



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2016



**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT
of the
CITY OF SUNRISE,
FLORIDA**

**Fiscal Year Ended
September 30, 2016**



**prepared by the
Finance and Administrative Services Department**

CITY OF SUNRISE, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	7
Organization Chart	8
List of Elected and Principal Officials	9
 II. FINANCIAL SECTION	
Independent Auditors' Report	11
Management's Discussion and Analysis (required supplementary information)	15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	34
Statement of Net Position – Proprietary Funds	36
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	38
Statement of Cash Flows – Proprietary Funds	40
Statement of Fiduciary Net Position – Fiduciary Funds	42
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	43
Notes to the Financial Statements	46
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios – General Employees' Pension Plan	88
Schedule of Changes in Net Pension Liability and Related Ratios – Police Officers' Pension Plan	89
Schedule of Changes in Net Pension Liability and Related Ratios – Firefighters' Pension Plan	90
Schedule of Funding Progress– Other Post-Employment Benefit Plan and Retiree Subsidy Plan	91
Schedule of Employer Contributions– Other Post-Employment Benefit Plan and Retiree Subsidy Plan	91
Schedule of Employer Contributions– General Employees', Police, and Firefighters' Pension Plans	92
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	97

	<u>Page</u>
Combining Balance Sheet – Nonmajor Special Revenue Funds	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	99
Combining Balance Sheet – Nonmajor Debt Service Funds	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds	101
Combining Balance Sheet – Nonmajor Capital Projects Funds	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	103
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Building Fees Special Revenue Fund	104
Impact Fees Special Revenue Fund	105
Urban Area Security Initiative Grant Special Revenue Fund	106
Broward County Home Consortium Grant Special Revenue Fund	107
Neighborhood Stabilization Program Grant Special Revenue Fund	108
Community Development Block Grant Special Revenue Fund	109
State Housing Initiatives Partnership Grant Special Revenue Fund	110
Fuel and Roadway Special Revenue Fund	111
Police Confiscation Special Revenue Fund	112
Special Recreation District Phase I Debt Service Fund	113
Special Tax District No. 1 Debt Service Fund	114
General Obligation Bonds, Series 2015 Debt Service Fund	115
Special Tax District No. 1 Capital Projects Fund	116
Capital Improvements Capital Projects Fund	117
General Obligation Bonds, Series 2015 Capital Projects Fund	118
Special Assessment Bonds, Series 2015 Capital Projects Fund	119
Combining Statement of Net Position – Nonmajor Enterprise Funds	122
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds	123
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	124
Combining Statement of Net Position – Internal Service Funds	128
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	129
Combining Statement of Cash Flows – Internal Service Funds	130
Combining Statement of Fiduciary Net Position – Fiduciary Funds	134
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds	135
Statement of Changes in Assets and Liabilities – Agency Fund	136

III. STATISTICAL SECTION (Unaudited)

Schedule 1 – Net Position by Component	138
Schedule 2 – Changes in Net Position	139
Schedule 3 – Fund Balances, Governmental Funds	141
Schedule 4 – Changes in Fund Balances, Governmental Funds	142
Schedule 5 – Tax Revenues by Source, Governmental Funds	143
Schedule 6 – Assessed Value and Estimated Actual Value of Taxable Property	144
Schedule 7 – Direct and Overlapping Property Tax Rates	145
Schedule 8 – Principal Property Taxpayers	146
Schedule 9 – Property Tax Levies and Collections	147
Schedule 10 – Ratios of Outstanding Debt by Type	148
Schedule 11 – Ratios of General Bonded Debt Outstanding	149
Schedule 12 – Direct and Overlapping Governmental Activities Debt	150

	<u>Page</u>
Schedule 13 – Pledged Revenue Coverage	151
Schedule 14 – Demographic and Economic Statistics	152
Schedule 15 – Principal Employers	153
Schedule 16 – Full-time Equivalent City Government Employees by Function	154
Schedule 17 – Operating Indicators by Function	155
Schedule 18 – Capital Asset Statistics by Function	156

III. REPORTING SECTION

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 <i>Government Auditing Standards</i>	157
Independent Auditors’ Report on Compliance for Each Major Program and State Project and Report on Internal Control Over Compliance Required by OMB Uniform Guidance and Chapter 10.550, Rules of the Auditor General	159
Schedule of Expenditures of Federal Awards and State Financial Assistance	162
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	164
Schedule of Findings and Questioned Costs	165
Summary Schedule of Prior Audit Findings	167
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	168
Independent Accountants’ Report on Compliance Pursuant to Section 218.415 Florida Statutes	171

Section I
City of Sunrise, Florida
Introductory Section



March 13, 2017

To the Honorable Mayor and Members of the City Commission:

We are pleased to present the City of Sunrise's (the City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2016. State law requires that all general-purpose local governments publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements included in this report conform to generally accepted accounting principles (GAAP) and are audited by a firm of licensed certified public accountants 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.

This report consists of management's representations concerning the finances of the City. Responsibility for both the reliability of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the 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. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Marcum LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2016, 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 and the reports of other auditors, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader federal and state mandated "Single Audit" designed to meet the special needs of the federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial statements and on the audited government's internal controls over financial reporting and compliance and other matters.

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

City Profile

The City of Sunrise, incorporated in 1961, is located in southeastern Florida in Broward County. The City encompasses an area of approximately 18 square miles with a population of almost 90,000, making Sunrise the 25th largest city in Florida. The City is convenient to three international airports and three deep-water ports, and hosts more than nearly 30 million visitors each year.

The City has operated under a City Commission/City Manager form of government since 1989. The City Commission is comprised of the Mayor, Deputy Mayor, Assistant Deputy Mayor, and two Commissioners, who enact laws, determine policies and adopt the annual budget. The City Commission appoints the charter officers, which include the City Manager, City Clerk, City Attorney and Chief of Police. The City Manager is responsible for carrying out the policies of the City Commission and for overseeing the daily management of the City. The City Manager appoints the heads of the various departments.

The City provides a full range of services including police and fire protection, emergency medical service, water, wastewater and gas services, sanitation and recycling services, stormwater services, recreational and cultural activities/events, construction and maintenance of streets and other infrastructure and general administrative services. Internal services of the City, accounted for on a cost reimbursement basis, include workers' compensation insurance, fleet management, information technology and communications services, and self-funded health insurance. The City is financially accountable for one legally separate special recreation district, one special improvement district and one special tax district, all of which are included as an integral part of the City's CAFR. Additional information on legally separate entities can be found in the notes to the financial statements (See Note I.A.).

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents the proposed budget to the City Commission on or before August 1st of each year. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget by September 30th of each year. The appropriated budget is prepared by fund, function (e.g. Public Safety), and department (e.g. Police). The City Manager is authorized to transfer appropriations within a department, office or agency; however, any other revisions require approval of the City Commission. Program based budgeting has been implemented for General Fund departments and all funds to help the reader understand the true cost of various programs.

Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted.

Economic Outlook and Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the City operates.

Local Economy

The City of Sunrise, situated in the heart of the tri-county region (Miami-Dade, Broward and Palm Beach), is well diversified and continues to be a prime location for corporate headquarters and major office operations. The City continues to be a leader in the region for the attraction of new corporate investment, job growth and business expansion. The City offers developers and business owners superior access to a lucrative customer base. As the region's population base continues to shift north and west, the Sawgrass area of Sunrise has become the population center of the tri-county area. As such, the City is uniquely situated to offer a large pool of prospective employees and customers to many multi-national corporations, regional corporate offices and headquarters for leading domestic and international corporations.

The City of Sunrise is home to a diversified group of businesses, including corporate offices, financial services, research and development companies, the largest outlet mall in the United States - Sawgrass Mills and the 20,000 seat BB&T Center, one of the finest arenas in the country and home to the National Hockey League's Florida Panthers. A strong endorsement of the City's business appeal is that corporations, hotels, restaurants, office parks and attractions already located in our community continue to expand and invest in the area.

Strong interest from the hotel development community continues as demand for corporate lodging and tourism in Sunrise has been on the rise. The City is home to Broward County's highest rate of hotel occupancy for the fourth year in a row. As demand for quality office, industrial, manufacturing and hospitality projects in South Florida increases, Sunrise is poised to become even more desirable to investors, residents and visitors in 2017 and beyond.

However, Sunrise is showing signs of a maturing City, a community that is nearing its buildout. Most of the large scale projects and developments have already been announced or preparing to break ground soon. As we enter into this new phase or stage of life for our City, Sunrise will increasingly shift its attention and opportunities towards expansion and redevelopment projects. Sunrise is starting to see its older retail plazas explore alternative types of redevelopment including converting some centers to mixed use with residential. Other long range planning that was underway in 2016 was the initial redevelopment vision of the BB&T Center. The redevelopment of the land surrounding the BB&T Center could include mixed-use entertainment and structured parking garages. Long term transportation and roadway improvement proposals being led by the City were also well under way in 2016. These are improvements that residents and visitors will see and experience in the coming years and continuing for the next decade.

The multifamily housing market is the strongest sector for new development. *Portico*, a 417 unit luxury rental development directly across from Metropica, received its certificate of completion in 2016. Minto is finishing the build-out process at *Artesia*, while other multi-family and townhome projects are currently evaluating several in-fill sites and are expected to announce plans for new development in 2017 on the City's eastern front.

The City's four major industrial parks consist of Sawgrass International Corporate Park with 612 acres, Sunrise Commerce Center with 550 acres, Broward Lakes Business Center with 120 acres and Sawgrass Technology Park with 100 acres. The Sawgrass International Corporate Park is the most significant of these, ranking as the largest corporate office park in South Florida and one of the largest in the State of Florida. The culmination of businesses relocating and expanding in Sunrise resulted in the absorption of nearly 85,000 square feet of existing office space in 2016. The City's office market vacancy rate now sits below 9.8%, the lowest in decades, and commercial industrial space fell to 5.9% in 2016. This low rate and healthy lease rates above \$32 per square foot for office space should help create new development throughout the City.

The largest existing office lease for Sunrise in 2016 was an HCA subsidiary, Health Trust Workforce, with 38,000 square feet and the potential to bring 160 new jobs to the community. The largest industrial space leased this year was Aviation Inflatables with 130,000 square feet and 62 new jobs.

Fiscal year 2016 marked yet another impressive year for Sunrise in terms of economic development activity. The City continues to be a job growth leader in South Florida, ranking among the top municipalities in job creation and new employment opportunities for our residents. The City issued 721 new business licenses and 5,155 renewals. The Community Development Department processed 6,847 building permits with a construction value of over \$385 million.

Fiscal year 2016 saw continued progress of *Metropica*, a billion-dollar mixed-use project that has received international attention. This commercial, office, retail and multi-family project will be responsible for generating over 5,000 jobs and will be a significant economic component of the City. Site work and utility infrastructure began in 2016 including the first residential tower pilings.

Sawgrass Mills Mall, with nearly 3 million square feet of shopping and entertainment located in the City, is second only to Walt Disney World as a tourist attraction in Florida. With the most amount of leasable retail space under one roof, Sawgrass Mills is the largest value priced mall in the United States. The success of Sawgrass Mills continued in 2016 with the mall opening additional retail space at the Colonnades. New restaurants, additional stores and a state-of-the-art parking deck with 2,000 spaces opened in 2016.

Long-term Financial Planning

The City maintains a general fund revenue stabilization account with a funding level of five percent (5%) of last known audited actual operating expenditures to mitigate impacts of future general fund revenue shortfalls. Additionally, a contingency reserve account with a funding level of three times that of the revenue stabilization account was created to provide funding for disasters, emergencies, or other exigent circumstances. These measures are intended to buffer unforeseen economic changes.

Major Initiatives

Park projects include:

- The construction of Veterans Park at Nob Hill Road and NW 55th Street will have parking, restroom facilities, walking trails, playgrounds and an amphitheater.
- The Shotgun Road Linear Park is slated for improvements to the trail, exercise stations, benches and trash receptacles.

- The Welleby Park expansion will include the renovation of existing site amenities including an 800 square foot enlargement to the existing meeting room as well as development of an additional 4-acre parcel of land as a dog park.
- The Flamingo Park renovation includes the construction of a brand new 5,088 square foot meeting hall, three new covered basketball courts, a splash pad, the addition of 10 exercise equipment pieces located at 5 fitness stations around the existing walking trail and a second batting cage.
- The Pine Island Road/NW 50th Street Athletic Complex features land totaling approximately 16.4 acres that will be developed into a new park.

Building projects include:

- The Civic Center Expansion provides space for additional programming and work will include a new gymnasium with basketball courts and second floor walking track, new multi-level fitness area, new racquetball courts, and new multi-purpose room.
- The Senior Center Expansion will provide space for enhanced and additional programming. Work includes a new exercise room, a new craft room, an upgraded kitchen that can accommodate cooking classes, and a new media room.

Utility projects include:

- The Sawgrass 4MGD Reuse Treatment Plant Expansion is required as a condition of the City's wastewater operating permits. The project will provide for up to 4 million gallons per day treatment and 2 million gallons per day distribution with deep bed sand filtration and high level disinfection.
- The Springtree Industrial Injection Wells Flow Delivery System Project includes construction of a new injection well, pump, and motor for disposal of treated wastewater from the City's new Reverse Osmosis Water Treatment Plant.
- Springtree Thickening Reliability Improvements and Anaerobic Digestion Project replaces pumps, piping and valves in the gravity belt thickener and the digester.
- Southwest Water Treatment Plant Improvements and installation of an ion exchange process to eliminate volatile organic chemicals (VOCs).
- Springtree Water Treatment Plant Rehabilitation includes improvements to restore and renew treatment processes at the Springtree Water Plant.
- Water Main Replacements at Escape and Valencia, along NW 44th Street and Pine Island Road, and in east Sunrise will improve the existing infrastructure and provide additional capacity.
- Replacement of the drinking water membranes at the Sawgrass Water Treatment Plant.
- Stormwater Pump Station #5 provides stormwater protection for the residential neighborhood and commercial properties and will be replaced.

The City hosts a wide range of family-friendly seasonal events, including a Tunes 'N Trucks Concert Series, an Earth Day Festival, a Spring Egg Hunt, a Fall Harvest Festival, and a Winter Wonderland. Sunrise's annual Fourth of July Concert and Fireworks, held outdoors at the BB&T Center, draws nearly 20,000 revelers from across the region. Cultural favorites include writing workshops and open mic nights for teens, as well as Sunrise Pops concerts. Sunrise is also a host location for Fort Lauderdale International Film Festival screenings. Together, these offerings enhance the quality of life for Sunrise residents and attract visitors and tourism.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sunrise, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. 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 preparation of this report was made possible by the efficient and dedicated service of the Finance and Administrative Services Department staff. Sincere appreciation is expressed for the contributions made by all individuals in the preparation of this report. Credit also must be given to the City Commission for their commitment to prudent fiscal management practices that emphasize long-term financial stability.

Respectfully submitted,



Wendy Dunbar, CPA
Director of Finance and Administrative Services



Government Finance Officers Association

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

Presented to

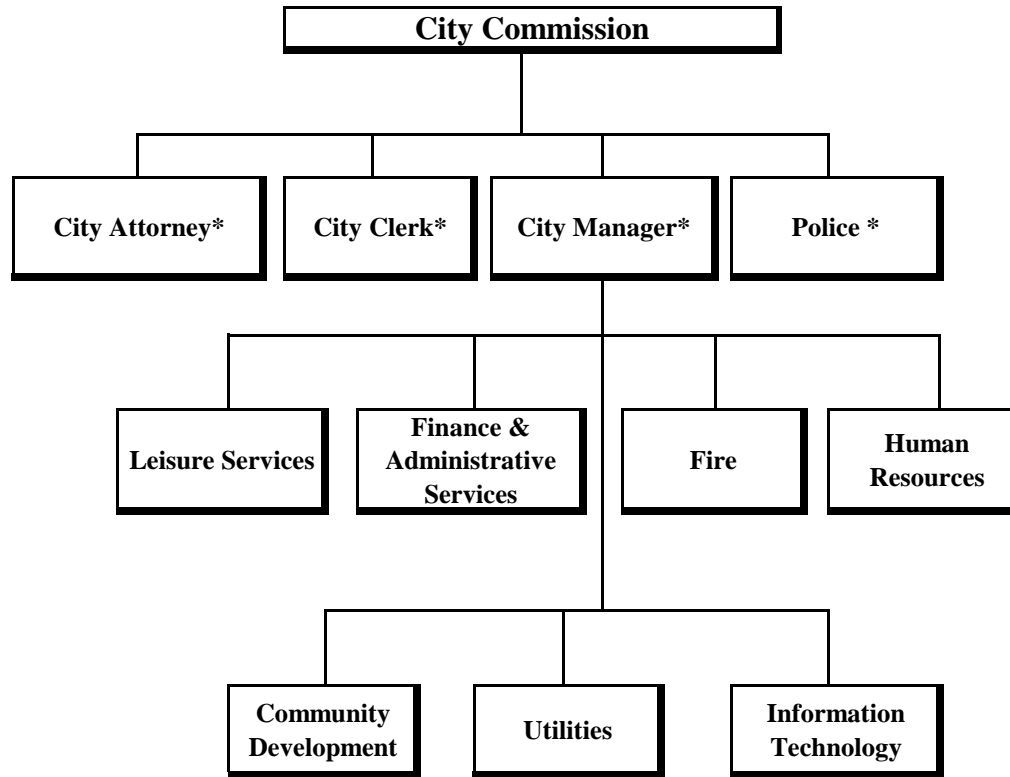
**City of Sunrise
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

**City of Sunrise
Departmental Organizational Chart
Fiscal Year 2015/2016**



* Charter Officer

**City of Sunrise, Florida
List of City Officials
September 30, 2016**

Elected Officials

**Mayor
Deputy Mayor
Assistant Deputy Mayor
Commissioner
Commissioner**

**Michael J. Ryan
Joseph A. Scutto
Neil C. Kerch
Donald K. Rosen
Lawrence A. Sofield**

Principal Officials

**City Manager
City Attorney
City Clerk
Assistant City Manager
Assistant City Manager
Director of Finance & Administrative Services
Director of Leisure Services
Director of Information Technology
Director of Human Resources
Director of Community Development
Director of Utilities
Fire Chief
Police Chief**

**Richard Salamon
Kimberly A. Kisslan
Felicia Bravo
Mark Lubelski
Emilie Smith
Wendy Dunbar
Rosemarie Marco
Laurie Gagner
Carla Gomez
Shannon Ley
Tim Welch
Thomas DiBernardo
John E. Brooks**

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Section II
City of Sunrise, Florida
Financial Section

INDEPENDENT AUDITORS' REPORT

Honorable Mayor, City Commission and City Manager
City of Sunrise, 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 Sunrise, Florida (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represent 75%, 75% and 55%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information. Those 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 Pension Trust Funds is based solely on the reports 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports 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, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund 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 on pages 15 through 25, the Schedules of Changes in the Net Pension Liability and Related Ratios, the Schedules of Employer Contributions, and the Schedule of Funding Progress – other post-employment benefit and retiree subsidy plan and on pages 88 through 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General of the State of Florida, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules and the schedule of expenditures of federal awards and state financial assistance is 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
March 13, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

The following discussion and analysis of the City of Sunrise's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2016. Please read it in conjunction with the letter of transmittal which can be found on pages 1-6 of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide

- The City's total net position, on a government-wide basis, totaled \$595,658,031 at September 30, 2016, an increase of 6% from September 30, 2015.

Governmental Activities

- On a government-wide basis for governmental activities, the City's general revenues of \$72,216,359 were \$683,254 more than the \$71,533,105 of expenses net of program revenue. Additionally, general revenues were \$1,299,942 more than the prior year representing an increase of 1.8%.
- As of September 30, 2016, the City's governmental activities reported a total ending net position of \$208,793,420. Unrestricted net position has a negative amount of \$54,188,498 due to the deferred outflows, deferred inflows and the full net pension liability now being included as required by GASB 68 reporting requirements.

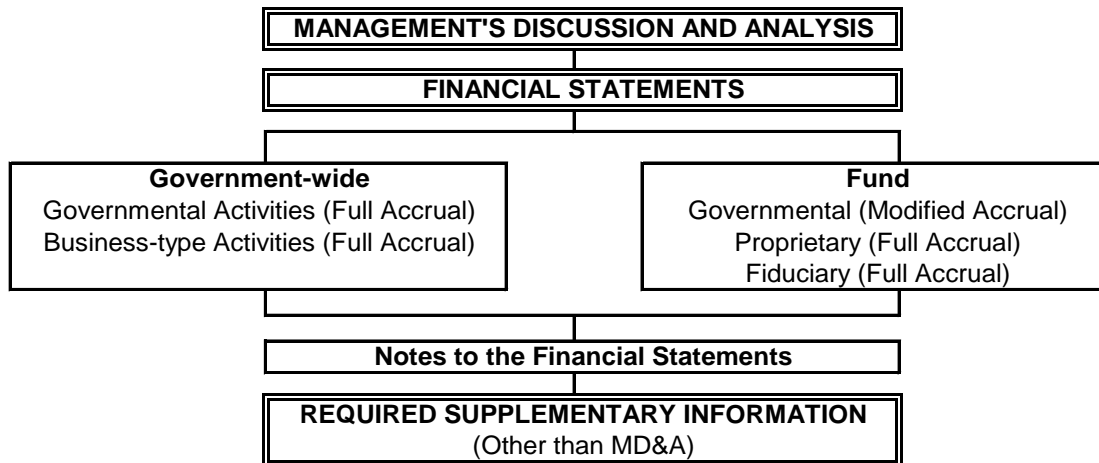
General Fund

- At the end of the current fiscal year, fund balance for the general fund was \$67,353,393. Of this balance, \$261,915 for inventories, prepaid items and advances was nonspendable; \$28,949,645 was committed for revenue stabilization, contingency, economic and job growth, and reforestation replacement; and \$705,861 was assigned for encumbrances. The balance of \$37,435,972 was unassigned and available for new spending.
- At the end of the fiscal year, the unassigned fund balance was \$37,435,972 or 32.7% of general fund revenues and 34.6% of general fund expenditures.
- General fund revenues and other financing sources increased by \$1,747,122, an increase of 1.5% from fiscal year 2015 due to a \$30 increase in the residential fire assessment fee.
- General fund expenditures and other financing uses decreased by \$9,224,708, or 7.4% less than last fiscal year primarily due to a reduction in transfers out.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

The City's basic financial statements are presented within the financial section of this Comprehensive Annual Financial Report (CAFR). As illustrated in the following chart, the financial section has three components: management's discussion and analysis (this section), the basic financial statements and required supplementary information.

COMPONENTS OF THE FINANCIAL SECTION



GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information about the City as a whole using accounting methods similar to those used by private-sector companies; they provide both long-term and short-term information about the City's overall financial status. The Statement of Net Position presents financial and capital resources of the City. It includes all of the City's assets, liabilities and deferred inflows/outflows of resources reported using the full accrual basis of accounting. The Statement of Activities accounts for all of the current year's revenues and expenses, regardless of when cash is received or paid.

The government-wide financial statements report the City's net position and the changes in net position. The City's net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - are one way to measure the financial health, or financial position, of the City. Over time, increases or decreases in net position is an indicator of whether the financial position of the City is improving or deteriorating. However, in order to assess the overall health of the City, other non-financial factors such as changes in the City's property tax base and condition of the infrastructure must be considered.

The City's government-wide financial statements are divided into two categories:

Governmental activities – Most of the City's basic services are reported here, such as police, fire and other public safety services, culture and recreation, transportation and general administration. Property, utility service and sales taxes, charges for services, franchise fees, and state and federal grants finance most of these activities. Three other legal entities for which the City is financially accountable - Special Recreation District Phase I, Special Tax District No. 1 and Metropica Improvement District - are blended component units of the City. Metropica Improvement District does not have any financial activity to date.

Business-type activities – The City's water, wastewater and gas, sanitation, recycling, stormwater and golf course operations are reported here. Fees are charged to customers to recover all or a significant portion of the costs of providing these services.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more information about the City's most significant funds on an individual basis. The fund financial statements focus on reporting the City's operations in more detail than the government-wide statements. The City has three types of funds – Governmental, Proprietary and Fiduciary.

Governmental Funds

General, special revenue, debt service and capital projects funds are governmental funds, funds which focus on 1) near-term inflows and outflows of spendable resources and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information follows the governmental funds statements that explain the differences between them.

In fiscal year 2016, the City maintained seventeen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Special Assessment Bonds, Series 2015 capital projects fund. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and other governmental funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget as one of the basic financial statements.

Proprietary Funds

Services for which the City charges customers a fee are generally reported in proprietary funds. These funds, like the government-wide statements, provide both long-term and short-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The City uses enterprise funds to account for its water, wastewater and gas, sanitation, recycling, stormwater, and golf course operations. The City uses internal service funds (the other type of proprietary fund) to report activities that provide services for the City's other programs and activities. The Workers' Compensation, Fleet Management, Information Technology and Communications, and Self-Insured Health funds are the City's four internal service funds. Because these services benefit both governmental activities and business-type activities, they have been allocated accordingly in the government-wide financial statements.

The proprietary fund financial statements provide separate information for the water, wastewater and gas utility system and the sanitation funds, both of which are considered to be major funds of the City. Data from the other three proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds

The City is the trustee, or fiduciary, for its employees' pension plans and for the special assessment agency fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position for the pension plans and agency fund, a separate Statement of Changes in Fiduciary Net Position for the pension plans, and a Statement of Changes in Assets and Liabilities for the Agency Fund. The City excludes these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is similar to accounting used for proprietary funds. Data from the three pension trust funds are combined into a single aggregated presentation. Individual fund data is provided in the form of combining statements elsewhere in this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Summary of Net Position

The following table presents the condensed comparative Summary of Net Position for fiscal year 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$246,385	\$249,902	\$268,266	\$255,707	514,651	505,609
Capital assets	192,161	186,332	392,355	384,911	584,516	571,243
Total assets	<u>438,546</u>	<u>436,234</u>	<u>660,621</u>	<u>640,618</u>	<u>1,099,167</u>	<u>1,076,852</u>
Deferred outflows of resources	<u>48,600</u>	<u>22,218</u>	<u>13,115</u>	<u>7,565</u>	<u>61,715</u>	<u>29,783</u>
Current and other liabilities	22,642	25,185	25,826	35,875	48,468	61,060
Long-term liabilities	<u>252,158</u>	<u>224,231</u>	<u>260,824</u>	<u>252,824</u>	<u>512,982</u>	<u>477,055</u>
Total liabilities	<u>274,800</u>	<u>249,416</u>	<u>286,650</u>	<u>288,699</u>	<u>561,450</u>	<u>538,115</u>
Deferred inflows of resources	<u>3,553</u>	<u>6,509</u>	<u>221</u>	<u>218</u>	<u>3,774</u>	<u>6,727</u>
Net position:						
Net investment in capital assets	216,939	168,525	198,836	187,355	415,775	355,880
Restricted	46,042	93,707	135,887	139,945	181,929	233,652
Unrestricted	<u>(54,188)</u>	<u>(59,705)</u>	<u>52,142</u>	<u>31,966</u>	<u>(2,046)</u>	<u>(27,739)</u>
Total net position	<u>\$208,793</u>	<u>\$202,527</u>	<u>\$386,865</u>	<u>\$359,266</u>	<u>\$595,658</u>	<u>\$561,793</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2016, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$595,658 thousand.

The majority of the City's net position (69.8%) reflects its investment in capital assets, less any outstanding related debt and deferred outflows/inflows used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (30.5%) represents resources that are subject to external restrictions on how they may be used, such as debt or capital projects. These amounts are offset by a negative unrestricted net position of .3% which is primarily due to the pension reporting requirements of GASB 68.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the business-type activities and positive balances in two of the three categories of net position (net investment in capital assets and restricted) for the governmental activities.

There was an overall increase in net position of \$33,865 thousand for the current fiscal year. The increase of \$27,599 thousand for business-type activities is primarily due to an increase in water/wastewater and stormwater revenues. The increase of \$6,266 thousand for governmental activities is primarily due to an increase in the residential fire assessment fee and the receipt of funds for voted debt millage related to the General Obligation Bonds, Series 2015.

Summary of Activities

The following table provides a condensed comparative summary of the City's operations for the fiscal years ended September 30, 2016 and 2015:

	Changes in Net Position					
	For the Fiscal Years Ended September 30, 2016 and 2015					
	(in thousands)					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program revenues:						
Charges for services	\$ 54,644	\$ 50,704	\$133,871	\$128,802	\$188,515	\$179,506
Operating grants and contributions	6,353	6,171	265	-	6,618	6,171
Capital grants and contributions	2,374	65,245	4,844	3,554	7,218	68,799
General revenues:						
Property taxes	38,118	33,486	-	-	38,118	33,486
Utility service tax	9,470	9,243	-	-	9,470	9,243
Communications services tax	3,083	3,558	-	-	3,083	3,558
Local business tax	2,313	2,218	-	-	2,313	2,218
Franchise fees	9,276	9,373	-	-	9,276	9,373
Contributions not restricted to specific programs	8,224	7,900	-	-	8,224	7,900
Unrestricted investment earnings	1,091	854	1,248	831	2,339	1,685
Miscellaneous	372	4,285	466	2,850	838	7,135
Gain on sale of capital assets	269	-	-	-	269	-
Total revenues	<u>135,587</u>	<u>193,037</u>	<u>140,694</u>	<u>136,037</u>	<u>276,281</u>	<u>329,074</u>
Expenses						
General government	26,390	26,786	-	-	26,390	26,786
Public safety	82,501	76,421	-	-	82,501	76,421
Physical environment	18	19	-	-	18	19
Economic development	987	783	-	-	987	783
Transportation	8,629	11,209	-	-	8,629	11,209
Culture and recreation	14,240	15,114	-	-	14,240	15,114
Interest on long-term debt	2,139	3,521	-	-	2,139	3,521
Water and wastewater	-	-	82,886	80,098	82,886	80,098
Gas	-	-	6,464	6,484	6,464	6,484
Sanitation	-	-	10,809	10,475	10,809	10,475
Recycling	-	-	853	815	853	815
Stormwater	-	-	4,637	4,239	4,637	4,239
Golf course	-	-	1,863	1,911	1,863	1,911
Total expenses	<u>134,904</u>	<u>133,853</u>	<u>107,512</u>	<u>104,022</u>	<u>242,416</u>	<u>237,875</u>
Increase in net position before transfers	683	59,184	33,182	32,015	33,865	91,199
Transfers	5,583	4,108	(5,583)	(4,108)	-	-
Change in net position	6,266	63,292	27,599	27,907	33,865	91,199
Net position – beginning	202,527	139,235	359,266	331,359	561,793	470,594
Net position – ending	<u>\$208,793</u>	<u>\$202,527</u>	<u>\$386,865</u>	<u>\$359,266</u>	<u>\$595,658</u>	<u>\$561,793</u>

Revenues

For the fiscal year ended September 30, 2016, revenues from governmental activities totaled \$135,587 thousand.

General property taxes were \$38,118 thousand, an increase of \$4,632 thousand as compared to fiscal year 2015. Assessed property values increased slightly compared to 2015 while the City maintained its previous year’s millage rate and funds were received for voted debt millage related to the General Obligation Bonds, Series 2015.

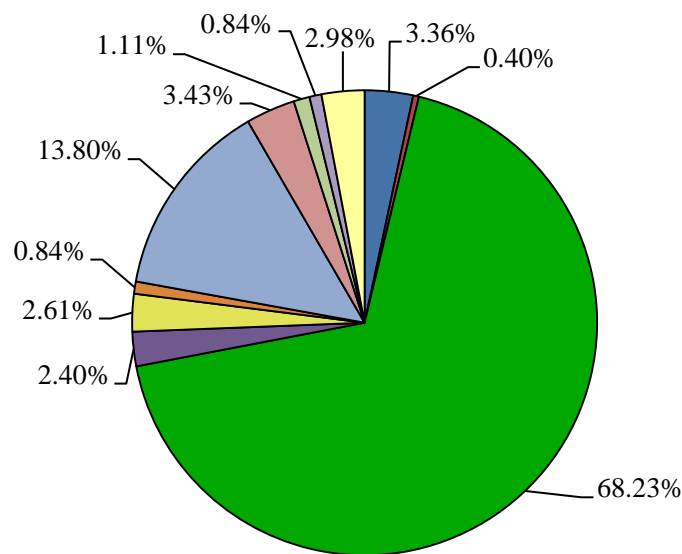
Charges for services increased by \$9,009 thousand mainly due to an increase in building permit fees collected as well as an increase in the fire assessment rate. Additionally, water, wastewater and stormwater revenues increased due to a 5.71% CPI rate adjustment on October 1, 2015.

Operating grants and contributions increased by \$447 thousand primarily due to the amortized recognition of a recycling grant over a five-year period and higher than anticipated grant funds received related to our Community Development Block Grant and State Housing Initiatives Partnership Grant programs. Capital grants and contributions decreased by \$61,581 thousand due to funds received in 2015 for the construction of two parking garages.

