

CITY OF COOPER CITY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

NOTE 11 – ENCUMBRANCES

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

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Contract with Broward Sheriff's Office: On January 13, 2004, the City entered in an agreement with the Sheriff of Broward County, Florida ("BSO") whereby the BSO would provide the City with daily law enforcement, fire protection/prevention and emergency medical services. The agreement is for 5 years with two additional 5 year options. The City exercised the first 5 year option in 2010 and the second 5 year option in 2014. Cancellation of the agreement needs to be in writing and provide for 180 day notice. The agreement requires the City to pay BSO approximately \$2,005,000 per month for such services and includes a provision calling for annual increases of 5%.

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

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

Outstanding Construction Commitments: The City had outstanding construction commitments in the amount of \$8,850,689 as of the fiscal year ended September 30, 2018.