

October 30, 2019

The Honorable Mayor and Members of the City Commission
City of Cooper City, Florida
9090 SW 50th Place
Cooper City, Florida 33328

Honorable Mayor and Members of the City Commission,

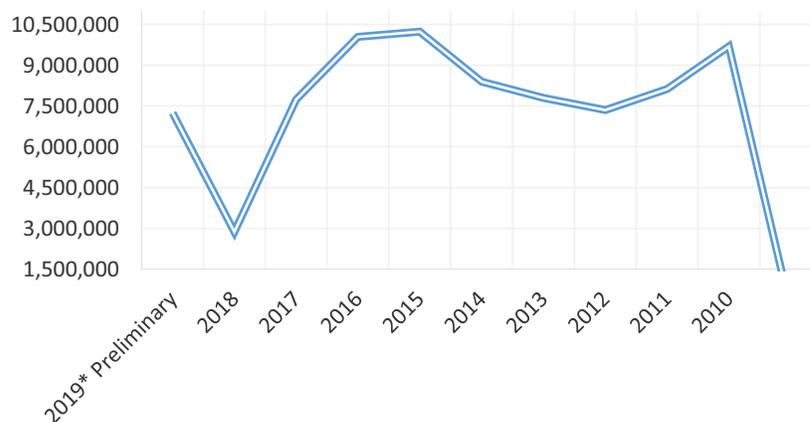
In accordance with Article IV, Section 4.01 of the City Charter, it is my privilege to submit to a report on the finances and administrative activities of the City for the preceding fiscal year. The amounts included in this report reflect unaudited numbers that are subject to change during the course of the fiscal year-end close. Total Governmental Fund Balance City-wide ended at approximately \$5.7 million. This was a decrease from of \$1.7 million from prior year. Total Proprietary Net Position decreased approximately \$112 thousand to approximately \$56.6 million. Budget to actual reports are included for each of the funds, major variances are described below by fund.

General Fund

Actual revenues came in approximately \$300 thousand more than budgeted during the year, mainly due to property taxes, charges for services, and intergovernmental revenues.

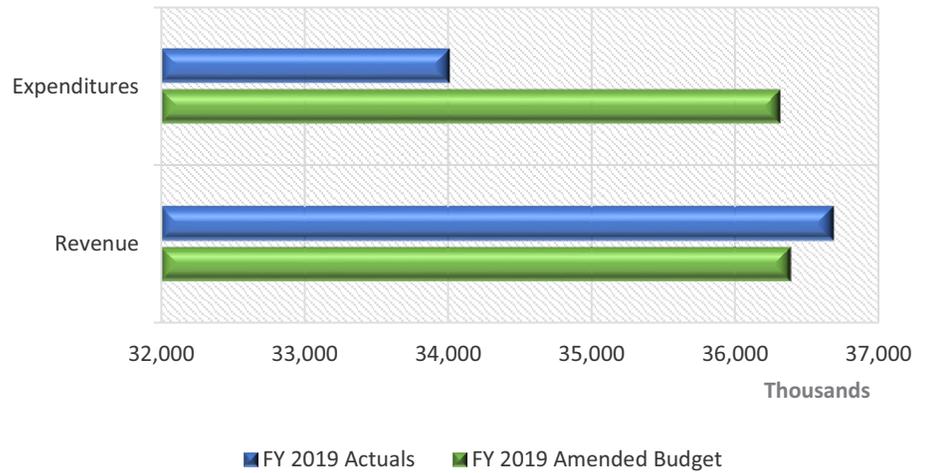
Expenditures were significantly reduced over the course of the year due to the cost recovery plan. Actual expenditures came in \$2.1 million less than the amended budget and \$3.6 million less than the original budget. Major savings include \$667 thousand in personnel costs, \$215 thousand in operating expenditures, \$378 thousand in capital outlay, \$250k in contingency, and \$300k in pension contributions that are pending premium tax revenue from the state for contribution.