Miscellaneous revenues decreased by \$6,297 thousand primarily due to a settlements received in fiscal year 2015 from Broward County, a settlement received on a construction project, and various insurance settlements.

Unrestricted investment earnings increased by \$654 thousand due to “mark-to-market” accounting, which resulted in unrealized investment gains, an increase in the average interest rate from 0.4% in fiscal year 2015 to 0.7% in fiscal year 2016.

**Sources of Revenue: Government-wide
for FY 2016**



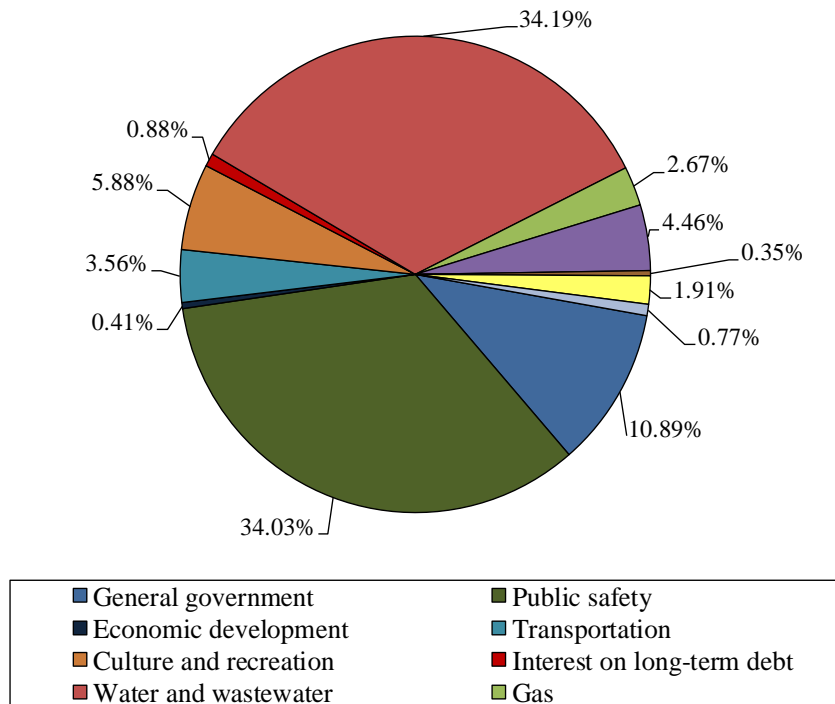
■ Franchise fees	■ Miscellaneous
■ Charges for services	■ Operating grants and contributions
■ Capital grants and contributions	■ Unrestricted investment earnings and other
■ Property taxes	■ Utility service taxes
■ Communications services tax	■ Local business tax
■ Unrestricted grants/ contributions	

Expenses

For the fiscal year ended September 30, 2016, expenses for governmental activities totaled \$134,904 thousand, an increase of \$1,051 thousand, primarily due to increases for employee compensation.

Expenses for the City's business-type activities, which provide water, wastewater and gas, sanitation, recycling and stormwater services and golf course operations, totaled \$107,512 thousand, an increase of \$3,490 thousand from fiscal year 2015. This increase is due to increases for employee compensation across funds and an increase in operational expenses for sanitation, stormwater, and water and wastewater, especially the cost of maintaining and depreciating capital assets.

Functional Expenses: Government-wide for FY 2016



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended September 30, 2016, the governmental funds reflect a combined fund balance of \$199,006,947, a decrease of \$4,891,240 in comparison with the prior year. Approximately 99.8% of this total amount (\$198,666,265) constitutes spendable fund balance. The remainder of fund balance is non-spendable and not available for new spending because it has already been committed for advances (\$255,000), prepaid items (\$6,150) and inventories (\$79,532). This year's decrease in fund balance is due to a number of reasons. The Special Assessment Bonds, Series 2015 capital improvement fund had a reduction in fund balance of \$16,125,847 due to the construction of one parking garage. The other governmental funds fund balance increased by \$7,095,827 due to the receipt of higher than anticipated building permit fees in the Building Fees Fund and transfers in to the Capital Improvement Fund in the amount of \$5,738,260. The General Fund's revenues and other financing sources were \$4,138,780 in excess of its expenditures and other financing uses primarily due to less than anticipated operating expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget amounted to a \$3,726,923 increase in appropriations. Of this increase, \$140,000 was funded through various grants and \$3,586,923 was funded from the General Fund unassigned fund balance. Highlights of the supplemental appropriation follow:

- \$167,332 in decreases for general government activities. The decrease was comprised of a supplemental appropriation of \$69,613 to be used for economic development expenses and a budget reduction for appropriations to the Capital Improvement Fund and code enforcement division in the amounts of \$230,000 and \$6,945, respectively.
- \$138,055 in decreases allocated to public safety. Included in this amount was supplemental appropriations to fund \$6,945 of salaries in the code enforcement division and \$140,000 for public safety related grants. Additionally, a budget reduction for appropriations to the Capital Improvement Fund of \$285,000 for a fire station alerting system.
- \$4,032,310 in increases for transfers out to Capital Improvements capital projects fund for various capital projects.

General Fund
 Summary of Revenues, Expenditures and Changes in Fund
 Balance – Budget to Actual
FY 2016
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues			
Taxes	\$ 50,176	\$ 50,176	\$ 49,871
Permits and fees	2,853	2,853	2,309
Franchise fees	9,619	9,619	9,340
Intergovernmental	8,630	8,770	8,475
Charges for services	21,757	21,757	23,536
Other	<u>20,890</u>	<u>20,890</u>	<u>20,981</u>
Total	<u>113,925</u>	<u>114,065</u>	<u>114,512</u>
Expenditures	<u>116,477</u>	<u>116,171</u>	<u>108,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,552)</u>	<u>(2,106)</u>	<u>6,243</u>
Other financing sources (uses)			
Transfers in	6,009	6,009	5,751
Transfers out	(3,904)	(7,936)	(7,930)
Sale of capital assets	<u>20</u>	<u>20</u>	<u>75</u>
Total	<u>2,125</u>	<u>(1,907)</u>	<u>(2,104)</u>
Net change in fund balance	<u>\$ (427)</u>	<u>\$ (4,013)</u>	<u>\$ 4,139</u>

Actual general fund revenues exceeded original budgeted revenues by \$587 thousand. This increase is primarily due to receipt of cost recovery surcharges higher than anticipated. The original budget was amended to account for \$140 thousand in additional grant awards. Actual general fund expenditures were less than the original budget by \$8,208 thousand primarily due to position vacancies resulting in salary and related payroll cost savings and a concerted effort to curtail operating expenses.

Actual revenue collections exceeded the final budget by \$447 thousand. The increase between actual revenues and the final budget is due to an increase in cost recovery charges. In addition, total expenditures were approximately \$7.9 million less than final budget due to less than anticipated spending for operational and capital items as well as position vacancies.

CAPITAL ASSETS

At the end of fiscal year 2016, the City's governmental activities had invested \$192,161,006 in a variety of capital assets and infrastructure, which represents a net increase of \$5,828,723 from the prior year. The City's investment in capital assets for its business-type activities amounted to \$392,354,875, which represents a net increase of \$7,444,438 from the prior year. The following table reflects the components of capital assets and their changes:

	Government-wide Change in Capital Assets (in thousands)					
	Governmental Activities			Business-type Activities		
	Balance 10/1/15	Net Additions/ Deletions	Balance 9/30/16	Balance 10/1/15	Net Additions/ Deletions	Balance 9/30/16
Non-depreciable assets:						
Land	\$ 23,660	\$ 274	\$ 23,934	\$ 12,147	\$ -	\$ 12,147
Construction in progress	12,479	18,675	31,154	61,584	(15,587)	45,997
Depreciable capital assets:						
Intangibles	1,972	8	1,980	873	(27)	846
Buildings and system Improvements other than buildings	125,295	(2,391)	122,904	530,859	38,407	569,266
Machinery and equipment	53,091	989	54,080	12,615	10	12,625
Vehicles	18,391	1,680	20,071	8,600	200	8,800
Infrastructure	23,093	449	23,542	9,447	254	9,701
Accumulated depreciation on capital assets	331,894	-	331,894	-	-	-
Totals	<u>(403,543)</u>	<u>(13,855)</u>	<u>(417,398)</u>	<u>(251,215)</u>	<u>(15,812)</u>	<u>(267,027)</u>
	<u>\$ 186,332</u>	<u>\$ 5,829</u>	<u>\$ 192,161</u>	<u>\$ 384,910</u>	<u>\$ 7,445</u>	<u>\$ 392,355</u>

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

- The City made several public safety purchases including two ambulances for \$597,168, other fire vehicles totaling \$98,305, and police vehicles totaling \$700,221. A blue bird bus was purchased by leisure services for \$151,016.
- Various major projects were completed in the Water/Wastewater Utility System including a new operations building and the replacement of a major high service pump at the Springtree Utility Complex.

Planning, design or construction is in progress on the following projects:

- Parks Improvements: Two new parks are in the works along with the Flamingo Park renovation and Welleby Park expansion. A new Athletic Center at Pine Island Road and NW 50th Street is also in the design phase.
- The community room expansion is under construction at the Public Safety Building. Other building expansions are in the design phase for the Senior Center and Civic Center.
- Various system additions and improvements are under construction in the Water/Wastewater Utility System.

Additional information on the City's capital assets can be found in note IV.C to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total debt principal outstanding of \$255,250,000. Of this amount, \$204,330,000 represents bonds secured solely by specified revenue sources, \$830,000 comprises public improvement bonds (bank notes), \$13,130,000 is special tax district ad valorem tax bonds and \$36,960,000 is general obligation bonds. More detailed information about the City's long-term liabilities is presented in Note IV. H to the financial statements.

The City's special tax district ad valorem tax bonds have an insured rating of "A2" by Moody's Investors Service and an insured rating of "AA" by Standard and Poor's. The general obligation bonds have a rating of "Aa2" by Moody's and "AA" by Fitch. The public improvement bonds (bank notes) are not rated.

The Series 2010 utility bonds have a rating of "AA-" by Standard and Poor's and "AA" by Fitch. The other existing utility revenue bonds were also rated "AA-" by Standard and Poor's.

The special assessment bonds (Series 2015) were issued to fund design and construction of two public parking garage structures and improvements to public infrastructure, intersections, traffic signalization and rights-of-way and a portion of existing parking lots on land owned by benefitted owners located at Sawgrass Mills Mall. The bonds have a rating of "BBB" by Fitch. The City is not obligated in any manner for the payment of principal and interest for these bonds. Funds are collected through special assessments on the affected property owners. The City acts as the fiduciary agent for these funds.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The millage rate of \$6.0543 adopted for fiscal year 2017 was the same as fiscal year 2016. The millage rate has remained the same since fiscal year 2010.

According to the U.S. Department of Labor, Bureau of Labor Statistics, the City's total resident employment as of September 2016 was 49,644 compared to 48,204 as of September 2015. The City's resident unemployment rate decreased from 5.0% in September 2015 to 4.4% in September 2016. The State of Florida's unemployment rate in September 2016 was 5.0%.

As of September 2015 (the latest data available from the U. S. Census Bureau), the City's median household income was \$55,957, while the State's median household income was \$49,426.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. 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 and Administrative Services Director, 10770 West Oakland Park Blvd., Sunrise, Florida 33351.

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BASIC FINANCIAL STATEMENTS

CITY OF SUNRISE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 193,800,909	\$ 57,590,364	\$ 251,391,273
Investments	47,787,456	26,469,201	74,256,657
Receivables, net of allowance for uncollectibles	6,978,638	17,585,305	24,563,943
Internal balances	(2,585,660)	2,585,660	-
Inventories	357,211	1,971,914	2,329,125
Prepaid items	46,473	60,424	106,897
Restricted assets:			
Cash and cash equivalents	-	115,052,167	115,052,167
Investments	-	46,845,225	46,845,225
Interest receivable on investments	-	106,303	106,303
Capital assets not being depreciated:			
Land	23,934,730	12,147,246	36,081,976
Construction in progress	31,153,645	45,996,743	77,150,388
Capital assets (net of accumulated depreciation):			
Intangibles	424,091	8,643	432,734
Buildings and system	82,265,289	322,248,843	404,514,132
Improvements other than buildings	18,295,982	5,997,998	24,293,980
Machinery and equipment	6,962,711	2,666,987	9,629,698
Vehicles	9,153,903	3,288,415	12,442,318
Infrastructure	19,970,655	-	19,970,655
Total assets	<u>438,546,033</u>	<u>660,621,438</u>	<u>1,099,167,471</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	1,537,448	1,537,448
Pension	48,600,425	11,577,103	60,177,528
Total deferred outflows of resources	<u>48,600,425</u>	<u>13,114,551</u>	<u>61,714,976</u>
LIABILITIES			
Accounts payable and other current liabilities	9,521,923	3,738,745	13,260,668
Retainage payable	2,697,798	448,669	3,146,467
Intergovernmental payable	306,249	1,806,111	2,112,360
Interest payable	693,524	-	693,524
Accrued liabilities	2,778,881	296,984	3,075,865
Unearned revenue	2,621,767	77,417	2,699,184
Other liabilities	4,021,663	-	4,021,663
Liabilities payable from restricted assets	-	19,458,423	19,458,423
Non-current liabilities:			
Due within one year	5,169,850	4,755,181	9,925,031
Due in more than one year			
Net pension liability	162,671,099	39,352,911	202,024,010
Debt and other	84,317,377	216,716,017	301,033,394
Total liabilities	<u>274,800,131</u>	<u>286,650,458</u>	<u>561,450,589</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	3,552,907	220,920	3,773,827
Total deferred inflows of resources	<u>3,552,907</u>	<u>220,920</u>	<u>3,773,827</u>
NET POSITION			
Net investment in capital assets	216,939,533	198,835,364	415,774,897
Restricted:			
Debt service	4,770,452	-	4,770,452
Renewal and replacement	-	59,810,426	59,810,426
Operations and maintenance	-	2,219,938	2,219,938
System reserve	-	73,856,733	73,856,733
Capital projects	26,397,356	-	26,397,356
Transportation	3,100,231	-	3,100,231
Building fees	11,177,980	-	11,177,980
Impact fees	596,366	-	596,366
Unrestricted	(54,188,498)	52,142,150	(2,046,348)
Total net position	<u>\$ 208,793,420</u>	<u>\$ 386,864,611</u>	<u>\$ 595,658,031</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SUNRISE, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 26,389,946	\$ 9,944,340	\$ -	\$ -	\$ (16,445,606)	\$ -	\$ (16,445,606)
Public safety	82,501,264	28,021,610	3,297,544	392,691	(50,789,419)	-	(50,789,419)
Physical environment	17,439	14,918,466	-	-	14,901,027	-	14,901,027
Economic development	986,907	-	1,049,424	-	62,517	-	62,517
Transportation	8,629,081	79,167	1,927,859	1,299,955	(5,322,100)	-	(5,322,100)
Culture and recreation	14,240,291	1,680,726	78,034	680,965	(11,800,566)	-	(11,800,566)
Interest on long-term debt	2,138,958	-	-	-	(2,138,958)	-	(2,138,958)
Total governmental activities	134,903,886	54,644,309	6,352,861	2,373,611	(71,533,105)	-	(71,533,105)
Business-type activities:							
Water and wastewater	82,886,168	107,956,039	-	4,843,538	-	29,913,409	29,913,409
Gas	6,464,051	6,917,521	-	-	-	453,470	453,470
Sanitation	10,809,059	9,905,560	-	-	-	(903,499)	(903,499)
Recycling	853,151	1,163,315	264,976	-	-	575,140	575,140
Stormwater	4,637,636	6,855,996	-	-	-	2,218,360	2,218,360
Golf course	1,862,669	1,072,826	-	-	-	(789,843)	(789,843)
Total business-type activities	107,512,734	133,871,257	264,976	4,843,538	-	31,467,037	31,467,037
Total	\$ 242,416,620	\$ 188,515,566	\$ 6,617,837	\$ 7,217,149	(71,533,105)	31,467,037	(40,066,068)
General revenues:							
Property taxes					38,118,401	-	38,118,401
Utility service tax					9,469,694	-	9,469,694
Communications services tax					3,083,443	-	3,083,443
Local business tax					2,313,203	-	2,313,203
Franchise fees based on gross receipts					9,275,964	-	9,275,964
Contributions not restricted to specific programs					8,223,538	-	8,223,538
Unrestricted investment earnings					1,090,804	1,248,323	2,339,127
Miscellaneous					372,106	466,265	838,371
Gain on sale of capital assets					269,206	-	269,206
Transfers					5,582,849	(5,582,849)	-
Total general revenues and transfers					77,799,208	(3,868,261)	73,930,947
Change in net position					6,266,103	27,598,776	33,864,879
Net position - beginning					202,527,317	359,265,835	561,793,152
Net position - ending					\$ 208,793,420	\$ 386,864,611	\$ 595,658,031

The notes to the financial statements are an integral part of this statement.

CITY OF SUNRISE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Special Assessment Bonds, Series 2015		
ASSETS				
Cash and cash equivalents	\$ 47,294,496	\$ 46,686,389	\$ 82,586,660	\$ 176,567,545
Investments	23,466,225	-	15,963,978	39,430,203
Receivables, net of allowance for uncollectibles:				
Interest	51,463	-	36,459	87,922
Taxes	669,865	-	-	669,865
Franchise fees	1,052,794	-	-	1,052,794
Accounts receivable	901,130	-	-	901,130
Special assessments	-	-	626,478	626,478
Other	98,582	-	18,311	116,893
Due from other funds	664,020	-	63,726	727,746
Interfund	124,748	-	-	124,748
Intergovernmental	2,391,748	-	998,420	3,390,168
Prepaid items	6,150	-	-	6,150
Inventories	765	-	78,767	79,532
Advances to other funds	255,000	-	-	255,000
Total assets	\$ 76,976,986	\$ 46,686,389	\$ 100,372,799	\$ 224,036,174
LIABILITIES				
Accounts payable	1,226,010	6,276,085	730,220	8,232,315
Accrued liabilities	2,695,673	-	62,700	2,758,373
Retainage payable	-	2,649,947	47,851	2,697,798
Intergovernmental payable	303,897	-	2,352	306,249
Due to other funds	962,922	-	30,655	993,577
Interfund payable	-	-	11,845	11,845
Matured bonds payable	-	-	2,170,000	2,170,000
Matured interest payable	-	-	334,162	334,162
Unearned revenue	2,603,491	-	18,276	2,621,767
Other	1,831,600	-	2,190,063	4,021,663
Advances from other funds	-	-	255,000	255,000
Total liabilities	9,623,593	8,926,032	5,853,124	24,402,749
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	-	-	626,478	626,478
Total deferred inflows of resources	-	-	626,478	626,478
FUND BALANCES				
Nonspendable:				
Inventories	765	-	78,767	79,532
Prepaid items	6,150	-	-	6,150
Advances	255,000	-	-	255,000
Restricted for:				
Building Department	-	-	11,177,980	11,177,980
Capital projects	-	37,760,357	33,228,325	70,988,682
Recreation	-	-	1,401	1,401
Public safety	-	-	6,337,667	6,337,667
Fire equipment	-	-	166,258	166,258
Median strips	-	-	320,907	320,907
Housing	-	-	959,846	959,846
Transportation	-	-	3,021,464	3,021,464
Developer Agreements	-	-	623,333	623,333
Committed:				
Revenue stabilization	5,181,693	-	-	5,181,693
Contingency	15,545,079	-	-	15,545,079
Economic & job growth	8,152,406	-	-	8,152,406
Reforestation replacement	70,467	-	-	70,467
Assigned to:				
Subsequent year's expenditures	-	-	21,734,845	21,734,845
Other purposes	705,861	-	-	705,861
Construction contracts	-	-	5,636,187	5,636,187
Debt service funds	-	-	2,959,814	2,959,814
Capital projects funds	-	-	7,741,996	7,741,996
Unassigned				
General fund	37,435,972	-	-	37,435,972
Special revenue funds	-	-	(95,593)	(95,593)
Total fund balances	67,353,393	37,760,357	93,893,197	199,006,947
Total liabilities, deferred inflow of resources and fund balances	\$ 76,976,986	\$ 46,686,389	\$ 100,372,799	\$ 224,036,174

The notes to the financial statements are an integral part of this statement.

CITY OF SUNRISE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION -
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

Fund balances - total governmental funds	199,006,947
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	182,128,756
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows in the funds.	626,478
Debt interest payable that will not be liquidated with current financial resources is not reported in the funds.	(359,362)
Deferred inflows of resources related to pension earnings are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting.	(3,532,864)
Deferred outflows of resources related to pension contributions are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting.	47,535,870
The internal service funds are used by management to charge the costs of workers' compensation, fleet management, information technology and communications, and self-insured health to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	24,617,863
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(159,084,980)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(82,145,288)</u>
Net position of governmental activities	<u><u>208,793,420</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF SUNRISE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
		<u>Special Assessment Bonds, Series 2015</u>		
REVENUES				
Taxes:				
Property	\$ 33,508,297	\$ -	\$ 4,610,104	\$ 38,118,401
Local option fuel	-	-	1,598,725	1,598,725
Insurance premium	1,496,667	-	-	1,496,667
Utility service	9,469,694	-	-	9,469,694
Communications services	3,083,443	-	-	3,083,443
Local business	2,313,203	-	-	2,313,203
Permits and fees	2,308,884	-	8,321,000	10,629,884
Franchise fees	9,339,543	-	-	9,339,543
Intergovernmental	8,475,486	-	2,787,072	11,262,558
Charges for services	23,535,899	-	129,842	23,665,741
Administrative charges	7,077,430	-	-	7,077,430
Judgments, fines and forfeitures	1,777,999	-	1,607,856	3,385,855
Special assessments	10,104,591	-	267,000	10,371,591
Impact fees	-	-	3,534	3,534
Investment earnings	440,777	179,686	463,700	1,084,163
Contributions and donations	58,919	-	126,667	185,586
Miscellaneous	1,520,898	-	161,074	1,681,972
Total revenues	<u>114,511,730</u>	<u>179,686</u>	<u>20,076,574</u>	<u>134,767,990</u>
EXPENDITURES				
Current:				
General government	25,459,742	-	-	25,459,742
Public safety	71,193,321	-	7,510,070	78,703,391
Economic development	-	-	986,907	986,907
Transportation	-	45	2,634,200	2,634,245
Culture and recreation	10,338,707	-	-	10,338,707
Debt service:				
Principal	-	-	2,840,000	2,840,000
Interest	-	-	2,139,269	2,139,269
Other	-	-	44,011	44,011
Capital outlay	1,276,762	16,305,488	3,763,613	21,345,863
Total expenditures	<u>108,268,532</u>	<u>16,305,533</u>	<u>19,918,070</u>	<u>144,492,135</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,243,198</u>	<u>(16,125,847)</u>	<u>158,504</u>	<u>(9,724,145)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,751,445	-	6,570,999	12,322,444
Transfers out	(7,930,829)	-	(1,308,025)	(9,238,854)
Sale of capital assets	74,966	-	1,674,349	1,749,315
Total other financing sources (uses)	<u>(2,104,418)</u>	<u>-</u>	<u>6,937,323</u>	<u>4,832,905</u>
Net change in fund balances	<u>4,138,780</u>	<u>(16,125,847)</u>	<u>7,095,827</u>	<u>(4,891,240)</u>
Fund balances - beginning	<u>63,214,613</u>	<u>53,886,204</u>	<u>86,797,370</u>	<u>203,898,187</u>
Fund balances - ending	<u>\$ 67,353,393</u>	<u>\$ 37,760,357</u>	<u>\$ 93,893,197</u>	<u>\$ 199,006,947</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SUNRISE, 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, 2016

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances -- total governmental funds	\$	(4,891,240)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		4,218,770
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, write-offs and donations) is to increase/(decrease) net position.		(1,106,439)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		5,212,844
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 the governmental funds.		(2,140,435)
Revenues reported in the funds that relate to prior periods are not reported in the statement of activities.		(266,628)
Cash pension contributions reported in the funds were greater than the calculated pension expense on the statement of activities and therefore reduced net pension liability.		(1,177,596)
Internal service funds are used by management to charge the costs of workers' compensation, fleet management, information technology and communications, and self-insured health to individual funds. The net revenue of certain activities of the internal service funds are reported with governmental activities.		<u>6,416,827</u>
Change in net position of governmental activities	\$	<u>6,266,103</u>

The notes to the financial statements are an integral part of this statement.

CITY OF SUNRISE, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 33,623,610	\$ 33,623,610	\$ 33,508,297	\$ (115,313)
Insurance premium	1,490,900	1,490,900	1,496,667	5,767
Utility service	9,146,010	9,146,010	9,469,694	323,684
Communications services	3,670,000	3,670,000	3,083,443	(586,557)
Local business	2,245,000	2,245,000	2,313,203	68,203
Permits and fees	2,853,120	2,853,120	2,308,884	(544,236)
Franchise fees	9,618,860	9,618,860	9,339,543	(279,317)
Intergovernmental	8,630,260	8,770,260	8,475,486	(294,774)
Charges for services	21,756,810	21,756,810	23,535,899	1,779,089
Administrative charges	7,077,430	7,077,430	7,077,430	-
Judgments, fines and forfeitures	1,755,150	1,755,150	1,777,999	22,849
Special assessments	9,927,810	9,927,810	10,104,591	176,781
Investment earnings	211,560	211,560	440,777	229,217
Contributions and donations	57,000	57,000	58,919	1,919
Miscellaneous	1,861,110	1,861,110	1,520,898	(340,212)
Total revenues	113,924,630	114,064,630	114,511,730	447,100
EXPENDITURES				
Current:				
General government:				
City Commission	746,490	746,490	715,584	30,906
City Manager	1,259,370	1,259,370	1,205,526	53,844
City Clerk	606,400	606,400	526,767	79,633
City Attorney	1,226,660	1,226,660	961,877	264,783
Finance and Administrative Services	4,993,359	4,990,724	4,549,412	441,312
Human Resources	1,393,180	1,392,130	989,353	402,777
Facilities	3,462,380	3,365,880	2,984,188	381,692
Planning and Development	3,750,250	3,741,155	2,841,762	899,393
Non-departmental	11,730,520	11,570,133	10,685,273	884,860
Total general government	29,168,609	28,898,942	25,459,742	3,439,200
Public safety:				
Police	43,546,558	43,640,298	41,590,923	2,049,375
Fire	28,911,989	28,940,789	28,222,317	718,472
Code Enforcement	1,588,960	1,595,905	1,380,081	215,824
Total public safety	74,047,507	74,176,992	71,193,321	2,983,671
Culture and recreation:				
Leisure Services	11,714,316	11,633,665	10,338,707	1,294,958

(continued)

The notes to the financial statements are an integral part of this statement.

CITY OF SUNRISE, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL, continued
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital outlay:				
General government:				
Finance and Administrative Services	5,360	7,995	7,272	723
Human Resources	10,880	11,930	969	10,961
Facilities	28,300	124,800	122,429	2,371
Planning and Development	-	2,150	2,059	91
Public safety:				
Police	51,273	77,533	48,367	29,166
Fire	1,111,580	817,780	809,854	7,926
Culture and recreation:				
Leisure Services	338,632	419,283	285,812	133,471
Total capital outlay	<u>1,546,025</u>	<u>1,461,471</u>	<u>1,276,762</u>	<u>184,709</u>
Total expenditures	<u>116,476,457</u>	<u>116,171,070</u>	<u>108,268,532</u>	<u>7,902,538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,551,827)</u>	<u>(2,106,440)</u>	<u>6,243,198</u>	<u>8,349,638</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,009,480	6,009,480	5,751,445	(258,035)
Transfers out	(3,904,310)	(7,936,620)	(7,930,829)	5,791
Sale of capital assets	20,000	20,000	74,966	54,966
Total other financing sources (uses)	<u>2,125,170</u>	<u>(1,907,140)</u>	<u>(2,104,418)</u>	<u>(197,278)</u>
Net change in fund balances	(426,657)	(4,013,580)	4,138,780	8,152,360
Fund balances - beginning	<u>63,214,613</u>	<u>63,214,613</u>	<u>63,214,613</u>	<u>-</u>
Fund balances - ending	<u>\$ 62,787,956</u>	<u>\$ 59,201,033</u>	<u>\$ 67,353,393</u>	<u>\$ 8,152,360</u>

CITY OF SUNRISE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 50,013,848	\$ 110,635	\$ 7,465,881	\$ 57,590,364	\$ 17,233,364
Investments	22,591,678	275,288	3,602,235	26,469,201	8,357,253
Interest receivable	52,282	614	7,885	60,781	18,461
Accounts receivable, net of allowance for uncollectibles	15,171,495	1,557,947	641,626	17,371,068	6,470
Assessments receivable, net	11,992	-	-	11,992	-
Other receivables	-	134,541	6,923	141,464	108,457
Inventories	1,955,503	-	16,411	1,971,914	277,679
Prepaid items	57,074	-	3,350	60,424	-
Restricted assets:					
Cash and cash equivalents	9,850,220	-	-	9,850,220	-
Total current assets	99,704,092	2,079,025	11,744,311	113,527,428	26,001,684
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	104,498,990	702,957	-	105,201,947	-
Investments	46,845,225	-	-	46,845,225	-
Interest receivable on investments	106,303	-	-	106,303	-
Capital assets:					
Land	10,858,101	-	1,289,145	12,147,246	-
Intangibles	844,020	-	2,425	846,445	238,630
Buildings and system	568,580,287	-	685,480	569,265,767	-
Improvements other than buildings	8,239,926	-	4,385,386	12,625,312	-
Machinery and equipment	6,305,458	-	2,495,006	8,800,464	1,241,025
Vehicles	8,827,992	-	872,725	9,700,717	11,155,943
Construction in progress	40,568,066	-	5,428,677	45,996,743	1,608,352
Less accumulated depreciation	(263,773,718)	-	(3,254,101)	(267,027,819)	(4,211,700)
Total capital assets, net of accumulated depreciation	380,450,132	-	11,904,743	392,354,875	10,032,250
Total noncurrent assets	531,900,650	702,957	11,904,743	544,508,350	10,032,250
Total assets	631,604,742	2,781,982	23,649,054	658,035,778	36,033,934
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	1,537,448	-	-	1,537,448	-
Pension	10,634,406	-	942,697	11,577,103	1,064,555
Total deferred outflows of resources	12,171,854	-	942,697	13,114,551	1,064,555

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
LIABILITIES					
Current liabilities:					
Accounts payable	1,962,090	1,249,413	507,985	3,719,488	384,947
Accrued liabilities	272,692	-	24,292	296,984	20,508
Due to other funds	495,816	159,181	1,329	656,326	1,761
Interfund payable	-	-	112,903	112,903	-
Compensated absences	299,808	-	30,373	330,181	22,272
Retainage payable	-	-	448,669	448,669	-
Intergovernmental payable	1,803,150	-	2,961	1,806,111	-
Current liabilities payable from restricted assets:					
Accounts payable	2,355,051	-	-	2,355,051	-
Revenue bonds payable	4,425,000	-	-	4,425,000	-
Accrued interest payable	5,425,220	-	-	5,425,220	-
Total current liabilities	17,038,827	1,408,594	1,128,512	19,575,933	429,488
Noncurrent liabilities:					
Revenue bonds payable (net of unamortized discounts/premiums)	200,670,556	-	-	200,670,556	-
Compensated absences	3,202,970	-	283,386	3,486,356	175,573
Other post employment benefits	5,128,529	-	431,360	5,559,889	63,370
Retiree subsidy	6,282,174	-	717,042	6,999,216	83,478
Net pension liability	35,961,044	-	3,391,867	39,352,911	3,586,119
Claims and judgments	-	-	-	-	4,786,923
Unearned revenue	52,270	24,130	1,017	77,417	-
Noncurrent liabilities payable from restricted assets:					
Retainage payable	2,179,855	-	-	2,179,855	-
Customer deposits payable	8,795,340	702,957	-	9,498,297	-
Total noncurrent liabilities	262,272,738	727,087	4,824,672	267,824,497	8,695,463
Total liabilities	279,311,565	2,135,681	5,953,184	287,400,430	9,124,951
DEFERRED INFLOWS OF RESOURCES					
Pension	201,370	-	19,550	220,920	20,043
Total deferred inflows of resources	201,370	-	19,550	220,920	20,043
NET POSITION					
Net investment in capital assets	187,656,105	-	11,179,259	198,835,364	9,934,061
Restricted for:					
Renewal and replacement	59,810,426	-	-	59,810,426	-
Operations and maintenance	2,219,938	-	-	2,219,938	-
System reserve	73,856,733	-	-	73,856,733	-
Unrestricted	40,720,459	646,301	7,439,758	48,806,518	18,019,434
Total net position	\$ 364,263,661	\$ 646,301	\$ 18,619,017	383,528,979	\$ 27,953,495
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				3,335,632	
Net position of business-type activities				\$ 386,864,611	

The notes to the financial statements are an integral part of this statement.

