



AUDITOR'S PRESENTATION OF FISCAL YEAR 2021 AUDITED FINANCIAL STATEMENTS

Presented by:
Lissette Casares, CPA
Justin Breland



GLSC & COMPANY, PLLC
certified public accountants

Overview of Independent Auditor's Report

Management's responsibility—Management is responsible for the preparation and fair presentation of the City's financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Auditor's responsibility—Our responsibility is to express an opinion on the financial statements based on our audit.

Opinion—We expressed an unmodified opinion, which stated the financial statements presented fairly, in all material respects, the financial position, changes in financial position and cash flows, where applicable, of the City of Cooper City in accordance with GAAP.



Overview of Independent Auditor's Report

Other Matters—Certain required supplementary information and other information is included in the financial report, and according to relevant auditing standards, we have not expressed an opinion or provided any assurance on such information.

Other Reporting—In accordance with *Government Auditing Standards* we have also issued a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.



Report on Internal Control Over Financial Reporting and on Compliance

- * Our consideration of internal control was for the limited purpose of determining the audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- * Our report for fiscal year 2021 reported a significant deficiency in internal control.

Report on Internal Control Over Financial Reporting and on Compliance

Definitions

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.

Report on Internal Control Over Financial Reporting and on Compliance

Significant Deficiency: During the audit for the year ended September 30, 2021, we identified, and the City recorded several audit adjustments affecting various account balances. Most significantly, we identified errors in the accounting for fixed assets. As a result, the comment will be repeated.

Previously, the City employed accounting personnel who reviewed the accounting for fixed assets and made the appropriate entries to record activity related to fixed assets. The employee resigned and the duties of the fixed asset accountant were not reassigned. As a result, during our audit procedures, we identified several discrepancies in the fixed asset activity provided by management.

Report on Internal Control Over Financial Reporting and on Compliance

Management's Response: Management agrees with the audit finding. To rectify the deficiency, management has identified the human and capital resources necessary to address the fixed asset discrepancy. Specifically, Cooper City uses BS&A as its ERP system. BS&A has a fixed asset module designed to collect, track, and record fixed asset depreciation. However, due to significant turnover in the finance department at the entry and senior management level, the maximization of BS&A's capability to track, monitor, and update the City's depreciation schedule did not occur on a regular basis during FY 2021. Moving forward, management will assign appropriate staff to work with BS&A representatives to review BS&A's fixed asset module capabilities and capacity, bring it current and maintain that status monthly.

Required Communications with Those Charged with Governance

Matters that are required to be communicated to those charged with governance include, among other matters, the following:

- * Our responsibilities as auditors related to the financial statement audit
- * Disagreements with management
- * Significant findings or issues from the audit
- * Uncorrected misstatements
- * Independence
- * Deficiencies in internal control that are considered significant deficiencies or material weaknesses



ACFR Overview

Introductory Section

- * Letter of Transmittal
- * Organizational Chart
- * Directory of Officials

Financial Section

- * Independent Auditor's Report
- * Management Discussion & Analysis (MD&A)
- * Financial Statements and Footnotes

Statistical Section

- * Financial Trends Information
- * Revenue Capacity Information
- * Debt Capacity Information
- * Operating Information

Compliance Section

- * Schedule of Expenditures and Federal Awards and Local Financial Assistance and Footnotes
- * Independent Auditor's Report on Internal control over Financial Reporting and on Compliance and Other Matters
- * Schedule of Findings and Questioned Costs
- * Management Letter Pursuant to the Rules of the Auditor General for the State of Florida
- * Independent Accountant's Report on Compliance Pursuant to Section 218.415 Florida Statutes.