General Fund - Total Fund Balance

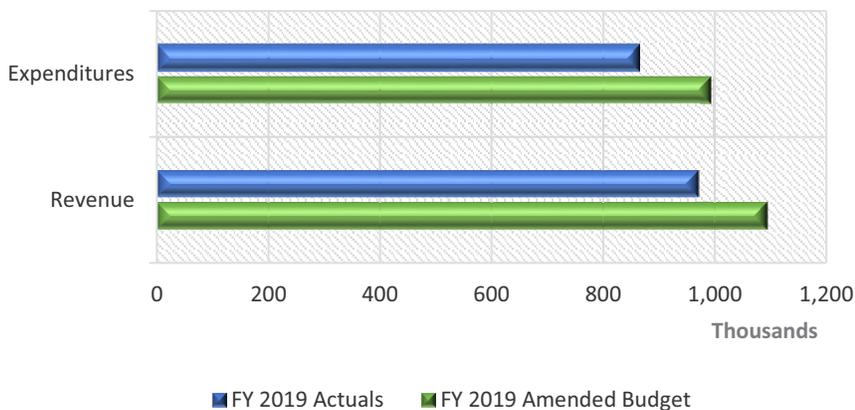


The City adopted a fund balance policy during fiscal year 2019 that set forth a minimum fund balance for the General Fund that is equal to two (2) months of General Fund operating expenditures and required transfers. The policy also requires the City Manager to restore the fund balance to the minimum within a three year period if the amount falls below the required threshold. During the preparation of the City's FY 2018 Comprehensive Annual Financial Statement (CAFR), it was determined that the City did not meet the minimum fund balance based on the adoption of the FY 2019 budget. The budget was amended during FY 2019 to reduce expenditures. The preliminary close of FY 2019 shows an ending General Fund fund balance of approximately \$7.2 million, exceeding the minimum fund balance as required by the policy by \$1.5 million. This does not include the pending adjustment of the allowance for EMS receivables, which, according to the allowance policy adopted by the Commission in August of this year will require the recognition of approximately \$900 thousand in expenses, thus reducing the ending fund balance, but still exceeding the required amount in fund balance.

General Fund - Budget to Actuals



Building Inspection Svcs. Fund - Budget to Actuals



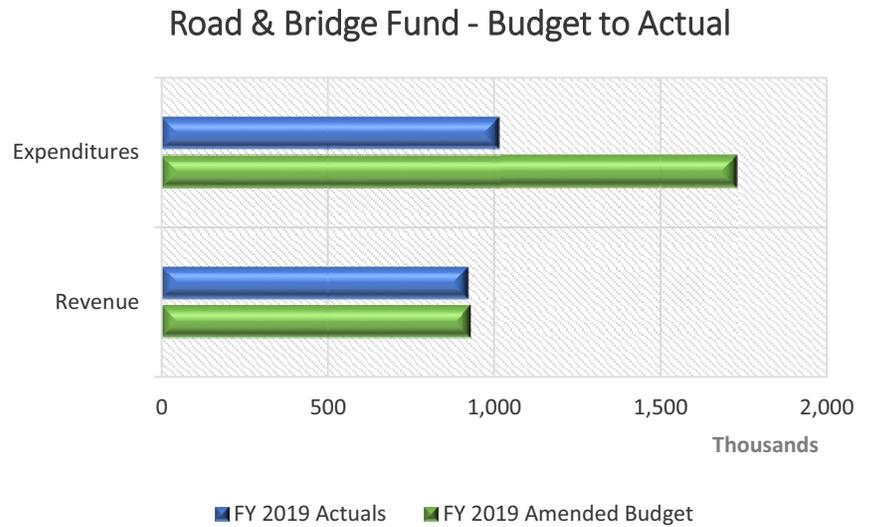
Building Inspection Services Fund

The Building Inspection Services Fund received license and permit revenue of \$966 thousand during the fiscal year, \$122 thousand less than the amended budget. This is coupled with a reduction in expenditures through personnel and operating expense cuts, resulting in actual expenditures of \$866 thousand, or \$126 thousand less than the amended budget. The building services fund did not

receive a contribution from General Fund during the year and thus used fund balance of \$234 thousand during the year. The ending fund balance at fiscal year end is projected to be \$15 thousand.