CITY OF SUNRISE, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
Operating revenues:					
Charges for sales and services:					
Water sales	\$ 49,071,727	\$ -	\$ -	\$ 49,071,727	\$ -
Wastewater service	53,595,693	-	-	53,595,693	-
Gas sales	6,870,996	-	-	6,870,996	-
Fees	-	9,905,560	9,092,137	18,997,697	-
Service charges	2,139,401	-	-	2,139,401	26,348,589
Guaranteed revenues	1,781,083	-	-	1,781,083	-
Administrative charges	765,630	-	-	765,630	-
Total operating revenues	114,224,530	9,905,560	9,092,137	133,222,227	26,348,589
Operating expenses:					
Costs of sales and services:					
Power, water and wastewater purchases	3,427,478	-	137,490	3,564,968	37,765
Natural gas purchases	1,714,572	-	-	1,714,572	-
Chemical purchases	2,071,966	-	135,773	2,207,739	-
Solid waste/sludge removal	1,018,878	9,905,560	-	10,924,438	-
Recycling charges	-	-	745,994	745,994	-
Materials and supplies	912,285	-	118,949	1,031,234	992,772
Repairs and maintenance	4,485,734	-	196,147	4,681,881	2,216,210
Salaries, wages and employee benefits	28,149,572	-	2,608,838	30,758,410	2,396,326
Insurance and other expenses	11,116,282	30,404	2,245,819	13,392,505	3,798,802
Claims expense	-	-	-	-	12,461,056
Administrative fees	5,132,660	868,380	820,580	6,821,620	-
Depreciation and amortization	20,431,235	-	471,009	20,902,244	1,139,172
Total operating expenses	78,460,662	10,804,344	7,480,599	96,745,605	23,042,103
Operating income (loss)	35,763,868	(898,784)	1,611,538	36,476,622	3,306,486

Business-type Activities - Enterprise Funds

	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
Non-operating revenues (expenses):					
Investment earnings	1,178,927	4,697	64,699	1,248,323	149,639
Interest and amortization expense	(9,874,948)	(3,534)	(11,559)	(9,890,041)	-
Gain (loss) on sale of capital assets	(1,342,005)	-	3,234	(1,338,771)	8,363
Sale of recyclable materials	-	-	69,648	69,648	-
Other	2,152,932	38,933	269,171	2,461,036	1,563,793
Total non-operating revenues (expenses)	(7,885,094)	40,096	395,193	(7,449,805)	1,721,795
Income (loss) before contributions and transfers	27,878,774	(858,688)	2,006,731	29,026,817	5,028,281
Capital contributions	3,044,095	-	-	3,044,095	-
Transfers in	-	866,160	749,670	1,615,830	2,561,398
Transfers out	(6,242,290)	-	(956,389)	(7,198,679)	(62,139)
Change in net position	24,680,579	7,472	1,800,012	26,488,063	7,527,540
Total net position - beginning	339,583,082	638,829	16,819,005		20,425,955
Total net position - ending	\$ 364,263,661	\$ 646,301	\$ 18,619,017		\$ 27,953,495
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				1,110,713	
Change in net position of business-type activities				\$ 27,598,776	

39

The notes to the financial statements are an integral part of this statement.

CITY OF SUNRISE, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 116,171,392	\$ 9,980,142	\$ 9,111,098	\$ 135,262,632	\$ 26,347,080
Receipts from interfund services provided	765,630	-	-	765,630	-
Payments to suppliers	(27,134,310)	(10,080,510)	(3,955,518)	(41,170,338)	(17,932,119)
Payments to and for employees	(26,575,946)	-	(2,433,217)	(29,009,163)	(2,281,936)
Payments for interfund services used	(5,132,660)	(875,560)	(820,580)	(6,828,800)	-
Net cash provided by (used for) operating activities	<u>58,094,106</u>	<u>(975,928)</u>	<u>1,901,783</u>	<u>59,019,961</u>	<u>6,133,025</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances from other funds	-	-	(107,271)	(107,271)	-
Transfer from other funds	-	866,160	749,670	1,615,830	2,561,398
Transfer to other funds	(6,242,290)	-	(956,389)	(7,198,679)	(62,139)
Net cash provided by (used for) noncapital financing activities	<u>(6,242,290)</u>	<u>866,160</u>	<u>(313,990)</u>	<u>(5,690,120)</u>	<u>2,499,259</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	2,364,217	-	-	2,364,217	-
Acquisition and construction of capital assets	(25,802,897)	-	(3,270,719)	(29,073,616)	(3,847,201)
Principal paid on capital debt	(6,070,000)	-	-	(6,070,000)	-
Interest paid on capital debt	(10,283,441)	-	(11,559)	(10,295,000)	-
Proceeds from sales of capital assets	62,042	-	4,874	66,916	-
Net cash (used for) capital and related financing activities	<u>(39,730,079)</u>	<u>-</u>	<u>(3,277,404)</u>	<u>(43,007,483)</u>	<u>(3,847,201)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	43,960,726	219,579	2,911,026	47,091,331	5,036,962
Purchase of investments	(65,408,607)	(243,930)	(3,337,779)	(68,990,316)	(8,084,657)
Interest and dividends received	1,170,663	4,852	66,862	1,242,377	148,569
Net cash (used for) investing activities	<u>(20,277,218)</u>	<u>(19,499)</u>	<u>(359,891)</u>	<u>(20,656,608)</u>	<u>(2,899,126)</u>
Net increase (decrease) in cash and cash equivalents	(8,155,481)	(129,267)	(2,049,502)	(10,334,250)	1,885,957
Cash and cash equivalents, September 30, 2015 (including \$141,367,383 and \$723,689 for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>172,518,539</u>	<u>942,859</u>	<u>9,515,383</u>	<u>182,976,781</u>	<u>15,347,407</u>
Cash and cash equivalents, September 30, 2016 (including \$114,349,210 and \$702,957 for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>\$ 164,363,058</u>	<u>\$ 813,592</u>	<u>\$ 7,465,881</u>	<u>\$ 172,642,531</u>	<u>\$ 17,233,364</u>

Business-type Activities - Enterprise Funds

	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 35,763,868	\$ (898,784)	\$ 1,611,538	\$ 36,476,622	\$ 3,306,486
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Miscellaneous non-operating income from by-products of recycling activities	-	-	69,648	69,648	-
Miscellaneous non-operating income	2,161,057	35,399	269,171	2,465,627	1,563,793
Depreciation and amortization expense	20,431,235	-	471,009	20,902,244	1,139,172
(Increase) decrease in accounts receivable	28,981	102,659	(1,340)	130,300	(1,509)
(Increase) decrease in other receivables	-	(131,827)	6,463	(125,364)	(2,402)
Decrease in due from other funds	10,076	-	-	10,076	-
Decrease in intergovernmental receivables	421,430	-	-	421,430	-
Decrease (increase) in inventories	(149,940)	-	24,799	(125,141)	59,406
Decrease in prepaid items	800	-	-	800	-
(Increase) in deferred outflows	(5,173,231)	-	(411,054)	(5,584,285)	(521,071)
Increase (decrease) in customer deposits	133,780	(20,732)	-	113,048	-
(Decrease) in accounts payable	(2,713,932)	(43,123)	(711,435)	(3,468,490)	(106,355)
(Decrease) in accrued liabilities	(566,588)	-	(60,050)	(626,638)	(44,710)
(Decrease) in due to other funds	(60,319)	(15,997)	(52,786)	(129,102)	(4,112)
Increase (decrease) in intergovernmental payables	82,910	-	(194)	82,716	-
Increase (decrease) in unearned revenue	24,553	(3,523)	(265,672)	(244,642)	-
Increase in retainage payable	360,566	-	301,357	661,923	-
Increase (decrease) in compensated absences payable	(68,816)	-	(31,840)	(100,656)	14,217
Increase in other post employment benefits payable	567,050	-	69,554	636,604	34,776
Increase in retiree subsidy payable	749,877	-	128,657	878,534	21,802
Increase in net pension liability	6,087,752	-	483,720	6,571,472	613,186
Increase in deferred inflows	2,997	-	238	3,235	302
Increase in claims and judgments	-	-	-	-	60,044
Total adjustments	22,330,238	(77,144)	290,245	22,543,339	2,826,539
Net cash provided by (used for) operating activities	\$ 58,094,106	\$ (975,928)	\$ 1,901,783	\$ 59,019,961	\$ 6,133,025
Noncash investing, capital and financing activities:					
Contributions of capital assets	\$ 679,878	\$ -	\$ -	\$ 679,878	\$ -
Capital asset trade-ins	1,125	-	-	1,125	-
Net (decrease) in fair value of investments	(35,923)	(166)	(2,105)	(38,194)	(4,092)

The notes to the financial statements are an integral part of this statement.

**CITY OF SUNRISE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2016**

	<u>Pension Trust Funds</u>	<u>Special Assessment Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 8,560,297	\$ 6,639,809
Receivable from sale of securities	920,889	-
Interest and dividends receivable	483,203	-
Due from other funds	923,918	-
Other receivables	700	-
Investments, at fair value:		-
U.S. government and agency securities	42,470,345	-
Corporate bonds	23,918,520	-
Mutual funds	95,467,646	-
Common stocks	204,051,950	-
International equity funds	44,216,624	-
Total investments	<u>410,125,085</u>	<u>-</u>
Prepaid items	489,498	-
Total assets	<u>421,503,590</u>	<u>6,639,809</u>
LIABILITIES		
Deposits held for others	-	6,639,809
Accounts payable	1,365,265	-
Payable for securities purchased	1,058,780	-
Total liabilities	<u>2,424,045</u>	<u>6,639,809</u>
NET POSITION		
Restricted for pensions	<u>\$ 419,079,545</u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF SUNRISE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 24,329,841
Plan members	5,952,316
Other sources	1,496,667
Total contributions	31,778,824
Investment earnings:	
Interest	1,821,712
Dividends	6,860,010
Net appreciation in fair value of investments	30,459,621
Other	38,775
Total investment earnings	39,180,118
Less investment expense	1,749,286
Net investment earnings	37,430,832
Total additions	69,209,656
DEDUCTIONS	
Benefits	28,722,779
Refunds of contributions	212,178
Administrative expenses	753,643
Total deductions	29,688,600
Change in net position	39,521,056
Net position - beginning	379,558,489
Net position - ending	\$ 419,079,545

The notes to the financial statements are an integral part of this statement.

CITY OF SUNRISE, FLORIDA
INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note	Topic	Page
I. Summary of Significant Accounting Policies		
A.	Reporting entity.....	46
B.	Government-wide and fund financial statements.....	47
C.	Measurement focus, basis of accounting and financial statement presentation	47
D.	Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance	
	1. Cash and cash equivalents	49
	2. Investments	50
	3. Receivables and payables	51
	4. Inventories and prepaid items	51
	5. Restricted assets	51
	6. Capital assets.....	52
	7. Pensions	52
	8. Deferred outflows/inflows of resources.....	53
	9. Compensated absences.....	53
	10. Long-term obligations.....	53
	11. Net position or fund equity	53
	12. Revenue stabilization	54
	13. Use of estimates	54
II. Reconciliation of Government-wide and Fund Financial Statements		
A.	Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.....	55
B.	Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.....	55
III. Stewardship, Compliance and Accountability		
A.	Budgetary information	57
IV. Detailed Notes on all Funds		
A.	Deposits and investments.....	57
B.	Receivables.....	64
C.	Capital assets	66
D.	Construction commitments	68
E.	Encumbrances.....	68
F.	Interfund receivables, payables and transfers	68
G.	Leases.....	70
H.	Long-term debt.....	70
I.	Property taxes	74

CITY OF SUNRISE, FLORIDA
INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS-(Continued)
SEPTEMBER 30, 2016

Note	Topic	Page
V.	Other Information	
	A. Risk management	75
	B. Contingent liabilities	76
	C. Employee retirement systems and pension plans	76
	D. Other post-employment benefits	85

CITY OF SUNRISE, FLORIDA

I. Summary of Significant Accounting Policies

A. Reporting entity

The City of Sunrise, Florida (the City) was incorporated in 1961 and has a population of approximately 90,000 living within an area of approximately 18 square miles. The City was established under Charter 61-2902, which was adopted in 1961 with a mayor/commission form of government. By referendum, the city commission/city manager form of government replaced the mayor/commission form of government in 1989. Five elected city commission members comprised of the Mayor, Deputy Mayor, Assistant Deputy Mayor and two Commissioners govern the City.

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. If the component unit's governing body is substantively the same as the City's, the component unit is blended (reported as if it was part of the City's operations).

Blended component units

Special Recreation District Phase I was created by Ordinance 183. It was established to provide recreational facilities. The governing body of the City is the governing body of the Special Recreation District and management of the City has operational responsibility for the component unit.

Special Tax District No. 1 (the District) was created by Ordinance 373. The District provides, or assists in the provision of, public works lying within its territorial limits. All elected and appointed officials and employees of the City are, ex officio, the officials and employees of the District. Management of the City has operational responsibility for the component unit.

Metropica Improvement District (the District) was created by Ordinance 909-X. The District provides or assists in the provision of land and public improvements within its territorial boundaries or outside its boundaries which benefit property lying within its territorial limits. All elected and appointed officials and employees of the City are, ex officio, the officials and employees of the District. Management of the City has operational responsibility for the component unit.

The City Commission establishes rates for special assessments for Special Recreation District Phase I and ad valorem taxes for Special Tax District No. 1. If necessary, the City Commission would establish the ad valorem tax rate for the Metropica Improvement District.

Separate financial statements are not required or prepared for the special districts. The City reports fund balances and financial activity in the debt service funds, and the capital projects fund for Special Tax District No. 1.

CITY OF SUNRISE, FLORIDA

B. Government-wide and fund financial statements

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. In February 2015, the GASB issued *Fair Value Measurement and Application* (Statement No. 72). In June 2015, the GASB issued *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (Statement No. 76). In December 2015, the GASB issued *Certain External Investment Pools and Pool Participants* (Statement No. 79). In March 2016, the GASB issued *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73* (Statement No. 82). The City has applied the requirements, as applicable, of these Statements and certain portions of Statement No. 79 effective October 1, 2015. Additionally, the City has early implemented the requirements, as applicable, of Statement No. 82.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been eliminated from these statements. Exceptions to this are administrative charges where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater function and various other functions of the City. The net residual amounts due between governmental and business-type activities are presented as internal balances in the statement of net position. Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net position as receivable from and payable to external parties, rather than as internal balances.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 included among program revenues are reported instead as general revenues. 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 user fees and charges for support.

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

C. Measurement focus, basis of accounting and financial statement presentation

Measurement focus is commonly used to describe the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements and relates to the timing of transactions, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The economic resources measurement focus is on the determination of

CITY OF SUNRISE, FLORIDA

net income and capital maintenance. All fund assets, deferred outflows/inflows of resources, and liabilities, current and non-current, are accounted for in the fund. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Certain indirect costs are included in the program expense reported for business-type activities.

Amounts reported as program revenues include 1) charges to customers 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. Taxes and other items not classified as program revenues are reported as general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The current financial resources measurement focus is on the determination of and changes in financial position. This concept emphasizes the acquisition, use and balance of governmental fund expendable available financial resources and related current liabilities. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. The exception to this general rule is that principal and interest on general long-term debt and compensated absences are recognized when due.

Property taxes, gas taxes, utility service taxes, franchise fees, fuel tax refunds, administrative charges 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. In applying the susceptible to accrual concept to intergovernmental revenues, revenues are recognized when all eligibility requirements are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

Governmental funds are used to account for the City's general government activities. The City reports the following major governmental funds:

- The General Fund is the operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- The Special Assessment Bonds, Series 2015 capital projects fund accounts for the development, construction, equipment and installation of two parking garages at Sawgrass Mills.

The other governmental funds are a summarization of all the non-major governmental funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative fees, general expenses and depreciation/ amortization on capital assets. Operating expenses for the internal service funds include claims, insurance premiums,

CITY OF SUNRISE, FLORIDA

general expenses and depreciation/amortization on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

- The Water, Wastewater, and Gas Utility System enterprise fund accounts for the provision of water, wastewater and natural gas services to customers inside and outside the City limits.
- The Sanitation enterprise fund accounts for the provision of solid waste disposal services to City residents.

The other proprietary funds are a summarization of all the non-major proprietary funds.

Additionally, the City reports the following fund types:

The internal service funds are used to account for goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City operates four internal service funds for the purpose of workers compensation services, fleet management, information technology and communications, and self-insured health.

Fiduciary Funds include pension trust funds and an agency fund. The pension trust funds account for the activities of the City's general employees', police officers' and firefighters' pension plans, which accumulate resources for pension benefit payments to qualified employees. The agency fund is used to account for transactions related to \$70,120,000 Taxable Special Assessment Bonds, Series 2015 which include the establishment of a debt service reserve and the debt service transactions associated with the bonds. The bonds were issued by the City and secured by assessments on real property within a specified area that stands to benefit from the improvements provided by the bonds, known as the Parking Garages Assessment Area. The City has no liability for repayment of the bonds and is merely acting as the property owners' agent in handling the debt service transactions by collecting the assessments (which are reported as deposits held for others until paid) and forwarding for payment to the bondholders each May 1 and November 1. For fiscal year ended September 30, 2016, the agency fund reports total cash and cash equivalents of \$6,639,809, which consists of the debt service reserve of \$4,786,575 and \$1,853,234 received from the property owners for the 2017 debt service of the bonds.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, short-term investments (including restricted assets) with original maturities at the time of purchase of three months or less, Florida State Board of Administration's (SBA) Florida PRIME Investment Pool, money market mutual funds, and equity in the City's pooled cash.

Pooled cash is an investment tool employed by the City that maximizes earning potential by investing large amounts of idle cash for short periods of time. It is available for use by all funds except those whose cash and investments must be segregated due to bond covenants or other legal restrictions. The City maintains pooled cash accounts in all of its funds except for the pension trust funds, debt service funds, capital projects funds that are funded by special assessments or debt, and the Police Confiscation fund. Interest income is distributed monthly based on average

CITY OF SUNRISE, FLORIDA

daily balances. Each fund's equity in the City's pooled cash is considered to be a cash equivalent since the funds can deposit or withdraw cash at any time without prior notice or penalty.

The City invests surplus funds in a variety of investment vehicles. One such vehicle is the Florida PRIME, an external investment pool. The City owns shares of the pool, not the underlying securities. This fund is administered by the SBA, who provides regulatory oversight, and has been managed by Federated Investors since February 2008. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for administration of the investment pool. Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the SBA has adopted operating procedures consistent with the requirements for a 2a-7 fund and measures all of its investments at amortized cost. The investments in Florida PRIME are not insured by FDIC or any other governmental agency. With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawals, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2016, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of the account value.

Pooled cash and cash equivalents are also invested in various certificates of deposit and three money market mutual funds including Fidelity Investments Money Market Government Portfolio Institutional Class, Fidelity Investments Money Market Treasury Portfolio – Institutional Class, and Wells Fargo Government Money Market Fund Select Class.

2. Investments

The City's authorized investments include the Florida PRIME or any authorized intergovernmental investment pool, U.S. Government and Agency securities, certificates of deposit, corporate bonds, mortgage-backed securities, repurchase agreements, commercial paper, certain money market mutual funds, obligations of U.S. government sponsored enterprises implicitly or explicitly guaranteed by the U.S. government, obligations of state and local governments, and banker's acceptances. Investments purchased with maturities of three months or less are classified as cash equivalents.

Investments are stated at fair value (quoted market price or the best available estimate thereof). However, investment pools, money market investments, including short-term, highly liquid investments with a remaining maturity at time of purchase of one year or less, and certificates of deposit are reported at amortized cost.

Bond ordinances authorize trust account investments in deposit accounts of any banks that are fully insured by federal depository insurance or fully collateralized by federal securities, repurchase agreements and general obligation or full faith credit bonds, notes or obligations of any state or subdivision provided such obligations meet certain rating requirements. The bond ordinances also provide that monies on deposit in the reserve account may be invested only in federal securities.

The City's pension funds' investment policies are determined by the respective Boards of Trustees. Their portfolios may consist of obligations guaranteed by the U.S. government, time or savings accounts, corporate bonds, common or preferred stocks, international equity funds (up to 25% of portfolios) and mutual funds. Fair values of investments are determined as follows: securities traded on a national securities exchange are valued at the last reported sales price on the

CITY OF SUNRISE, FLORIDA

last business day of the fiscal year at current exchange rates; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the past reported bid and ask prices; and investments that do not have an established market are reported at estimated fair value as determined by the Board of Trustees. Time deposits and short-term investment pools are valued at amortized cost.

3. Receivables and payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances to other funds (an asset), as reported in the governmental fund financial statements, are classified as nonspendable fund balance to indicate they are not available for appropriation. Customer receivables are shown net of an allowance for uncollectibles. All assessments are reported, including delinquencies.

4. Inventories and prepaid items

All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged as an expenditure/expense as the items are consumed. The reported governmental fund type inventories are offset by a fund balance classified as nonspendable that indicates unavailability of spendable resources. Inventories held by the General Fund consist of postage stamps while inventories included in the special revenue funds consist of irrigation parts and road materials. Inventories included in the enterprise funds consist of chemicals, meters, and parts and supplies. Inventories in the internal service funds consist of fuel. Governmental fund inventories are stated at cost, using the first-in/first-out (FIFO) method. The chemicals and fuel inventories in the enterprise and internal service funds are stated at lower of cost or market, using the FIFO method; the meters and parts and supplies inventories are stated at lower of cost or market, using the weighted average method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The governmental fund financial statements consider prepaid items to be nonspendable fund balance.

5. Restricted assets

Certain proceeds of the City’s enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The “revenue bond operations and maintenance” account is used to report resources set aside to pay operating and maintenance expenses. The “revenue bond debt service” account is used to segregate resources accumulated for debt service payments over the next twelve months. The “revenue bond reserve” account is used to report resources set aside to make up potential future deficiencies in the revenue bond debt service account. The “revenue bond renewal and replacement” account is used to report resources set aside to cure deficiencies in the debt service account or the reserve account, or to fund asset renewals and replacements.

CITY OF SUNRISE, FLORIDA

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. In the governmental funds, when both restricted resources and other resources (committed, assigned, and unassigned) can be used, the spending priority is committed, assigned, then unassigned, except in the General Fund where the spending priority is assigned, unassigned, then committed.

6. Capital assets

Capital assets, which include property, plant, equipment, vehicles, intangibles and infrastructure assets (e.g., roads, bridges, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Generally, the City, with the exception of the firefighters' pension fund, defines capital assets as assets with an initial, individual cost of \$1,000 or greater and an estimated useful life in excess of one year. The firefighters' pension fund has established a capital threshold of \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed assets are recorded at acquisition value as of the date received.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs are capitalized when incurred in the business-type activities on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of specified qualifying assets is offset against interest costs in determining the amount to be capitalized. The City capitalizes interest as a component of capital assets constructed for its own use.

Capital assets are depreciated and amortized using the straight-line method over the following estimated useful lives.

Intangibles	5 years
Buildings	25 – 50 years
Improvements other than buildings	5 – 20 years
Water and wastewater plant	30 – 50 years
Gas plant	25 – 50 years
Deep well injection system	50 years
Machinery & equipment	3 – 10 years
Vehicles	5 – 10 years
Public domain infrastructure	30 – 50 years

Contributions of funds from federal, state or local sources for the purpose of purchasing property, plant and equipment and connection fees intended to recover the cost of connecting new customers to the system are recorded as capital contributions on the proprietary statement of revenues, expenses, and changes in net position.

7. Pensions

Net pension liability, deferred outflows and inflows of resources, pension expense and information about the fiduciary net position, and additions and deductions to fiduciary net position have been determined and reported on the same basis as they are reported by the

CITY OF SUNRISE, FLORIDA

plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

8. Deferred outflows/inflows of resources

The Statement of Net Position includes a separate section for deferred outflows of resources. This represents a consumption of net position applicable to future periods and will not be recognized as an expense/expenditure until the future period to which it applies. Items in this category include a deferred charge on refunding and a deferred pension expense (see note V.C.). A deferred charge on refunding is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

The Statement of Net Position also includes a separate section, listed below total liabilities, for deferred inflows of resources that represents the acquisition of net position applicable to future periods and is not recognized as revenue until the period to which it applies. Items in this category include unavailable revenue and deferred pension income (see note V.C.) Governmental funds report unavailable revenue using the modified accrual basis of accounting from special assessments. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

9. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from City service if certain criteria are met. The accumulated compensated absences and associated employee-related costs are accrued when incurred in the government-wide and proprietary fund financial statements. The current portion is the amount estimated to be used in the following fiscal year. The compensated absences balance in the governmental funds represents a reconciling item between the fund and the government-wide presentations.

10. Long-term obligations

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/discounts and future appreciated principal (on capital appreciation bonds) are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method except that the premium on the Series 2015 General Obligation bonds and the premium on the Series 2010 bonds in the Water, Wastewater and Gas Utility System enterprise fund are amortized using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

11. Net position or fund equity

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets represent the City's capital assets net of accumulated depreciation plus the capital-related deferred outflows of resources less any capital-related borrowings and deferred inflows of resources. Net position is reported as restricted when

CITY OF SUNRISE, FLORIDA

there are limitations imposed to meet the various covenants as may be specified and defined in the revenue bond indenture or other legal document.

The governmental funds' financial statements report five categories of fund balance: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balances include amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution (which are both equal and the highest level of decision making authority) are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Funds can only be assigned by City Commission. With the exception of the general fund, this is the residual fund balance classification for all governmental funds with positive balances. Unassigned fund balance is the residual classification that has not been restricted, committed or assigned. Any residual (unassigned) balance must be positive in the General Fund but may be negative in any other governmental funds as a result of overspending for specific purposes for which amounts have been restricted, committed or assigned.

12. Revenue stabilization

A general fund revenue stabilization account was approved by City Commission through resolution to mitigate the impacts of future revenue shortfalls. The minimum funding level is five percent (5%) of audited actual operating expenditures based on the most recent year in which audited operating expenditures are available. Disbursements from the revenue stabilization account may be made by the City Commission by enactment of an ordinance requiring a majority plus one vote if the following criteria is met: the revenue shortfall in a fiscal year results from revenue collections short of the amount budgeted by five percent (5%) or more or the revenue shortfall results from projected budgeted revenues for any ensuing year that are less than the previous year's adopted revenue budget and the revenue shortfall is expected to persist through the end of the fiscal year.

13. Use of estimates

The preparation of the financial statements in conformity with GAAP in the United States 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF SUNRISE, FLORIDA

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes the reconciliation between *fund balances – total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds”. The details of this \$82,145,288 are as follows:

Bonds payable	\$ 48,750,000
Plus: Issuance premiums	1,873,496
Less: Bond insurance costs	(40,323)
Compensated absences	9,862,562
Other post-employment benefits	14,515,940
Retiree subsidy	<u>7,183,613</u>
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 82,145,288</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes the reconciliation between *net change in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$4,218,770 difference are as follows:

Capital outlay	\$ 21,345,863
Depreciation expense	(15,630,441)
Capitalized operating expenditures	23,737
Non-capitalized capital outlay expenditures	<u>(1,520,389)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 4,218,770</u>

CITY OF SUNRISE, FLORIDA

Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, write-offs and donations) is to increase/ (decrease) net position”. The details of this \$(1,106,439) difference are as follows:

In the statement of activities, only the gain on sales of capital assets is reported. However, in the governmental funds, the proceeds from sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$ (399,455)
Donations of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources.	735,151
Trade-ins of existing capital assets to acquire new capital assets increase net position. Governmental funds do not report gains or losses on trade-ins.	1,200
The statement of activities reports losses arising from the write-off of capital assets. Governmental funds do not report any loss resulting from a capital asset write-off.	<u>(1,443,335)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds to arrive at change in net position of governmental activities</i>	<u>\$ (1,106,439)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position”. The details of this \$5,212,844 difference are as follows:

Amortization of bond premium	\$ 330,037
Interest accrual for General Obligation bonds	2,050,871
Amortization of bond insurance costs	(8,064)
Bond principal repayments	<u>2,840,000</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds to arrive at change in net position of governmental activities</i>	<u>\$ 5,212,844</u>

Another element of that reconciliation states that "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 the governmental funds”. The details of the \$(2,140,435) difference are as follows:

Increase in other post employment benefits	\$ (1,411,062)
Increase in retiree subsidy	(565,045)
Decrease in compensated absences	<u>(164,328)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds to arrive at change in net position of governmental activities</i>	<u>\$ (2,140,435)</u>

The element of the reconciliation that states “revenues reported in the funds that relate to prior periods are not reported in the statement of activities” represents the Special Recreation District Phase I special assessment of \$(266,628).

CITY OF SUNRISE, FLORIDA

III. Stewardship, Compliance and Accountability

A. Budgetary information

Budgets are legally adopted for all governmental and proprietary fund types. Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Project-length budgets are adopted in the capital projects funds. All unencumbered, annual appropriations lapse at fiscal year-end. Significant appropriations outstanding at year-end are re-appropriated in the following year.

The appropriated budget is prepared by fund, function, and department. The city manager may make transfers of appropriations among programs within a department, office or agency. Transfers of appropriations between departments require the approval of the city commission.

Expenditures/expenses may not legally exceed appropriations at the individual fund level; exception is the general fund expenditures, which may not exceed appropriations at the department level. Supplemental appropriations for operating and capital expenditures of \$886,625 for the special revenue funds, \$200 for debt service funds and \$2,451,000 for the capital projects funds were approved during the year and are included in the final budget. The City follows these procedures in establishing the legally adopted budgetary data:

1. Prior to August 1st, the City Manager submits to the City Commission a proposed annual budget, budget message and capital program for the fiscal year commencing October 1st. The operating budget includes proposed expenditures/expenses and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1st, the budget is legally enacted through the passage of an ordinance as required by the City Charter.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders) outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

IV. Detailed Notes on all Funds

A. Deposits and investments

As of September 30, 2016, the fair value of the City's deposits and investments, exclusive of the Pension trust and agency funds, was \$9,002,808 in U.S. Treasuries, \$46,702,744 in U.S. Government sponsored enterprises; \$30,281,032 in certificates of deposit, \$127,380,567 in the SBA Florida PRIME, \$35,115,298 in the Wertz York Florida Fixed Income Trust, and \$105,324,997 in seven money market mutual funds (Wells Fargo Government Money Market Fund Select Class, Fidelity Investments Money Market Government Portfolio Institutional Class, Fidelity Investments Money Market Treasury Portfolio – Institutional Class fund, Fidelity Investments Money Market Treasury Portfolio – Class III with Bank of New York Mellon, Goldman Sachs Financial Square Government fund with Regions Bank, First American Funds Treasury Obligations fund with US Bank, and Federated Government Obligations fund with Hancock Bank). The investments in Florida PRIME and the seven money market mutual funds are classified as cash and cash equivalents. Additionally, cash and cash equivalents are

CITY OF SUNRISE, FLORIDA

comprised of \$70,430 on hand and \$133,667,446 with qualified public depositories. Total restricted and unrestricted cash and cash equivalents at September 30, 2016 are \$366,443,440. Total investments, including restricted and unrestricted, amount to \$121,101,882.

As of September 30, 2016, the in the General Employees’ Pension trust fund had the following fixed income investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Bond mutual funds	\$50,751,973	\$(3,014,400)	\$28,195,734	\$15,593,765	\$9,976,874

The City’s Police Officers’ Pension trust fund contained the following investments as of September 30, 2016:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>Lehman Aggregate Bond Rating</u>
U.S. treasuries	\$ 6,406,530	4.60	AA
U.S. agencies	27,530,960	5.70	AA
Corporate bonds	9,380,999	6.50	A-AAA
Total fair value	<u>\$ 43,318,489</u>		
Portfolio weighted average duration		5.71	

At September 30, 2016, the City’s Firefighters’ Pension trust fund had the following fixed income investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
U.S. treasuries	\$ 6,141,863	\$ 350,448	\$ 2,614,786	\$ 2,178,293	\$ 998,336
U.S. agencies	2,390,993	250,181	-	265,717	1,875,095
Corporate bonds	14,537,520	455,017	2,324,047	11,087,692	670,764
	<u>\$ 23,070,376</u>	<u>\$ 1,055,646</u>	<u>\$ 4,938,833</u>	<u>\$ 13,531,702</u>	<u>\$ 3,544,195</u>

Interest rate risk. The City’s investment policy, exclusive of the Pension trust funds, addresses exposure to declines in fair value by limiting the weighted average duration of its investment portfolio to less than three years. The single U.S. Treasury investment that is in the City’s investment portfolio at September 30, 2016 matures in 516 days. The weighted average days to maturity of the SBA Florida PRIME is 50 days. The weighted average maturity for the Wertz York Florida Fixed Income Trust investments is 840 days. The weighted average maturity for Wells Fargo Government Money Market Fund Select Class is 47 days. The weighted average maturity for the Fidelity Investments Money Market Government Portfolio Institutional Class is 43 days. The weighted average maturity for Fidelity Investments Money Market Treasury Portfolio – Class III is 44 days. The weighted average maturity for Goldman Sachs Financial Square Government Fund is 56 days. The weighted average maturity for Federated Government Obligations Fund is 45 days. The weighted average maturity for Fidelity Investments Money Market Treasury Portfolio – Institutional Class is 45 days. The weighted average maturity for First American Funds Treasury Obligations Fund is 50 days. The City may withdraw its funds from any of the above mentioned investment vehicles, other than the U.S. Treasury investment, upon one day’s notice. To limit exposure to interest rate risk, the City and its three Pension Plans: General Employees, Firefighters and Police Officers diversify investments by security type and institution, and limit holdings in any one type of investment with any one issuer with various durations of maturity. In addition, the Police Officers’ Pension Plan manages its exposure to declines in fair values by limiting the effective duration of its

CITY OF SUNRISE, FLORIDA

investment portfolio through the adoption of the Barclays Capital Government/Credit Intermediate Index.

