038,857	\$ (622,106)
Total liabilities	<u>\$ -</u>	<u>\$ 4,416,751</u>	<u>\$ 5,038,857</u>	<u>\$ (622,106)</u>

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Impact fees				
Public safety	\$ 1,000	\$ 1,000	\$ 17,208	\$ 16,208
Park improvement	2,000	2,000	234,240	232,240
General government	15,000	15,000	163,935	148,935
Intergovernmental revenues	182,250	182,250	893,042	710,792
Investment earnings	2,000	2,000	-	(2,000)
Total revenues	<u>202,250</u>	<u>202,250</u>	<u>1,308,425</u>	<u>1,106,175</u>
Expenditures				
Capital outlay				
Public safety	43,000	43,000	-	43,000
Culture and recreation	245,000	388,782	187,759	201,023
Total expenditures	<u>288,000</u>	<u>431,782</u>	<u>187,759</u>	<u>244,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(85,750)</u>	<u>(229,532)</u>	<u>1,120,666</u>	<u>1,350,198</u>
Other financing sources				
Transfers in	85,750	502,980	502,980	-
Total other financing sources	<u>85,750</u>	<u>502,980</u>	<u>502,980</u>	<u>-</u>
Change in fund balance	-	273,448	1,623,646	1,350,198
Fund balance, beginning of year	(2,311,661)	(2,311,661)	(2,311,661)	-
Fund balance, end of year	<u>\$ (2,311,661)</u>	<u>\$ (2,038,213)</u>	<u>\$ (688,015)</u>	<u>\$ 1,350,198</u>

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUILDING INSPECTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 1,164,663	\$ 1,164,663	\$ 1,484,690	\$ 320,027
Charges for services	50,000	50,000	44,444	(5,556)
Investment earnings	500	500	795	295
Miscellaneous revenues	3,000	3,000	4,354	1,354
Total revenues	<u>1,218,163</u>	<u>1,218,163</u>	<u>1,534,283</u>	<u>316,120</u>
Expenditures				
Current				
Public safety	931,787	931,787	825,046	106,741
Total expenditures	<u>931,787</u>	<u>931,787</u>	<u>825,046</u>	<u>106,741</u>
Excess of revenues over expenditures	<u>286,376</u>	<u>286,376</u>	<u>709,237</u>	<u>422,861</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(275,000)	(275,000)	(275,000)	-
Total other financing sources (uses)	<u>(275,000)</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Net change in fund balances	11,376	11,376	434,237	422,861
Fund balances, beginning of year	678	678	678	-
Fund balances, end of year	<u>\$ 12,054</u>	<u>\$ 12,054</u>	<u>\$ 434,915</u>	<u>\$ 422,861</u>

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues				
Local option fuel tax	\$ 369,099	\$ 369,099	\$ 317,518	\$ (51,581)
Additional local option fuel tax	262,468	262,468	221,652	(40,816)
State revenue sharing	278,735	278,735	243,593	(35,142)
Investment earnings	1,000	1,000	5,974	4,974
Miscellaneous revenues	-	-	-	-
Total revenues	<u>911,302</u>	<u>911,302</u>	<u>788,737</u>	<u>(122,565)</u>
Expenditures				
Current				
Transportation	<u>1,618,000</u>	<u>2,265,268</u>	<u>1,973,306</u>	<u>291,962</u>
Total expenditures	<u>1,618,000</u>	<u>2,265,268</u>	<u>1,973,306</u>	<u>291,962</u>
Deficiency of revenues under expenditures	<u>(706,698)</u>	<u>(1,353,966)</u>	<u>(1,184,569)</u>	<u>169,397</u>
Other financing sources (uses)				
Transfers in	<u>706,698</u>	<u>706,698</u>	<u>706,698</u>	<u>-</u>
Change in fund balance	-	(647,268)	(477,871)	169,397
Fund balance, beginning of year	<u>717,512</u>	<u>717,512</u>	<u>717,512</u>	<u>-</u>
Fund balance, end of year	<u>\$ 717,512</u>	<u>\$ 70,244</u>	<u>\$ 239,641</u>	<u>\$ 169,397</u>

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 24,000	\$ 24,000	\$ 835	\$ (23,165)
Investment earnings	2,000	2,000	1,944	(56)
Total revenues	<u>26,000</u>	<u>26,000</u>	<u>2,779</u>	<u>(23,221)</u>
Expenditures				
Current				
Public safety	26,000	26,000	1,701	24,299
Total expenditures	<u>26,000</u>	<u>26,000</u>	<u>1,701</u>	<u>24,299</u>
Change in fund balance	-	-	1,078	1,078
Fund balance, beginning of year	<u>209,871</u>	<u>209,871</u>	<u>209,871</u>	<u>-</u>
Fund balance, end of year	<u>\$ 209,871</u>	<u>\$ 209,871</u>	<u>\$ 210,949</u>	<u>\$ 1,078</u>

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STATISTICAL SECTION
(Unaudited)

This section of the City of Cooper City, Florida’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

	<u>PAGE</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time	130
Revenue Capacity	
These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax..	135
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future..	139
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.....	143
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.....	145

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

City of Cooper City, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Table 1)

(Amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 46,173	\$ 46,474	\$ 42,338	\$ 41,965	\$ 43,811	\$ 45,488	\$ 45,407	\$ 50,232	\$ 55,530	\$ 53,925
Restricted	602	507	553	533	861	-	-	461	1,055	885
Unrestricted	7,017	6,345	12,668	12,945	1,181	(91)	2,441	(5,868)	(7,321)	(4,533)
Total governmental activities net assets	\$ 53,792	\$ 53,326	\$ 55,559	\$ 55,443	\$ 45,853	\$ 45,397	\$ 47,848	\$ 44,825	\$ 49,264	\$ 50,277
Business-type activities:										
Net investment in capital assets	\$ 33,139	\$ 34,607	\$ 34,543	\$ 35,835	\$ 45,558	\$ 48,450	\$ 51,553	\$ 51,442	\$ 49,269	\$ 47,823
Restricted	1,627	1,494	51	5	-	-	88	-	-	-
Unrestricted	10,362	11,814	17,012	18,013	12,265	9,862	7,385	5,296	6,566	8,608
Total business-type activities net assets	\$ 45,128	\$ 47,915	\$ 51,606	\$ 53,853	\$ 57,823	\$ 58,312	\$ 59,026	\$ 56,738	\$ 55,835	\$ 56,431
Primary government:										
Invested in capital assets, net of related debt	\$ 79,312	\$ 81,081	\$ 76,881	\$ 77,800	\$ 89,369	\$ 93,938	\$ 96,960	\$ 101,674	\$ 104,799	\$ 101,748
Restricted	2,229	2,001	604	538	861	-	88	461	1,055	885
Unrestricted	17,379	18,159	29,680	30,958	13,446	9,771	9,826	(572)	(755)	4,075
Total primary government net assets	\$ 98,920	\$ 101,241	\$ 107,165	\$ 109,296	\$ 103,676	\$ 103,709	\$ 106,874	\$ 101,563	\$ 105,099	\$ 106,708

City of Cooper City, Florida
Changes In Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Table 2)
(Amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General Government	\$ 4,413	\$ 4,264	\$ 4,554	\$ 4,286	\$ 3,727	\$ 5,395	\$ 4,629	\$ 4,927	\$ 5,242	\$ 4,968
Public Safety	17,830	18,162	17,653	20,113	18,442	22,411	22,563	24,643	25,626	29,547
Physical Environment	1,044	1,121	1,089	1,019	618	714	790	798	725	639
Transportation	761	646	1,750	1,422	1,613	1,909	1,852	1,783	1,311	2,256
Culture and Recreation	3,495	3,208	3,044	3,085	2,788	3,186	3,662	7,615	4,285	4,208
Human services	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	123	65	48	40	32	27	19	11	2	-
Total governmental activities expenses	\$ 27,666	\$ 27,466	\$ 28,138	\$ 29,965	\$ 27,220	\$ 33,642	\$ 33,515	\$ 39,777	\$ 37,191	\$ 41,618
Business-type activities:										
Water and sewer utility	\$ 8,630	\$ 8,678	\$ 9,595	\$ 9,035	\$ 8,427	\$ 11,389	\$ 11,469	\$ 11,691	\$ 11,724	\$ 12,048
Parking facilities	43	40	58	54	96	140	143	101	127	92
Stormwater utility	307	365	329	346	366	399	403	447	370	502
Total business-type activities expenses	8,980	9,083	9,982	9,435	8,889	11,928	12,015	12,239	12,221	12,642
Total primary government expenses	\$ 36,646	\$ 36,549	\$ 38,120	\$ 39,400	\$ 36,109	\$ 45,570	\$ 45,530	\$ 52,016	\$ 49,412	\$ 54,260
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 144	\$ 117	\$ 157	\$ 173	\$ 171	\$ 1,154	\$ 1,263	\$ 244	\$ 197	\$ 138
Public Safety	4,999	5,962	5,885	5,513	5,730	5,595	5,498	6,211	5,690	6,133
Transportation	51	52	52	54	55	-	-	-	-	-
Culture and Recreation	596	596	566	527	530	634	973	748	731	274
Human Services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	327	273	625	115	136	-	497	49	176	3,059
Capital grants and contributions	1,953	810	896	41	482	89	308	207	425	893
Total governmental activities program revenues	\$ 8,070	\$ 7,810	\$ 8,181	\$ 6,423	\$ 7,104	\$ 7,472	\$ 8,539	\$ 7,459	\$ 7,219	\$ 10,497
Business-type activities:										
Charges for services:										
Water and sewer utility	\$ 10,418	\$ 11,175	\$ 11,805	\$ 11,229	\$ 11,780	\$ 11,678	\$ 11,950	\$ 11,858	\$ 11,970	\$ 12,798
Parking facilities	97	96	95	136	99	89	106	123	126	124
Stormwater utility	277	279	282	129	114	280	283	311	321	320
Operating grants and contributions	-	-	-	-	-	-	76	-	-	-
Capital grants and contributions	1	-	-	521	5,193	259	202	220	314	331
Total business-type activities program revenues	10,793	11,550	12,182	12,015	17,186	12,306	12,617	12,512	12,731	13,573
Total primary government program revenues	\$ 18,863	\$ 19,360	\$ 20,363	\$ 18,438	\$ 24,290	\$ 19,778	\$ 21,156	\$ 19,971	\$ 19,950	\$ 24,070