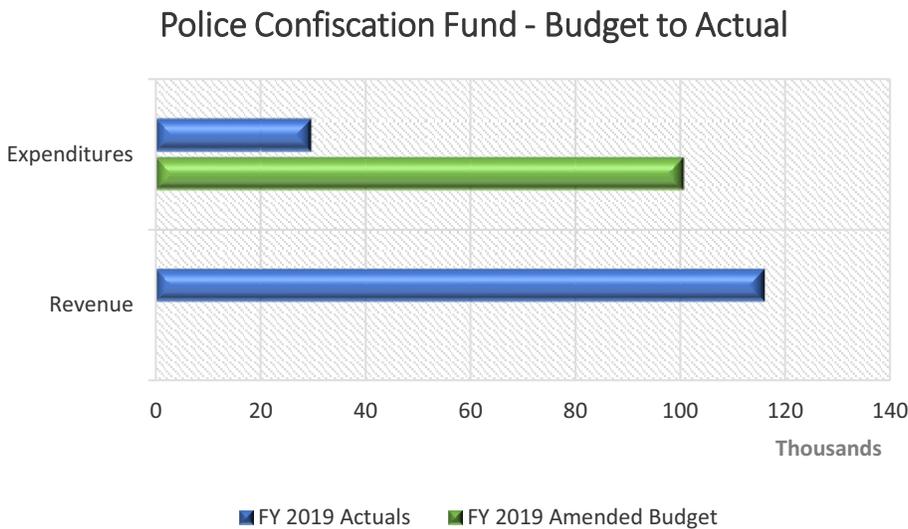
Road & Bridge Fund

Revenue estimates for the Road & Bridge fund and the actual amounts received varied slightly, with the City receiving approximately \$924 thousand in revenues, or 99% of budgeted revenue. Actual expenditures were significantly less than budgeted due to the delay in the award of the Asphalt Contract. Actual expenditures were approximately \$700 thousand less than budgeted; however, the City issued \$690 thousand in purchase orders in September 2019, that will roll-forward to fiscal year 2020.



Police Confiscation Fund

Funds in the Police Confiscation Fund are received sporadically throughout the fiscal year and restricted to Public Safety expenditures on an as-needed basis. Actual revenues totaled \$113 thousand during the year, with expenditures totaling approximately \$30 thousand. Ending fund balance in Police Confiscation Fund is projected to be \$212 thousand.

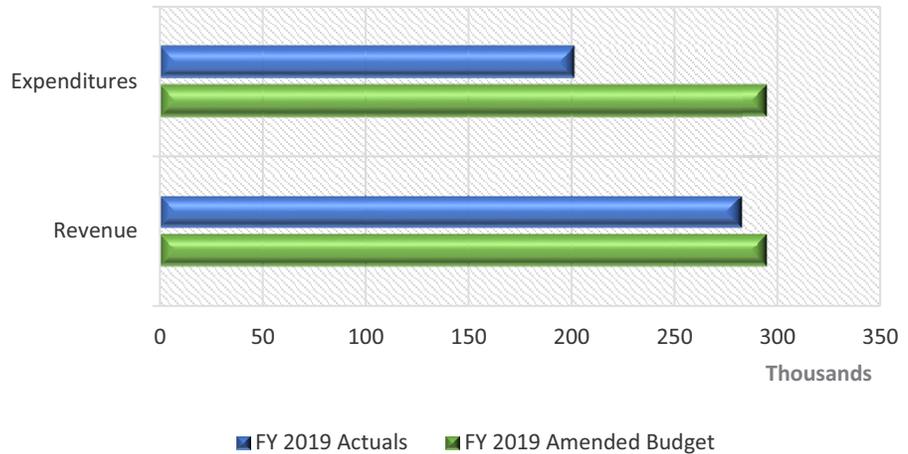


Debt Service Fund

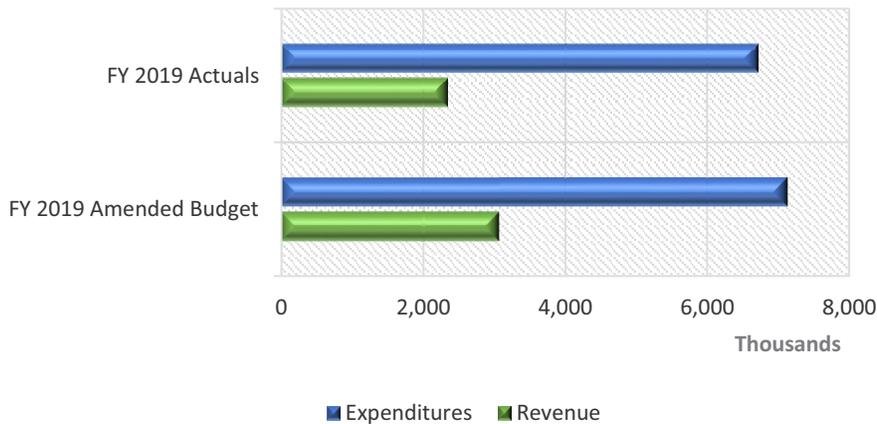
The Debt Service Fund received \$288 thousand in tax levies during the year, the actual amounts used to pay the remaining debt obligation was \$201 thousand, less than the original \$295 thousand budgeted. As of the fiscal year end, there is no outstanding General Obligation Debt to be paid from the Debt Service Fund. The ending fund balance in this fund is projected to be \$126 thousand.

Discussions with Auditors and an outside consultant are on-going as the use of the these funds since the debt that the revenue was levied is now paid in full.