Credit risk. The City's investment policy limits the quality and quantity of investments in order to mitigate the effects of credit risk. Funds that are invested in U.S. government obligations are considered to have no credit risk. Consistent with State law, the SBA Florida PRIME, the General Employees' Pension Plan and the Police Officers' Pension Plans' investment guidelines limit corporate bonds to the top three ratings issued by one of the nationally recognized statistical rating organizations. Florida PRIME is rated AAAM by Standard and Poor's. The Wertz York Florida Fixed Income Trust is rated Aaf by Standard and Poor's. The City's money market funds are all rated AAAM by Standard and Poor's and Aaa-mf by Moody's. Of the General Employees' Pension Plan's investments at September 30, 2016, \$36,805,273 were rated AAA, \$2,587,615 were rated AA, \$4,679,028 were rated A, \$4,986,250 were rated BAA, \$870,161 were rated BB, and \$823,646 were rated B. The credit ratings of investments in the corporate bonds of the Firefighters' Pension Plan at September 30, 2016 were \$743,757 rated AAA, \$344,147 rated AA+, \$462,466 rated AA, \$1,966,870 rated AA-, \$812,723 rated A+, \$3,578,972 rated A, \$4,316,388 rated A-, and \$2,312,198 rated BBB+. U. S. Government obligations of \$8,532,855 are considered to have no credit risk.

Concentration of credit risk. The City's revised investment policy limits the investment in any single issuer from 5% to no more than 40% of the value of the portfolio depending on the investment sector. The 40% maximum is restricted to U.S. Government and Agency instruments and Government Sponsored Enterprise (GSE) securities. As of September 30, 2016, the City's investment in Federal Home Loan Bank (FHLB) investments totaled \$31,479,460 representing 6.5%. Non-negotiable interest bearing certificates of deposit and other (than operating) depository accounts secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes to 20% of the portfolio per issuer. The City had a total of \$78,352,637 or 16.1% of the total portfolio invested with BankUnited and an additional \$41,451,284 or 8.5% of the portfolio with Florida Community Bank. Investments in intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act as provided in Florida Statute 163.01(FLSAFE), is limited to no more than 60% of the value of the portfolio. The policy further limits investments in intergovernmental investment pools to a maximum of 35% in any one issuer. The Florida PRIME fund investment pool's exposure to a single non-governmental issuer is limited to 5% and exposure to any single money market mutual fund will not exceed 10% of the Florida PRIME assets. At September 30, 2016, the Florida PRIME Fund Investment Pool held \$127,380,567 or 26.1% of the City's portfolio Wertz York Florida Fixed Income Trust held \$35,115,298 or 7.2% of the total portfolio. The policy restricts investments in registered investment companies (money market mutual funds) to 50% of the portfolio and 20% per issuer. At September 30, 2016, the City had \$33,155,683 or 6.8% invested in Wells Fargo Government Money Market Fund Select Class; \$25,001,060 or 5.1% in Fidelity Investments Money Market Treasury Portfolio – Institutional Class; and \$32,096,404 or 6.6% in Goldman Sachs Financial Square Government Fund. The General Employees', Police Officers' and Firefighters' Pension Plans' investment policies do not allow for an investment in any one issuer that is five percent or more of the Plans' net position available for benefits.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes Chapter 280, "Florida Security for Public Deposits Act". Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range

CITY OF SUNRISE, FLORIDA

from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to a public depositor not covered by insurance provided by the Federal Depository Insurance Corporation (FDIC) and the proceeds from the sale of collateral pledged by the defaulting depository, will be assessed against other qualified public depositories of the same type as the depository in default. Accordingly, all deposits are deemed insured or collateralized.

Custodial credit risk – investments. This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. No custodial credit risk exposure exists for the City or the pension plans as all investments are held by each entity's custodial bank and registered in each entity's name.

Foreign currency risk. This is the risk that changes in the exchange rates will adversely affect the fair value of an investment. The City's investment policy requires all securities be denominated in U.S. dollars. Therefore, there is no foreign currency risk exposure. The foreign pension investments that are held by the General Employees', Police Officers' and Firefighters' pension funds are not subject to foreign currency risk as they are denominated in U.S. currency.

Fair Value Measurement – When applicable, the Plan measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. GASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- Level 1: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the Plan has the ability to access;
- Level 2: Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- Level 3: Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

CITY OF SUNRISE, FLORIDA

The following table summarizes the City’s investments, excluding the pension funds, within the fair value hierarchy at September 30, 2016:

	Fair Value	Level 1	Level 2
U.S. treasuries	\$ 9,002,808	\$ 9,002,808	\$ -
U.S. agencies	46,702,744	-	46,702,744
Total investments at fair value	<u>\$ 55,705,552</u>	<u>\$ 9,002,808</u>	<u>\$ 46,702,744</u>
Investments measured at net asset value (NAV)			
Fixed income Trust	<u>35,115,298</u>		
Investments reported at amortized cost			
Certificates of deposit	<u>30,281,032</u>		
Total investments	<u>\$ 121,101,882</u>		

Debt securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, preferred securities, and bond funds. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.

Investments Measured at Net Asset Value (NAV)

	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective funds	\$ 35,115,298	-	Daily
Total investments measured at NAV	<u>\$ 35,115,298</u>		Next Day

The following table summarizes the General Pension Plan’s investments within the fair value hierarchy at September 30, 2016:

	Fair Value	Level 1	Level 2
Common stocks	\$ 52,277,418	\$ 52,277,418	\$ -
Fixed income mutual funds	50,751,973	-	50,751,973
Equity mutual funds	20,645,876	-	20,645,876
International equity trust funds	25,157,204	-	25,157,204
Collective investment trust	24,069,797	-	24,069,797
Total investments at fair value	<u>\$ 172,902,268</u>	<u>\$ 52,277,418</u>	<u>\$ 120,624,850</u>

Common stocks – Investments traded on U.S. or foreign securities exchanges are generally valued at the regular trading session closing price on the exchange or market in which such securities are principally traded.

Fixed income and equity mutual funds – Some of the underlying securities have observable level 1 quoted pricing inputs. However, while the underlying asset values may be based on quoted market prices, the net asset value of the portfolios is not publicly quoted. Additionally, some of the underlying securities employ matrix pricing. Accordingly, these investments have been reported as level 2.

CITY OF SUNRISE, FLORIDA

International equity trust funds – The Plan invests in two international equity trusts (“IETs”). The IETs’ underlying investments consist mostly of common stocks which are considered Level 1 securities under the fair value hierarchy. One of the IETs also includes forward exchange currency contracts which are considered Level 2 liabilities under the fair value hierarchy. The other IET holds short term investments which consist of cash held by its custodian who sweeps it into money market funds, and are considered Level 2 investments.

Collective investment trust – The Plan invests in a collective investment trust (“CIT”). The CIT’s underlying investments consist mostly of common stocks which are considered Level 1 securities under the fair value hierarchy. It also invests in investment-grade corporate fixed income securities with maturities of 365 days or less that are valued at the applicable unit net asset value which is determinative of fair value, and are considered Level 2 investments.

The following table summarizes the Police Pension Plan’s investments within the fair value hierarchy at September 30, 2016:

	Fair Value	Level 1	Level 2
U.S. Government obligations	\$ 6,406,530	\$ -	\$ 6,406,530
US. Government agency obligations	27,530,960	-	27,530,960
Corporate bonds	9,380,999	-	9,380,999
Domestic stocks	64,390,778	64,390,778	-
International equity investment fund	11,135,669	11,135,669	-
Total investments at fair value	<u>\$ 118,844,936</u>	<u>\$75,526,447</u>	<u>\$ 43,318,489</u>

Debt securities - Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used by Interactive Data Pricing and Reference Data, LLC to value securities based on the securities' relationship to benchmark quoted prices.

Mutual funds - The rationale for inclusion in Level 1 or Level 2 points to the unobservable inputs involved in mutual fund pricing. Mutual funds do not trade using bid and ask, as with ETF’s or common stock. Instead, the prices are determined by the net asset value of the underlying investments at the close of business for the next day’s open. The underlying assets themselves may include a variety of Level 1 and Level 2 securities and some may be valued using matrix pricing which interpolates the price of a security based on the price of similar securities.

Fixed income funds - Valued using pricing models maximizing the use of observable input for similar securities. This includes basing value on yield currently available on comparable securities of issues with similar credit ratings.

Equity funds - Valued at market prices for similar assets in active markets for inclusion in Level 1.

Common stock - Valued at quoted market prices for identical assets in active markets.

CITY OF SUNRISE, FLORIDA

The following table summarizes the Firefighters’ Pension Plan’s investments within the fair value hierarchy at September 30, 2016:

	Fair Value	Level 1	Level 2
U.S. treasuries	\$ 6,141,863	\$ -	\$ 6,141,863
U.S. agencies	250,180	-	250,180
Mortgage backed securities	2,140,812	-	2,140,812
Corporate bonds	14,537,521	-	14,537,521
Common stock	50,530,706	50,530,706	-
International equity investment fund	7,923,751	-	7,923,751
Total investments at fair value	\$ 81,524,833	\$50,530,706	\$ 30,994,127

Investments measured at net asset value (NAV)

Collective fund	36,853,048
Total investments	\$ 118,377,881

Equity securities: These include common stock, domestic and international equity funds. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2016. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

Debt securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, preferred securities, and bond funds. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.

Collective funds consist of collective investment vehicle which invests primarily in publicly traded equity securities. The funds are valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Investments Measured at Net Asset Value (NAV)

	Unfunded	Redemption	Redemption
	Commitments	Frequency	Notice Period
Collective funds	\$ 36,853,048	-	Daily
Total investments	-	Daily	Same Day
measured at NAV	<u>\$ 36,853,048</u>		

CITY OF SUNRISE, FLORIDA

B. Receivables

Receivables at September 30, 2016, are as follows:

	<u>Interest</u>	<u>Taxes/ Franchise Fees</u>	<u>Accounts</u>	<u>Special Assessments</u>	<u>Other</u>	<u>Inter- governmental</u>	<u>Total Receivables</u>
Governmental activities:							
General	\$ 51,463	\$1,722,659	\$ 901,130	\$ -	\$ 98,582	\$ 2,391,748	\$ 5,165,582
Internal Service	18,461	-	6,470	-	108,457	-	133,388
Other governmental	<u>36,459</u>	-	-	<u>626,478</u>	<u>18,311</u>	<u>998,420</u>	<u>1,679,668</u>
Total – governmental activities	<u>\$106,383</u>	<u>\$1,722,659</u>	<u>\$ 907,600</u>	<u>\$ 626,478</u>	<u>\$225,350</u>	<u>\$ 3,390,168</u>	<u>\$ 6,978,638</u>
Business-type activities:							
Water, Wastewater & Gas Utility System							
Unrestricted	\$ 52,282	\$ -	\$15,321,495	\$ 11,992	\$ -	\$ -	\$ 15,385,769
Restricted	106,303	-	-	-	-	-	106,303
Sanitation	614	-	1,557,947	-	134,541	-	1,693,102
Other proprietary	<u>7,885</u>	-	<u>641,626</u>	-	<u>6,923</u>	-	<u>656,434</u>
Gross receivables	167,084	-	17,521,068	11,992	141,464	-	17,841,608
Less: Uncollectibles	-	-	(150,000)	-	-	-	(150,000)
Total – business-type activities	<u>\$167,084</u>	<u>\$ -</u>	<u>\$17,371,068</u>	<u>\$ 11,992</u>	<u>\$141,464</u>	<u>\$ -</u>	<u>\$ 17,691,608</u>

Revenues of the Water, Wastewater & Gas Utility System enterprise fund are reported net of uncollectible amounts. Actual uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water and wastewater sales	\$ 104,402
Uncollectibles related to gas sales	11,439
Uncollectibles related to recycling services	367
Uncollectibles related to stormwater services	<u>5,637</u>
Total uncollectibles for the current fiscal year	<u>\$ 121,845</u>

CITY OF SUNRISE, FLORIDA

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources (unavailable) and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Special assessments not yet due		
Special Recreation District Phase I	\$ 626,478	\$ -
Prepaid local business license tax (General fund)	-	1,835,827
Prepaid inspection fees		
General Fund	-	699,558
Building Fund	-	8,925
Prepaid sidewalk replacement fees		
(Fuel and Roadway special revenue fund)	-	9,351
Grant proceeds prior to meeting all eligibility requirements (General fund)	<u>-</u>	<u>68,106</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 626,478</u>	<u>\$ 2,621,767</u>

CITY OF SUNRISE, FLORIDA

C. Capital assets

Capital asset activity for the year ended September 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 23,660,566	\$ 357,280	\$ (83,116)	\$ 23,934,730
Construction in progress	12,478,575	20,000,425	(1,325,355)	31,153,645
Total capital assets, not being depreciated or amortized	36,139,141	20,357,705	(1,408,471)	55,088,375
Capital assets, being depreciated or amortized:				
Intangibles	1,971,892	12,380	(4,338)	1,979,934
Buildings and system	125,295,472	-	(2,391,649)	122,903,823
Improvements other than buildings	53,091,496	1,071,595	(83,289)	54,079,802
Machinery and equipment	18,390,839	2,278,020	(597,501)	20,071,358
Vehicles	23,092,816	1,739,162	(1,289,551)	23,542,427
Infrastructure	331,893,532	-	-	331,893,532
Total capital assets, being depreciated or amortized	553,736,047	5,101,157	(4,366,328)	554,470,876
Less accumulated depreciation/ amortization for:				
Intangibles	(1,366,983)	(191,960)	3,100	(1,555,843)
Buildings and system	(37,876,930)	(3,718,264)	956,660	(40,638,534)
Improvements other than buildings	(32,825,306)	(3,041,803)	83,289	(35,783,820)
Machinery and equipment	(11,932,620)	(1,757,700)	581,673	(13,108,647)
Vehicles	(14,166,819)	(1,511,256)	1,289,551	(14,388,524)
Infrastructure	(305,374,247)	(6,548,630)	-	(311,922,877)
Total accumulated depreciation/ amortization	(403,542,905)	(16,769,613)	2,914,273	(417,398,245)
Total capital assets, being depreciated or amortized, net	150,193,142	(11,668,456)	(1,452,055)	137,072,631
Governmental activities capital assets, net	\$186,332,283	\$ 8,689,249	\$ (2,860,526)	\$192,161,006

CITY OF SUNRISE, FLORIDA

	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Business-type activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 12,147,246	\$ -	\$ -	\$ 12,147,246
Construction in progress	61,584,085	27,597,675	(43,185,017)	45,996,743
Total capital assets, not being depreciated or amortized	<u>73,731,331</u>	<u>27,597,675</u>	<u>(43,185,017)</u>	<u>58,143,989</u>
Capital assets, being depreciated or amortized:				
Intangibles	872,929	-	(26,484)	846,445
Buildings and system	530,859,223	44,236,053	(5,829,509)	569,265,767
Improvements other than buildings	12,615,424	9,888	-	12,625,312
Machinery and equipment	8,600,428	620,288	(420,252)	8,800,464
Vehicles	9,446,631	475,732	(221,646)	9,700,717
Total capital assets, being depreciated or amortized	<u>562,394,635</u>	<u>45,341,961</u>	<u>(6,497,891)</u>	<u>601,238,705</u>
Less accumulated depreciation/ amortization for:				
Intangibles	(844,059)	(20,227)	26,484	(837,802)
Buildings and system	(232,447,461)	(19,001,946)	4,432,483	(247,016,924)
Improvements other than buildings	(5,785,328)	(841,986)	-	(6,627,314)
Machinery and equipment	(6,058,589)	(486,503)	411,615	(6,133,477)
Vehicles	(6,080,092)	(551,582)	219,372	(6,412,302)
Total accumulated depreciation/ amortization	<u>(251,215,529)</u>	<u>(20,902,244)</u>	<u>5,089,954</u>	<u>(267,027,819)</u>
Total capital assets, being depreciated or amortized, net	<u>311,179,106</u>	<u>24,439,717</u>	<u>(1,407,937)</u>	<u>334,210,886</u>
Business-type activities capital assets, net	<u>\$ 384,910,437</u>	<u>\$ 52,037,392</u>	<u>\$ (44,592,954)</u>	<u>\$ 392,354,875</u>

At September 30, 2016, the total amount of interest costs incurred related to business-type activities is \$10,594,951, of which \$704,910 has been capitalized.

CITY OF SUNRISE, FLORIDA

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

Governmental activities:	
General government	\$ 2,392,114
Public safety	3,607,830
Transportation, including depreciation of general infrastructure assets	6,996,236
Culture and recreation	3,773,433
Total depreciation expense - governmental activities	<u>\$ 16,769,613</u>
Business-type activities:	
Water, wastewater, and gas	\$ 20,431,235
Recycling	727
Stormwater	352,708
Golf course	117,574
Total depreciation expense - business-type activities	<u>\$ 20,902,244</u>

D. Construction commitments

At September 30, 2016, the City had in process various uncompleted construction projects with remaining balances totaling \$44,021,672. Funding of these projects is to be made primarily through the proceeds of the related bond issues or restricted funds.

E. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Encumbrances as of September 30, 2016 are as follows:

Major funds:	
General Fund	\$ 705,861
Other governmental funds	<u>7,574,832</u>
Total Encumbrances	<u>\$ 8,280,693</u>

F. Interfund receivables, payables and transfers

The General Fund advanced \$1,450,000 to the Stormwater Utility enterprise fund in the 1996-1997 fiscal year. This advance was made to enable capital purchases at the inception of the Stormwater Utility enterprise fund. This advance bears interest at the annual rate of 5.25% and is payable over 20 years. The current portion of the loan in the amount of \$112,903 is recorded as an interfund receivable/payable.

The General Fund advanced \$100,000 to the CDBG Grant special revenue fund. This advance was made to enable expenditures in this fund prior to grant reimbursement. The General Fund recognizes the advance as an asset with a corresponding nonspendable fund balance.

The general fund advanced \$155,000 to the Police Confiscation special revenue fund. This advance was made to fund certain police operations. The General Fund recognizes the advance as an asset with a corresponding nonspendable fund balance.

The general fund advanced \$11,845 to the Urban Area Security Initiative grant special revenue fund as a short-term loan to fund operations.

CITY OF SUNRISE, FLORIDA

The composition of interfund balances as of September 30, 2016, is as follows.

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 124,748	\$ -
Non-major governmental fund:		
Special revenue funds:		
Urban Area Security Initiative Grant	-	11,845
Non-major enterprise fund:		
Stormwater	-	112,903
Total interfund receivables/payables	<u>\$ 124,748</u>	<u>\$ 124,748</u>

<u>Fund</u>	<u>Advance from</u>	<u>Advance to</u>
General fund	\$ 255,000	\$ -
Non-major governmental fund:		
Special revenue funds:		
CDBG Grant	-	100,000
Police Confiscation	-	155,000
Total advances	<u>\$ 255,000</u>	<u>\$ 255,000</u>

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Purpose</u>
General fund	\$ 664,020	\$ 962,922	1,2,3,4
Non-major governmental funds:			
Special revenue funds:			
Building	-	2,573	2
Community Development Block Grant	-	156	2
Fuel and Roadway	-	781	2
Police Confiscation	63,413	27,145	1,2
Debt service funds:			
Sunrise Lakes Phase I	46	-	4
Special Tax District No. 1	3	-	4
General Obligation Bond Series 2015	264	-	4
Total non-major governmental funds	<u>63,726</u>	<u>30,655</u>	
Enterprise funds:			
Water, Wastewater, and Gas Utility System	-	495,816	1,2
Sanitation	-	159,181	3
Non-major enterprise funds:			
Stormwater	-	1,329	2
Internal service funds:			
Fleet Management	-	159	2
Information Technology & Communications	-	1,602	2
Total internal service funds	<u>-</u>	<u>1,761</u>	
General Employees' Pension	42,964	-	2
Police Officers' Pension	42,097	-	2
Firefighters' Pension	838,857	-	2
Total pension trust funds	<u>923,918</u>	<u>-</u>	
Total due to/due from	<u>\$ 1,651,664</u>	<u>\$ 1,651,664</u>	

The reasons for the due to/due from other funds are:

- 1) Salary, fringe benefit, operating expense reimbursements
- 2) Pension plan funding
- 3) Franchise fee receivable/payable
- 4) Interest

CITY OF SUNRISE, FLORIDA

Interfund transfers:

	Transfers out:					Total
	General fund	Non-major governmental funds	Water, Wastewater, and Gas Utility System enterprise fund	Internal service funds	Non-major enterprise funds	
Transfers in:						
General fund	\$ -	\$ -	\$ 4,877,905	\$ -	\$ 873,540	\$ 5,751,445
Non-major governmental funds	6,314,999	256,000	-	-	-	6,570,999
Sanitation fund	866,160	-	-	-	-	866,160
Non-major enterprise funds	749,670	-	-	-	-	749,670
Internal service funds	-	1,052,025	1,364,385	62,139	82,849	2,561,398
	<u>\$ 7,930,829</u>	<u>\$ 1,308,025</u>	<u>\$ 6,242,290</u>	<u>\$ 62,139</u>	<u>\$ 956,389</u>	<u>\$ 16,499,672</u>

The reasons for these transfers are set forth below:

- a) Move unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations
- b) Provide funds for capital outlay
- c) Subsidize operations
- d) Transfer restricted revenues

G. Leases

The City leases office equipment and other items. There are no outstanding capital leases and no material operating leases with non-cancellable terms in excess of one year.

H. Long-term debt

Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds are included in the accounts of such funds. Utility system revenue bonds are collateralized by a lien on the revenues earned by the utility system.

General Long-Term Debt Bonds are collateralized by multiple sources. The Sunrise Lakes Phase I Special Recreation District's public improvement refunding bonds are collateralized by a general obligation pledge by the District of its full faith and credit; if the payments to the City as paying agent are insufficient to meet the bond requirements, the bonds will be paid from taxes to be levied and collected on all property in the District. The Special Tax District No. 1 ad valorem tax bonds and ad valorem tax refunding bonds are collateralized by voted debt service ad valorem taxes to be levied upon all taxable property within the District. The bonds issued by the special districts are not general or limited obligation debt or bonded indebtedness of the City and the City is not obligated to pay the bonds or bond service charges.

The General Obligation Bonds, Series 2015 were issued in the amount of \$37,630,000 and are collateralized by voted debt service ad valorem taxes to be levied upon all taxable property within the City. These bonds were issued to finance the design, acquisition, construction, equipment, and installation of certain parks, recreation, and leisure projects within the City. The issuance of the Series 2015 bonds was approved by a majority vote of the qualified electors of the City in a bond referendum held in November 2014.

CITY OF SUNRISE, FLORIDA

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending September 30:</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 4,425,000	\$ 10,693,239
2018	4,550,000	10,511,239
2019	4,715,000	10,322,639
2020	4,925,000	10,125,639
2021	5,155,000	9,899,639
2022-2026	68,850,000	39,282,545
2027-2031	54,610,000	22,586,034
2032-2036	57,100,000	7,001,288
Sub-total	<u>204,330,000</u>	<u>120,422,262</u>
Bond premium	<u>765,556</u>	<u>-</u>
Total	<u>\$ 205,095,556</u>	<u>\$ 120,422,262</u>

*Does not take into account 35% Build America Bonds interest subsidy.

Annual debt service requirements for public improvement and ad valorem tax bonds are as follows:

<u>Year Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 2,170,000	\$ 2,005,519
2018	3,340,000	1,848,286
2019	2,870,000	1,709,586
2020	3,005,000	1,561,686
2021	3,155,000	1,406,386
2022-2026	7,185,000	5,741,980
2027-2031	5,955,000	4,623,380
2032-2036	7,010,000	3,249,583
2037-2041	8,350,000	2,048,156
2042-2045	<u>7,880,000</u>	<u>410,401</u>
	50,920,000	24,604,963
Plus: Bond premium	<u>1,873,496</u>	<u>-</u>
Total	<u>\$ 52,793,496</u>	<u>\$ 24,604,963</u>

CITY OF SUNRISE, FLORIDA

Description of Individual Bond Issues Outstanding – Summarized below are the bonds outstanding for the City’s governmental activities:

	Purpose of <u>Issue</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>
Governmental activities				
Sunrise Lakes Phase I Special Recreation District Public Improvement Refunding Bonds, Series 1998 Bank note	Refunding	\$ 3,635,000	\$ 830,000	4.413%
Special Tax District No. 1 Ad Valorem Tax Refunding Bonds, Series 2001 Serial bonds	Refunding	26,660,000	10,360,000	2.70%-5.00%
Ad Valorem Tax Bonds, Series 2003 Serial bonds	Fund certain District capital improvements	6,770,000	2,770,000	1.25%-4.60%
General Obligation Bonds, Series 2015	Park, Recreation & Leisure Projects			
Serial bonds		18,460,000	17,790,000	3.0%-5.0%
Term bonds		<u>19,170,000</u>	<u>19,170,000</u>	3.375%-4.0%
Total governmental activities bonds		<u>\$ 74,695,000</u>	<u>\$ 50,920,000</u>	

The City has pledged future net water, wastewater, and gas revenues to repay \$311,544,299 of utility bonds issued in 1993, 1998 and 2010. Proceeds from the 1993 bonds were used to refund the City’s Utility System Revenue Bonds Series 1989; proceeds from the 1998 bonds were used to refund the City’s Utility System Revenue Bonds, Series 1986A, Series 1996, Series 1996A, and Series 1997 and to fund improvements to the City’s water, wastewater and gas utility system; proceeds from the 1998A bonds were used to refund a portion of the Series 1986A and fund capital improvements to the utility system; proceeds from the Series 2010A bonds and Series 2010B bonds were issued to fund construction, acquisition or equipping of certain capital improvements to the City’s water/wastewater utility facilities; and proceeds from the Series 2010C bonds were issued to refund a portion of the City’s Utility System Revenue Refunding Bonds Series 1993 and Utility System Revenue Refunding Bonds, Series 1996. The Series 1993 bonds are payable through 2017; the Series 1998 bonds are payable through 2029; the Series 2010A bonds are payable through 2021; the Series 2010B bonds are payable through 2036; and the Series 2010C bonds are payable through 2020. Total principal and interest remaining to be paid on the utility bonds is \$324,752,262. Principal and interest paid for the current year and total customer net revenue were \$16,215,529 and \$56,195,103, respectively. The pledged revenues are expected to continue through maturity of the debt.

CITY OF SUNRISE, FLORIDA

Description of Individual Bond Issues Outstanding – Summarized below are the bonds outstanding for the City’s business-type activities:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>
Business-type activities				
Utility revenue bonds:				
Series 1993	Refunding			
Serial bonds		\$ 11,100,000	\$ -	3.25-5.20%
Term bonds		1,855,000	-	5.60%
Capital appreciation bonds		7,194,299	495,000	5.55-5.80%
Series 1998	Refunding and fund	13,935,000	-	3.60-5.50%
Serial bonds	utility system	143,650,000	88,295,000	5.06-5.20%
Term bonds	improvements			
Series 2010A	Fund utility system	19,960,000	19,960,000	4.00%
Serial bonds	improvements			
Series 2010B	Fund utility system	93,915,000	93,915,000	5.813-5.913%
Term bonds	improvements			
Series 2010C	Refunding	<u>4,740,000</u>	<u>1,665,000</u>	3.00%-4.00%
Term bonds				
Total business-type activities bonds		<u>\$ 311,544,299</u>	<u>\$ 204,330,000</u>	

Defeased and refunded debt

The City has a number of bond issues that have been refunded. An advanced refunding provides for an irrevocable deposit with an escrow agent (a third party banking institution) of sufficient funds to pay the principal and interest, when due, on the refunded bonds to the earliest call date. On the earliest call date, all bonds outstanding are redeemed and interest subsequent to the refunding date will cease. Bonds are typically refunded for either economic gain to the governmental unit or to eliminate restrictive and antiquated covenants often associated therewith. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City’s books. Summarized below are the refunded bonds of the City’s governmental and business-type activities:

<u>Type</u>	<u>Series</u>	<u>Year Refunded</u>	<u>Outstanding as of 9/30/16</u>
Governmental activities:			
Public Facilities revenue bonds	1992B	2013	\$ 30,380,000
Business-type activities:			
Utility System revenue bonds	1976C	1983	20,000
	1976E	1983	110,000
	1976F	1983	665,000
	1983A	1985	680,000
	1983C	1985	980,000
	1998	2010	<u>49,390,000</u>
Total outstanding defeased, refunded debt			<u>\$ 82,225,000</u>

CITY OF SUNRISE, FLORIDA

Change in long-term liabilities

Total long-term liability activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 53,675,000	\$ -	\$ (2,755,000)	\$ 50,920,000	\$ 2,170,000
Less deferred amounts:					
For issuance premiums	2,203,533	-	(330,037)	1,873,496	-
Total bonds payable	55,878,533	-	(3,085,037)	52,793,496	2,170,000
Compensated absences	9,881,862	6,824,876	(6,646,331)	10,060,407	1,141,850
Other post employment benefits	13,133,472	2,007,462	(561,624)	14,579,310	-
Retiree subsidy	6,680,244	1,477,111	(890,264)	7,267,091	-
Net pension liability	133,930,063	75,570,081	(46,829,045)	162,671,099	-
Claims	4,726,879	1,209,883	(1,149,839)	4,786,923	1,858,000
Governmental activities long-term liabilities	<u>\$ 224,231,053</u>	<u>\$ 87,089,413</u>	<u>\$ (59,162,140)</u>	<u>\$ 252,158,326</u>	<u>\$ 5,169,850</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 210,372,488	\$ 27,512	\$ (6,070,000)	\$ 204,330,000	\$ 4,425,000
Less deferred amounts:					
For issuance discounts	(5,294)	5,294	-	-	-
For issuance premiums	1,103,689	-	(338,133)	765,556	-
Total bonds payable	211,470,883	32,806	(6,408,133)	205,095,556	4,425,000
Compensated absences	3,917,193	2,259,673	(2,360,329)	3,816,537	330,181
Other post employment benefits	4,923,285	883,886	(247,282)	5,559,889	-
Retiree subsidy	6,120,682	1,352,056	(473,522)	6,999,216	-
Net pension liability	32,781,439	19,259,977	(12,688,505)	39,352,911	-
Business-type activities long-term liabilities	<u>\$ 259,213,482</u>	<u>\$ 23,788,398</u>	<u>\$ (22,177,771)</u>	<u>\$ 260,824,109</u>	<u>\$ 4,755,181</u>

For governmental activities, compensated absences, other post-employment benefits, and retiree subsidy are generally liquidated by the general fund. Claims and judgments are liquidated by the Workers' Compensation internal service fund.

I. Property taxes

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuation for the general fund except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad valorem taxes. The operating millage rate levied by the City and budgeted for the 2015-2016 fiscal year is 6.0543 mills. On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held during 2007 and became effective October 1, 2008. Amendment 1 increased the current \$25,000 homestead exemption by an additional \$25,000 (for property values between \$50,000 and \$75,000), except for school district taxes. Amendment 1 also provided "portability", allowing property owners to transfer up to

CITY OF SUNRISE, FLORIDA

\$500,000 of their “Save Our Homes” benefits to their next homestead when they move. “Save Our Homes” became effective in 1995 and limits (caps) the annual increase in assessed value for homesteaded property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less. Amendment 1 also provided a \$25,000 exemption for tangible personal property. Current tax collections for the year ended September 30, 2016 were approximately 99.5% of the total tax levy, net of discounts allowed.

Property taxes based on assessed values at January 1 are levied on November 1 of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments are auctioned beginning June 1 of each year.

The City Commission establishes the tax levy of the City. The adoption of the final millage rate occurred September 29, 2015. Property tax collections are governed by Chapter 197, Florida Statutes. The Broward County Tax Collector (Tax Collector) bills and collects all property taxes levied within the County. The Tax Collector remits current taxes collected through four distributions to the City in the first quarter of the tax year and at least one distribution each month thereafter. The City recognizes property tax revenue in the period in which they are levied.