City of Cooper City, Florida
Changes In Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Table 2 - Continued)
(Amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (expense)/revenue										
Governmental activities	\$ (19,596)	\$ (19,656)	\$ (19,957)	\$ (23,542)	\$ (20,116)	\$ (26,170)	\$ (24,976)	\$ (32,318)	\$ (29,972)	\$ (31,121)
Business-type activities	1,813	2,467	2,200	2,580	8,297	378	602	273	510	931
Total primary government net expense	\$ (17,783)	\$ (17,189)	\$ (17,757)	\$ (20,962)	\$ (11,819)	\$ (25,792)	\$ (24,374)	\$ (32,045)	\$ (29,462)	\$ (30,190)
General Revenues and Other Charges In Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 9,469	\$ 9,602	\$ 11,657	\$ 12,652	\$ 13,441	\$ 14,808	\$ 16,688	\$ 19,673	\$ 20,557	\$ 20,245
Franchise fees and utility taxes	5,567	5,740	5,939	6,273	6,310	6,126	6,072	6,132	6,307	6,125
Local option sales tax	-	-	-	-	-	2,173	2,204	2,307	2,311	2,070
Local option gasoline tax	-	-	-	-	-	597	614	615	619	539
Unrestricted intergovernmental revenues	-	-	-	-	-	1,525	1,361	1,380	2,455	2,402
Intergovernmental	2,999	2,950	3,480	3,416	7,135	-	-	-	-	-
Income on investments	151	100	41	106	109	156	203	173	229	145
Other revenues	168	148	375	209	285	315	283	246	271	180
Special item	-	28	-	-	-	-	-	-	-	-
Net transfers	469	622	698	772	932	14	-	1,290	1,662	428
Total governmental activities	\$ 18,823	\$ 19,190	\$ 22,190	\$ 23,428	\$ 28,212	\$ 25,714	\$ 27,425	\$ 31,816	\$ 34,411	\$ 32,134
Business-type activities:										
Income on investments	183	119	79	124	69	124	113	100	178	87
Other revenues	2,614	823	2,111	315	-	-	-	-	71	4
Net transfers	(469)	(622)	(698)	(772)	(932)	(14)	-	(1,290)	(1,662)	(427)
Total business-type activities	2,328	320	1,492	(333)	(863)	110	113	(1,190)	(1,413)	(336)
Total primary government	\$ 21,151	\$ 19,510	\$ 23,682	\$ 23,095	\$ 27,349	\$ 25,824	\$ 27,538	\$ 30,626	\$ 32,998	\$ 31,798
Change In Net Position										
Governmental activities	\$ (773)	\$ (466)	\$ 2,233	\$ (114)	\$ 8,096	\$ (456)	\$ 2,449	\$ (502)	\$ 4,438	\$ 1,013
Business-type activities	4,141	2,787	3,692	2,247	7,434	488	715	(917)	(903)	595
Total primary government	\$ 3,368	\$ 2,321	\$ 5,925	\$ 2,133	\$ 15,530	\$ 32	\$ 3,164	\$ (1,419)	\$ 3,535	\$ 1,608

City of Cooper City, Florida
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Table 3)
(Amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 22	\$ 26	\$ 27	\$ 27	\$ 24	\$ 25	\$ 28	\$ 30	\$ 33	\$ 27
Restricted	-	-	-	-	-	-	-	249	-	-
Assigned	1,670	1,408	530	777	1,528	2,582	4,104	2,728	3,518	4,057
Unassigned	6,428	5,922	7,236	7,589	8,684	7,438	3,601	(134)	2,833	4,858
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total general fund	\$ 8,120	\$ 7,356	\$ 7,793	\$ 8,393	\$ 10,236	\$ 10,045	\$ 7,733	\$ 2,873	\$ 6,384	\$ 8,942
All other governmental funds										
Restricted, reported in:										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	166	928	886
Debt Service Funds	-	-	-	-	-	-	-	45	126	-
Assigned, reported in:										
Special Revenue Funds	500	392	435	429	774	902	700	701	-	-
Debt Service Funds	103	115	117	105	88	72	61	-	-	-
Capital Projects Funds	3,027	3,837	4,376	4,396	4,718	4,838	5,830	3,652	-	-
Unassigned, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	(2,312)	(688)
Total all other governmental funds	\$ 3,630	\$ 4,344	\$ 4,928	\$ 4,930	\$ 5,580	\$ 5,812	\$ 6,591	\$ 4,564	\$ (1,258)	\$ 198

Note: GASB 54 was implemented during fiscal year 2011.

City of Cooper City, Florida
Changes In Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Table 4)
(Amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property taxes	\$ 9,469	\$ 9,602	\$ 11,657	\$ 12,652	\$ 13,441	\$ 14,808	\$ 16,688	\$ 19,673	\$ 20,557	\$ 20,245
Franchise fees and utility taxes	5,566	5,740	5,939	6,273	6,310	6,126	6,072	6,132	6,307	6,125
Licenses and permits	2,175	1,897	1,576	1,151	1,195	1,105	1,154	1,597	1,391	1,902
Intergovernmental revenues*	2,999	2,950	3,533	3,468	5,013	4,294	4,375	4,811	4,910	8,711
Charges for services	3,521	4,589	4,804	4,353	4,743	5,641	5,931	5,233	5,227	4,642
Fines and forfeitures	94	241	227	479	543	550	273	236	420	98
Impact fees	1,479	710	896	41	481	88	377	136	54	415
Grant revenues	-	-	-	-	-	907	33	49	601	-
Investment earnings	151	100	41	106	109	156	203	173	229	145
Miscellaneous revenues	849	594	944	379	372	316	283	246	267	181
Total revenues	26,303	26,423	29,617	28,902	32,207	33,991	35,389	38,286	39,963	42,464
Expenditures										
General government	4,056	3,976	4,299	3,918	4,224	5,121	4,848	4,871	4,785	4,690
Public safety	17,532	18,419	19,056	19,695	20,564	22,201	24,333	25,674	26,559	28,522
Physical environment	457	473	497	484	515	648	718	711	553	461
Transportation	758	643	1,750	1,422	1,196	1,242	1,494	1,462	1,018	1,973
Culture and recreation	2,804	2,641	2,493	2,473	2,406	2,784	3,854	7,145	3,474	3,045
Capital outlay	377	420	823	704	1,365	1,591	1,300	6,226	6,456	188
Debt service										
Principal retirement	562	458	327	334	341	349	356	364	200	-
Interest and fiscal charges	136	65	49	42	35	27	19	11	2	-
Total expenditures	26,682	27,095	29,294	29,072	30,646	33,963	36,922	46,464	43,047	38,879
Excess (deficiencies) of revenues over expenditures	(379)	(672)	323	(170)	1,561	28	(1,533)	(8,178)	(3,084)	3,585
Other Financing Sources (uses)										
Transfers in	988	1,194	2,299	2,257	2,791	2,285	2,495	5,940	2,309	2,453
Transfers out	(519)	(572)	(1,601)	(1,485)	(1,859)	(2,271)	(2,495)	(4,650)	(647)	(2,025)
Total other financing sources (uses)	469	622	698	772	932	14	-	1,290	1,662	428
Net change in fund balances	\$ 90	\$ (50)	\$ 1,021	\$ 602	\$ 2,493	\$ 42	\$ (1,533)	\$ (6,888)	\$ (1,422)	\$ 4,013
Debt service as a percentage of noncapital expenditures	2.7%	2.0%	1.3%	1.3%	1.3%	1.2%	1.1%	0.9%	0.5%	0.0%