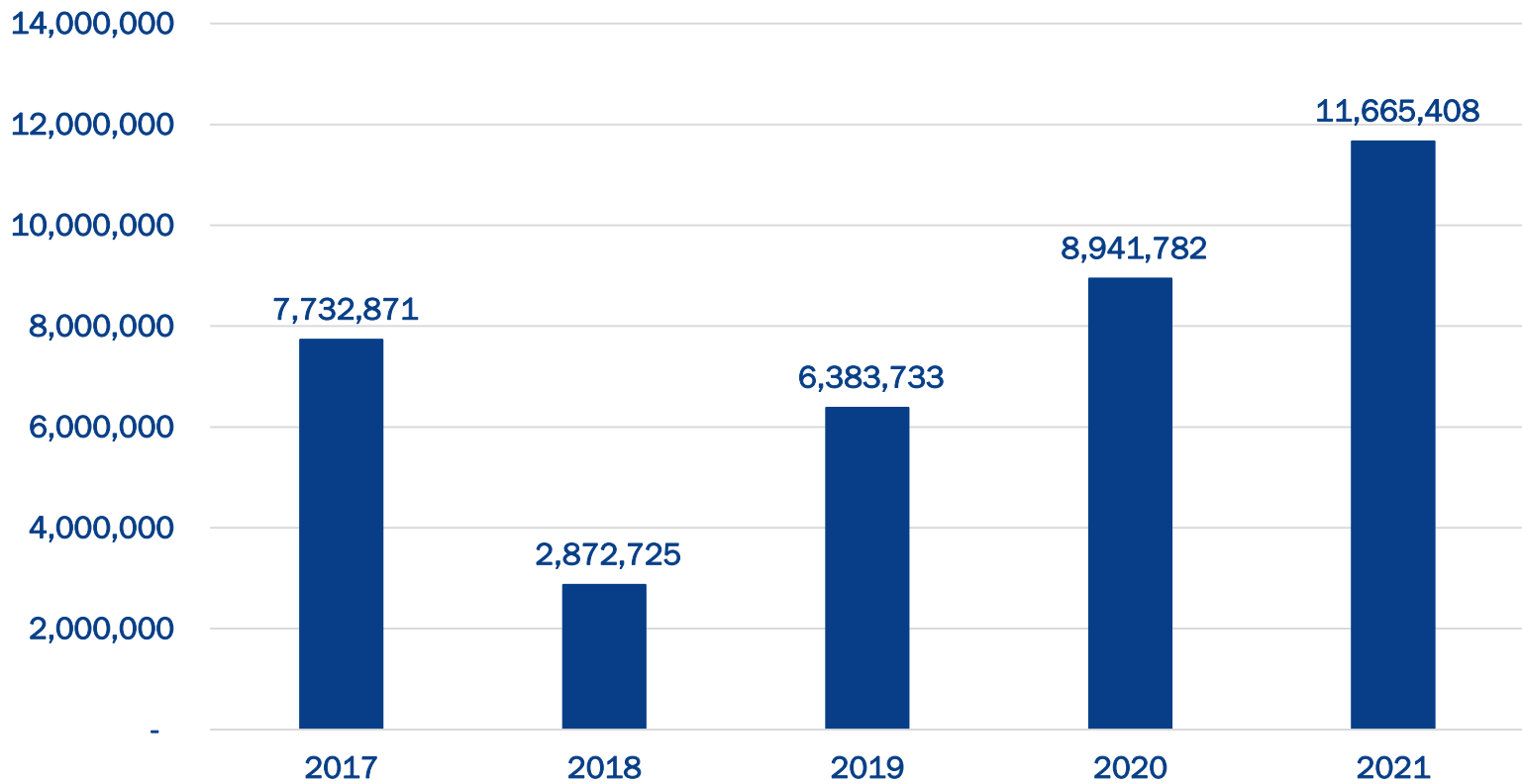
General Fund

- * The General Fund is of primary interest to the City as this fund accounts for most revenues received and funds expended in the City's operations.
- * The General 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, states and federal distributions and other governmental revenue.