Debt Service Fund - Budget to Actual



Capital Projects Fund - Budget to Actual



Capital Projects Fund

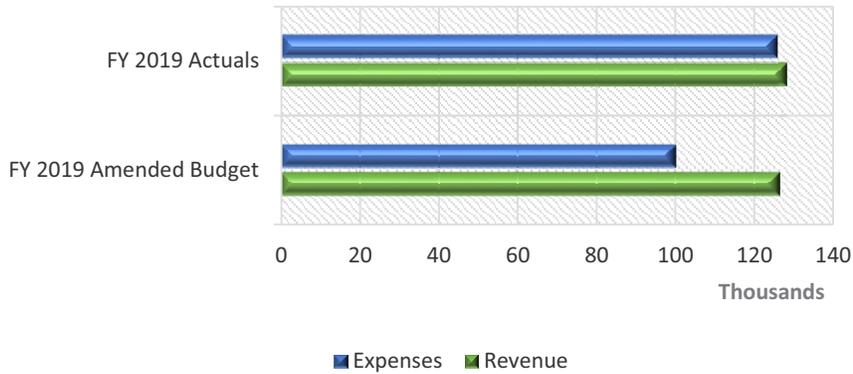
Significant variations of revenue in the Capital Projects Fund pertain to almost \$800 thousand in yet to be received grant reimbursements related to Flamingo West Park. Major projects were completed during the year including: Flamingo West Park and the Building Department renovation. In addition to grant funding and impact fee revenues, Flamingo West Park was funded through

an interfund loan from the Water and Sewer Fund. The accounting for an interfund loan is a balance sheet transaction, thus resulting in a negative fund balance until the loan is paid in full over the next five years.

Parking Lot Fund

The Parking Lot Fund’s revenues were sufficient to match expenses during the year, including the coverage of repairs required for damages from a lightening strike during the year and depreciation expense.

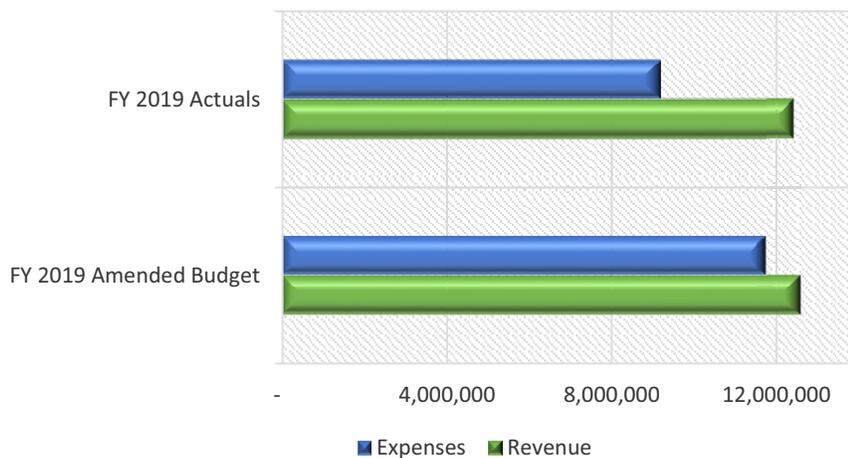
Parking Lot Fund - Budget to Actual



Water & Sewer Fund

The Water & Sewer Fund and Water & Sewer CIP Fund total expenditures (excluding the interfund loan) was under budget by approximately \$1.6 million at the end of fiscal year 2019. Although the City does not have a formal policy regarding enterprise fund’s working capital requirements, at fiscal year end, working capital for the water and sewer fund was more than the minimum as recommended by Government Finance Officer’s Association (GFOA) (2 to 3 months of operating expenses).