*In 2020 the grant revenues are included in the intergovernmental revenues

City of Cooper City, Florida
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Table 5)

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Estimated Actual Value ⁽¹⁾	Total Direct Tax Rate	Ratio of Total Assessed To Total Estimated Actual Value
2011	2,838,462,240	53,066,769	1,026,285,080	1,865,243,929	2,891,529,009	5.2679	64.51%
2012	2,901,845,880	50,878,528	1,054,690,447	1,898,033,961	2,952,724,408	5.2679	64.28%
2013	3,043,273,240	52,922,283	1,039,472,095	2,056,723,428	3,096,195,523	5.8772	66.43%
2014	3,264,309,230	58,880,433	1,093,893,026	2,229,296,637	3,323,189,663	5.8772	67.08%
2015	3,630,960,310	60,100,345	1,291,091,362	2,399,969,293	3,691,060,655	5.8772	65.02%
2016	4,033,657,860	62,477,739	1,557,899,836	2,538,235,763	4,096,135,599	6.0772	61.97%
2017	4,266,200,670	55,014,530	1,665,031,000	2,656,184,200	4,321,215,200	6.5272	61.47%
2018	4,507,528,860	58,859,418	1,748,454,790	2,817,933,488	4,566,388,278	7.2678	61.71%
2019	4,770,857,970	63,672,124	1,877,438,250	2,957,091,844	4,834,530,094	7.2678	61.17%
2020	4,980,031,390	63,000,915	1,950,843,198	3,092,189,107	5,043,032,305	7.2343	61.32%

Source: Certification from Broward County Property Appraisers Office.

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

City of Cooper City, Florida
Property Tax Rates Direct and Overlapping
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)
(Table 6)

Fiscal Year	City of Cooper City			Overlapping Rates						
	Operating Millage	Debt Service Millage	Total City Millage	Broward County	Broward County School District	Children's Services	South Broward Hospital District	South Florida Water Management District	Florida Inland Navigation District	Total Direct & Overlapping Rates
2011	5.048	0.2200	5.2679	5.553	7.631	0.470	1.273	0.624	0.035	20.853
2012	5.053	0.2153	5.2679	5.553	7.418	0.479	0.750	0.436	0.035	19.939
2013	5.687	0.1906	5.8772	5.553	7.456	0.490	0.600	0.429	0.035	20.440
2014	5.709	0.1685	5.8772	5.723	7.480	0.488	0.400	0.411	0.035	20.414
2015	5.720	0.1570	5.8772	5.723	7.438	0.488	0.186	0.384	0.035	20.131
2016	5.929	0.1479	6.0772	5.723	7.274	0.488	0.174	0.355	0.032	20.123
2017	6.385	0.1425	6.5272	5.669	6.906	0.488	0.162	0.331	0.032	20.115
2018	7.135	0.1331	7.2678	5.669	6.539	0.488	0.150	0.310	0.032	20.456
2019	7.135	0.0996	7.2343	5.669	6.403	0.488	0.141	0.294	0.032	20.261
2020	6.926	-	6.9258	5.669	6.739	0.488	0.126	0.280	0.032	20.260

Source: Broward County, Florida Property Appraiser.

City of Cooper City, Florida
Principal Property Tax Payers
Current Year and Ten Years Ago
(Table 7)

Taxpayer	2020			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Morguard Monterra LLC	48,167,390	1	1.56%			
Regency Centers LP	29,473,670	2	0.95%			
Florida Power & Light Co	26,425,654	3	0.85%			
As Cooper City Owner LLC	22,215,000	4	0.72%	20,117,240	3	1.03%
Zom Monterra LP	22,124,300	5	0.72%			
Weingarten Realty Investors	21,056,260	6	0.68%	17,610,040	4	0.90%
Publix Super Markets Inc	16,291,250	7	0.53%			
Spg Cooper City Tr Spg Trust Corp Trstee	15,852,210	8	0.51%	11,440,100	5	0.58%
Wal-Mart Stores East LP	13,359,280	9	0.43%	10,712,340	6	0.55%
Stirling Retail 26 LLC	12,016,790	10	0.39%			
CC Broward Property VII LLC				27,168,370	1	1.39%
IRT Property Company				22,163,770	2	1.13%
Centre at Stirling & Palm Inc.				10,635,620	7	0.54%
Limoch Stirling, LLC				9,440,930	8	0.48%
Sunshine Wireless Co. Inc.				9,373,210	9	0.48%
PG Cooper City TR				8,000,000	10	0.41%
Total	\$ 226,981,804		7.34%	\$ 146,661,620		7.49%

Source: Broward County, Florida, Department of Revenue

City of Cooper City, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
(Table 8)

Fiscal Year	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Collections ⁽¹⁾	Percentage of Levy
2011	9,328,588	9,058,960	97.11%	8,752	9,067,711	97.20%
2012	9,625,695	9,216,486	95.75%	26,954	9,243,440	96.03%
2013	11,697,551	11,070,255	94.64%	189,975	11,260,230	96.26%
2014	12,739,120	12,274,842	96.36%	2,788	12,277,630	96.38%
2015	13,748,235	13,145,632	95.62%	(62,959) ⁽²⁾	13,082,673	95.16%
2016	15,064,191	14,421,975	95.74%	13,410	14,435,385	95.83%
2017	16,951,589	16,315,865	96.25%	1,717	16,317,582	96.26%
2018	20,154,861	19,287,960	95.70%	5,016	19,292,976	95.72%
2019	21,129,592	20,242,064	95.80%	12,299	20,254,363	95.86%
2020	21,450,196	20,227,889	94.30%	925	20,228,814	94.31%

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

Notes: ⁽¹⁾Collections do not include discount amounts.