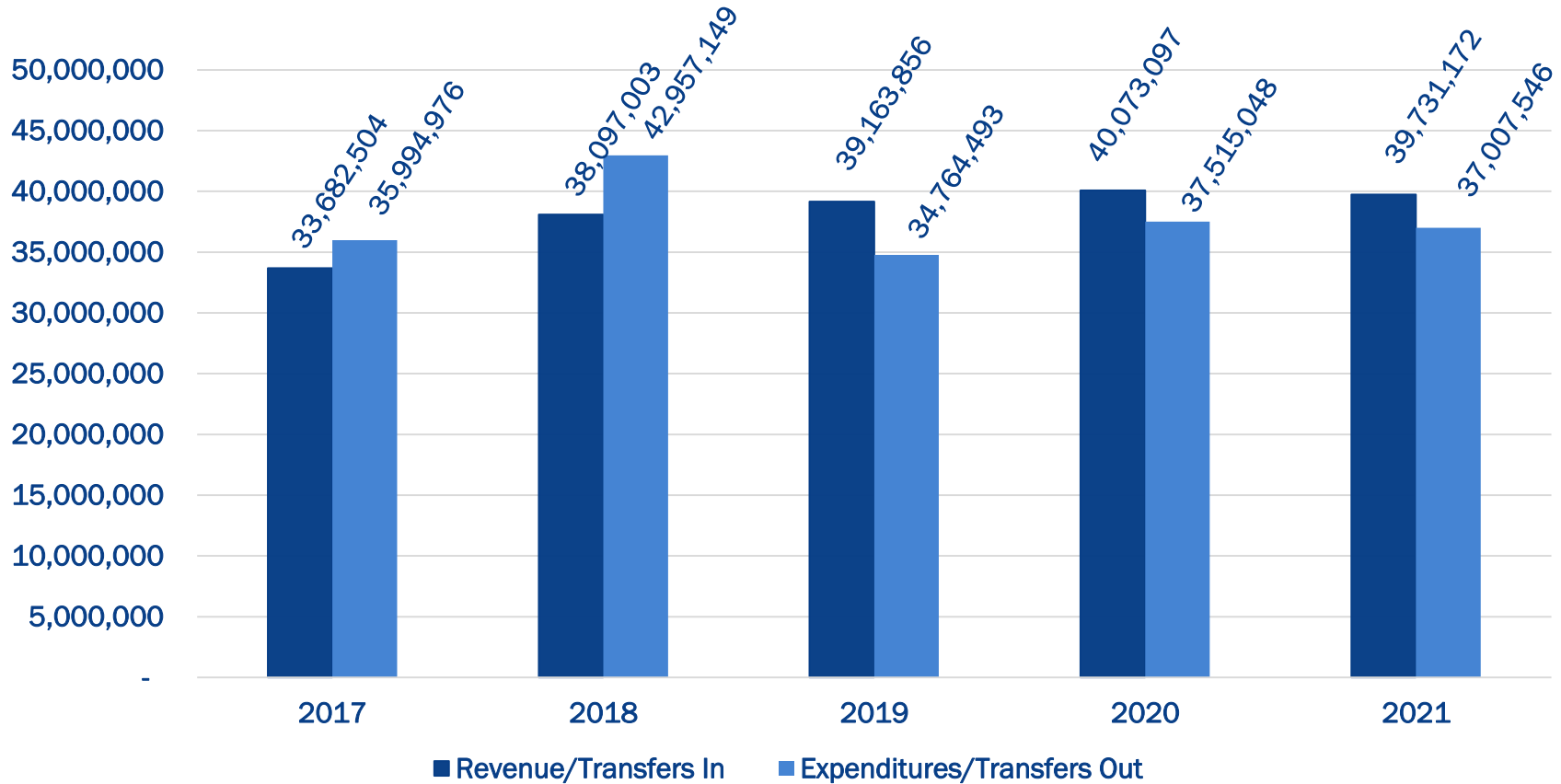
General Fund

General Fund - Fund Balance - Last 5 Fiscal Years