The property tax calendar for revenues billed and received for the fiscal year ended September 30, 2016 is shown as follows:

Lien date	January 1, 2015
Levy date, tax bills mailed	November 1, 2015
Last date for 4% discount on taxes paid	November 30, 2015
Last date for 3% discount on taxes paid	December 31, 2015
Last date for 2% discount on taxes paid	January 31, 2015
Last date for 1% discount on taxes paid	February 29, 2016
Final due date of payment of taxes	March 31, 2016
Date for auctioning tax certificates on delinquent accounts	On or before June 1, 2016

V. Other Information

A. Risk management

The City is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, injuries to employees and natural disasters. During the 1994-1995 fiscal year, the City established a Workers’ Compensation fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Workers’ Compensation fund self-insures losses up to \$250,000 per occurrence. The City purchases excess insurance through the Florida Municipal Insurance Trust, an intergovernmental pool, for claims in excess of coverage provided by the fund. The City also participates in intergovernmental pooling or carries commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

All departments of the City participate in the program and make payments to the fund based on actuarial estimates of the amounts needed to pay prior and current year claims (including allocated loss adjustment expenses and incurred but not reported claims). The claims liability of \$4,786,923, which is discounted at 2%, is reported in the fund at September 30, 2016 and is based

CITY OF SUNRISE, FLORIDA

on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim can be reasonably estimated.

The following schedule presents the changes in aggregate claims liability (in thousands) for the past two years:

	Year ended 9/30/16	Year ended 9/30/15
Unpaid claims, beginning of fiscal year	\$ 4,727	\$ 4,686
Incurred claims (and estimate changes)	1,210	1,582
Claim payments	(1,150)	(1,541)
Unpaid claims, end of fiscal year	\$ 4,787	\$ 4,727

B. Contingent liabilities

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

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. Employee retirement systems and pension plans

Plan descriptions: The City of Sunrise contributes to three single-employer defined benefit pension plans: General Employees’ Pension Plan, Police Officers’ Pension Plan and Firefighters’ Pension Plan and one defined contribution plan: Governmental Money Purchase Plan and Trust. Additionally, the City maintains a retiree subsidy for general employees and police officers hired on or after September 30, 2015 and a preservation of benefits plan.

In addition to normal retirement benefits, all three of the defined benefit pension plans provide for long-term disability and survivor benefits, as well as deferred pensions for former employees, dependent upon length of service or years of contributions and age upon death or disability. State Statute 112 and City ordinance provide the authority to establish and amend benefit provisions for all three defined benefit pension plans.

A deferred retirement option program (DROP) was implemented in the Police Officers’ Pension Plan (the Plan). Upon participation in the DROP, the participant becomes a retiree for all Plan purposes and any further benefits under the pension plan cease to accrue. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon termination of employment. Effective July 10, 2007, an eligible member who elects to participate in the DROP within five years following the member’s earliest normal retirement date may participate in the DROP for a maximum of six years. Effective August 9, 2011, an eligible member who elects to participate in the DROP within five years following the member’s earliest normal retirement date may participate in the DROP for a maximum of seven years. An eligible member hired on or

CITY OF SUNRISE, FLORIDA

after September 30, 2015 who elects to participate in the DROP within six months following the member's earliest normal retirement date may participate in the DROP for a maximum of four years. There were twenty-eight members in the DROP as of September 30, 2016. Members of the Plan who terminate employment and begin receiving normal retirement benefits subsequent to December 31, 2005 will receive a 2% cost of living adjustment. Members who begin receiving normal retirement benefits or enter the DROP on or after October 1, 2008 will receive a 2.5% cost of living adjustment. Members hired on or after September 30, 2015 who begin receiving normal retirement benefits or enter the DROP will receive no cost of living adjustment. The Plan provides for supplemental pension distributions based on the cumulative net actuarial gain as identified in the most recent actuarial report for eligible participants who have retired prior to December 13, 2004. Any participant immediately eligible for early or normal retirement benefits or entered the DROP between August 14, 2001 and December 12, 2004 is eligible for a 13th check, the amount of which cannot exceed 100% of a participant's monthly retirement benefit. In the event that the cumulative net actuarial gain exceeds the amount distributed by the 13th check and the City's required contributions to the Plan, a 14th check will be distributed to eligible participants – those eligible for a 13th check, except for DROP participants. Members hired on or after September 30, 2015 who begin receiving normal retirement benefits are eligible for a 13th check for years of investment gains if the plan is 100% funded.

City Ordinance 124-X-02-B, approved March 12, 2002, established a retirement incentive program for firefighters. During a "window period" of thirty calendar days, beginning February 27, 2002, eligible firefighters could have made an irrevocable election to participate in this program. The eligible firefighters must have retired and separated from City employment no later than April 15, 2002. Eligible firefighters who elected the program could have also elected to participate in a DROP for up to thirty-six months or, alternatively, elect a BAC-DROP option for up to eighteen months. Beginning four years after retirement or entry into the DROP, a 2% annual increase in retirement benefits is applicable for all members. As of June 10, 2008, eligible firefighters can participate in the DROP for a maximum period of 72 months. Effective September 25, 2012, eligible firefighters who elect to participate in the DROP program can participate for up to 84 months; eligible firefighters may elect a "BAC – DROP" option of up to 24 months, which will reduce the maximum 84-month DROP period by the same amount of time. As of September 30, 2016, thirty-three firefighters were participating in this program.

Effective September 13, 1999, the General Employees' Pension Plan distinguished between general employees, management and senior management. DROP was implemented for management and senior management effective June 12, 2001 and for general employees effective January 1, 2004. Participation in the DROP is limited to a maximum 72 months prior to termination of employment. As of September 30, 2016, there were sixty-nine participants in the DROP. Beginning one year after retirement or entry into the DROP, an annual increase in retirement benefits of 2% for management members and 2.5% for senior management who reach early or normal retirement age and begin receiving benefits after June 12, 2001, is applicable. For eligible general employees, a supplemental pension distribution in the form of an optional 13th check, based on the cumulative net actuarial gain is available; effective January 1, 2004, a minimum of one-half of the 13th check is guaranteed payable, notwithstanding actuarial gains; effective October 1, 2007, a minimum of 75% of the 13th check is guaranteed payable, notwithstanding actuarial gains.

The Governmental Money Purchase Plan and Trust (Purchase Plan) was established for senior managers who are members of the General Employees' Pension Plan. The Purchase Plan was subsequently amended on March 12, 2003 by Ordinance 715-X-03-A, to additionally include all management employees with more than 10 years of City service and city commissioners. The

CITY OF SUNRISE, FLORIDA

City contributes 3% of earnings each plan year (calendar year) on behalf of each eligible management employee, 6% of earnings each plan year on behalf of each senior management employee and each city commissioner, and the calendar year maximum for the City Manager; the eligible employees are not required to make contributions. The ICMA Retirement Corporation serves as administrator for this Purchase Plan. The City recognized expenditures/expenses of \$278,362 for the fiscal year ended September 30, 2016 for the sixty employees covered under the plan. City ordinance provides the authority to establish and amend benefit provisions and contribution requirements for the Governmental Money Purchase Plan and Trust. The Purchase Plan was amended with Ordinance No. 715-X-09-A, effective May 1, 2009, which eliminated the benefit for employees newly hired, rehired, or promoted from a general employee position into a management position.

The City, under Ordinance No. 715-X-99-A and amended by Ordinance No. 715-X-00-C and Ordinance No. 715-X-03-A, established a retiree subsidy of \$200 per month for all general executive management and supervisory/professional employees who retired on or after September 28, 1999, except that senior managers who retired directly from the City after January 1, 2001, receive an amount equivalent to 80% of the total cost of family coverage under the City's health insurance program. Effective October 1, 1999, the City agreed to establish a subsidy of \$200 per month for all general employees, per the Collective Bargaining Agreement between the City and the Federation of Public Employees. The subsidy commenced at the same time the General Employees' Pension Plan member began to receive normal or early retirement benefits and continues until the plan member reaches age 65. Upon attaining age 65, bargaining unit employees will receive 75% of the \$200 per month subsidy, except that senior managers will receive 75% of the benefit received immediately prior to attaining age 65. If a general executive management or supervisory/professional employee dies before age 65, the health insurance subsidy continues to be paid to that member's spouse until the date that member would have reached age 65. Effective October 1, 2006, eligible general employees who retire and separate employment will be paid a monthly subsidy of \$250, which shall continue for the life of the retiree. Eligible general employees who retire and separate employment after February 26, 2008 will be paid a monthly subsidy of \$350, which shall continue for the life of the retiree. Effective under Ordinance No. 715-X-09-A, all management and supervisory/professional employees who separate and retire from the City after May 1, 2009, whose health benefit at retirement is less than the benefit provided to general employees under the applicable collective bargaining agreement in effect at the time of separation, will receive a retiree subsidy equal to the general employee's benefit. Effective October 1, 2015, eligible police employees who retire and separate employment will be paid a monthly subsidy of \$350, which shall continue for the life of the retiree. There were 323 participants during the fiscal year ended September 30, 2016.

Additionally, the City maintains a preservation of benefits plan. Effective September 28, 1999, under Ordinance No. 715-X-99-A, the City established a preservation of benefits plan as a deferred compensation plan for managers and senior managers who are members of the General Employees' Pension Plan. This plan, which is administered by the City, was established as a qualified governmental excess benefits arrangement pursuant to section 415(m) of the U. S. Internal Revenue Code. For each eligible payee, the City will provide a supplemental retirement benefit equal to the reduction of retirement benefits due to the application of section 401(a) (17) or section 415(b) of the U.S. Internal Revenue Code. There were eight eligible participants covered during the fiscal year ended September 30, 2016.

All three defined benefit pension plans are included as part of the City's reporting entity as pension trust funds. Copies of separately issued financial reports that include financial statements and required supplementary information for each plan is available at the following locations:

CITY OF SUNRISE, FLORIDA

General Employees' Pension Plan	Pension Resource Centers, LLC 4360 Northlake Boulevard Suite 206 Palm Beach Gardens, FL 33410 Attn: Margie Adcock	Telephone No. (561) 624-3277
Police Officers' Pension Plan	City of Sunrise, Florida Police Officers' Retirement Plan 13790 N. W. Fourth Street Suite 105 Sunrise, FL 33325 Attn: Dave Williams	Telephone No. (954) 845-0298
Firefighters' Pension Plan	Pension Resource Centers, LLC 4360 Northlake Boulevard Suite 206 Palm Beach Gardens, FL 33410 Attn: Scott Bauer	Telephone No. (561) 624-3277

Contributions for pension plans: The contribution requirements of plan members and the City for the City's three single-employer defined benefit pension plans are established and may be amended by City Ordinance. Plan member contributions are recognized in the period in which the contributions are due. The City contributes an actuarially determined amount to fully fund benefits for active members. Any unfunded actuarial liability is amortized as a level percent of projected member payroll over a period of thirty years for the Police Officers', Firefighters', and General Employees' Pension Plans. City contributions to the plans, as calculated by the plans' actuaries, are recognized as revenue 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 the plans. If the City's calculated contribution, excluding the cost of post September 13, 1999 management and senior management benefits, exceeds 14% for the General Employees' Pension Plan, member contributions, as well as the City contribution, are increased by half of the excess percentage of payroll except that the total maximum contribution for general employees is capped at 9.51% until a new bargaining unit contract is negotiated and the maximum contribution for management and senior management hired prior to October 1, 2009 is 11.75%. Effective October 1, 2009, general employees, including management and senior management, hired on or after October 1, 2009 contribute 8%. Effective September 30, 2015, police officers hired on or after September 30, 2015 contribute 8%.

CITY OF SUNRISE, FLORIDA

The following schedule summarizes the contribution rates for the City and its plan members:

	<u>General Employees' Pension Plan</u>	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Contributions:			
Contribution rates:			
City	35.52%	65.50%	52.3%
Plan members		9.84%	10.63%
General employees	9.51%		
Management, senior management	11.75%		
Employees hired after 10/1/09	8.00%		
Police Officers hired after 9/30/15		8.00%	
Actuarially determined contribution	\$ 10,310,136	\$ 9,527,596	\$ 5,988,776
Contributions made:			
City	\$ 10,310,136	\$ 8,834,348	\$ 5,185,357
Plan members	3,103,175	1,510,667	1,338,474
Other	-	693,248 ¹	803,419 ¹

¹The Police Officers' and Firefighters' Pension Plans are partially funded by contributions from the State of Florida under Chapters 185 and 175, respectively, of the Florida Statutes. This contribution consists of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City and totaled \$1,496,667 for the year ended September 30, 2016: \$803,419 for property insurance contracts for firefighters and \$693,248 for casualty insurance contracts for police officers. These amounts are recognized as insurance premium tax revenues and public safety expenditures in the General Fund.

Actuarial methods and assumptions: The City's net pension liability for all plans was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date (rolled forward from October 1, 2014 actuarial valuation). Mortality rates were based on the RP-2000 Combined Table for males and females with mortality improvement projected to all future years using Scale AA for all plans. The actuarial methods and assumptions for each plan are as follows:

	<u>General Employees' Pension Plan</u>	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percent, closed	Level percent, closed	Level percent, closed
Remaining amortization period	20 years	24 years	25 years
Actuarial assumptions:			
Investment rate of return	7.5%	7.8%	8.0%
Inflation rate	3.0%	2.5%	3.0%
Projected salary increases*	3.5%-6.5%	4.2%-7.5%	6%-13%
Cost of living adjustments	2% management & commissioners; 2.5% senior management based on eligibility	2.5% for eligible employees	2% for eligible employees
Asset valuation:			
Reporting	Fair value	Fair value	Fair value
Actuarial valuation	5 year smoothed market	5 year smoothed market	5 year smoothing
Non-government investment in excess of 5%	None	None	None

*Projected salary increases include inflation.

Membership as of Actuarial Valuation Date			
Retirees and beneficiaries	513	132	105
Inactive, non-retired members	66	1	4
Active members	482	145	113

CITY OF SUNRISE, FLORIDA

The actuarial accrued liability (AAL) for the retirees’ subsidy plan was projected to September 30, 2016 based on the assumptions presented below. The results are not based on the assumption that all members terminate service as of the valuation date but rather on the assumptions about future disablement, future mortality, future termination of employment, and future retirement continuing to be operative. Benefits are assumed to be unfunded.

Actuarial valuation date	October 1, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	22 years
Actuarial assumptions:	
Investment rate of return	3.5%
Inflation rate	2.5%
Projected salary increases	3.5%-6.5%
Asset valuation method	n/a

Discount rate: The discount rate used to measure the total pension liability was 7.50% for the General Employees’ Retirement Plan, 7.80% for the Police Officers’ Plan and 8.0% for the Firefighters’ Pension Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the pension plans’ 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.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the City’s net pension liability calculated using the current discount rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates:

<u>Pension Plan</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
General Employees (7.50)	\$ 113,638,338	\$ 86,210,883	\$ 63,083,857
Police Officers (7.80)	88,648,754	65,566,998	46,717,148
Firefighters (8.00)	69,873,390	50,246,129	34,129,115

CITY OF SUNRISE, FLORIDA

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 arithmetic real rates of return for each major class included in the pension plans' target asset allocations as of September 30, 2015 are summarized in the following table:

	<u>Target Allocation</u>	<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
<u>General Employees Retirement Plan</u>	0% to 70%	Domestic equity	6.51%
	0% to 25%	International equity	3.32%
	0% to 30%	Fixed income	5.37%
<u>Police Officers' Retirement Plan</u>	51.0%	Domestic equity	6.86%
	40.0%	Domestic bonds	2.50%
	9.0%	International equity	8.50%
<u>Firefighters' Retirement Plan</u>	36.0%	Large Cap	8.10%
	0.0%	Smid Cap	9.60%
	9.0%	Mid Cap	10.20%
	10.0%	Small Cap	8.10%
	30.0%	Fixed income	2.90%
	15.0%	International equity	5.20%
	0.0%	Real assets	6.40%

CITY OF SUNRISE, FLORIDA

Changes in the Net Pension Liability:

	General Employees	Police Officers	Firefighters'	Total
Total pension liability - beginning	\$ 235,380,688	\$ 157,911,262	\$ 151,751,626	\$ 545,043,576
Changes for the year:				
Service cost	5,709,473	4,068,061	3,090,913	12,868,447
Interest	17,739,019	12,725,631	12,023,905	42,488,555
Difference between expected and actual experience	(159,794)	-	-	(159,794)
Change of assumptions	2,870,501	6,918,969	-	9,789,470
Benefit payments	(14,424,957)	(5,761,251)	(8,093,516)	(28,279,724)
Refunds	(136,274)	(56,610)	-	(192,884)
	<u>11,597,968</u>	<u>17,894,800</u>	<u>7,021,302</u>	<u>36,514,070</u>
(a)	<u>\$ 246,978,656</u>	<u>\$ 175,806,062</u>	<u>\$ 158,772,928</u>	<u>\$ 581,557,646</u>
Plan fiduciary net position - beginning	\$ 163,396,851	\$ 105,563,905	\$ 109,371,318	\$ 378,332,074
Employer contributions	9,797,263	8,194,759	5,225,550	23,217,572
Employee contributions	2,951,954	1,524,051	1,156,746	5,632,751
Other contributions	-	639,176	853,244	1,492,420
Net investment income (loss)	(618,632)	366,132	176,272	(76,228)
Benefit payments	(14,424,957)	(5,761,251)	(8,093,516)	(28,279,724)
Refunds	(136,274)	(56,610)	-	(192,884)
Administrative expenses	(198,432)	(231,098)	(162,815)	(592,345)
	<u>(2,629,078)</u>	<u>4,675,159</u>	<u>(844,519)</u>	<u>1,201,562</u>
(b)	<u>\$ 160,767,773</u>	<u>\$ 110,239,064</u>	<u>\$ 108,526,799</u>	<u>\$ 379,533,636</u>
Net pension liability (a-b)	<u>\$ 86,210,883</u>	<u>\$ 65,566,998</u>	<u>\$ 50,246,129</u>	<u>\$ 202,024,010</u>

The Schedules of Changes in the City's Net Pension Liability and Related Ratios and Schedule of Contributions, presented as required supplementary information following the notes to the financial statements, present multiyear trend information.

CITY OF SUNRISE, FLORIDA

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

For the year ended September 30, 2016, The City recognized pension income of \$40,920,840 and pension expense of \$43,181,275 as the result of GASB No. 68. Deferred outflows and inflows of resources related to pensions are as follows:

	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>	<u>Total</u>
<u>Deferred outflows</u>				
Difference between expected and actual experience	\$ 2,428,251	\$ -	\$ -	\$ 2,428,251
Contributions subsequent to the measurement date	10,310,136	9,527,596	5,988,776	25,826,508
Difference between expected and actual earnings on investments	10,238,403	6,863,306	6,965,995	24,067,704
Changes in assumptions	<u>2,272,480</u>	<u>5,477,517</u>	<u>105,068</u>	<u>7,855,065</u>
Total deferred outflows	<u>\$25,249,270</u>	<u>\$21,868,419</u>	<u>\$13,059,839</u>	<u>\$60,177,528</u>
<u>Deferred inflows</u>				
Difference between expected and actual experience	\$ 126,504	\$ 259,407	\$ 907,286	\$ 1,293,197
Difference between expected and actual earnings on investments	<u>358,505</u>	<u>582,905</u>	<u>1,539,220</u>	<u>2,480,630</u>
Total deferred inflows	<u>\$ 485,009</u>	<u>\$ 842,312</u>	<u>\$ 2,446,506</u>	<u>\$ 3,773,827</u>

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

Fiscal Year	Pension Plan		
	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
2017	\$ 14,248,909	\$ 12,397,926	\$ 6,958,422
2018	3,938,773	2,870,330	969,646
2019	3,565,196	2,888,862	969,645
2020	<u>3,011,383</u>	<u>2,868,989</u>	<u>1,715,620</u>
	<u>\$ 24,764,261</u>	<u>\$ 21,026,107</u>	<u>\$ 10,613,333</u>

Funding status and funding progress: The funded status of the retirees' subsidy plan as of October 1, 2015 was as follows (dollar amounts in thousands):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
10/01/15	-	\$ 34,465	\$ 34,465	0.0%	\$ 33,617	102.5%

CITY OF SUNRISE, FLORIDA

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The following table shows the components of the City’s annual retirees’ subsidy cost for the year, the amount actually contributed to the plan, and changes in the City’s net subsidy obligation.

Annual required contribution	\$ 2,962,995
Interest on net subsidy obligation	448,032
Adjustment to annual required contribution	<u>(581,860)</u>
Annual subsidy cost (expense)	2,829,167
Contributions made	<u>(1,363,786)</u>
Increase in net subsidy obligation	1,465,381
Net subsidy obligation – beginning of year	<u>12,800,926</u>
Net subsidy obligation – ending of year	<u><u>\$14,266,307</u></u>

The City’s annual subsidy cost, the percentage of annual subsidy cost contributed to the plan, and the net subsidy obligation for the last three fiscal years is listed below.

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension <u>Obligation</u>
9/30/14	\$ 2,290,796	41.3%	\$ 11,612,620
9/30/15	2,409,220	50.7	12,800,926
9/30/16	2,829,167	48.2	14,266,307

D. Other post-employment benefits

The cost of post-employment healthcare, life insurance, and long-term care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45, the City recognizes the cost of these post-employment benefits in the year when the employee services are received.

Plan descriptions: The City has previously established and maintains a self-funded employee group medical insurance plan, a fully-insured employee group life insurance plan, and a fully-insured employee group long-term care insurance plan that it makes available to eligible retirees in accordance with State of Florida law and City ordinance. The self-funded medical and fully-insured life insurance plans are single-employer, experience-rated insurance plans that provide benefits to eligible retirees and their eligible dependents. The fully-insured long-term care insurance plan is a single-employer, statewide filed and rated insurance plan available to eligible retirees and their eligible dependents. These plans are not accounted for in a trust fund, as an irrevocable trust has not been established.

CITY OF SUNRISE, FLORIDA

Funding policy: To date, the City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses. The contribution requirements, if any, of plan members are established by the City. The City pays any remaining required amounts after contributions of plan members are taken into account. Currently, eligible retirees do not pay for life insurance or long-term care insurance plans provided by the City, but do pay the premiums associated with the medical plan elected - no direct City subsidy is currently applicable. However, there are implicit costs of medical and direct costs of life and long-term care insurance plan benefits. Retiree’s spouses and other eligible dependents are also eligible under the City’s medical and life insurance plans and the retiree is responsible for the payment of the applicable medical and life insurance premiums.

State of Florida law prohibits the City from separately rating retirees and active employees for medical plan benefits. The City therefore assigns to both groups equal, blended-rate premiums and makes available to both groups the same plan options. Although both groups are assigned the same blended-rate premiums, GAAP requires the actuarial liabilities to be calculated using age-adjusted premiums approximating claim costs for eligible retirees separate from active eligible members. The use of age-adjusted premiums results in the entire expected retiree obligation recognized in this disclosure.

Actuarial methods and assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of other post-employment benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial calculations reflect a long-term perspective. The annual health care cost projected trend rate is 8% effective January 1, 2016. The trend rates for years after 2016 are based on the forecasting model built and published in Modeling Long-Term Health Care Cost Trends sponsored by the Society of Actuaries. Benefits are assumed to be unfunded.

Actuarial valuation date	October 1, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	22 years
Actuarial assumptions:	
Investment rate of return	3.5%
Inflation rate	2.5%
Projected salary increases	3.5%-12.0%
Asset valuation method	n/a

CITY OF SUNRISE, FLORIDA

Annual OPEB cost and net OPEB obligation: The City’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation.

Annual required contribution	\$ 3,080,124
Interest on net OPEB obligation	631,986
Adjustment to annual required contribution	<u>(820,762)</u>
Annual OPEB cost (expense)	2,891,348
Contributions made	<u>(808,906)</u>
Increase in net OPEB obligation	2,082,442
Net OPEB obligation – beginning of year	<u>18,056,757</u>
Net OPEB obligation – ending of year	<u>\$20,139,199</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three fiscal years is listed below.

Fiscal Year <u>Ending</u>	Annual <u>OPEB Cost</u>	Percentage of OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
09/30/14	\$ 2,442,526	30.1%	\$16,344,534
09/30/15	2,572,788	33.4	18,056,757
09/30/16	2,891,348	28.0	20,139,199

Funding status and funding progress: The funded status of the Other post-employment plan as of October 1, 2015 was as follows (dollar amounts in thousands):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
10/01/15	-	\$ 27,802	\$ 27,802	0.0%	\$ 60,079	46.3%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**CITY OF SUNRISE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Measurement date September 30,	General Employees' Pension Plan	
	2015	2014
Total pension liability - beginning	\$ 235,380,688	\$ 225,236,553
Changes for the year:		
Service cost	5,709,473	5,592,989
Interest	17,739,019	16,695,690
Difference between expected and actual experience	(159,794)	4,296,137
Change of assumptions	2,870,501	-
Benefit payments	(14,424,957)	(16,155,069)
Refunds	(136,274)	(285,612)
Net change in total pension liability	11,597,968	10,144,135
Total pension liability - ending (a)	\$ 246,978,656	\$ 235,380,688
Plan fiduciary net position - beginning	\$ 163,396,851	\$ 155,619,994
Employer contributions	9,797,263	9,606,777
Employee contributions	2,951,954	2,676,412
Net investment income (loss)	(618,632)	12,106,642
Benefit payments	(14,424,957)	(16,155,069)
Refunds	(136,274)	(285,612)
Administrative expenses	(198,432)	(172,293)
Net change in plan fiduciary net position	(2,629,078)	7,776,857
Plan fiduciary net position - ending (b)	\$ 160,767,773	\$ 163,396,851
Net pension liability (a-b)	\$ 86,210,883	\$ 71,983,837
Plan fiduciary net position as a percentage of the total pension liability	65.09%	69.42%
Covered employee payroll	\$ 38,172,723	\$ 28,384,840
Net pension liability as a percentage of covered-employee payroll	225.84%	253.60%

Note: This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

**CITY OF SUNRISE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Measurement date September 30,	Police Officers' Pension Plan	
	2015	2014
Total pension liability - beginning	\$ 157,911,262	\$ 151,315,619
Changes for the year:		
Service cost	4,068,061	3,784,863
Interest	12,725,631	12,056,017
Difference between expected and actual experience	-	(444,699)
Change of assumptions	6,918,969	-
Benefit payments	(5,761,251)	(8,760,460)
Refunds	(56,610)	(40,078)
Net change in total pension liability	17,894,800	6,595,643
Total pension liability - ending (a)	\$ 175,806,062	\$ 157,911,262
Plan fiduciary net position - beginning	\$ 105,563,905	\$ 96,495,201
Employer contributions	8,194,759	7,472,477
Employee contributions	1,524,051	1,293,252
Other contributions	639,176	620,714
Net investment income	366,132	8,705,647
Benefit payments	(5,761,251)	(8,760,460)
Refunds	(56,610)	(40,078)
Administrative expenses	(231,098)	(222,848)
Net change in plan fiduciary net position	4,675,159	9,068,704
Plan fiduciary net position - ending (b)	\$ 110,239,064	\$ 105,563,905
Net pension liability (a-b)	\$ 65,566,998	\$ 52,347,357
Plan fiduciary net position as a percentage of the total pension liability	62.70%	66.85%
Covered employee payroll	\$ 15,488,323	\$ 13,142,805
Net pension liability as a percentage of covered-employee payroll	423.33%	398.30%

Note: This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

**CITY OF SUNRISE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Measurement date September 30,	Firefighters' Pension Plan	
	2015	2014
Total pension liability - beginning	\$ 151,751,626	\$ 145,582,653
Changes for the year:		
Service cost	3,090,913	3,007,593
Interest	12,023,905	11,602,371
Difference between expected and actual experience	-	(1,492,632)
Change of assumptions	-	172,854
Benefit payments	(8,093,516)	(7,121,213)
Refunds	-	-
Net change in total pension liability	7,021,302	6,168,973
Total pension liability - ending (a)	\$ 158,772,928	\$ 151,751,626
Plan fiduciary net position - beginning	\$ 109,371,318	\$ 99,036,104
Employer contributions	5,225,550	4,972,033
Employee contributions	1,156,746	1,125,192
Other contributions	853,244	879,470
Net investment income (loss)	176,272	10,639,774
Benefit payments	(8,093,516)	(7,121,213)
Refunds	-	-
Administrative expenses	(162,815)	(160,042)
Net change in plan fiduciary net position	(844,519)	10,335,214
Plan fiduciary net position - ending (b)	\$ 108,526,799	\$ 109,371,318
Net pension liability (a-b)	\$ 50,246,129	\$ 42,380,308
Plan fiduciary net position as a percentage of the total pension liability	68.35%	72.07%
Covered employee payroll	\$ 10,816,447	\$ 10,555,759
Net pension liability as a percentage of covered-employee payroll	464.53%	401.49%

Note: This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

**CITY OF SUNRISE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUNDING PROGRESS

Last Six Years

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
<u>Other Post-Employment Benefit Plan (in thousands of dollars)</u>						
10/1/2011	\$ -	\$ 19,970	\$ 19,970	0.0%	\$ 57,451	34.8%
10/1/2013	-	23,720	23,720	0.0%	53,425	44.4%
10/1/2015	-	27,802	27,802	0.0%	60,079	46.3%
<u>Retiree Subsidy Plan (in thousands of dollars)</u>						
10/1/2011	\$ -	\$ 20,581	\$ 20,581	0.0%	\$ 32,941	62.5%
10/1/2013	-	24,428	24,428	0.0%	28,451	85.9%
10/1/2015	-	34,465	34,465	0.0%	33,617	102.5%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Six Years

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed	Covered Payroll	Percent of payroll contributed
<u>Other Post-Employment Benefit Plan</u>					
9/30/2011	\$ 733,672	\$ 2,920,067	25.1%	\$51,716,066	1.4%
9/30/2012	548,946	2,284,252	24.0%	57,450,602	1.0%
9/30/2013	688,472	2,373,994	29.0%	57,450,602	1.2%
9/30/2014	734,440	2,466,920	29.8%	53,425,303	1.4%
9/30/2015	860,565	2,600,029	33.1%	53,425,303	1.6%
9/30/2016	808,906	3,080,124	26.3%	60,078,617	1.3%
<u>Retiree Subsidy Plan</u>					
9/30/2011	\$ 604,844	\$ 1,967,021	30.7%	\$29,136,298	2.1%
9/30/2012	746,246	2,495,411	29.9%	32,940,628	2.3%
9/30/2013	871,634	2,603,384	33.5%	32,940,628	2.6%
9/30/2014	946,567	2,307,910	41.0%	28,451,267	3.3%
9/30/2015	1,220,914	2,428,574	50.3%	28,451,267	4.3%
9/30/2016	1,363,786	2,962,995	46.0%	33,616,746	4.1%

CITY OF SUNRISE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Three Fiscal Years

Fiscal Year Ended	Employer Contributions	Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll	Percent of payroll contributed		
General Employees Pension Plan							
9/30/2014	\$ 9,606,777	\$ 9,606,777	-	\$ 34,795,946	27.61%	Actuarial Cost Method	Entry age normal
9/30/2015	9,797,263	9,797,263	-	38,172,723	25.67%	Amortization method	Level percent of pay, closed
9/30/2016	10,310,136	10,310,136	-	31,775,096	32.45%	Remaining amortization period	20 years
						Asset valuation method	5-year smoothed market
						Inflation	3.00%
						Salary Increases	3.5% to 6.5% depending on service
						Investment Rate of Return	7.50%
						Retirement Age	Experience based table of rates
						Mortality	RP-2000 Combined Healthy Participant Table
Police Officers' Pension Plan							
9/30/2014	\$ 8,093,191	\$ 8,093,191	-	\$ 13,142,805	61.58%	Actuarial Cost Method	Entry age normal
9/30/2015	8,833,935	8,833,935	-	15,488,323	57.04%	Amortization method	Level percent of pay, closed
9/30/2016	9,527,596	9,527,596	-	15,886,876	59.97%	Remaining amortization period	24 years
						Asset valuation method	5-year smoothed market
						Inflation	2.50%
						Salary Increases	4.2% to 7.5% depending on service
						Investment Rate of Return	7.80%
						Retirement Age	Experience based table of rates
						Mortality	RP-2000 Combined Healthy Participant Table
Firefighters' Pension Plan							
9/30/2014	\$ 5,851,503	\$ 5,851,503	-	\$ 10,555,759	55.43%	Actuarial Cost Method	Entry age
9/30/2015	6,078,794	6,078,794	-	10,816,447	56.20%	Amortization method	Level percent of pay, closed
9/30/2016	5,988,776	5,988,776	-	11,680,780	51.27%	Remaining amortization period	25 years
						Asset valuation method	5-year smoothed market
						Inflation	3.00%
						Salary Increases	6% to 13% including inflation
						Investment Rate of Return	8%, net of investment expenses
						Retirement Age	Experience based table of rates
						Mortality	RP-2000 Combined Healthy Participant Table

Notes: Valuation dates of actuarially determined contributions for all plans are calculated based on the valuation as of the beginning of the year prior to the fiscal year in which contributions are due.