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

City of Cooper City, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Table 9)
(Amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government ⁽¹⁾	Percentage of Personal Income ⁽¹⁾	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable			
2011	2,699	142	-	416	2,188	5,445	0.59%	191
2012	2,363	-	-	260	1,700	4,323	0.47%	149
2013	2,036	-	-	-	1,194	3,230	0.31%	100
2014	1,702	-	-	-	669	2,371	0.23%	69
2015	1,361	-	-	-	175	1,536	0.14%	44
2016	1,013	-	-	-	-	1,013	0.10%	29
2017	656	-	-	-	1,811	2,467	0.24%	115
2018	292	-	-	-	1,682	1,974	0.18%	89
2019	-	-	-	-	1,507	1,507	0.13%	137
2020	-	-	-	-	1,327	1,327	0.11%	120

Source: City's Audited Financial Statements

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

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

City of Cooper City, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Table 10)
(Amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
2011	2,699	-	2,699	0.09%	94.55
2012	2,363	-	2,363	0.08%	81.27
2013	2,036	-	2,036	0.07%	62.95
2014	1,618	-	1,618	0.05%	47.41
2015	1,275	-	1,275	0.04%	36.51
2016	1,013	-	1,013	0.02%	28.64
2017	656	-	656	0.02%	18.53
2018	292	-	292	0.01%	8.17
2019	-	-	-	-	-
2020	-	-	-	-	-

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

⁽¹⁾See Table 5 for property value data.

⁽²⁾See Table 13 for population data.

Source: City's Audited Financial Statements

City of Cooper City, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020
(Table 11)
(Amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Cooper City ⁽¹⁾	Amount Applicable to Cooper City
Debt repaid with property taxes:			
Broward County	\$ 134,458	1.55%	\$ 2,082
Broward School District Board ⁽²⁾	1,971,892	1.55%	30,537
Subtotal, overlapping debt			<u>32,619</u>
City of Cooper City, Direct Debt			<u>-</u>
Total Direct and Overlapping Debt			<u><u>\$ 32,619</u></u>

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

Notes:

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

⁽²⁾Net Debt outstanding as of September 30, 2020.

City of Cooper City, Florida

Pledged-Revenue Coverage

Last Ten Fiscal Years

(Table 12)

(Amounts expressed in thousands)

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Water & Sewer Revenue Bond(s)			Water & Sewer Revenue Note(s)		
				Debt Service		Coverage	Debt Service		Coverage
				Principal	Interest		Principal	Interest	
2011	10,633	6,611	4,022	172	1,766	2.08	469	95	7.13
2012	11,360	6,384	4,976	156	1,793	2.55	487	75	8.85
2013	11,963	5,145	6,818	141	1,791	3.53	506	58	12.09
2014	11,507	6,673	4,834	-	-	-	525	39	8.57
2015	11,437	7,059	4,378	-	-	-	175	3	24.60
2016	11,602	9,032	2,570	-	-	-	-	-	-
2017	11,509	5,092	6,417	-	-	-	-	-	-
2018	11,463	7,859	3,604	-	-	-	-	-	-
2019	11,844	8,571	3,273	-	-	-	-	-	-
2020	12,769	8,815	3,954	-	-	-	-	-	-

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Stormwater Revenue Notes		
				Debt Service		Coverage
				Principal	Interest	
2017	\$ 283	\$ 221	\$ 62	\$ 88	\$ 18	0.58
2018	311	245	66	173	40	0.31
2019	322	172	150	176	37	0.70
2020	320	285	35	180	33	0.16

Source: City's Audited Financial Statements

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

City of Cooper City, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years
(Table 1.3)

Year	Population ⁽¹⁾	Person Income ⁽²⁾ (In thousands)	Per Capita Personal Income	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2011	28,547	916,137	32,092	41.0	5,907	9.4
2012	29,076	918,198	31,579	41.0	5,950	7.6
2013	32,892	1,037,415	31,540	41.0	5,740	5.6
2014	33,206	1,051,304	31,660	41.0	5,926	5.2
2015	33,214	1,057,377	31,835	41.0	6,057	4.9
2016	33,761	1,010,089	29,919	41.0	6,350	4.6
2017	33,758	1,046,714	31,006	41.0	6,418	3.3
2018	33,900	1,125,745	33,208	41.0	6,476	2.8
2019	33,991	1,178,809	34,247	41.0	6,601	2.9
2020	34,006	1,239,964	42,301	41.0	6,375	7.8

- Sources:
- ⁽¹⁾Furnished by City of Cooper City Community Development Department.
 - ⁽²⁾Furnished by the Census Bureau's 2014-2018 QuickFacts
 - ⁽³⁾Furnished by the U.S. Census Bureau (national survey is conducted every 10 years).
 - ⁽⁴⁾Furnished by the School Board of Broward County.
 - ⁽⁵⁾Furnished by the Bureau of Labor Statistics.