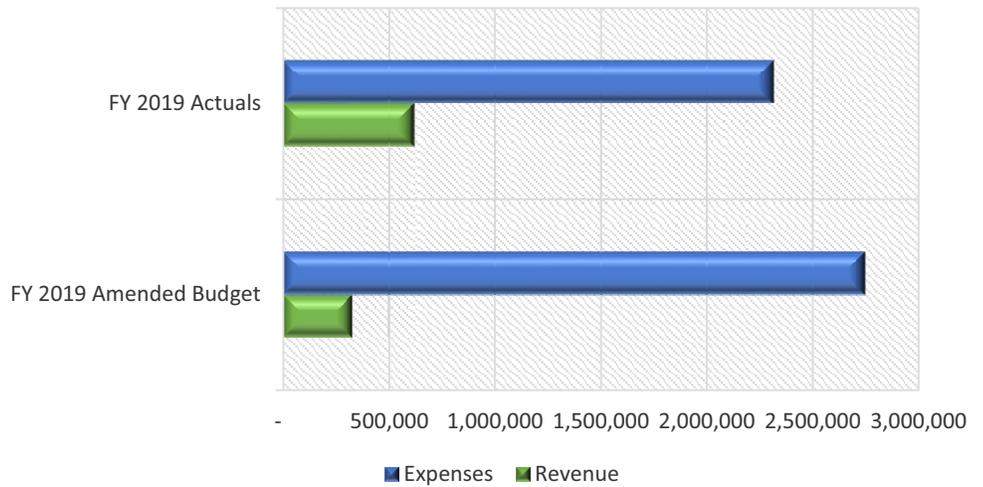
Water & Sewer Fund - Budget to Actual



Stormwater Fund

Activity in the Stormwater Fund was up significantly due to the Natalie’s Cove Drainage Project during the year. Funds to pay for the project were borrowed in FY 2017. The project is expected to be completed in FY 2020, with a significant portion of the expense incurred in FY 2019. Revenues earned during the year were more than budgeted due to the receipt of a grant for the project previously mentioned.

Stormwater Fund - Budget to Actual



Pensions

Actuarial Assumptions and contribution requirements as per the latest actuarial report are included below for each City Sponsored Pension Plan.

Pension Plan	Employer Required Contribution (including City and BSO)	Investment Rate of Return	Funded Ratio	Number of City Employees	Number of Active BSO Employees	Retirees / Disability / Terminated	Inflation	Salary increase Assumption
General Employees Pension Plan (GEPP)	\$950,442	7.0%	85.5%	47	5	99	2.5%	6%, including Inflation
Police Officers Retirement Plan*	\$1,345,928	7.0%	85.7%	-	2	49	2.5%	5%, including inflation
Firefighter’s Retirement Plan	\$1,060,735	7.0%	86.7%	-	3	24	2.5%	7.25%, including inflation
Managerial Pension Plan	\$158,132	7%	98.5%	2	-	6	2.92%	4%

Respectfully,

Patrick Lynn
Interim City Manager

City of Cooper City
General Fund - Budget to Actual
Unaudited
For the fiscal year ended September 30, 2019

	Original Budget	Amended Budget	Actuals	Encumbrance	Amended Budget less Actuals and Encumbrances	% Budget to Date
Revenues						
Property Taxes	\$ 20,108,800	\$ 20,108,800	\$ 20,277,761	\$ -	\$ (168,961)	101%
State Pension revenue	567,000	450,622	200,485	-	250,138	44%
Franchise Fees and Utility Taxes	6,469,100	6,469,100	6,274,920	-	194,180	97%
Licenses and Permits	689,500	689,500	511,288	-	178,212	74%
Intergovernmental	3,296,100	3,196,100	3,550,609	-	(354,509)	111%
Charges for services	4,774,800	4,774,800	5,113,525	-	(338,725)	107%
Fines and forfeitures	235,000	270,000	314,811	-	(44,811)	117%
Investment earnings	100,000	190,000	188,244	-	1,756	99%
Miscellaneous revenue	241,000	240,800	255,994	-	(15,194)	106%
Total Revenues	<u>36,481,300</u>	<u>36,389,722</u>	<u>36,687,638</u>	<u>-</u>	<u>(297,916)</u>	101%
Expenditures						
Commission	417,760	512,895	455,833	5,599	51,463	90.0%
Administration	521,160	516,160	414,904	-	101,256	80.4%
City Clerk	630,700	605,700	575,071	1,580	29,049	95.2%
Finance	1,229,040	1,243,054	1,108,270	1,303	133,481	89.3%
Legal	274,000	349,000	337,645	-	11,355	96.7%
Boards & Committees	17,750	17,750	13,543	-	4,207	76.3%
Nondepartmental	979,330	792,811	376,592	31,065	385,154	51.4%
Growth Management	454,610	417,600	393,144	-	24,456	94.1%
Code Enforcement	425,100	429,902	410,232	1,546	18,124	95.8%
Public Works Administration	735,160	745,377	698,857	5,603	40,918	94.5%
Public Works Property Maintenance	828,470	832,420	548,582	11,671	272,166	67.3%
Public Works Parks	2,088,350	2,181,101	1,704,359	33,186	443,556	79.7%
Public Works - Fleet Services	357,160	357,160	326,139	-	31,021	91.3%
Police	15,494,500	14,200,980	13,914,889	18,660	267,431	98.1%
Fire	11,122,500	11,013,536	11,001,211	-	12,325	99.9%
Recreation	2,088,600	2,102,161	1,730,325	6,322	365,514	82.6%
Total Expenditures	<u>37,664,190</u>	<u>36,317,606</u>	<u>34,009,598</u>	<u>116,534</u>	<u>2,191,474</u>	94.0%
Transfers						
Transfers In	1,067,300	2,001,526	2,001,526	-	-	100%
Transfers Out	<u>(2,505,860)</u>	<u>(58,221)</u>	<u>(58,221)</u>	<u>-</u>	<u>-</u>	100%
Total Transfers	<u>(1,438,560)</u>	<u>1,943,305</u>	<u>1,943,305</u>	<u>-</u>	<u>-</u>	100%
Change in Fund Balance	(2,621,450)	2,015,421	4,621,345			
Fund balance, beginning of year	<u>2,623,516</u>	<u>2,623,516</u>	<u>2,623,516</u>			
Fund balance, end of year	<u>\$ 2,066</u>	<u>\$ 4,638,937</u>	<u>\$ 7,244,861</u>			