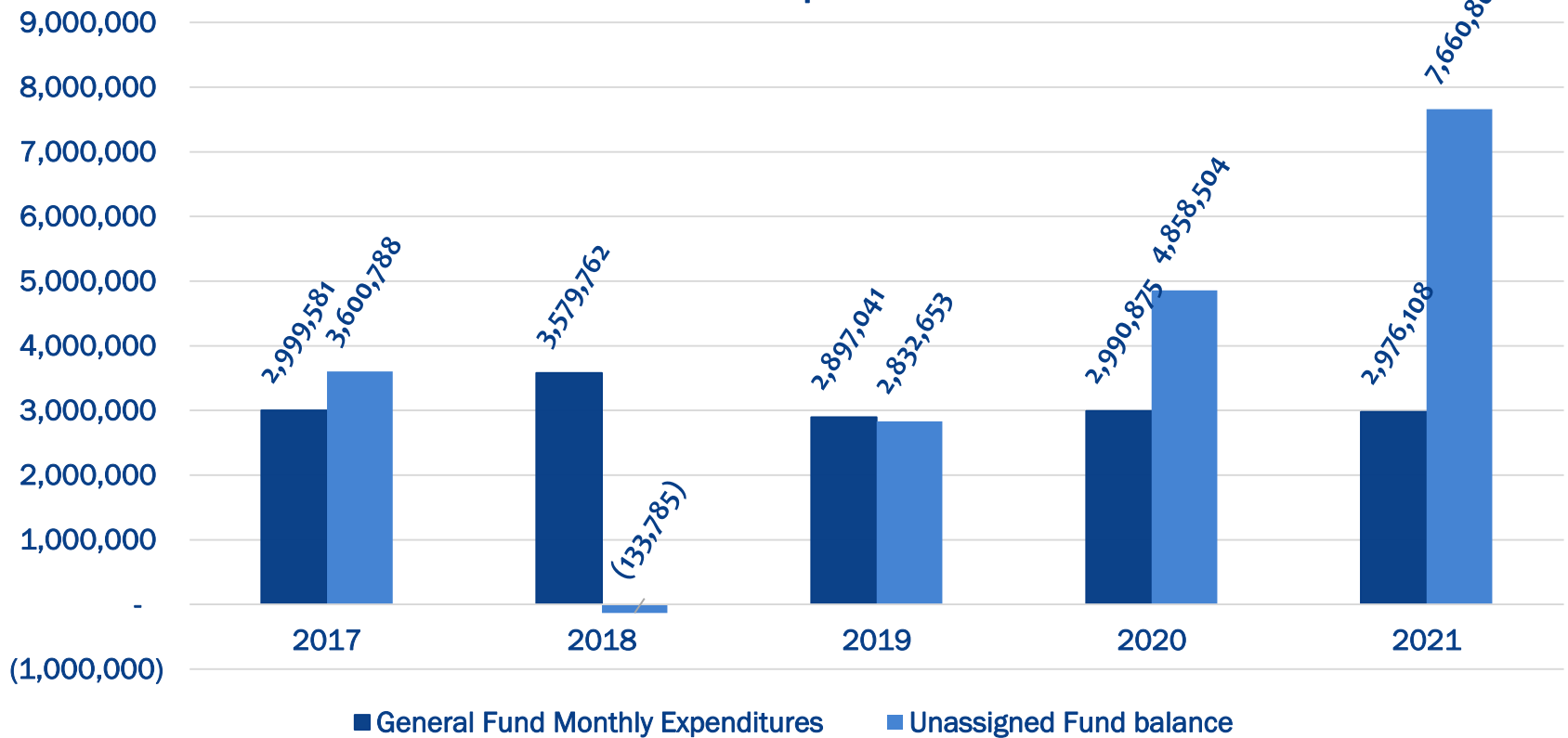
General Fund

General Fund – Revenue/Transfers In and Expenditures/Transfers Out – Last 5 Fiscal Years