City of Cooper City, Florida
Principal Employers
Current Year and Nine Years Ago
(Table 14)

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
School Board	584	1	3.16%	478	1	5.04%
Publix	530	2	2.87%	422	2	4.45%
Wal-Mart	278	3	1.51%	400	3	4.21%
Integrated Medical Center	195	4	1.06%	100	7	1.06%
City of Cooper City	105	5	0.57%	95	8	1.00%
Leader Animal Specialty Hospital ⁽¹⁾	100	6	0.54%	85	9	0.90%
Beverly Hill Café ⁽²⁾	61	7	0.33%	109	6	1.15%
Walgreens	45	8	0.24%	54	10	0.57%
Ross	36	9	0.20%			
CVS Pharmacy	24	10	0.13%			
Winn-Dixie	0			138	4	1.46%
High Point of Florida	0			120	5	1.27%
Totals	<u>1,958</u>		<u>10.61%</u>	<u>2,001</u>		<u>21.11%</u>

Source: Various employers within the City.

Notes:

(1) Business previously known as Animal Medical Center.

(2) Beverly Hills Café closed October 2020.

City of Cooper City, Florida
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(Table 15)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Commission	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administration	2.0	2.0	2.0	2.0	2.0	3.0	3.0	4.0	3.0	3.0
Building	9.0	8.0	8.0	8.0	6.0	7.0	8.0	7.0	6.2	5.2
City Clerk	5.0	5.0	5.0	5.0	5.0	5.0	4.0	5.0	5.0	5.0
Finance ⁽⁷⁾	6.0	6.0	6.0	6.0	7.0	8.0	8.0	9.0	9.0	8.7
Growth Management	4.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.6	2.6
Public Works										
Administration ⁽⁸⁾	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Property Maintenance	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	4.0
Parks Maintenance ⁽⁵⁾	12.0	12.0	12.0	12.0	11.0	11.0	11.0	11.0	15.1	15.1
Fleet Maintenance	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Recreation										
Administration ⁽⁴⁾	8.0	11.0	12.0	11.0	9.0	11.0	8.0	12.0	23.6	23.6
Pool & Tennis Center ⁽²⁾	4.0	-	-	-	-	-	-	-	-	-
Health & Social Services ⁽¹⁾	-	-	-	-	-	-	-	-	-	-
Utilities										
Administration	5.0	5.0	5.0	5.0	6.0	6.0	5.0	6.0	6.0	6.0
Customer Service ⁽³⁾⁽⁷⁾	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	5.3	5.1
Stormwater	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Wastewater										
Wastewater Transmission	9.0	9.0	9.0	9.0	9.0	8.0	7.0	7.0	8.0	8.0
Wastewater Plant	6.0	6.0	6.0	6.0	5.0	6.0	6.0	6.0	6.0	6.0
Water										
Water Distribution	8.0	8.0	8.0	8.0	9.0	8.0	8.0	9.0	9.0	9.0
Water Plant	7.0	7.0	8.0	7.0	7.0	9.0	8.0	8.0	8.0	8.0
Total	100	97	99	96	95	103	97	105	121.7	119.3

Source: Various City departments.

- Notes: ⁽¹⁾In 2010, Recreation combined Admin and Health & Social Services.
⁽²⁾In 2012, Recreation combined Admin and Pool & Tennis Center.
⁽³⁾In 2019, Utilities Customer Service included part-time staff in the FTE count.
⁽⁴⁾In 2019, Recreation included part-time & seasonal staff in the FTE count.
⁽⁵⁾In 2019, Public Works-Parks Maintenance included part-time staff in the FTE count.
⁽⁶⁾In 2020, Administration added Assistant City Mgr./City Clerk/Dir. Of Admin Svcs. Budgeted out of City Clerk/Administration Services Dept.
⁽⁷⁾In 2020, Senior Accountant position replaced Customer Service Supervisor position in FY 2020 and is split between Finance and Utilities Customer Service.
⁽⁸⁾In 2020, Capital Projects Coordinator position has been reclassified to a Field Operations Supervisor

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick time.)
Full-time equivalent employment is calculated by dividing total labor hours by 2080.
In fiscal years prior to 2019, total number of positions was reported rather than FTE.

City of Cooper City, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years
(Table 16)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Building permits issued	5,361	4,854	3,314	2,316	2,765	2,488	2,605	3,450	2,888	2,677
Building inspections conducted	25,411	25,547	17,266	7,022	7,003	7,340	7,179	8,889	8,243	7,061
Police										
Arrests	371	541	477	423	460	404	393	296	333	243
Parking violations	506	951	584	148	1,081	772	756	621	769	613
Traffic violations	3,118	4,558	3,727	4,284	3,803	6,705	8,007	6,564	5,952	2,612
Fire										
Emergency responses	2,387	2,429	2,472	2,642	2,345	2,517	2,266	2,847	2,737	2,693
Fires Extinguished	59	45	50	49	30	34	32	17	16	46
Inspections	815	869	1,022	849	901	910	753	544	918	766
Streets										
Street resurfacing (miles)	0.25	-	0.06	1	-	6	1.64	1.4	-	7.07
Potholes repaired	85	186	173	129	105	133	125	214	115	203
Culture and recreation										
Athletic field permits issued	3	3	3	2	2	2	3	4	21	12
Community Center admissions	67,931	63,510	59,153	55,800	54,316	54,336	53,896	14,990	43,979	16,942
Pool & Tennis Center admissions	104,122	96,400	82,816	65,000	51,446	60,578	61,193	62,279	62,278	37,566
Water										
New connections	405	377	273	31	16	24	15	5	5	5
Water main breaks	0	12	3	3	1	2	2	4	6	0
Average daily consumption (thousands of gallons)	2,873	3,026	3,060	3,100	3,162	3,106	2,993	3,067	2,920	2,995
Peak daily consumption (thousands of gallons)	4,274	4,180	4,170	4,194	4,539	4,704	4,476	4,248	5,078	4,325
Wastewater										
Average daily sewage treatment (thousands of gallons)	2,634	2,634	2,439	2,485	2,550	2,450	2,447	2,447	2,491	2,551
Transportation										
Total route miles ⁽¹⁾	-	-	-	-	-	-	-	-	-	-
Passengers ⁽¹⁾	-	-	-	-	-	-	-	-	-	-
Senior Citizens Bus Trips	2,533	2,493	2,218	2,172	2,592	3,138	2,906	3,922	3,576	1,077