This schedule is intended to have ten years of data. Implementation of GASB No. 68 occurred in fiscal year 2015. Additional data to be compiled as information becomes available.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Building Fees Fund

Accounts for the receipts and disbursements associated with building and permit fees.

Impact Fees Fund

Accounts for the receipts and disbursements of impact fees received from developers.

Urban Area Security Initiative Grant Fund

Accounts for the receipts and disbursements of the Urban Area Security Initiative Grant funds.

Broward County Home Consortium Grant Fund

Accounts for the receipts and disbursements of the Broward County Home Consortium Grant funds.

Neighborhood Stabilization Program Grant Fund

Accounts for the receipts and disbursements of the Neighborhood Stabilization Grant funds.

Community Development Block Grant Fund

Accounts for the receipts and disbursements of the Community Development Block Grant funds.

State Housing Initiative Partnership Grant Fund

Accounts for the receipts and disbursements of the State Housing Initiative Partnership Grant funds.

Fuel & Roadway Fund

Accounts for the government's share of motor fuel tax revenues that are legally restricted to the maintenance of, and improvements to, the streets, roadways, median strips, and street lights within the City.

Police Confiscation Fund

Accounts for the receipts and disbursements of police confiscation funds.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

<i>Special Recreation District Phase I Fund</i>	<i>Accumulates special district assessment revenue for Sunrise Lakes Phase I Special Recreation District Public Improvement Bonds, maturing on October 1, 2017.</i>
<i>Special Tax District No. 1 Fund</i>	<i>Accumulates voted debt service ad valorem tax monies for Special Tax District No. 1 of the City of Sunrise, Florida Ad Valorem Tax Bonds, maturing on October 1, 2021.</i>
<i>General Obligation Bonds, Series 2015</i>	<i>Accumulates ad valorem taxes collected for payment of debt service on the General Obligation, Series 2015 maturing on July 1, 2044.</i>

Capital Projects Funds

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

<i>Special Tax District No. 1 Capital Projects Fund</i>	<i>Accounts for the construction of a parking garage and additional public works improvements for Special Tax District No. 1.</i>
<i>Capital Improvements Fund</i>	<i>Accounts for general capital projects and the acquisition and construction in the Neighborhood Renaissance Program.</i>
<i>General Obligation Series 2015 Capital Projects Fund</i>	<i>Accounts for the construction and improvements to parks, recreation and leisure projects.</i>

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CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2016

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 19,353,916	\$ 5,463,620	\$ 57,769,124	\$ 82,586,660
Investments	4,861,844	-	11,102,134	15,963,978
Interest receivable	10,871	43	25,545	36,459
Special assessments receivable	-	626,478	-	626,478
Other receivables	4,484	-	13,827	18,311
Due from other funds	63,413	313	-	63,726
Intergovernmental receivable	479,758	-	518,662	998,420
Inventories	78,767	-	-	78,767
Total assets	24,853,053	6,090,454	69,429,292	100,372,799
LIABILITIES				
Accounts payable	313,465	-	416,755	730,220
Accrued liabilities	62,700	-	-	62,700
Retainage payable	-	-	47,851	47,851
Intergovernmental payable	2,352	-	-	2,352
Due to other funds	30,655	-	-	30,655
Interfund payable	11,845	-	-	11,845
Matured bonds payable	-	2,170,000	-	2,170,000
Matured interest payable	-	334,162	-	334,162
Unearned revenue	18,276	-	-	18,276
Other	2,190,063	-	-	2,190,063
Advances from other funds	255,000	-	-	255,000
Total liabilities	2,884,356	2,504,162	464,606	5,853,124
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	-	626,478	-	626,478
FUND BALANCES				
Nonspendable:				
Inventories	78,767	-	-	78,767
Restricted for:				
Building	11,177,980	-	-	11,177,980
Capital projects	-	-	33,228,325	33,228,325
Recreation	1,401	-	-	1,401
Public safety	6,337,667	-	-	6,337,667
Fire equipment	166,258	-	-	166,258
Median strips	320,907	-	-	320,907
Housing	959,846	-	-	959,846
Transportation	3,021,464	-	-	3,021,464
Developer agreements	-	-	623,333	623,333
Assigned to:				
Subsequent year's expenditures	-	-	21,734,845	21,734,845
Construction contracts	-	-	5,636,187	5,636,187
Debt service	-	2,959,814	-	2,959,814
Capital projects	-	-	7,741,996	7,741,996
Unassigned	(95,593)	-	-	(95,593)
Total fund balances	21,968,697	2,959,814	68,964,686	93,893,197
Total liabilities, deferred inflow of resources and fund balances	\$ 24,853,053	\$ 6,090,454	\$ 69,429,292	\$ 100,372,799

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes:				
Property	\$ -	\$ 4,610,104	\$ -	\$ 4,610,104
Local option fuel	1,598,725	-	-	1,598,725
Permits and fees	8,321,000	-	-	8,321,000
Intergovernmental	1,988,525	-	798,547	2,787,072
Charges for services	129,842	-	-	129,842
Judgments, fines and forfeitures	1,607,856	-	-	1,607,856
Special assessments	-	267,000	-	267,000
Impact fees	3,534	-	-	3,534
Investment earnings	113,566	2,145	347,989	463,700
Contributions and donations	-	-	126,667	126,667
Miscellaneous	132,316	-	28,758	161,074
Total revenues	<u>13,895,364</u>	<u>4,879,249</u>	<u>1,301,961</u>	<u>20,076,574</u>
EXPENDITURES				
Current:				
Public safety	7,510,070	-	-	7,510,070
Economic development	986,907	-	-	986,907
Transportation	2,634,200	-	-	2,634,200
Debt service:				
Principal	-	2,840,000	-	2,840,000
Interest	-	2,139,269	-	2,139,269
Other	-	44,011	-	44,011
Capital outlay	530,762	-	3,232,851	3,763,613
Total expenditures	<u>11,661,939</u>	<u>5,023,280</u>	<u>3,232,851</u>	<u>19,918,070</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,233,425</u>	<u>(144,031)</u>	<u>(1,930,890)</u>	<u>158,504</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	485,400	-	5,829,599	6,314,999
Special revenue funds:				
Impact Fees	-	-	256,000	256,000
Transfers out:				
Capital projects fund:				
General Obligation Bond Series 2015	(256,000)	-	-	(256,000)
Internal service fund:				
I.T. & Communications	(1,052,025)	-	-	(1,052,025)
Sale of capital assets	36,774	-	1,637,575	1,674,349
Total other financing sources and (uses)	<u>(785,851)</u>	<u>-</u>	<u>7,723,174</u>	<u>6,937,323</u>
Net change in fund balances	1,447,574	(144,031)	5,792,284	7,095,827
Fund balances - beginning	<u>20,521,123</u>	<u>3,103,845</u>	<u>63,172,402</u>	<u>86,797,370</u>
Fund balances - ending	<u>\$ 21,968,697</u>	<u>\$ 2,959,814</u>	<u>\$ 68,964,686</u>	<u>\$ 93,893,197</u>

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2016

	Building Fees	Impact Fees	Urban Area Security Initiative Grant	Broward County Home Consortium Grant	Neighborhood Stabilization Program Grant	Community Development Block Grant	State Housing Initiatives Partnership Grant	Fuel and Roadway	Police Confiscation	Total Nonmajor Special Revenue Funds
ASSETS										
Cash and cash equivalents	\$ 7,616,936	\$ 375,638	\$ -	\$ 530,900	\$ 140,581	\$ 44,636	\$ 189,027	\$ 1,994,653	\$ 8,461,545	\$ 19,353,916
Investments	3,619,683	220,297	-	-	-	-	101,603	920,261	-	4,861,844
Interest receivable	8,123	431	-	-	-	-	210	2,107	-	10,871
Other receivables	357	-	-	-	-	-	-	4,127	-	4,484
Due from other funds	-	-	-	-	-	-	-	-	63,413	63,413
Intergovernmental receivable	-	-	47,859	22,840	-	116,928	-	282,282	9,849	479,758
Inventories	-	-	-	-	-	-	-	78,767	-	78,767
Total assets	11,245,099	596,366	47,859	553,740	140,581	161,564	290,840	3,282,197	8,534,807	24,853,053
LIABILITIES										
Accounts payable	13,733	-	-	1,100	-	55,222	23,735	157,182	62,493	313,465
Accrued liabilities	41,888	-	-	-	-	3,570	480	14,652	2,110	62,700
Intergovernmental payable	-	-	-	-	-	2,352	-	-	-	2,352
Due to other funds	2,573	-	-	-	-	156	-	781	27,145	30,655
Interfund payable	-	-	11,845	-	-	-	-	-	-	11,845
Unearned revenue	8,925	-	-	-	-	-	-	9,351	-	18,276
Other	-	-	-	-	-	-	-	-	2,190,063	2,190,063
Advances from other funds	-	-	-	-	-	100,000	-	-	155,000	255,000
Total liabilities	67,119	-	11,845	1,100	-	161,300	24,215	181,966	2,436,811	2,884,356
FUND BALANCES										
Nonspendable:										
Inventories	-	-	-	-	-	-	-	78,767	-	78,767
Restricted:										
Building	11,177,980	-	-	-	-	-	-	-	-	11,177,980
Recreation	-	1,401	-	-	-	-	-	-	-	1,401
Public safety	-	107,800	131,871	-	-	-	-	-	6,097,996	6,337,667
Fire equipment	-	166,258	-	-	-	-	-	-	-	166,258
Median strips	-	320,907	-	-	-	-	-	-	-	320,907
Housing	-	-	-	552,640	140,581	-	266,625	-	-	959,846
Transportation	-	-	-	-	-	-	-	3,021,464	-	3,021,464
Unassigned	-	-	(95,857)	-	-	264	-	-	-	(95,593)
Total fund balances	11,177,980	596,366	36,014	552,640	140,581	264	266,625	3,100,231	6,097,996	21,968,697
Total liabilities and fund balances	\$ 11,245,099	\$ 596,366	\$ 47,859	\$ 553,740	\$ 140,581	\$ 161,564	\$ 290,840	\$ 3,282,197	\$ 8,534,807	\$ 24,853,053

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Building Fees	Impact Fees	Urban Area Security Initiative Grant	Broward County Home Consortium Grant	Neighborhood Stabilization Program	Community Development Block Grant	State Housing Initiatives Partnership Grant	Fuel and Roadway	Police Confiscation	Total Nonmajor Special Revenue Funds
REVENUES										
Local option fuel tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,598,725	\$ -	\$ 1,598,725
Permits and fees	8,321,000	-	-	-	-	-	-	-	-	8,321,000
Intergovernmental	-	-	93,172	153,179	-	526,086	428,757	787,331	-	1,988,525
Charges for services	-	-	-	-	-	-	-	79,167	50,675	129,842
Judgments, fines and forfeitures	-	-	-	-	-	-	-	-	1,607,856	1,607,856
Impact fees	-	3,534	-	-	-	-	-	-	-	3,534
Investment earnings	61,716	4,944	-	-	-	-	2,130	15,004	29,772	113,566
Miscellaneous	-	-	-	6,580	-	21,446	42,575	50,457	11,258	132,316
Total revenues	8,382,716	8,478	93,172	159,759	-	547,532	473,462	2,530,684	1,699,561	13,895,364
EXPENDITURES										
Current:										
Public safety	5,852,446	-	-	-	-	73,000	-	-	1,584,624	7,510,070
Economic development	-	-	-	147,133	57	414,423	425,294	-	-	986,907
Transportation	-	-	-	-	-	58,329	-	2,575,871	-	2,634,200
Capital outlay	27,618	-	93,172	-	-	-	-	22,023	387,949	530,762
Total expenditures	5,880,064	-	93,172	147,133	57	545,752	425,294	2,597,894	1,972,573	11,661,939
Excess (deficiency) of revenues over (under) expenditures	2,502,652	8,478	-	12,626	(57)	1,780	48,168	(67,210)	(273,012)	2,233,425
OTHER FINANCING SOURCES (USES)										
Transfers in:										
General fund	-	-	-	-	-	-	-	485,400	-	485,400
Transfers out:										
Capital projects fund:										
General Obligation Bond Series 2015	-	(256,000)	-	-	-	-	-	-	-	(256,000)
Internal service fund:										
I.T. & Communications	(1,052,025)	-	-	-	-	-	-	-	-	(1,052,025)
Sale of capital assets	-	-	-	-	-	-	-	-	36,774	36,774
Total other financing sources and (uses)	(1,052,025)	(256,000)	-	-	-	-	-	485,400	36,774	(785,851)
Net change in fund balances	1,450,627	(247,522)	-	12,626	(57)	1,780	48,168	418,190	(236,238)	1,447,574
Fund balances - beginning	9,727,353	843,888	36,014	540,014	140,638	(1,516)	218,457	2,682,041	6,334,234	20,521,123
Fund balances - ending	\$ 11,177,980	\$ 596,366	\$ 36,014	\$ 552,640	\$ 140,581	\$ 264	\$ 266,625	\$ 3,100,231	\$ 6,097,996	\$ 21,968,697

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 SEPTEMBER 30, 2016

	Special Recreation District Phase I	Special Tax District No. 1	General Obligation Bonds, Series 2015	Total Nonmajor Debt Service Funds
ASSETS				
Cash and cash equivalents	\$ 248,827	\$ 5,210,393	\$ 4,400	\$ 5,463,620
Interest receivable	-	43	-	43
Special assessments receivable	626,478	-	-	626,478
Due from other funds	46	3	264	313
Total assets	<u>\$ 875,351</u>	<u>\$ 5,210,439</u>	<u>\$ 4,664</u>	<u>\$ 6,090,454</u>
LIABILITIES				
Matured bonds payable	230,000	1,940,000	-	2,170,000
Matured interest payable	18,314	315,848	-	334,162
Total liabilities	<u>248,314</u>	<u>2,255,848</u>	<u>-</u>	<u>2,504,162</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	626,478	-	-	626,478
FUND BALANCES				
Assigned to:				
Debt service	559	2,954,591	4,664	2,959,814
Total fund balances	<u>559</u>	<u>2,954,591</u>	<u>4,664</u>	<u>2,959,814</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 875,351</u>	<u>\$ 5,210,439</u>	<u>\$ 4,664</u>	<u>\$ 6,090,454</u>

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Recreation District Phase I	Special Tax District No. 1	General Obligation Bonds, Series 2015	Total Nonmajor Debt Service Funds
REVENUES				
Property taxes	\$ -	\$ 2,465,540	\$ 2,144,564	\$ 4,610,104
Special assessments	267,000	-	-	267,000
Investment earnings	363	484	1,298	2,145
Total revenues	<u>267,363</u>	<u>2,466,024</u>	<u>2,145,862</u>	<u>4,879,249</u>
EXPENDITURES				
Debt service:				
Principal	230,000	1,940,000	670,000	2,840,000
Interest	36,628	631,695	1,470,946	2,139,269
Other	298	43,413	300	44,011
Total expenditures	<u>266,926</u>	<u>2,615,108</u>	<u>2,141,246</u>	<u>5,023,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>437</u>	<u>(149,084)</u>	<u>4,616</u>	<u>(144,031)</u>
Fund balances - beginning	<u>122</u>	<u>3,103,675</u>	<u>48</u>	<u>3,103,845</u>
Fund balances - ending	<u>\$ 559</u>	<u>\$ 2,954,591</u>	<u>\$ 4,664</u>	<u>\$ 2,959,814</u>

**CITY OF SUNRISE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2016**

	Special Tax District No. 1 Capital Projects	Capital Improvements Capital Projects	General Obligation Bonds, Series 2015 Capital Projects	Total Nonmajor Capital Projects Funds
ASSETS				
Cash and cash equivalents	\$ 1,052,985	\$ 23,349,384	\$ 33,366,755	\$ 57,769,124
Investments	431,158	10,670,976	-	11,102,134
Interest receivable	950	24,595	-	25,545
Other receivables	-	13,827	-	13,827
Intergovernmental receivable	-	518,662	-	518,662
Total assets	\$ 1,485,093	\$ 34,577,444	\$ 33,366,755	\$ 69,429,292
LIABILITIES				
Accounts payable	-	278,325	138,430	416,755
Retainage payable	-	47,851	-	47,851
Total liabilities	-	326,176	138,430	464,606
FUND BALANCE				
Restricted:				
Capital projects	-	-	33,228,325	33,228,325
Developer agreements	-	623,333	-	623,333
Assigned:				
Subsequent year's expenditures	-	21,734,845	-	21,734,845
Construction contracts	-	5,636,187	-	5,636,187
Capital projects	1,485,093	6,256,903	-	7,741,996
Total fund balances	1,485,093	34,251,268	33,228,325	68,964,686
Total liabilities and fund balances	\$ 1,485,093	\$ 34,577,444	\$ 33,366,755	\$ 69,429,292

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Tax District No. 1 Capital Projects	Capital Improvements Capital Projects	General Obligation Bonds, Series 2015 Capital Projects	Total Nonmajor Capital Projects Funds
REVENUES				
Intergovernmental	\$ -	\$ 798,547	\$ -	\$ 798,547
Investment earnings	7,660	169,562	170,767	347,989
Contributions and donations	-	126,667	-	126,667
Miscellaneous	-	28,758	-	28,758
Total revenues	7,660	1,123,534	170,767	1,301,961
EXPENDITURES				
Capital outlay	6,433	2,459,029	767,389	3,232,851
Total expenditures	6,433	2,459,029	767,389	3,232,851
Excess (deficiency) of revenues over (under) expenditures	1,227	(1,335,495)	(596,622)	(1,930,890)
OTHER FINANCING SOURCES				
Transfers in:				
General fund	-	5,738,260	91,339	5,829,599
Special revenue funds:				
Impact Fees	-	-	256,000	256,000
Sale of capital assets	-	1,637,575	-	1,637,575
Total other financing sources	-	7,375,835	347,339	7,723,174
Net change in fund balances	1,227	6,040,340	(249,283)	5,792,284
Fund balances - beginning	1,483,866	28,210,928	33,477,608	63,172,402
Fund balances - ending	\$ 1,485,093	\$ 34,251,268	\$ 33,228,325	\$ 68,964,686

CITY OF SUNRISE, FLORIDA
 BUILDING FEES SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Permits and fees	\$ 5,543,150	\$ 8,321,000	\$ 2,777,850
Investment earnings	-	61,716	61,716
Total revenues	<u>5,543,150</u>	<u>8,382,716</u>	<u>2,839,566</u>
EXPENDITURES			
Current:			
Public safety	6,365,885	5,852,446	513,439
Capital outlay	33,530	27,618	5,912
Total expenditures	<u>6,399,415</u>	<u>5,880,064</u>	<u>519,351</u>
Excess (deficiency) of revenues over (under) expenditures	(856,265)	2,502,652	3,358,917
OTHER FINANCING SOURCES			
Transfers out	<u>(1,052,025)</u>	<u>(1,052,025)</u>	-
Net change in fund balances	(1,908,290)	1,450,627	3,358,917
Fund balances - beginning	<u>9,727,353</u>	<u>9,727,353</u>	-
Fund balances - ending	<u>\$ 7,819,063</u>	<u>\$ 11,177,980</u>	<u>\$ 3,358,917</u>

CITY OF SUNRISE, FLORIDA
IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Impact fees	\$ 55,800	\$ 3,534	\$ (52,266)
Investment earnings	1,000	4,944	3,944
Total revenues	<u>56,800</u>	<u>8,478</u>	<u>(48,322)</u>
Excess of revenues over expenditures	56,800	8,478	(48,322)
OTHER FINANCING (USES)			
Transfers out	<u>(256,000)</u>	<u>(256,000)</u>	-
Net change in fund balances	(199,200)	(247,522)	(48,322)
Fund balances - beginning	<u>843,888</u>	<u>843,888</u>	-
Fund balances - ending	<u>\$ 644,688</u>	<u>\$ 596,366</u>	<u>\$ (48,322)</u>

CITY OF SUNRISE, FLORIDA
URBAN AREA SECURITY INITIATIVE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 152,877	\$ 93,172	\$ (59,705)
EXPENDITURES			
Capital outlay	228,879	93,172	135,707
Excess deficiency of revenues under expenditures	(76,002)	-	76,002
Fund balances - beginning	36,014	36,014	-
Fund balances - ending	<u>\$ (39,988)</u>	<u>\$ 36,014</u>	<u>\$ 76,002</u>

CITY OF SUNRISE, FLORIDA
BROWARD COUNTY HOME CONSORTIUM GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 254,020	\$ 153,179	\$ (100,841)
EXPENDITURES			
Current:			
Economic development	254,020	147,133	106,887
Excess of revenues over expenditures	-	12,626	12,626
Fund balances - beginning	540,014	540,014	-
Fund balances - ending	\$ 540,014	\$ 552,640	\$ 12,626

CITY OF SUNRISE, FLORIDA
NEIGHBORHOOD STABILIZATION PROGRAM GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
Economic development	10,700	57	10,643
Deficiency of revenues under expenditures	(10,700)	(57)	10,643
Fund balances - beginning	140,638	140,638	-
Fund balances - ending	<u>\$ 129,938</u>	<u>\$ 140,581</u>	<u>\$ 10,643</u>

CITY OF SUNRISE, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 844,350	\$ 526,086	\$ (318,264)
Miscellaneous	-	21,446	21,446
Total revenues	<u>844,350</u>	<u>547,532</u>	<u>(296,818)</u>
EXPENDITURES			
Current:			
Public safety	73,010	73,000	10
Economic development	703,150	414,423	288,727
Transportation	68,190	58,329	9,861
Total expenditures	<u>844,350</u>	<u>545,752</u>	<u>298,598</u>
Excess of revenues over expenditures	-	1,780	1,780
Fund balances - beginning	<u>(1,516)</u>	<u>(1,516)</u>	<u>-</u>
Fund balances - ending	<u>\$ (1,516)</u>	<u>\$ 264</u>	<u>\$ 1,780</u>

CITY OF SUNRISE, FLORIDA
STATE HOUSING INITIATIVES PARTNERSHIP GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 618,670	\$ 428,757	\$ (189,913)
Investment earnings	-	2,130	2,130
Miscellaneous	-	42,575	42,575
Total revenues	<u>618,670</u>	<u>473,462</u>	<u>(145,208)</u>
EXPENDITURES			
Current:			
Economic development	<u>618,670</u>	<u>425,294</u>	<u>193,376</u>
Excess of revenues over expenditures	-	48,168	48,168
Fund balances - beginning	<u>218,457</u>	<u>218,457</u>	<u>-</u>
Fund balances - ending	<u>\$ 218,457</u>	<u>\$ 266,625</u>	<u>\$ 48,168</u>

CITY OF SUNRISE, FLORIDA
 FUEL AND ROADWAY SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Local option fuel tax	\$ 1,630,130	\$ 1,598,725	\$ (31,405)
Intergovernmental	787,970	787,331	(639)
Charges for services	62,240	79,167	16,927
Investment earnings	5,000	15,004	10,004
Miscellaneous	45,200	50,457	5,257
Total revenues	2,530,540	2,530,684	144
EXPENDITURES			
Current:			
Transportation	2,887,810	2,575,871	311,939
Capital outlay	522,648	22,023	500,625
Total expenditures	3,410,458	2,597,894	812,564
Excess (deficiency) of revenues over (under) expenditures	(879,918)	(67,210)	812,708
OTHER FINANCING SOURCES			
Transfers in	485,400	485,400	-
Net change in fund balances	(394,518)	418,190	812,708
Fund balances - beginning	2,682,041	2,682,041	-
Fund balances - ending	\$ 2,287,523	\$ 3,100,231	\$ 812,708

CITY OF SUNRISE, FLORIDA
POLICE CONFISCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ -	\$ 50,675	\$ 50,675
Judgments, fines and forfeitures	-	1,607,856	1,607,856
Investment earnings	-	29,772	29,772
Miscellaneous	-	11,258	11,258
Total revenues	<u>-</u>	<u>1,699,561</u>	<u>1,699,561</u>
EXPENDITURES			
Current:			
Public safety	1,971,372	1,584,624	386,748
Capital outlay	577,333	387,949	189,384
Total expenditures	<u>2,548,705</u>	<u>1,972,573</u>	<u>576,132</u>
Excess (deficiency) of revenues over (under) expenditures	(2,548,705)	(273,012)	2,275,693
OTHER FINANCING SOURCES			
Sale of capital assets	-	36,774	36,774
Net change in fund balances	(2,548,705)	(236,238)	2,312,467
Fund balances - beginning	<u>6,334,234</u>	<u>6,334,234</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,785,529</u>	<u>\$ 6,097,996</u>	<u>\$ 2,312,467</u>

CITY OF SUNRISE, FLORIDA
SPECIAL RECREATION DISTRICT PHASE I DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Special assessments	\$ 266,710	\$ 267,000	\$ 290
Investment earnings	250	363	113
Total revenues	<u>266,960</u>	<u>267,363</u>	<u>403</u>
EXPENDITURES			
Debt service:			
Principal	230,000	230,000	-
Interest	36,630	36,628	2
Other	330	298	32
Total expenditures	<u>266,960</u>	<u>266,926</u>	<u>34</u>
Excess of revenues over expenditures	-	437	437
Fund balances - beginning	<u>122</u>	<u>122</u>	-
Fund balances - ending	<u>\$ 122</u>	<u>\$ 559</u>	<u>\$ 437</u>

CITY OF SUNRISE, FLORIDA
SPECIAL TAX DISTRICT NO. 1 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 2,515,900	\$ 2,465,540	\$ (50,360)
Investment earnings	400	484	84
Total revenues	<u>2,516,300</u>	<u>2,466,024</u>	<u>(50,276)</u>
EXPENDITURES			
Debt service:			
Principal	1,940,000	1,940,000	-
Interest	631,700	631,695	5
Other	44,600	43,413	1,187
Total expenditures	<u>2,616,300</u>	<u>2,615,108</u>	<u>1,192</u>
Deficiency of revenues under expenditures	(100,000)	(149,084)	(49,084)
Fund balances - beginning	<u>3,103,675</u>	<u>3,103,675</u>	-
Fund balances - ending	<u>\$ 3,003,675</u>	<u>\$ 2,954,591</u>	<u>\$ (49,084)</u>

CITY OF SUNRISE, FLORIDA
GENERAL OBLIGATION BONDS, SERIES 2015 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 2,140,950	\$ 2,144,564	\$ 3,614
Investment earnings	300	1,298	998
Total revenues	<u>2,141,250</u>	<u>2,145,862</u>	<u>4,612</u>
EXPENDITURES			
Debt service:			
Principal	670,000	670,000	-
Interest	1,470,950	1,470,946	4
Other	300	300	-
Total expenditures	<u>2,141,250</u>	<u>2,141,246</u>	<u>4</u>
Excess of revenues over expenditures	-	4,616	4,616
Fund balances - beginning	<u>48</u>	<u>48</u>	<u>-</u>
Fund balances - ending	<u>\$ 48</u>	<u>\$ 4,664</u>	<u>\$ 4,616</u>

CITY OF SUNRISE, FLORIDA
SPECIAL TAX DISTRICT NO. 1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	\$ -	\$ 7,660	\$ 7,660
EXPENDITURES			
Capital outlay	1,480,000	6,433	1,473,567
Excess (deficiency) of revenues over (under) expenditures	(1,480,000)	1,227	1,481,227
Fund balances - beginning	1,483,866	1,483,866	-
Fund balances - ending	<u>\$ 3,866</u>	<u>\$ 1,485,093</u>	<u>\$ 1,481,227</u>

CITY OF SUNRISE, FLORIDA
 CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 2,791,532	\$ 798,547	\$ (1,992,985)
Investment earnings	70,000	169,562	99,562
Contributions and donations	126,660	126,667	7
Miscellaneous	-	28,758	28,758
Total revenues	<u>2,988,192</u>	<u>1,123,534</u>	<u>(1,864,658)</u>
EXPENDITURES			
Capital outlay	<u>31,957,216</u>	<u>2,459,029</u>	<u>29,498,187</u>
Excess (deficiency) of revenues over (under) expenditures	(28,969,024)	(1,335,495)	27,633,529
OTHER FINANCING SOURCES			
Transfers in	5,738,260	5,738,260	-
Sale of capital assets	-	1,637,575	(1,637,575)
Total other financing sources	<u>5,738,260</u>	<u>7,375,835</u>	<u>-</u>
Net change in fund balances	(23,230,764)	6,040,340	27,633,529
Fund balances - beginning	<u>28,210,928</u>	<u>28,210,928</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,980,164</u>	<u>\$ 34,251,268</u>	<u>\$ 27,633,529</u>

CITY OF SUNRISE, FLORIDA
GENERAL OBLIGATION BONDS, SERIES 2015 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	\$ 40,000	\$ 170,767	\$ 130,767
EXPENDITURES			
Capital outlay	33,567,398	767,389	32,800,009
Excess (deficiency) of revenues over (under) expenditures	(33,527,398)	(596,622)	32,930,776
OTHER FINANCING SOURCES			
Transfers in	353,130	347,339	(5,791)
Net change in fund balances	(33,174,268)	(249,283)	32,924,985
Fund balances - beginning	33,477,608	33,477,608	-
Fund balances - ending	\$ 303,340	\$ 33,228,325	\$ 32,924,985

CITY OF SUNRISE, FLORIDA
SPECIAL ASSESSMENT BONDS, SERIES 2015 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	\$ 25,000	\$ 179,686	\$ 154,686
EXPENDITURES			
Current:			
Transportation	-	45	(45)
Capital outlay	53,831,018	16,305,488	37,525,530
Total expenditures	53,831,018	16,305,533	37,525,485
Excess (deficiency) of revenues over (under) expenditures	(53,806,018)	(16,125,847)	37,680,171
Fund balances - beginning	53,886,204	53,886,204	-
Fund balances - ending	\$ 80,186	\$ 37,760,357	\$ 37,680,171

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Nonmajor Proprietary Funds

Enterprise Funds

Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. When debt is backed solely by fees and charges or there is a legal requirement or policy decision to recover costs, an enterprise fund must be used.

Recycling Fund

Accounts for the provision of recycling services to City residents.

Stormwater Fund

Accounts for the operations of a City stormwater utility.

Golf Course Fund

Accounts for the operations of a City owned golf course.