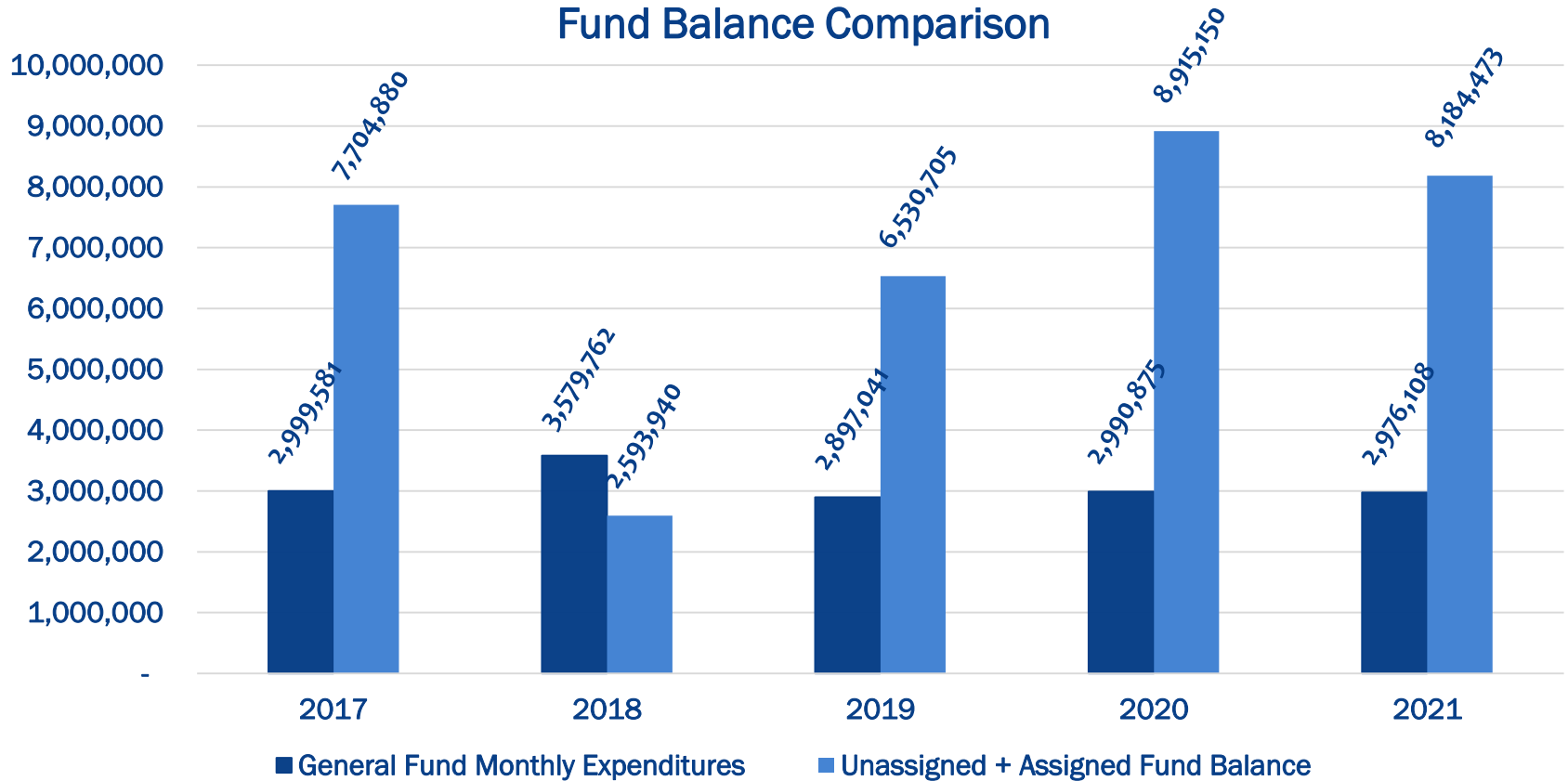
General Fund

General Fund – Monthly Expenditures and Unassigned Fund Balance Comparison



General Fund

General Fund – Monthly Expenditures and Unassigned + Assigned Fund Balance Comparison



General Fund

The City's minimum fund balance policy aligns with the GFOA recommendation and provides for the maintenance of an unrestricted fund balance for the General Fund at a level that is equivalent to two (2) months of operating expenditures (excluding on-behalf benefits payments) and required transfers. Generally, governments should seek to replenish their fund balances within one to three years of use.

	FY2021	FY2020
Total expenditures	\$35,713,299	\$35,890,497
Average monthly expenditures	\$2,976,108	\$2,990,875
Minimum fund balance target (2 months of exp.)	\$5,952,217	\$5,981,750
Unrestricted fund balance (unassigned + assigned)	\$8,184,473	\$8,915,150

Other Funds

Other Governmental Funds

- * Road & Bridge Fund
- * Building Inspection Fund
- * Police Confiscation Fund
- * Capital Improvement Fund
- * ARPA Fund
- * Tree Trust Fund

Enterprise Funds

- * Water and Sewer Fund
- * Stormwater Fund
- * Parking Lot Fund

Fiduciary Funds

- * General employee pension plan (GEPP)
- * Firefighter's Pension
- * Police Officer's Pension
- * Sanitation Fund

Disaster Preparedness/ COVID-19

The City has implemented several measures to secure the City's financial condition in the event of an emergency. These measures include:

1. Committed \$3 million of the general fund balance to emergency preparedness.
2. Committed \$450 thousand of the general fund balance for future projects using funds received as a result of COVID-19 pandemic.



Disaster Preparedness/ COVID-19 (cont.)

American Rescue Plan Act of 2021: The bill provides additional relief to address the continued impact of COVID-19. The City was awarded approximately \$18 million through this Act with a spending deadline of December 31, 2024. The City received the first tranche of the award amounting to \$8.9 million in fiscal year 2021. As of September 30, 2021, \$84,773 was spent and the remaining \$8.9 million received is reported as a deferred inflow of resources in the financial statements.

New Accounting Pronouncements – Implemented

Statement No. 84, *Fiduciary Activities* was issued in January 2017, and was effective for the fiscal year 2021. This statement establishes criteria for identifying fiduciary activities with a focus on: (1) whether a government is controlling the assets of the fiduciary activity; and (2) the beneficiaries with whom a fiduciary relationship exists.

As a result of this implementation, the Sanitation Fund, previously reported as an agency fund, met the criteria for fiduciary activities and is now presented as a custodial fund.



New Accounting Pronouncements – Yet to be Implemented

Statement No. 87, *Leases* will be effective for the City for fiscal year ending September 30, 2022. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities .



Changes for Fiscal Year 2022 Audit

- * We expect for the Single Audit Requirement to continue to be in effect for the fiscal year 2022 as a result of ARPA funds (threshold for Single Audit is \$750,000).
- * We have not identified any other significant changes for the fiscal year 2022 audit at the time of this presentation.

Closing

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.

This information is intended solely for the information and use of the Mayor, City Commission and City management and is not intended to be, and should not be, used by anyone other than these specified parties.

Q&A



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