City of Cooper City
 Building Services Fund - Budget to Actual
Unaudited
 For the fiscal year ended September 30, 2019

	Original Budget	Amended Budget	Actuals	Encumbrance	Amended Budget less Actuals and Encumbrances	% Budget to Date
Revenues						
Licenses and Permits	\$ 1,049,430	\$ 1,088,550	\$ 965,650	\$ -	\$ 122,900	89%
Investment earnings	-	2,500	3,306	2,500	(806)	0%
Miscellaneous revenue	<u>4,240</u>	<u>4,240</u>	<u>3,046</u>	<u>-</u>	<u>1,194</u>	72%
Total Revenues	<u>1,053,670</u>	<u>1,095,290</u>	<u>972,003</u>	<u>2,500</u>	<u>123,287</u>	89%
Expenditures						
Building	<u>1,182,430</u>	<u>993,605</u>	<u>866,872</u>	<u>-</u>	<u>126,733</u>	87%
Total Expenditures	<u>1,182,430</u>	<u>993,605</u>	<u>866,872</u>	<u>-</u>	<u>126,733</u>	87%
Transfers						
Transfers In	125,860	-	-	-	-	0%
Transfers Out	<u>-</u>	<u>(339,292)</u>	<u>(339,292)</u>	<u>-</u>	<u>-</u>	100%
Total Transfers	<u>125,860</u>	<u>(339,292)</u>	<u>(339,292)</u>	<u>-</u>	<u>-</u>	0%
Change in Fund Balance	(2,900)	(237,607)	(234,161)			
Fund balance, beginning of year	<u>249,209</u>	<u>249,209</u>	<u>249,209</u>			
Fund balance, end of year	<u>\$ 246,309</u>	<u>\$ 11,602</u>	<u>\$ 15,048</u>			

City of Cooper City
Road & Bridge Fund - Budget to Actual
Unaudited
For the fiscal year ended September 30, 2019

	Original Budget	Amended Budget	Actuals	Encumbrance	Amended Budget less Actuals and Encumbrances	% Budget to Date
Revenues						
Intergovernmental	\$ 850,000	\$ 921,000	\$ 907,699	\$ -	\$ 13,301	99%
Investment earnings	4,000	11,000	17,135	-	(6,135)	156%
Total Revenues	<u>854,000</u>	<u>932,000</u>	<u>924,834</u>	<u>-</u>	<u>7,166</u>	99%
Expenditures						
Road & Bridge	<u>1,749,000</u>	<u>1,730,986</u>	<u>1,016,257</u>	<u>692,280</u>	<u>22,450</u>	59%
Total Expenditures	<u>1,749,000</u>	<u>1,730,986</u>	<u>1,016,257</u>	<u>692,280</u>	<u>22,450</u>	59%
Transfers						
Transfers In	<u>445,000</u>	<u>58,221</u>	<u>58,221</u>	<u>-</u>	<u>-</u>	100%
Total Transfers	<u>445,000</u>	<u>58,221</u>	<u>58,221</u>	<u>-</u>	<u>-</u>	100%
Change in Fund Balance	(450,000)	(740,765)	(33,201)			
Fund balance, beginning of year	<u>740,765</u>	<u>740,765</u>	<u>740,765</u>			
Fund balance, end of year	<u>\$ 290,765</u>	<u>\$ (0)</u>	<u>\$ 707,564</u>			

City of Cooper City
 Police Confiscation Fund - Budget to Actual
Unaudited
 For the fiscal year ended September 30, 2019