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 SEPTEMBER 30, 2016

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,021	\$ 7,335,500	\$ 128,360	\$ 7,465,881
Investments	32,963	3,496,716	72,556	3,602,235
Interest receivable	10	7,730	145	7,885
Accounts receivable, net of allowance for uncollectibles	142,953	498,673	-	641,626
Other receivables	6,923	-	-	6,923
Inventories	-	16,411	-	16,411
Prepaid items	-	-	3,350	3,350
Total current assets	184,870	11,355,030	204,411	11,744,311
Noncurrent assets:				
Capital assets:				
Land	-	65,845	1,223,300	1,289,145
Intangibles	-	2,425	-	2,425
Buildings and system	-	685,480	-	685,480
Improvements other than buildings	-	4,159,101	226,285	4,385,386
Machinery and equipment	3,635	1,724,411	766,960	2,495,006
Vehicles	-	872,725	-	872,725
Construction in progress	-	5,428,677	-	5,428,677
Less accumulated depreciation	(3,271)	(2,596,072)	(654,758)	(3,254,101)
Total capital assets, net of accumulated depreciation	364	10,342,592	1,561,787	11,904,743
Total assets	185,234	21,697,622	1,766,198	23,649,054
DEFERRED OUTFLOWS OF RESOURCES				
Pension	-	942,697	-	942,697
Total deferred outflows of resources	-	942,697	-	942,697
LIABILITIES				
Current liabilities:				
Accounts payable	136,141	325,495	46,349	507,985
Accrued liabilities	-	24,292	-	24,292
Due to other funds	-	1,329	-	1,329
Interfund payable	-	112,903	-	112,903
Compensated absences	-	30,373	-	30,373
Retainage payable	-	448,669	-	448,669
Intergovernmental payable	-	-	2,961	2,961
Total current liabilities	136,141	943,061	49,310	1,128,512
Noncurrent liabilities:				
Compensated absences	-	283,386	-	283,386
Other post employment benefits	-	431,360	-	431,360
Retiree subsidy	-	643,159	73,883	717,042
Net pension liability	-	3,391,867	-	3,391,867
Unearned revenue	-	-	1,017	1,017
Total noncurrent liabilities	-	4,749,772	74,900	4,824,672
Total liabilities	136,141	5,692,833	124,210	5,953,184
DEFERRED INFLOWS OF RESOURCES				
Pension	-	19,550	-	19,550
Total deferred inflows of resources	-	19,550	-	19,550
NET POSITION				
Net investment in capital assets	364	9,617,108	1,561,787	11,179,259
Unrestricted	48,729	7,310,828	80,201	7,439,758
Total net position	\$ 49,093	\$ 16,927,936	\$ 1,641,988	\$ 18,619,017

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Recycling</u>	<u>Stormwater</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:				
Charges for sales and services:				
Fees	\$ 1,163,315	\$ 6,855,996	\$ 1,072,826	\$ 9,092,137
Operating expenses:				
Costs of sales and services:				
Power, water and wastewater purchases	-	28,057	109,433	137,490
Chemical purchases	-	51,785	83,988	135,773
Recycling charges	745,994	-	-	745,994
Materials and supplies	50,091	61,867	6,991	118,949
Repairs and maintenance	620	174,567	20,960	196,147
Salaries, wages and employee benefits	-	2,579,979	28,859	2,608,838
Insurance and other expenses	367	902,207	1,343,245	2,245,819
Administrative fees	55,250	606,870	158,460	820,580
Depreciation and amortization	727	352,708	117,574	471,009
Total operating expenses	853,049	4,758,040	1,869,510	7,480,599
Operating income (loss)	310,266	2,097,956	(796,684)	1,611,538
Non-operating revenues (expenses):				
Investment earnings	1,635	61,435	1,629	64,699
Interest expense	-	(11,559)	-	(11,559)
Gain on sale of capital assets	-	674	2,560	3,234
Sale of recyclable materials	69,648	-	-	69,648
Other	264,976	1,738	2,457	269,171
Total non-operating revenues (expenses)	336,259	52,288	6,646	395,193
Income (loss) before transfers	646,525	2,150,244	(790,038)	2,006,731
Transfers in	-	-	749,670	749,670
Transfers out	(873,540)	(82,849)	-	(956,389)
Change in net position	(227,015)	2,067,395	(40,368)	1,800,012
Total net position - beginning	276,108	14,860,541	1,682,356	16,819,005
Total net position - ending	\$ 49,093	\$ 16,927,936	\$ 1,641,988	\$ 18,619,017

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,194,476	\$ 6,844,420	\$ 1,072,202	\$ 9,111,098
Payments to suppliers	(837,397)	(1,521,851)	(1,596,270)	(3,955,518)
Payments to and for employees	-	(2,409,318)	(23,899)	(2,433,217)
Payments for interfund services used	(55,250)	(606,870)	(158,460)	(820,580)
Net cash provided by (used for) operating activities	<u>301,829</u>	<u>2,306,381</u>	<u>(706,427)</u>	<u>1,901,783</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	-	(107,271)	-	(107,271)
Transfer from other funds	-	-	749,670	749,670
Transfer to other funds	(873,540)	(82,849)	-	(956,389)
Net cash provided by (used for) noncapital financing activities	<u>(873,540)</u>	<u>(190,120)</u>	<u>749,670</u>	<u>(313,990)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(3,268,521)	(2,198)	(3,270,719)
Interest paid on capital debt	-	(11,559)	-	(11,559)
Proceeds from sales of capital assets	-	674	4,200	4,874
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(3,279,406)</u>	<u>2,002</u>	<u>(3,277,404)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	203,290	2,655,302	52,434	2,911,026
Purchase of investments	(89,308)	(3,161,586)	(86,885)	(3,337,779)
Interest and dividends received	2,083	63,141	1,638	66,862
Net cash provided by (used for) investing activities	<u>116,065</u>	<u>(443,143)</u>	<u>(32,813)</u>	<u>(359,891)</u>
Net increase (decrease) in cash and cash equivalents	(455,646)	(1,606,288)	12,432	(2,049,502)
Cash and cash equivalents, September 30, 2015	<u>457,667</u>	<u>8,941,788</u>	<u>115,928</u>	<u>9,515,383</u>
Cash and cash equivalents, September 30, 2016	<u>\$ 2,021</u>	<u>\$ 7,335,500</u>	<u>\$ 128,360</u>	<u>\$ 7,465,881</u>

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 310,266	\$ 2,097,956	\$ (796,684)	\$ 1,611,538
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Miscellaneous non-operating income from by-products of recycling activities	69,648	-	-	69,648
Miscellaneous non-operating income	264,976	1,738	2,457	269,171
Depreciation and amortization expense	727	352,708	117,574	471,009
(Increase) decrease in accounts receivable	4,599	(5,939)	-	(1,340)
Decrease in other receivables	6,463	-	-	6,463
Decrease in inventories	-	24,799	-	24,799
(Increase) in deferred outflows	-	(411,054)	-	(411,054)
(Decrease) in accounts payable	(40,692)	(636,899)	(33,844)	(711,435)
(Decrease) in accrued liabilities	-	(60,050)	-	(60,050)
(Decrease) in due to other funds	(49,182)	(3,604)	-	(52,786)
(Decrease) in intergovernmental payables	-	-	(194)	(194)
(Decrease) in unearned revenue	(264,976)	-	(696)	(265,672)
Increase in retainage payable	-	301,357	-	301,357
(Decrease) in compensated absences payable	-	(31,840)	-	(31,840)
Increase in other post employment benefits payable	-	69,554	-	69,554
Increase in retiree subsidy payable	-	123,697	4,960	128,657
Increase in net pension liability	-	483,720	-	483,720
Increase in deferred inflows	-	238	-	238
Total adjustments	<u>(8,437)</u>	<u>208,425</u>	<u>90,257</u>	<u>290,245</u>
Net cash provided by (used for) operating activities	<u>\$ 301,829</u>	<u>\$ 2,306,381</u>	<u>\$ (706,427)</u>	<u>\$ 1,901,783</u>
Noncash investing activities:				
Net (decrease) in fair value of investments	\$ (59)	\$ (2,016)	\$ (30)	\$ (2,105)

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Internal Service Funds

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

Workers' Compensation Fund ***Accounts for the provision of workers' compensation services to departments.***

Fleet Management Fund ***Accounts for funding for vehicle maintenance and replacement.***

Information Technology & Communications Fund ***Accounts for funding for computer and/or communications equipment replacement.***

Self-Insured Health ***Accounts for funding of the City's self-insured health plan***

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2016

	Workers' Compensation	Fleet Management	Information Technology & Communications	Self- Insured Health	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 6,566,386	\$ 5,314,228	\$ 3,329,070	\$ 2,023,680	\$ 17,233,364
Investments	3,124,806	2,581,873	1,726,016	924,558	8,357,253
Interest receivable	6,967	5,708	3,655	2,131	18,461
Accounts receivable, net of allowance for uncollectibles	-	-	-	6,470	6,470
Other receivables	-	-	-	108,457	108,457
Inventories	-	277,679	-	-	277,679
Total current assets	9,698,159	8,179,488	5,058,741	3,065,296	26,001,684
Noncurrent assets:					
Capital assets:					
Intangibles	-	3,022	235,608	-	238,630
Machinery and equipment	-	138,180	1,102,845	-	1,241,025
Vehicles	-	11,131,174	24,769	-	11,155,943
Construction in progress	-	-	1,608,352	-	1,608,352
Less accumulated depreciation	-	(3,884,479)	(327,221)	-	(4,211,700)
Total capital assets, net of accumulated depreciation	-	7,387,897	2,644,353	-	10,032,250
Total assets	9,698,159	15,567,385	7,703,094	3,065,296	36,033,934
DEFERRED OUTFLOWS OF RESOURCES					
Pension	-	79,589	984,966	-	1,064,555
Total deferred outflows of resources	-	79,589	984,966	-	1,064,555
LIABILITIES					
Current liabilities:					
Accounts payable	-	162,084	218,700	4,163	384,947
Accrued liabilities	-	1,512	18,996	-	20,508
Due to other funds	-	159	1,602	-	1,761
Compensated absences	-	2,343	19,929	-	22,272
Total current liabilities	-	166,098	259,227	4,163	429,488
Noncurrent liabilities:					
Compensated absences	-	17,100	158,473	-	175,573
Other post employment benefits	-	3,794	59,576	-	63,370
Retiree subsidy	-	8,382	75,096	-	83,478
Net pension liability	-	274,453	3,311,666	-	3,586,119
Claims and judgments	4,786,923	-	-	-	4,786,923
Total noncurrent liabilities	4,786,923	303,729	3,604,811	-	8,695,463
Total liabilities	4,786,923	469,827	3,864,038	4,163	9,124,951
DEFERRED INFLOWS OF RESOURCES					
Pension	-	1,551	18,492	-	20,043
Total deferred inflows of resources	-	1,551	18,492	-	20,043
NET POSITION					
Net investment in capital assets	-	7,380,682	2,553,379	-	9,934,061
Unrestricted	4,911,236	7,794,914	2,252,151	3,061,133	18,019,434
Total net position	\$ 4,911,236	\$ 15,175,596	\$ 4,805,530	\$ 3,061,133	\$ 27,953,495

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Workers' Compensation	Fleet Management	Information Technology & Communications	Self- Insured Health	Total
Operating revenues:					
Charges for sales and services:					
Service charges	\$ 2,270,840	\$ 6,530,000	\$ 3,706,730	\$ 13,841,019	\$ 26,348,589
Operating expenses:					
Costs of sales and services:					
Power, water and wastewater purchases	-	37,765	-	-	37,765
Materials and supplies	-	948,197	44,575	-	992,772
Repairs and maintenance	-	1,935,202	281,008	-	2,216,210
Salaries, wages and employee benefits	-	180,887	2,215,439	-	2,396,326
Insurance and other expenses	537,851	54,251	1,558,665	1,648,035	3,798,802
Claims expense	1,209,883	-	-	11,251,173	12,461,056
Depreciation and amortization	-	922,648	216,524	-	1,139,172
Total operating expenses	<u>1,747,734</u>	<u>4,078,950</u>	<u>4,316,211</u>	<u>12,899,208</u>	<u>23,042,103</u>
Operating income (loss)	<u>523,106</u>	<u>2,451,050</u>	<u>(609,481)</u>	<u>941,811</u>	<u>3,306,486</u>
Non-operating revenues:					
Investment earnings	54,409	45,984	34,022	15,224	149,639
Gain (loss) on sale of capital assets	-	9,000	(637)	-	8,363
Other	535,292	45,066	375	983,060	1,563,793
Total non-operating revenues	<u>589,701</u>	<u>100,050</u>	<u>33,760</u>	<u>998,284</u>	<u>1,721,795</u>
Income (loss) before contributions	<u>1,112,807</u>	<u>2,551,100</u>	<u>(575,721)</u>	<u>1,940,095</u>	<u>5,028,281</u>
Transfers in	-	-	2,561,398	-	2,561,398
Transfers out	-	(62,139)	-	-	(62,139)
Change in net position	<u>1,112,807</u>	<u>2,488,961</u>	<u>1,985,677</u>	<u>1,940,095</u>	<u>7,527,540</u>
Total net position - beginning	<u>3,798,429</u>	<u>12,686,635</u>	<u>2,819,853</u>	<u>1,121,038</u>	<u>20,425,955</u>
Total net position - ending	<u>\$ 4,911,236</u>	<u>\$ 15,175,596</u>	<u>\$ 4,805,530</u>	<u>\$ 3,061,133</u>	<u>\$ 27,953,495</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Workers' Compensation	Fleet Management	Information Technology & Communications	Self-Insured Health	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 2,270,840	\$ 6,530,000	\$ 3,706,730	\$ 13,839,510	\$ 26,347,080
Payments to suppliers	(1,152,398)	(2,973,440)	(1,888,144)	(11,918,137)	(17,932,119)
Payments to and for employees	-	(168,961)	(2,112,975)	-	(2,281,936)
Net cash provided by (used for) operating activities	<u>1,118,442</u>	<u>3,387,599</u>	<u>(294,389)</u>	<u>1,921,373</u>	<u>6,133,025</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	-	-	2,561,398	-	2,561,398
Transfer to other funds	-	(62,139)	-	-	(62,139)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(62,139)</u>	<u>2,561,398</u>	<u>-</u>	<u>2,499,259</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	(1,687,599)	(2,159,602)	-	(3,847,201)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(1,687,599)</u>	<u>(2,159,602)</u>	<u>-</u>	<u>(3,847,201)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	1,803,849	1,520,127	1,222,413	490,573	5,036,962
Purchase of investments	(2,790,205)	(2,420,675)	(1,713,149)	(1,160,628)	(8,084,657)
Interest and dividends received	54,400	45,917	34,201	14,051	148,569
Net cash (used for) investing activities	<u>(931,956)</u>	<u>(854,631)</u>	<u>(456,535)</u>	<u>(656,004)</u>	<u>(2,899,126)</u>
Net increase (decrease) in cash and cash equivalents	186,486	783,230	(349,128)	1,265,369	1,885,957
Cash and cash equivalents, September 30, 2015	<u>6,379,900</u>	<u>4,530,998</u>	<u>3,678,198</u>	<u>758,311</u>	<u>15,347,407</u>
Cash and cash equivalents, September 30, 2016	<u>\$ 6,566,386</u>	<u>\$ 5,314,228</u>	<u>\$ 3,329,070</u>	<u>\$ 2,023,680</u>	<u>\$ 17,233,364</u>

	<u>Workers'</u> <u>Compensation</u>	<u>Fleet</u> <u>Management</u>	<u>Information</u> <u>Technology &</u> <u>Communications</u>	<u>Self-Insured</u> <u>Health</u>	<u>Total</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 523,106	\$ 2,451,050	\$ (609,481)	\$ 941,811	\$ 3,306,486
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Miscellaneous non-operating income	535,292	45,066	375	983,060	1,563,793
Depreciation and amortization expense	-	922,648	216,524	-	1,139,172
(Increase) in accounts receivable	-	-	-	(1,509)	(1,509)
(Increase) in other receivables	-	-	-	(2,402)	(2,402)
Decrease in inventories	-	59,406	-	-	59,406
(Increase) in deferred outflows	-	(37,479)	(483,592)	-	(521,071)
Increase (decrease) in accounts payable	-	(102,497)	(4,271)	413	(106,355)
(Decrease) in accrued liabilities	-	(3,262)	(41,448)	-	(44,710)
(Decrease) in due to other funds	-	(342)	(3,770)	-	(4,112)
Increase in compensated absences payable	-	2,274	11,943	-	14,217
Increase in other post employment benefits payable	-	2,082	32,694	-	34,776
Increase in retiree subsidy payable	-	4,527	17,275	-	21,802
Increase in net pension liability	-	44,104	569,082	-	613,186
Increase in deferred inflows	-	22	280	-	302
Increase in claims and judgments	60,044	-	-	-	60,044
Total adjustments	<u>595,336</u>	<u>936,549</u>	<u>315,092</u>	<u>979,562</u>	<u>2,826,539</u>
Net cash provided by (used for) operating activities	<u>\$ 1,118,442</u>	<u>\$ 3,387,599</u>	<u>\$ (294,389)</u>	<u>\$ 1,921,373</u>	<u>\$ 6,133,025</u>
Noncash investing activities:					
Net (decrease) in fair value of investments	\$ (1,597)	\$ (1,281)	\$ (883)	\$ (331)	\$ (4,092)

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Fiduciary Funds

Pension Trusts and Agency Funds

Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

*General Employees',
Police Officers' and
Firefighters' Pension
Trust Funds*

Account for the accumulation of resources to be used for retirement benefit payments to City employees.

*Special Assessment
Agency Fund*

Account for the accumulation of resources from special assessments to be used for principal and interest payments for the Special Assessment bonds, Series 2015.

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2016

	<u>Employee Retirement Funds</u>				
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds	Special Assessment Agency Fund
ASSETS					
Cash and cash equivalents	\$ 3,265,669	\$ 3,196,196	\$ 2,098,432	\$ 8,560,297	\$ 6,639,809
Receivable from sale of securities	95,095	622,420	203,374	920,889	-
Interest and dividends receivable	129,689	181,705	171,809	483,203	-
Due from other funds	42,964	42,097	838,857	923,918	-
Other receivables	700	-	-	700	-
Investments, at fair value:					
U.S. government and agency securities	-	33,937,490	8,532,855	42,470,345	-
Corporate bonds	-	9,380,999	14,537,521	23,918,520	-
Mutual funds	95,467,646	-	-	95,467,646	-
Common stocks	52,277,418	64,390,778	87,383,754	204,051,950	-
International equity funds	25,157,204	11,135,669	7,923,751	44,216,624	-
Total investments	<u>172,902,268</u>	<u>118,844,936</u>	<u>118,377,881</u>	<u>410,125,085</u>	<u>-</u>
Prepaid items	-	482,432	7,066	489,498	-
Total assets	<u>176,436,385</u>	<u>123,369,786</u>	<u>121,697,419</u>	<u>421,503,590</u>	<u>6,639,809</u>
LIABILITIES					
Deposits held for others	-	-	-	-	6,639,809
Accounts payable	182,038	133,842	1,049,385	1,365,265	-
Payable for purchase of securities	227,678	574,085	257,017	1,058,780	-
Total liabilities	<u>409,716</u>	<u>707,927</u>	<u>1,306,402</u>	<u>2,424,045</u>	<u>6,639,809</u>
NET POSITION					
Restricted for pensions	<u>\$ 176,026,669</u>	<u>\$ 122,661,859</u>	<u>\$ 120,391,017</u>	<u>\$ 419,079,545</u>	

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
ADDITIONS				
Contributions:				
Employer	\$ 10,310,136	\$ 8,834,348	\$ 5,185,357	\$ 24,329,841
Plan members	3,103,175	1,510,667	1,338,474	5,952,316
Other sources	-	693,248	803,419	1,496,667
Total contributions	13,413,311	11,038,263	7,327,250	31,778,824
Investment earnings (loss):				
Interest	4,436	1,358,573	458,703	1,821,712
Dividends	4,095,601	1,805,870	958,539	6,860,010
Net appreciation in fair value of investments	12,600,260	7,521,595	10,337,766	30,459,621
Other	31,549	3,239	3,987	38,775
Total investment earnings	16,731,846	10,689,277	11,758,995	39,180,118
Less investment expense	737,459	502,060	509,767	1,749,286
Net investment earnings	15,994,387	10,187,217	11,249,228	37,430,832
Total additions	29,407,698	21,225,480	18,576,478	69,209,656
DEDUCTIONS				
Benefits	13,886,080	8,399,112	6,437,587	28,722,779
Refunds of contributions	82,839	65,487	63,852	212,178
Administrative expenses	204,736	338,086	210,821	753,643
Total deductions	14,173,655	8,802,685	6,712,260	29,688,600
Change in net position	15,234,043	12,422,795	11,864,218	39,521,056
Net position - beginning	160,792,626	110,239,064	108,526,799	379,558,489
Net position - ending	\$ 176,026,669	\$ 122,661,859	\$ 120,391,017	\$ 419,079,545

CITY OF SUNRISE, FLORIDA
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Balance September 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2016</u>
ASSETS				
Cash and cash equivalents	\$ 7,138,069	\$ 4,284,636	\$ 4,782,896	\$ 6,639,809
Total assets	<u>7,138,069</u>	<u>4,284,636</u>	<u>4,782,896</u>	<u>6,639,809</u>
LIABILITIES				
Deposits held for others	<u>7,138,069</u>	<u>4,284,636</u>	<u>4,782,896</u>	<u>6,639,809</u>
Total liabilities	<u><u>7,138,069</u></u>	<u><u>4,284,636</u></u>	<u><u>4,782,896</u></u>	<u><u>6,639,809</u></u>

Section III
City of Sunrise, Florida
Statistical Section
(unaudited)

Statistical Section

This part of the City’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.

CONTENTS

	<u>Page</u>
Financial Trends	138
<i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	143
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	
Debt Capacity	148
<i>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.</i>	
Demographic and Economic Information	153
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	
Operating Information	156
<i>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.</i>	

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

SCHEDULE 1
CITY OF SUNRISE, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 140,513,904	\$ 128,420,363	\$ 123,216,601	\$ 142,039,078	\$ 155,481,156	\$ 149,534,658	\$ 172,578,594	\$ 161,496,469	\$ 168,525,248	\$ 216,939,533
Restricted	11,935,865	16,197,224	14,247,059	14,748,436	14,338,760	12,970,864	8,570,447	8,471,002	93,706,809	46,042,385
Unrestricted (2)	158,620,682	166,333,000	160,417,231	131,178,114	102,909,539	94,285,475	72,083,680	(30,731,825)	(59,704,740)	(54,188,498)
Total governmental activities net position	\$ 311,070,451	\$ 310,950,587	\$ 297,880,891	\$ 287,965,628	\$ 272,729,455	\$ 256,790,997	\$ 253,232,721	\$ 139,235,646	\$ 202,527,317	\$ 208,793,420
Business-type activities:										
Net investment in capital assets	\$ 159,819,328	\$ 159,866,417	\$ 165,211,690	\$ 225,849,507	\$ 215,951,117	\$ 205,103,917	\$ 195,615,586	\$ 194,208,810	\$ 187,354,916	\$ 198,835,364
Restricted	16,824,604	13,782,270	15,107,507	31,477,214	34,052,302	46,285,671	59,799,505	142,517,366	139,944,842	135,887,097
Unrestricted (2)	108,328,663	103,375,663	108,312,854	34,252,389	60,828,007	72,518,710	80,932,037	(5,367,597)	31,966,077	52,142,150
Total business-type activities net position	\$ 284,972,595	\$ 277,024,350	\$ 288,632,051	\$ 291,579,110	\$ 310,831,426	\$ 323,908,298	\$ 336,347,128	\$ 331,358,579	\$ 359,265,835	\$ 386,864,611
Total:										
Net investment in capital assets (1)	\$ 300,333,232	\$ 288,286,780	\$ 288,428,291	\$ 367,888,585	\$ 371,432,273	\$ 354,638,575	\$ 368,194,180	\$ 355,705,279	\$ 355,880,164	\$ 415,774,897
Restricted	28,760,469	29,979,494	29,354,566	46,225,650	48,391,062	59,256,535	68,369,952	150,988,368	233,651,651	181,929,482
Unrestricted (2)	266,949,345	269,708,663	268,730,085	165,430,503	163,737,546	166,804,185	153,015,717	(36,099,422)	(27,738,663)	(2,046,348)
Total net position	\$ 596,043,046	\$ 587,974,937	\$ 586,512,942	\$ 579,544,738	\$ 583,560,881	\$ 580,699,295	\$ 589,579,849	\$ 470,594,225	\$ 561,793,152	\$ 595,658,031

(1) Fiscal year 2012 net investment in capital assets has been restated due to the implementation of GASB 63 and 65.
(2) Fiscal year 2014 unrestricted net position has been restated due to the implementation of GASB 68.

**SCHEDULE 2
CITY OF SUNRISE, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES										
Governmental activities:										
General government	\$ 17,106,530	\$ 17,448,298	\$ 18,173,477	\$ 20,082,293	\$ 19,697,928	\$ 22,165,444	\$ 21,971,961	\$ 22,117,132	\$ 26,785,707	\$ 26,389,946
Public safety	55,627,059	60,152,949	63,489,700	64,437,920	69,634,438	73,391,974	73,437,952	75,725,531	76,420,597	82,501,264
Physical environment	3,825,714	5,616,096	4,449,634	-	58,450	-	26	-	19,213	17,439
Economic development	1,309,622	1,918,783	3,344,301	4,809,338	3,394,166	3,509,823	2,163,364	1,450,739	783,130	986,907
Human services	5,212	42,441	43,625	30,911	5,709	38,434	5,891	-	-	-
Transportation	13,339,526	14,231,150	14,391,264	16,280,932	16,038,739	15,108,537	13,415,518	11,112,617	11,208,805	8,629,081
Culture and recreation	14,079,998	15,106,718	15,215,151	13,564,626	13,672,035	14,325,266	13,903,513	15,069,953	15,114,540	14,240,291
Interest on long-term debt	4,683,165	4,599,747	4,393,765	4,173,836	3,766,241	3,308,802	2,986,064	860,394	3,520,704	2,138,958
Total governmental activities expenses	109,976,826	119,116,182	123,500,917	123,379,856	126,267,706	131,848,280	127,884,289	126,336,366	133,852,691	134,903,886
Business-type activities:										
Water and wastewater	63,377,515	68,032,116	60,752,251	66,756,884	70,525,696	75,555,668	76,928,227	74,498,032	80,097,871	82,886,168
Gas	8,023,304	9,248,540	6,772,874	6,871,911	6,591,254	6,074,455	6,501,671	7,028,195	6,483,831	6,464,051
Sanitation	15,821,262	14,889,338	14,705,325	14,508,602	14,048,290	12,253,967	11,875,547	10,072,501	10,475,071	10,809,059
Recycling	519,441	564,707	604,604	559,919	545,524	518,729	571,219	853,629	815,541	853,151
Stormwater	1,634,407	1,842,738	1,924,842	2,181,131	2,169,113	2,372,426	2,060,696	4,100,658	4,239,043	4,637,636
Golf course	1,449,282	1,537,059	1,449,494	832,053	1,848,000	1,893,322	1,933,471	1,957,715	1,910,545	1,862,669
Total business-type activities expenses	90,825,211	96,114,498	86,209,390	91,710,500	95,727,877	98,668,567	99,870,831	98,510,730	104,021,902	107,512,734
Total expenses	\$ 200,802,037	\$ 215,230,680	\$ 209,710,307	\$ 215,090,356	\$ 221,995,583	\$ 230,516,847	\$ 227,755,120	\$ 224,847,096	\$ 237,874,593	\$ 242,416,620
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 6,687,788	\$ 6,221,654	\$ 5,941,060	\$ 5,752,065	\$ 6,461,395	\$ 6,714,210	\$ 6,664,836	\$ 7,798,806	\$ 10,742,083	\$ 9,944,340
Public safety	14,982,473	13,886,094	16,015,292	15,803,017	17,010,389	20,243,787	23,379,743	25,267,766	23,424,381	28,021,610
Physical environment	7,995,686	8,316,019	9,638,883	11,953,369	11,966,332	12,470,134	13,400,272	13,853,068	14,756,282	14,918,466
Transportation	17,796	18,997	17,025	25,005	56,145	80,922	52,509	88,959	67,284	79,167
Culture and recreation	1,231,116	1,300,725	1,187,904	1,115,163	1,158,463	1,249,751	1,391,195	1,477,256	1,714,226	1,680,726
Operating grants and contributions	5,142,577	10,904,960	7,170,963	5,717,742	10,163,701	8,465,070	7,810,672	9,379,731	6,170,818	6,352,861
Capital grants and contributions	1,835,698	1,813,574	1,363,767	1,731,426	2,055,863	1,487,777	2,179,024	2,181,943	65,245,338	2,373,611
Total governmental activities program revenues	37,893,134	42,462,023	41,334,894	42,097,787	48,872,288	50,711,651	54,878,251	60,047,529	122,120,412	63,370,781
Business-type activities:										
Charges for services:										
Water and wastewater	52,454,892	56,115,889	65,397,327	81,881,749	82,899,507	86,481,462	93,518,987	97,709,023	102,977,721	107,956,039
Gas	8,832,133	9,779,418	8,290,006	7,808,387	7,524,819	7,041,104	7,318,596	7,785,045	7,511,570	6,917,521
Sanitation	14,997,289	14,189,961	13,977,607	13,729,802	13,272,614	11,446,027	11,545,708	9,202,805	9,596,577	9,905,560
Recycling	161,604	170,265	178,433	175,078	175,689	178,435	1,068,927	1,109,183	1,141,180	1,163,315
Stormwater	2,021,492	2,013,498	2,927,086	4,072,545	4,054,391	4,237,157	4,303,188	6,214,993	6,440,263	6,855,996
Golf course	595,702	565,554	493,963	36,176	893,641	987,789	1,106,185	1,149,913	1,134,232	1,072,826
Operating grants and contributions	240,685	82,488	20,911	-	-	-	-	-	-	264,976
Capital grants and contributions	2,534,123	3,272,683	2,416,271	998,783	1,952,079	337,687	1,018,658	2,359,667	3,553,989	4,843,538
Total business-type activities program revenues	81,837,920	86,189,756	93,701,604	108,702,520	110,772,740	110,709,661	119,880,249	125,530,629	132,355,532	138,979,771
Total program revenues	\$ 119,731,054	\$ 128,651,779	\$ 135,036,498	\$ 150,800,307	\$ 159,645,028	\$ 161,421,312	\$ 174,758,500	\$ 185,578,158	\$ 254,475,944	\$ 202,350,552
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (72,083,692)	\$ (76,654,159)	\$ (82,166,023)	\$ (81,282,069)	\$ (77,395,418)	\$ (81,136,629)	\$ (73,006,038)	\$ (66,288,837)	\$ (11,732,279)	\$ (71,533,105)
Business-type activities	(8,987,291)	(9,924,742)	7,492,214	16,992,020	15,044,863	12,041,094	20,009,418	27,019,899	28,333,630	31,467,037
Total (expense)/revenue	\$ (81,070,983)	\$ (86,578,901)	\$ (74,673,809)	\$ (64,290,049)	\$ (62,350,555)	\$ (69,095,535)	\$ (52,996,620)	\$ (39,268,938)	\$ 16,601,351	\$ (40,066,068)

(continued)

SCHEDULE 2
CITY OF SUNRISE, FLORIDA
CHANGES IN NET POSITION, continued
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property taxes	\$ 38,094,551	\$ 35,683,030	\$ 36,391,545	\$ 36,137,516	\$ 31,323,739	\$ 30,485,081	\$ 30,726,477	\$ 31,708,055	\$ 33,486,368	\$ 38,118,401
Insurance premium taxes	1,374,674	1,508,690	1,438,573	1,372,490	1,277,851	-	-	-	-	-
Utility service tax	6,588,897	6,764,876	6,956,486	7,688,446	7,656,725	7,928,732	8,392,172	9,047,000	9,242,584	9,469,694
Communications services tax	4,381,503	5,896,566	4,746,093	4,880,665	4,365,158	4,237,582	4,251,293	3,017,207	3,557,460	3,083,443
Local business tax	2,116,164	2,161,515	2,190,433	2,158,770	2,196,298	2,138,637	2,352,391	2,426,731	2,217,511	2,313,203
Franchise fees	9,949,711	9,916,270	9,898,820	9,765,447	9,007,930	8,829,581	8,790,155	9,199,078	9,373,129	9,275,964
Grants and contributions not restricted to specific programs	8,289,334	7,726,461	6,914,110	7,248,078	7,177,354	7,176,366	7,556,493	8,078,628	7,900,405	8,223,538
Unrestricted investment earnings	9,541,466	3,782,898	1,353,077	2,647,362	1,197,371	1,414,724	775,628	181,000	854,372	1,090,804
Miscellaneous	1,674,423	1,334,886	532,834	1,105,735	1,018,796	1,148,317	2,279,063	756,909	4,284,588	372,106
Gain on sale of capital assets	69,974	94,230	42,435	30,341	38,873	-	29,373	19,849	-	269,206
Extraordinary loss on defeasance of debt	-	-	-	-	-	-	(6,879,604)	-	-	-
Transfers	(1,584,171)	1,664,873	(1,368,079)	(1,668,044)	(312,864)	1,924,193	11,174,321	7,960,905	4,107,533	5,582,849
Total governmental activities	80,496,526	76,534,295	69,096,327	71,366,806	64,947,231	65,283,213	69,447,762	72,395,362	75,023,950	77,799,208
Business-type activities:										
Unrestricted investment earnings	8,165,982	2,920,620	736,911	1,812,363	949,692	1,299,817	846,136	438,071	830,950	1,248,323
Miscellaneous	578,809	720,750	2,010,497	1,176,194	2,944,897	3,540,344	2,757,597	2,842,841	2,850,209	466,265
Extraordinary loss on early extinguishment of debt	-	-	-	(18,701,562)	-	-	-	-	-	-
Transfers	1,584,171	(1,664,873)	1,368,079	1,668,044	312,864	(1,924,193)	(11,174,321)	(7,960,905)	(4,107,533)	(5,582,849)
Total business-type activities	10,328,962	1,976,497	4,115,487	(14,044,961)	4,207,453	2,915,968	(7,570,588)	(4,679,993)	(426,374)	(3,868,261)
Total	\$ 90,825,488	\$ 78,510,792	\$ 73,211,814	\$ 57,321,845	\$ 69,154,684	\$ 68,199,181	\$ 61,877,174	\$ 67,715,369	\$ 74,597,576	\$ 73,930,947
CHANGE IN NET POSITION										
Governmental activities	\$ 8,412,834	\$ (119,864)	\$ (13,069,696)	\$ (9,915,263)	\$ (12,448,187)	\$ (15,853,416)	\$ (3,558,276)	\$ 6,106,525	\$ 63,291,671	\$ 6,266,103
Business-type activities	1,341,671	(7,948,245)	11,607,701	2,947,059	19,252,316	14,957,062	12,438,830	22,339,906	27,907,256	27,598,776
Total	\$ 9,754,505	\$ (8,068,109)	\$ (1,461,995)	\$ (6,968,204)	\$ 6,804,129	\$ (896,354)	\$ 8,880,554	\$ 28,446,431	\$ 91,198,927	\$ 33,864,879