Source: Various City Departments

⁽¹⁾County Transit no longer in operation 2011

City of Cooper City, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Table 17)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
City Hall building	1	1	1	1	1	1	1	1	1	1
Public safety										
Police:										
Station(s)	1	1	1	1	1	1	1	1	1	1
Fire:										
Station(s)	1	1	1	1	1	1	1	1	1	1
Streets										
Streets (miles)	74	74	121.12	121.12	121	121	121	121	121	121
Streetlights	2,052	2,052	2,052	2,052	2,052	2,052	2,100	2,101	2,101	2101
Traffic signals	27	27	27	27	27	27	27	27	27	27
Culture and recreation										
Baseball/softball diamonds	12	12	11	12	11	11	11	11	11	11
Basketball courts	10	10	10	10	10	10	10	10	10	10
Community centers	2	2	2	2	2	2	2	2	2	2
Concession Stands			3	3	4	4	4	4	5	5
Hockey rinks	2	2	2	2	2	2	2	1	1	0
Multi-purpose fields			2	2	2	2	2	15	19	15
Parks	21	21	22	21	21	21	21	23	23	23
Parks acreage	106	106	106	106	106	106	106	106	106	106
Pavillions	5	5	5	5	5	5	5	5	5	7
Playgrounds	21	21	21	21	21	21	21	21	22	22
Racquetball Courts			10	10	10	10	10	10	10	10
Soccer/football fields	5	5	5	5	5	5	5	5	9	9
Tennis courts	15	15	15	15	15	14	14	14	14	14
Volleyball Courts			7	7	7	7	7	12	12	12
Pickleball Courts						2	2	2	6	8
Water										
Water plants	1	1	1	1	1	1	1	1	1	1
Water mains (miles)	104	105	105	105.38	141	141	141	141	141	143.13
Fire hydrants	1,101	1,115	1,115	1,115	1,289	1,289	1,379	1,379	1,379	1,379
Storage capacity (thousands of gallons)	1,900	1,800	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3550
Wastewater										
Wastewater treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers Gravity (miles)	89	90	90	90.38	90	90	90	90	90	90
Sanitary sewers force (miles)					37	37	37	37	37	37
Storm sewers (miles)	50	50	51	11.31	55	55	55	55	55	57
Treatment capacity (thousands of gallons)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000

Source: Various City Departments.

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City of Cooper City, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2020

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
U.S. Department of Homeland Security				
<i>Pass-Through Florida Division of Emergency Management</i>				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4337-DR (Irma)	\$ 3,540,543	\$ 3,303,207
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4668-DR (Dorian)	16,264	16,264
Sub-total	97.036			<u>3,319,471</u>
<i>Pass-Through Florida Division of Emergency Management</i>				
Hazard Mitigation Grant Program	97.039	H0192	158,336	33,694
Total U.S. Department of Homeland Security				<u>\$ 3,353,165</u>
U.S. Department of Energy				
<i>Pass-Through Florida Department of Agriculture and Customer Services</i>				
State Energy Program	81.041	DE-FOA-0000052	\$ 59,348	\$ 59,348
Total U.S. Department of Energy				<u>\$ 59,348</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 3,412,513</u>
<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>State CSFA Number</u>	<u>Grant or Identifying Number</u>	<u>Total Award</u>	<u>Expenditures</u>
Florida Department of Environmental Protection				
<i>Grants and Aids to Local Government and Nonstate Entities - Fixed</i>				
Capital Outlay Local Parks	37.085	L1804	\$ 800,000	\$ 800,000
Total Florida Department of Environmental Protection				<u>\$ 800,000</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				<u>\$ 800,000</u>

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

City of Cooper City, Florida
Notes to the Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2020

NOTE A. BASIS FOR PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) includes the federal and state grant activity of the City of Cooper City, Florida (the “City”). The information in the Schedule is 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)*, Audits of States, Local Governments, and Nonprofit Organizations, and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, as well as other applicable provisions of contracts and grant agreements, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Contingency

The federal and state awards received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agency as result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and other applicable regulations.

Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Prior Year Expenditures

The Schedule includes financial assistance from the U.S. Department of Homeland Security in the amount of \$3,319,471 that represents expenditures from the 2017 and 2018 fiscal years. In addition, the Schedule includes state assistance from the Florida Department of Environmental Protection in the amount of \$800,000 that represents expenditures from the 2018 and 2019 fiscal years.