	Original Budget	Amended Budget	Actuals	Encumbrance	Amended Budget less Actuals and Encumbrances	% Budget to Date
Revenues						
Fines and forfeitures	\$ -	\$ -	\$ 113,087	\$ -	\$ (113,087)	0%
Investment earnings	-	-	3,047	-	(3,047)	0%
Total Revenues	<u>-</u>	<u>-</u>	<u>116,134</u>	<u>-</u>	<u>(116,134)</u>	0%
Expenditures						
Police	<u>100,000</u>	<u>100,651</u>	<u>29,668</u>	<u>-</u>	<u>70,983</u>	29%
Total Expenditures	<u>100,000</u>	<u>100,651</u>	<u>29,668</u>	<u>-</u>	<u>70,983</u>	
Change in Fund Balance	(100,000)	(100,651)	86,466			
Fund balance, beginning of year	<u>126,061</u>	<u>126,061</u>	<u>126,061</u>			
Fund balance, end of year	<u>\$ 26,061</u>	<u>\$ 25,410</u>	<u>\$ 212,527</u>			

City of Cooper City
Debt Service Fund - Budget to Actual
Unaudited
For the fiscal year ended September 30, 2019

	Original Budget	Amended Budget	Actuals	Encumbrance	Amended Budget less Actuals and Encumbrances	% Budget to Date
Revenues						
Property Taxes	\$ 295,000	\$ 295,000	\$ 282,881	\$ -	\$ 12,119	96%
Total Revenues	<u>295,000</u>	<u>295,000</u>	<u>282,881</u>	<u>-</u>	<u>12,119</u>	96%
Expenditures						
Debt Service	<u>295,000</u>	<u>295,000</u>	<u>201,723</u>	<u>-</u>	<u>93,277</u>	68%
Total Expenditures	<u>295,000</u>	<u>295,000</u>	<u>201,723</u>	<u>-</u>	<u>93,277</u>	68%
Change in Fund Balance	-	-	81,159			
Fund balance, beginning of year	<u>45,194</u>	<u>45,194</u>	<u>45,194</u>			
Fund balance, end of year	<u>\$ 45,194</u>	<u>\$ 45,194</u>	<u>\$ 126,353</u>			

City of Cooper City
 Capital Improvement Fund - Budget to Actual
Unaudited
 For the fiscal year ended September 30, 2019

	Original Budget	Amended Budget	Actuals	Encumbrance	Amended Budget less Actuals and Encumbrances	% Budget to Date
Revenues						
Impact fees	\$ -	\$ 60,000	\$ 54,695	\$ -	\$ 5,305	0%
Investment earnings	-	-	13,758	-	(13,758)	0%
Grant revenue	550,000	1,150,000	425,000	-	725,000	37%
Total Revenues	<u>550,000</u>	<u>1,210,000</u>	<u>493,453</u>	<u>-</u>	<u>716,547</u>	0%
Expenditures						
Capital Improvement	<u>2,485,000</u>	<u>7,136,088</u>	<u>6,730,686</u>	<u>156,780</u>	<u>248,622</u>	94%
Total Expenditures	<u>2,485,000</u>	<u>7,136,088</u>	<u>6,730,686</u>	<u>156,780</u>	<u>248,622</u>	94%
Other Financing Sources						
Interfund Loan	<u>1,935,000</u>	<u>1,860,000</u>	<u>1,860,000</u>	-	-	100%
Total Other Financing Sources	<u>1,935,000</u>	<u>1,860,000</u>	<u>1,860,000</u>	<u>-</u>	<u>-</u>	100%
Change in Fund Balance	-	(4,066,088)	(4,377,233)			
Fund balance, beginning of year	<u>3,651,854</u>	<u>3,651,854</u>	<u>3,651,854</u>			
Fund balance, budgetary basis	<u>3,651,854</u>	<u>(414,234)</u>	<u>(725,379)</u>			
Reconciliation to GAAP Basis: Interfund loan	<u>-</u>	<u>(1,860,000)</u>	<u>(1,860,000)</u>			
Fund balance, end of year	<u>\$ 3,651,854</u>	<u>\$ (2,274,234)</u>	<u>\$ (2,585,379)</u>			

City of Cooper City
 Parking Lot Fund - Budget to Actual
Unaudited
 For the fiscal year ended September 30, 2019

	Original Budget	Amended Budget	Actuals	Encumbrance	Amended Budget less Actuals and Encumbrances	% Budget to Date
Revenues						
Charges for services	\$ 118,100	\$ 126,300	\$ 126,567	\$ -	\$ (267)	100%
Investment earnings	200	200	1,640	-	(1,440)	820%
Total Revenues	<u>118,300</u>	<u>126,500</u>	<u>128,207</u>	<u>-</u>	<u>(1,707)</u>	101%
Expenditures						
Parking Lot	89,115	100,300	89,115	-	11,185	89%
Depreciation	-	-	36,935	-	(36,935)	100%
Total Expenditures	<u>89,115</u>	<u>100,300</u>	<u>126,050</u>	<u>-</u>	<u>(25,750)</u>	126%
Change in Net Position	29,185	26,200	2,157			
Net Position, beginning of year	<u>934,526</u>	<u>934,526</u>	<u>934,526</u>			
Net Position, end of year	<u>\$ 963,711</u>	<u>\$ 960,726</u>	<u>\$ 936,683</u>			

City of Cooper City
Water and Sewer Funds - Budget to Actual
Unaudited
For the fiscal year ended September 30, 2019

	Original Budget	Amended Budget	Actuals	Encumbrance	Amended Budget less Actuals and Encumbrances	% Budget to Date
Revenues						
Charges for services	\$ 11,782,500	\$ 12,337,500	\$ 12,064,625	\$ -	\$ 272,875	98%
Impact fees	-	95,000	126,147	-	(31,147)	0%
Investment earnings	18,200	110,000	145,260	-	(35,260)	132%
Miscellaneous revenue	13,000	38,000	85,996	-	(47,996)	226%
Total Revenues	<u>11,813,700</u>	<u>12,580,500</u>	<u>12,422,027</u>	<u>-</u>	<u>158,473</u>	99%
Expenses						
Water Distribution	1,938,420	2,033,966	1,908,882	73,165	51,919	94%
Water Plant	2,275,410	2,444,958	2,155,726	275,986	13,245	88%
Wastewater Transmission	2,543,740	2,322,504	1,176,692	248,929	896,883	51%
Wastewater Plant	1,414,280	1,415,386	1,293,645	66,772	54,969	91%
Customer Service	427,920	431,920	381,639	-	50,281	88%
Water & Wastewater Administration	2,665,690	3,093,081	1,674,223	239,736	1,179,122	54%
Depreciation	-	-	588,797	-	(588,797)	100%
Total Expenditures	<u>11,265,460</u>	<u>11,741,815</u>	<u>9,179,604</u>	<u>904,588</u>	<u>1,657,622</u>	78%
Other Financing Sources (Uses)						
Transfers In	1,952,500	-	-	-	-	0%
Interfund loan	-	(1,860,000)	(1,860,000)	-	-	100%
Transfers Out	(2,952,500)	(1,574,675)	(1,574,675)	-	-	100%
Total Transfers	<u>(1,000,000)</u>	<u>(3,434,675)</u>	<u>(3,434,675)</u>	<u>-</u>	<u>-</u>	100%
Change in Net Position	(451,760)	(2,595,990)	(192,252)			
Net Position, beginning of year	<u>52,294,391</u>	<u>52,294,391</u>	<u>52,294,391</u>			
Net Position, budgetary basis	<u>\$ 51,842,631</u>	<u>\$ 49,698,401</u>	<u>\$ 52,102,139</u>			
Reconciliation to GAAP Basis: Interfund loan		1,860,000	1,860,000			
Net Position, end of year	<u>\$ 51,842,631</u>	<u>\$ 51,558,401</u>	<u>\$ 53,962,139</u>			

City of Cooper City
Stormwater Fund - Budget to Actual
Unaudited
For the fiscal year ended September 30, 2019

	Original Budget	Amended Budget	Actuals	Encumbrance	Amended Budget less Actuals and Encumbrances	% Budget to Date
Revenues						
Charges for services	\$ 319,000	\$ 319,000	\$ 313,428	\$ -	\$ 5,572	98%
Intergovernmental	-	-	279,863	-	(279,863)	0%
Investment earnings	9,100	9,100	25,469	-	(16,369)	280%
Total Revenues	<u>328,100</u>	<u>328,100</u>	<u>618,760</u>	<u>-</u>	<u>(290,660)</u>	189%
Expenditures						
Stormwater	669,290	2,748,642	2,150,911	339,804	257,926	78%
Depreciation	-	-	162,895	-	(162,895)	100%
Total Expenditures	<u>4,015,740</u>	<u>16,491,849</u>	<u>2,313,806</u>	<u>339,804</u>	<u>12,139,216</u>	14%
Change in Net Position	(3,687,640)	(16,163,749)	(1,695,046)			
Net Position, beginning of year	<u>3,508,833</u>	<u>3,508,833</u>	<u>3,508,833</u>			
Net Position, end of year	<u>\$ (178,807)</u>	<u>\$ (12,654,916)</u>	<u>\$ 1,813,787</u>			