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

To the Honorable Mayor, City Commissioners, and City Manager
City of Cooper City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cooper City, Florida (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 31, 2021. Our report includes a reference to other auditors who audited the financial statements of the Pension Trust Funds of the City of Cooper City's Firefighters Retirement Plan and the City of Cooper City's Police Officers Retirement Plan as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal controls that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item SD2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Cooper City, Florida's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

GLSC & Company, PLLC

Miami, Florida
August 31, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE FLORIDA AUDITOR GENERAL**

To the Honorable Mayor, City Commissioners, and City Manager
City of Cooper City, Florida

Report on Compliance for Each Major Federal Program and State Projects

We have audited the City of Cooper City, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and in the Department of Financial Services State Projects Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2020. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Florida Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Florida Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or 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 each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City of Cooper City, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

GLSC & Company, PLLC

Miami, Florida
August 31, 2021

**CITY OF COOPER CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS—
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	_____ x _____	no
Significant deficiency(ies) identified?	_____ x _____	_____	no
Noncompliance material to financial statements noted?	_____	_____ x _____	no

Financial Awards

Type of auditors’ report issued on compliance for major federal programs and state projects: *Unmodified Opinion*

Internal control over major federal programs and state projects:

Material weakness(es) identified?	_____ yes	_____ x _____	no
Significant deficiency(ies) identified?	_____ yes	_____ x _____	no
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Rule 10.554(1)(i)?	_____ yes	_____ x _____	no

Identification of major federal programs:

<u>Federal program or cluster</u>	<u>CFDA No.</u>	
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	
Dollar threshold used to distinguish between Type A and Type B programs:		\$ 750,000

Identification of major state projects:

<u>State Projects</u>	<u>CSFA No.</u>	
Florida Department of Environmental Protection Fixed Capital Outlay Local Parks	37.085	
Dollar threshold used to distinguish between Type A and Type B programs:		\$ 300,000

Auditee qualified as low-risk auditee? _____ yes _____ **x** _____ no

**CITY OF COOPER CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS—
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiency

SD2020-001 Internal Controls Over Financial Closing & Reporting

- Condition:** During our audit, we identified several errors in the amounts recorded across various account balances, which resulted in the proposal of numerous audit adjustments. These audit adjustments were subsequently recorded by management. The errors were detected primarily because the proper accrual and/or reversing journal entries required to properly state certain accounts were not recorded as of September 30, 2020. Such adjusting journal entries are typically completed as part of the financial statement month-end and/or year-end closing procedures. In addition, there were other audit adjustments proposed, which arose from differences detected between the general ledger and subsidiary ledgers and/or errors detected in the underlying supporting schedules. These adjustments were also subsequently recorded by management.
- Cause:** There was turnover at the finance director position near the City’s fiscal year-end, which coincided with the year-end financial statement closing procedures. In addition, City resources were faced with the challenges of the Covid-19 pandemic, including the administration of the programs and compliance requirements for monies received via the Coronavirus Aid and Relief. As a result, management’s review of the trial balance and year-end closing was deficient.
- Effect:** The net effect of the adjustments resulted in an increase in fund balance of \$332,638 for governmental funds and a decrease in fund balance for the proprietary funds of \$288,237.
- Recommendation:** We recommend that the City review its internal controls over financial reporting, including relevant policies and procedures, and assign the appropriate resources to complete and review the month-end and year-end closing procedures in accordance with a detailed financial statement closing schedule.

CITY OF COOPER CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS—
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

**Management’s
Response:**

The City faced several challenges during the year ended September 30, 2020 that affected the year-end financial reporting process. These challenges included 1) key employee turnover without a succession plan, 2) insufficient resources due to absenteeism caused by the Pandemic and the inability to recruit for our vacancies quickly, and 3) a mid-month ADP implementation. In addition, the unexpected demands on staff to focus on Cares Act activities, where the infrastructure to handle such activities was not present, was a major contributor to interruptions in normal operations of the department. As a result, many day-to-day accounting activities were delayed significantly, some for eight months, making it difficult to reconcile after year-end. In response to these challenges, the City Commission has approved the restoration of an accountant position primarily responsible for the integrity of the City’s general ledger and for quality control review of financial reports. Recruitment for this position is underway. The Commission has also approved an internal auditor position that is intended to help identify areas of concerns. Concurrently, the finance department has undertaken several internal initiatives to help strengthen internal controls. The initiatives are focused mainly on assessing areas that appeared vulnerable, particularly the month and year-end closing activities, and the decentralization of grant functions. The department expects to reorganize and implement cross-training and improved processes to address issues encountered throughout the year.

**CITY OF COOPER CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS—
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2019-001 - Internal Controls Over Authorization of Contracts was not repeated in the current year.

2019-002 - Restatement of EMS Allowance Account was not repeated in the current year.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA

To the Honorable Mayor, City Commissioners, and City Manager
City of Cooper City, Florida

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cooper City, Florida (the “City”), as of and for the fiscal year ended September 30, 2020, which collectively comprise the City’s basic financial statements and have issued our report thereon dated August 31, 2021. We did not audit the financial statements of Pension Trust Funds of the City of Cooper City’s Firefighters Retirement Plan or the City of Cooper City’s Police Officers Retirement Plan. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Cooper City’s Firefighters Retirement Plan and the City of Cooper City’s Police Officers Retirement Plan is based solely on the report of other auditors.

AUDITOR’S RESPONSIBILITY

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

OTHER REPORTING REQUIREMENTS

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for each major Federal Program and States Project and Report on Internal control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated August 31, 2021 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 audit report.

OFFICIAL TITLE AND LEGAL AUTHORITY

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

FINANCIAL CONDITION AND MANAGEMENT

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. This assessment was performed as of September 30, 2020.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. Refer to Item SD2020-001 in the Schedule of Findings and Questioned Costs.

ADDITIONAL MATTERS

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

We wish to thank the City of Cooper City, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as in future engagements and the courtesies extended to us.

GLSC & Company, PLLC

Miami, Florida
August 31, 2021



6303 Blue Lagoon Drive, Suite 200
Miami, Florida 33126-6025
Ph: (305) 373-0123 • (800) 330-4728
Fax: (305) 374-4415
www.glscpa.com

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT
TO SECTION 218.415 FLORIDA STATUTES**

Honorable Mayor, City Commissioners, and City Manager
City of Cooper City, Florida

We have examined City of Cooper City, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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

GLSC & Company, PLLC

Miami, Florida
August 31, 2021