SCHEDULE 3
CITY OF SUNRISE, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Pre-GASB 54					
	2007	2008	2009	2010		
General fund						
Reserved	\$ 1,223,176	\$ 1,126,038	\$ 906,751	\$ 781,078		
Unreserved	74,017,655	54,581,311	46,969,831	76,930,022		
Total general fund	\$ 75,240,831	\$ 55,707,349	\$ 47,876,582	\$ 77,711,100		
All other governmental funds						
Reserved	\$ 6,439,674	\$ 691,999	\$ 742,431	\$ 1,395,685		
Unreserved, reported in:						
Special revenue funds	16,213,389	50,690,054	43,728,427	4,569,356		
Debt service funds	6,592,050	10,284,203	13,071,464	14,338,516		
Capital projects funds	65,347,922	65,003,974	73,916,230	46,907,792		
Total all other governmental funds	\$ 94,593,035	\$ 126,670,230	\$ 131,458,552	\$ 67,211,349		
	Post-GASB 54					
	2011	2012	2013	2014	2015	2016
General fund						
Nonspendable	\$ 15,345,639	\$ 631,062	\$ 632,503	\$ 789,630	\$ 215,061	\$ 261,915
Spendable:						
Restricted	1,199,657	4,408,916	6,766,019	9,292,889	-	-
Committed	28,615,342	28,628,942	29,382,905	29,623,636	29,072,446	28,949,645
Assigned	10,067,923	4,784,445	813,745	6,896,977	426,655	705,861
Unassigned	12,329,568	31,546,789	17,062,334	23,444,531	33,500,451	37,435,972
Total general fund	\$ 67,558,129	\$ 70,000,154	\$ 54,657,506	\$ 70,047,663	\$ 63,214,613	\$ 67,353,393
All other governmental funds						
Nonspendable	\$ 46,009	\$ 53,101	\$ 41,563	\$ 54,449	\$ 79,889	\$ 78,767
Spendable:						
Restricted	10,938,716	7,980,303	8,976,005	11,829,801	108,440,054	93,597,538
Assigned	42,790,651	35,506,939	32,993,753	32,760,916	32,205,135	38,072,842
Unassigned	(251,900)	(203,644)	(40,313)	(49,786)	(41,504)	(95,593)
Total all other governmental funds	\$ 53,523,476	\$ 43,336,699	\$ 41,971,008	\$ 44,595,380	\$ 140,683,574	\$ 131,653,554

SCHEDULE 4
CITY OF SUNRISE, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Taxes	\$ 54,209,097	\$ 52,418,963	\$ 54,091,176	\$ 54,123,339	\$ 48,563,152	47,591,108	\$ 48,609,630	\$ 49,197,197	\$ 51,545,650	\$ 56,080,133
Permits and fees	6,374,505	5,051,122	4,015,896	3,195,176	4,506,666	6,460,836	7,017,560	8,587,577	8,843,619	10,629,884
Franchise fees	9,949,711	9,916,270	9,956,320	9,856,813	9,091,636	8,905,875	8,870,063	9,281,065	9,453,202	9,339,543
Intergovernmental	11,527,526	11,184,237	10,284,225	12,484,748	13,729,502	11,289,965	10,795,365	11,350,180	9,751,783	11,262,558
Charges for services	13,529,185	13,654,942	15,096,127	17,544,176	18,045,527	19,185,483	20,242,171	21,567,977	23,101,315	23,665,741
Administrative charges	5,000,000	4,692,231	4,965,668	5,103,573	5,280,317	5,581,732	5,653,003	6,231,856	6,980,000	7,077,430
Judgments, fines and forfeitures	927,842	7,592,902	2,999,253	1,341,017	4,420,158	2,977,201	3,737,369	6,119,436	3,409,077	3,385,855
Special assessments	5,350,078	5,366,421	7,501,909	7,558,901	7,542,173	7,553,494	9,374,859	8,750,541	8,857,695	10,371,591
Impact fees	184,880	138,514	38,128	11,126	134,266	79,550	46,473	84,198	453,942	3,534
Investment earnings	9,683,248	3,877,039	1,441,684	2,544,657	1,148,747	1,342,780	734,970	180,510	750,001	1,084,163
Contributions and donations	-	-	84,889	17,822	18,053	8,560	33,368	282,715	116,720	185,586
Miscellaneous	3,467,993	2,616,691	2,148,045	2,045,547	2,522,855	3,472,958	4,047,084	4,212,749	4,184,984	1,681,972
Total revenues	120,204,065	116,509,332	112,623,320	115,826,895	115,003,052	114,449,542	119,161,915	125,846,001	127,447,988	134,767,990
EXPENDITURES										
General government	16,599,655	16,003,721	15,544,084	18,160,966	18,028,188	19,210,450	19,860,339	20,463,001	24,501,052	25,459,742
Public safety	53,965,850	55,089,106	58,289,107	62,852,805	66,635,145	69,311,638	71,002,021	73,207,700	75,204,035	78,703,391
Physical environment	3,407,318	3,748,891	3,486,746	-	58,450	-	-	-	-	-
Economic development	1,307,126	1,881,096	3,313,051	4,723,402	3,394,166	3,509,823	2,163,364	1,450,739	783,130	986,907
Human services	5,212	42,441	43,625	30,911	5,709	38,434	5,891	-	-	-
Transportation	916,432	876,030	958,354	3,673,074	3,763,258	3,784,499	3,763,154	1,934,897	2,761,671	2,634,245
Culture and recreation	10,291,099	10,342,798	10,597,706	9,439,482	9,780,996	9,937,616	9,651,561	10,974,675	10,189,068	10,338,707
Debt service:										
Principal	6,658,084	6,875,000	6,975,000	7,070,000	7,180,000	6,430,000	2,175,000	1,995,000	2,085,000	2,840,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	39,529,163	-	-	-
Interest	2,107,375	1,848,578	1,750,965	1,646,525	1,362,316	1,036,509	947,226	852,330	1,102,407	2,139,269
Principal repayment due to refunding	-	-	-	-	8,175,000	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	677,441	-
Other	84,497	88,471	62,057	55,023	51,997	55,375	132,796	39,884	51,488	44,011
Capital outlay	13,333,051	11,203,292	13,330,725	34,358,816	20,173,184	11,926,264	3,322,084	4,919,682	24,287,277	21,345,863
Total expenditures	108,675,699	107,999,424	114,351,420	142,011,004	138,608,409	125,240,608	152,552,599	115,837,908	141,642,569	144,492,135
Excess (deficiency) of revenues over (under) expenditures	11,528,366	8,509,908	(1,728,100)	(26,184,109)	(23,605,357)	(10,791,066)	(33,390,684)	10,008,093	(14,194,581)	(9,724,145)
OTHER FINANCING SOURCES (USES)										
Contributions from property owners	-	-	-	-	-	-	-	-	64,035,638	-
Ad valorem tax bonds issued	-	-	-	-	-	-	-	-	37,630,000	-
Premium on ad valorem tax bonds	-	-	-	-	-	-	-	-	2,365,865	-
Sale of capital assets	90,716	168,932	53,734	53,873	77,377	113,195	34,024	45,531	22,229	1,749,315
Transfers in	20,430,298	27,533,964	39,343,749	31,881,105	32,429,194	15,941,233	26,657,418	13,972,983	20,225,450	12,322,444
Transfers out	(22,014,469)	(23,669,091)	(40,711,828)	(33,549,149)	(32,742,058)	(13,008,114)	(10,009,097)	(6,012,078)	(20,829,457)	(9,238,854)
Total other financing sources (uses)	(1,493,455)	4,033,805	(1,314,345)	(1,614,171)	(235,487)	3,046,314	16,682,345	8,006,436	103,449,725	4,832,905
Net change in fund balances	\$ 10,034,911	\$ 12,543,713	\$ (3,042,445)	\$ (27,798,280)	\$ (23,840,844)	\$ (7,744,752)	\$ (16,708,339)	\$ 18,014,529	\$ 89,255,144	\$ (4,891,240)
Debt service as a percentage of noncapital expenditures	9.2%	8.8%	8.5%	8.1%	13.9%	6.5%	28.5%	2.6%	2.7%	4.0%

SCHEDULE 5
CITY OF SUNRISE, FLORIDA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

FISCAL YEAR	PROPERTY TAX	LOCAL BUSINESS TAX	INSURANCE PREMIUM TAX	COMMUNICATIONS SERVICES TAX	LOCAL OPTION FUEL TAX	UTILITY SERVICE TAX	TOTAL
2007	\$ 38,094,551	\$ 2,116,164	\$ 1,374,674	\$ 4,381,503	\$ 1,653,308	\$ 6,588,897	\$ 54,209,097
2008	35,683,030	2,161,515	1,508,690	4,676,356	1,624,496	6,764,876	52,418,963
2009	36,391,545	2,190,433	1,438,573	5,533,736	1,580,403	6,956,486	54,091,176
2010	36,137,516	2,158,770	1,372,490	5,072,917	1,693,200	7,688,446	54,123,339
2011	31,323,739	2,196,298	1,277,851	4,557,410	1,551,129	7,656,725	48,563,152
2012	30,485,081	2,138,637	1,299,161	4,285,645	1,453,852	7,928,732	47,591,108
2013	30,726,477	2,352,391	1,433,000	4,251,293	1,454,297	8,392,172	48,609,630
2014	31,708,055	2,426,731	1,500,184	3,017,207	1,498,020	9,047,000	49,197,197
2015	33,486,368	2,217,511	1,492,420	3,557,460	1,549,307	9,242,584	51,545,650
2016	38,118,401	2,313,203	1,496,667	3,083,443	1,598,725	9,469,694	56,080,133
Change 2007-2016	0.1%	9.9%	11.2%	-28.9%	-3.2%	43.5%	3.8%

SCHEDULE 6
CITY OF SUNRISE, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(in thousands of dollars)

FISCAL YEAR	REAL PROPERTY				LESS EXEMPTIONS:		TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE	ASSESSED VALUE AS A PERCENTAGE OF ESTIMATED ACTUAL VALUE
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY				
2007	\$ 6,079,698	\$ 2,557,213	\$ 372,884	\$ 428,874	\$ 3,338,191	\$ 1,067	\$ 6,099,411	\$ 6.1100	\$ 9,438,669	64.62%
2008	6,789,546	2,888,822	425,349	397,691	3,767,781	738	6,732,889	5.1232	10,501,408	64.11%
2009	6,104,566	2,994,643	465,670	424,880	3,494,777	38,961	6,456,021	5.4397	9,989,759	64.63%
2010	4,495,068	3,135,996	500,958	431,049	2,676,154	40,800	5,846,117	6.0543	8,563,071	68.27%
2011	3,431,438	3,018,307	426,934	411,900	2,180,507	40,821	5,067,251	6.0543	7,288,579	69.52%
2012	3,450,008	2,850,819	410,149	408,908	2,224,362	40,031	4,855,491	6.0543	7,119,884	68.20%
2013	3,394,080	2,899,101	414,860	416,962	2,205,005	40,448	4,879,550	6.0543	7,125,003	68.48%
2014	3,656,176	2,903,640	425,186	436,072	2,306,308	39,188	5,075,578	6.0543	7,421,074	68.39%
2015	4,386,598	2,957,548	451,960	424,275	2,735,328	42,292	5,442,761	6.0543	8,220,381	66.21%
2016	4,996,766	3,008,815	463,100	420,924	3,080,448	43,059	5,766,098	6.0543	8,889,605	64.86%

Source: Broward County Property Appraiser

Note: Property in the City is reassessed each year. Tax rates are per \$1,000 of assessed value.

SCHEDULE 7
CITY OF SUNRISE, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
 (rate per \$1,000 of assessed value)

FISCAL YEAR	TAX ROLL YEAR	CITY OF SUNRISE OPERATING	CITY OF SUNRISE DEBT	SPECIAL TAX DISTRICT NO. 1**	OVERLAPPING RATES					
					BROWARD COUNTY	BROWARD COUNTY SCHOOLS	CHILDREN'S SERVICES COUNCIL	SO. FLORIDA WATER MGMT. DISTRICT	FL. INLAND NAVIGATION DISTRICT	NORTH HOSPITAL DISTRICT
2007	2006	\$ 6.1100	\$ -	\$ 5.1572	\$ 6.0661	\$ 7.8687	\$ 0.4073	\$ 0.6970	\$ 0.0385	\$ 1.8317
2008	2007	5.1232	-	4.7113	5.2868	7.6484	0.3572	0.6240	0.0345	1.6255
2009	2008	5.4397	-	4.6137	5.3145	7.4170	0.3754	0.6240	0.0345	1.7059
2010	2009	6.0543	-	4.7426	5.3889	7.4310	0.4243	0.6240	0.0345	1.7059
2011	2010	6.0543	-	4.1217	5.5530	7.6310	0.4696	0.6240	0.0345	1.8750
2012	2011	6.0543	-	4.2222	5.5530	7.4180	0.4789	0.4363	0.0345	1.8750
2013	2012	6.0543	-	4.2098	5.5530	7.4560	0.4902	0.4289	0.0345	1.8564
2014	2013	6.0543	-	4.0801	5.7230	7.4800	0.4882	0.4110	0.0345	1.7554
2015	2014	6.0543	-	3.7495	5.7230	7.4380	0.4882	0.3842	0.0345	1.5939
2016	2015	6.0543	0.3883	3.6526	5.7230	7.2740	0.4882	0.3551	0.0320	1.4425

Source: Broward County Property Appraiser

*State law requires all counties to assess at 100% just valuation and limits millage for operating purposes to ten (10) mills.

**Special Tax District No. 1 is a taxing entity that levies voted debt service taxes on limited areas within the City.

SCHEDULE 8
CITY OF SUNRISE, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

TAXPAYER	2016			2007		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE
Sunrise Mills LTD Partner	\$ 377,511,320	1	7.01%	\$ 316,069,460	1	5.18%
Sawgrass Mills Phase III LP	91,268,610	2	1.69%	-	-	-
Sunrise Village Development LLC	89,258,408	3	1.66%	-	-	-
Florida Power & Light Co.	55,488,278	4	1.03%	45,418,813	5	0.74%
MGI Flamingo Palms LTD Partner	51,121,623	5	0.95%	50,215,900	4	0.82%
Fifteen Gap Sawgrass LLC	48,794,560	6	0.91%	-	-	-
2641 N Flamingo LLC	46,611,140	7	0.87%	-	-	-
Liberty Property LTD Partnership	41,594,240	8	0.77%	-	-	-
CCRE SEF Sawgrass LLC	39,669,200	9	0.74%	-	-	-
SWVP Sawgrass Mills LLC	31,837,500	10	0.59%	-	-	-
Mills - Kan Am Sawgrass PH 3 LTD	-	-	-	85,596,980	2	1.40%
N/S Sawgrass Office Associates LLC	-	-	-	73,607,540	3	1.21%
Southern Bell Tel Co.	-	-	-	43,577,189	6	0.71%
Sawgrass Lakes Center LLC	-	-	-	42,702,590	7	0.70%
L/M #3	-	-	-	39,824,760	8	0.65%
Walmart	-	-	-	39,524,780	9	0.65%
TMW Weltfonds 1500 Concord Terrace LP	-	-	-	34,481,890	10	0.57%
Totals	<u>\$ 873,154,879</u>		<u>16.22%</u>	<u>\$ 771,019,902</u>		<u>12.63%</u>

Source: Broward County Revenue Collection Division

**SCHEDULE 9
CITY OF SUNRISE, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR	TAX ROLL YEAR	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
			AMOUNT*	PERCENTAGE OF LEVY		AMOUNT*	PERCENTAGE OF LEVY
2007	2006	\$ 36,867,170	\$ 36,667,960	99.5%	\$ 119,122	\$ 36,787,082	99.8%
2008	2007	34,357,047	34,021,196	99.0%	136,795	34,157,991	99.4%
2009	2008	34,980,436	34,507,051	98.6%	155,555	34,662,606	99.1%
2010	2009	35,498,126	34,434,744	97.0%	(135,444)	34,299,300	96.6%
2011	2010	30,712,669	30,041,047	97.8%	(210,992)	29,830,055	97.1%
2012	2011	29,421,567	28,908,232	98.3%	(201,323)	28,706,909	97.6%
2013	2012	29,567,455	29,240,476	98.9%	(251,886)	28,988,590	98.0%
2014	2013	30,750,681	30,213,556	98.3%	(163,409)	30,050,147	97.7%
2015	2014	32,971,380	32,281,140	97.9%	31,357	32,312,497	98.0%
2016	2015	34,924,498	34,755,966	99.5%	-	34,755,966	99.5%

*Amounts are for general fund operations only and are exclusive of discounts, interest and penalties

Source: Broward County Revenue Collection Division

SCHEDULE 10
CITY OF SUNRISE, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES		TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF REAL PROPERTY ^a	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	PUBLIC FACILITIES REVENUE BONDS	PUBLIC IMPROVEMENT BONDS	AD VALOREM TAX BONDS	UTILITY SYSTEM REVENUE BONDS				
2007	\$ -	\$ 51,139,803	\$ 3,850,000	\$ 26,050,000	\$ 190,041,046	\$ 271,080,849	3.01%	\$ 3,024	
2008	-	48,791,269	3,460,000	24,645,000	184,479,112	261,375,381	2.59%	2,902	
2009	-	46,304,366	3,050,000	23,190,000	179,178,140	251,722,506	2.63%	2,821	
2010	-	43,671,974	2,630,000	21,680,000	234,328,963	302,310,937	3.72%	3,580	
2011	-	32,706,196	2,195,000	20,110,000	227,624,479	282,635,675	4.11%	3,350	
2012	-	30,618,786	1,740,000	18,475,000	222,055,039	272,888,825	4.07%	3,167	
2013	-	-	1,270,000	16,770,000	216,133,701	234,173,701	3.49%	2,701	
2014	-	-	1,270,000	16,770,000	217,617,532	234,188,358	3.35%	2,660	
2015	39,833,533	-	1,055,000	14,990,000	211,470,883	267,349,416	3.43%	3,016	
2016	38,833,496	-	830,000	13,130,000	205,095,556	257,889,052	3.05%	2,843	

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

^aSee Schedule 6 for estimated actual taxable value of real property.

^bSee Schedule 14 for population data.

**SCHEDULE 11
CITY OF SUNRISE, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TWO FISCAL YEARS**

FISCAL YEAR	GENERAL OBLIGATION BONDS¹	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND²	NET BONDS OUTSTANDING	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE PROPERTY VALUES³	PER CAPITA⁴
2015	\$ 39,833,533	\$ 48	\$ 39,833,485	0.48%	\$ 449.44
2016	38,833,496	4,664	38,828,832	0.44%	428.04

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

¹This is general bonded debt issued during 2015 net of original premium

²This is the amount restricted for debt service payments

³See Schedule 6 for estimated actual taxable property value

⁴See Schedule 14 for population data

SCHEDULE 12
CITY OF SUNRISE, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2016

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE*	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt repaid with property taxes			
Broward County School Board	\$ 1,900,910,000	3.50%	\$ 66,531,850
Broward County	590,674,000	3.82%	<u>22,563,747</u>
Subtotal, overlapping debt			89,095,597
City direct debt			<u>52,793,496</u>
Total direct and overlapping debt			<u>\$ 141,889,093</u>

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

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

*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using gross taxable property values after Value Adjustment Board changes. Applicable percentages were estimated by dividing the City's gross taxable property values after Value Adjustment Board changes by the County's and School Board's gross taxable property values after Value Adjustment Board changes.

**SCHEDULE 13
CITY OF SUNRISE, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

UTILITY SYSTEM REVENUE BONDS								
FISCAL YEAR	OPERATING REVENUES	LESS:	NET	DEBT SERVICE		COVERAGE	R & R	COVERAGE
		OPERATING EXPENSES	AVAILABLE REVENUE	PRINCIPAL	INTEREST		TRANSFER	AFTER R & R TRANSFER
2007	\$ 63,629,661	\$ 38,947,095	\$ 24,682,566	\$ 6,850,000	\$ 9,777,567	1.48	\$ 3,219,289	1.24
2008	66,955,767	42,025,822	24,929,945	7,050,000	9,565,498	1.50	4,869,537	1.16
2009	73,825,926	40,932,145	32,893,781	7,260,000	9,338,173	1.98	3,573,243	1.63
2010	89,140,021	47,213,431	41,926,590	7,490,000	8,719,183	2.59	4,747,986	2.00
2011	89,855,154	48,252,823	41,602,331	7,726,190	11,496,899	2.16	4,808,699	1.73
2012	92,940,085	47,658,170	45,281,915	7,185,000	10,949,689	2.50	4,954,591	1.96
2013	100,240,820	55,338,483	44,902,337	5,850,000	10,256,964	2.79	5,028,457	2.12
2014	104,857,766	53,446,264	51,411,502	5,850,000	9,085,839	3.44	5,320,666	2.54
2015	109,840,261	56,815,404	53,024,857	5,860,000	11,126,264	3.12	5,469,430	2.36
2016	114,224,530	58,029,427	56,195,103	6,070,000	10,145,529	3.47	5,791,460	2.55
PUBLIC FACILITIES REVENUE BONDS^a								
UTILITY SERVICE TAXES								
2007			\$ 10,188,206	\$ 4,890,000	\$ 705,655	1.82		
2008			10,636,509	5,080,000	510,055	1.90		
2009			11,689,661	5,110,000	480,455	2.09		
2010			11,960,608	5,140,000	448,885	2.14		
2011			11,397,306	5,175,000	242,250	2.10		
2012			11,355,293	4,340,000	-	2.62		
2013			11,751,709	-	-	-		
2014			-	-	-	-		
2015			-	-	-	-		
2016			-	-	-	-		
PUBLIC IMPROVEMENT BONDS								
SPECIAL ASSESSMENT COLLECTIONS								
2007			\$ 555,300	\$ 380,000	\$ 185,045	0.98		
2008			549,000	390,000	168,485	0.98		
2009			551,905	410,000	151,487	0.98		
2010			553,671	420,000	133,617	1.00		
2011			551,869	435,000	115,313	1.00		
2012			550,500	455,000	96,356	1.00		
2013			547,500	470,000	76,529	1.00		
2014			270,600	215,000	56,045	1.00		
2015			271,440	225,000	46,557	1.00		
2016			267,000	230,000	36,628	1.00		
AD VALOREM TAX BONDS^b								
SPECIAL TAX DISTRICT NO. 1 PROPERTY TAX COLLECTIONS								
2007			\$ 2,444,361	\$ 1,360,000	\$ 1,216,240	0.95		
2008			2,397,365	1,405,000	1,170,038	0.93		
2009			2,368,532	1,455,000	1,119,023	0.92		
2010			2,433,946	1,510,000	1,064,023	0.95		
2011			2,440,121	1,570,000	1,004,753	0.95		
2012			2,444,934	1,635,000	940,153	0.95		
2013			2,444,946	1,705,000	870,697	0.95		
2014			2,450,529	1,780,000	796,285	0.95		
2015			2,381,501	1,860,000	716,715	0.92		
2016			2,465,540	1,940,000	631,695	0.96		

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Gross revenues of the Utility System exclude certain investment income that is not pledged. Operating expenses do not include depreciation or amortization.

^aPublic Facilities revenue bonds were collateralized by a lien on and pledge of a tax upon purchases within the City of electricity, metered and bottled gas, water service and telegraph and telecommunications service. The last component of these bonds, Series 1992B, were defeased in September 2013.

^bAd valorem tax bonds are collateralized by voted debt ad valorem taxes levied upon all taxable property within the Special Tax District No. 1.

**SCHEDULE 14
CITY OF SUNRISE, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	TOTAL POPULATION INCOME (AMOUNTS IN THOUSANDS)	PER CAPITA INCOME	UNEMPLOYMENT RATE
2007	89,633	\$ 2,094,096	\$ 23,363	3.8%
2008	90,081	2,223,469	24,683	6.2%
2009	89,242	2,202,760	24,683	9.3%
2010	84,439	2,006,946	23,768	10.2%
2011	84,375	1,994,034	23,633	9.3%
2012	86,154	2,066,834	23,990	7.6%
2013	86,685	2,039,178	23,524	6.4%
2014	88,033	2,105,309	23,915	5.4%
2015	88,630	2,084,134	23,515	5.0%
2016	90,714	Not available	Not available	4.4%

Sources: Population information provided by the University of Florida, Bureau of Economic & Business Research. Per capita income provided by U.S. Census Bureau. Unemployment rate information provided by U.S. Department of Labor, Bureau of Labor Statistics

**SCHEDULE 15
CITY OF SUNRISE, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>EMPLOYER</u>	<u>2016</u>			<u>2007</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>
Broward County School Board	1,275	1	2.57%	1,692	1	3.45%
City of Sunrise	985	2	1.98%	1,027	2	2.09%
Coventry Healthcare of Florida	900	3	1.81%	-	-	-
United Healthcare	750	4	1.51%	750	4	1.53%
Mednax National Medical Group	600	5	1.21%	485	6	0.99%
Sheridan Health	500	6	1.01%	-	-	-
Centene Healthcare	450	7	0.91%	-	-	-
Team Health	350	8	0.71%	-	-	-
Comcast	350	9	0.71%	-	-	-
Cross Country Services	340	10	0.68%	-	-	-
Vista Health Plans	-	-	-	890	3	1.81%
Bellsouth	-	-	-	700	5	1.43%
Nortel	-	-	-	300	7	0.61%
BHA Engineering	-	-	-	300	8	0.61%
Interim Services	-	-	-	300	9	0.61%
Morse Operations	-	-	-	250	10	0.51%
Total	6,500		13.10%	6,694		13.64%

Source: City Economic Development Office and Broward County Schools.

**SCHEDULE 16
CITY OF SUNRISE, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

FUNCTION	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Information Technology	12	16	16	15	14	13	17	13	14	15
Finance and Administrative Services	27	25	22	20	20	20	21	33	32	37
Central Services	17	17	19	22	22	21	21	-	-	-
Community Development-Planning	31	31	31	29	27	31	29	28	27	26
Other ^a	39	38	38	39	40	38	42	27	26	27
Public safety										
Police										
Officers	167	175	175	171	176	177	176	176	176	184
Civilians	79	83	89	86	86	82	82	65	66	59
Fire										
Firefighters and officers	139	146	146	139	145	149	145	149	150	153
Civilians	15	15	6	6	8	8	9	9	10	9
Building	27	31	29	28	26	25	24	29	34	35
Code Enforcement	15	15	15	15	15	15	13	13	14	15
Transportation										
Public Works	32	34	33	34	34	34	29	-	-	-
Culture and recreation	111	112	100	94	94	87	93	100	101	103
Water	99	101	100	102	100	102	102	119	119	125
Wastewater	92	94	93	94	105	107	106	124	124	131
Gas	24	25	22	21	20	19	20	21	21	21
Golf Course	16	15	11	-	-	-	-	-	-	-
Recycling	1	1	-	-	-	-	-	-	-	-
Stormwater	6	7	7	7	6	7	7	20	22	22

^aOther includes City Commission, City Manager, City Clerk, City Attorney, Human Resources, Facility Management

*Not available

Source: City Finance and Administrative Services Department

**SCHEDULE 17
CITY OF SUNRISE, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

155

FUNCTION	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Police										
Physical arrests	3,196	3,044	3,066	2,661	2,855	2,115	2,629	1,940	1,498	1,405
Parking violations	1,084	742	558	532	466	367	761	338	265	169
Traffic violations	11,293	13,490	11,843	10,845	12,874	19,471	12,714	14,153	11,914	9,430
Fire										
Number of calls answered	11,766	11,807	11,776	11,970	11,647	12,015	13,131	14,187	14,127	15,536
Inspections	8,297	9,057	9,613	9,662	10,101	10,578	10,577	10,529	9,860	10,710
Transportation										
Street resurfacing (miles)	18	15	6	15	10	12	8	8	-	8
Potholes repaired	51	61	351	398	186	295	317	290	253	301
Culture and recreation										
Participants-youth athletic programs	2,983	2,846	2,787	2,702	2,923	2,816	2,880	3,169	2,560	2,452
Theatre performance attendance	5,350	5,128	4,182	3,682	3,674	5,287	12,901	10,773	11,232	11,052
Senior center memberships	1,678	1,320	1,385	1,391	1,479	1,676	1,228	1,104	1,185	1,075
Athletic club memberships	261	290	220	193	291	296	461	525	758	915
Water										
New connections	189	143	35	142	157	62	149	69	102	100
Water main breaks	66	34	38	56	46	56	67	84	44	41
Average daily consumption (thousands of gallons)	22,775	21,546	21,469	20,400	20,672	19,746	19,797	19,833	20,562	19,563
Wastewater										
Average daily sewage treatment (thousands of gallons)	22,489	24,265	26,062	25,851	21,664	24,445	21,423	20,864	20,880	20,691
Gas										
Average daily usage (CCF's)	12,459	12,499	11,843	12,544	12,180	10,995	10,802	12,413	13,008	13,890
Golf course										
Memberships	101	95	55	321	217	192	165	161	170	165
Rounds of golf played	29,624	17,137	9,602	1,054	36,992	37,399	39,649	38,996	38,259	36,745
Stormwater										
Commercial equivalent residential units (ERU's)	35,206	34,994	37,070	37,070	37,327	37,062	37,231	37,304	37,553	37,772
Residential equivalent residential units (ERU's)	37,113	37,619	37,787	37,900	38,158	38,386	38,695	38,695	39,024	39,025

**SCHEDULE 18
CITY OF SUNRISE, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

FUNCTION	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	3	3	3	3	1	1	1	1	1	1
Patrol units	215	216	226	249	258	252	246	246	243	244
Fire stations	5	5	5	5	5	5	5	5	5	5
Transportation										
Streets (miles)	186	186	186	186	186	186	186	186	186	186
Street lights (FPL and City owned)	3,792	3,792	3,797	3,797	3,863	3,868	3,917	3,925	3,925	3,925
Culture and recreation										
Parks	13	13	13	13	13	13	13	13	15	15
Park acreage	177	177	177	177	177	177	177	181	198	198
Swimming pools	5	5	5	5	5	5	5	5	5	5
Tennis courts	21	21	21	21	21	21	21	21	21	21
Community centers	7	8	8	8	8	9	9	9	9	9
Water										
Water mains (miles)	636	636	636	636	637	637	637	637	637	637
Maximum daily capacity (thousands of gallons)	44,000	44,000	44,000	44,000	44,000	44,000	50,000	50,000	50,000	51,500
Wastewater										
Sanitary sewers (miles)	536	536	536	536	536	536	536	536	536	536
Maximum daily treatment capacity (thousands of gallons)	30,450	30,450	30,450	30,450	30,450	30,450	30,450	30,450	30,450	30,990
Gas mains (miles)	177	178	180	181	181	184	185	188	188	188
Golf Course	1	1	1	1	1	1	1	1	1	1
Stormwater										
Pump stations	7	7	7	7	8	8	8	8	8	8
Storm sewers (miles)	390	390	392	392	392	392	392	392	392	392

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.

Section IV
City of Sunrise, Florida
Reporting Section

**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***

Honorable Mayor, City Commission and City Manager
City of Sunrise, 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 Sunrise, Florida (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 13, 2017. Our report includes a reference to other auditors who audited the financial statements of the Pension Trust Funds, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Firefighter's Retirement Plan and the financial statements of the Police Officers' Retirement Plan were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Marcum LLP

Fort Lauderdale, FL
March 13, 2017

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

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Sunrise, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2016. The City's major federal program and state project 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 and state statutes, regulations, and the terms and conditions 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 Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the 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 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, 2016.

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 or 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 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 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 Auditor General. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, FL
March 13, 2017

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CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2016

Federal Agency, Pass-through Entity Federal Program Project/State Project	CFSA No. CFDA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
FEDERAL				
<u>United States Department of Homeland Security</u>				
Indirect Programs:				
Passed through City of Miami - Homeland Security Grant Program (UASI)	97.067	15-DS-P8-11-23-02-453	93,172	
Passed through Florida Division of Emergency Management - Emergency Management Performance Grant Program - CERT	97.042	16-CI-S9-11-16-02-375	5,445	
Total United States Department of Homeland Security			98,617	-
<u>United States Department of Housing and Urban Development</u>				
Direct Programs:				
CDBG Entitlement Grant Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-13-MC-12-0035	36,352	
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-12-0035	141,180	
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-12-0035	348,555	
			526,087	-
Indirect Programs:				
Passed through Broward County - Home Investment Partnerships Program	14.239	FY2013 - FY2014	30,011	30,011
Passed through Broward County - Home Investment Partnerships Program	14.239	14-HFCD-140-HOME	112,860	112,860
Passed through Broward County - Home Investment Partnerships Program	14.239	15-HFCD-159-HOME	4,262	4,262
			147,133	147,133
Total United States Department of Housing and Urban Development			673,220	147,133
<u>United States Department of Justice</u>				
Direct Programs:				
Federal Equitable Sharing	16.922		533,946	-
Bulletproof Vest Partnership Program	16.607	2014	3,603	-
Bulletproof Vest Partnership Program	16.607	2015	18,216	-
Bulletproof Vest Partnership Program	16.607	2016	8,177	-
Law Enforcement and Missing Persons with Alzheimer's Disease	16.015	2015-SJ-BX-0005	25,254	-
			589,196	-
Indirect Programs:				
Highway Planning & Construction Cluster:				
Passed through Broward Sheriff's Office - Edward Byrne Memorial JAG - 2013	16.738	2013-DJ-BX-0369	473	-
Passed through Broward Sheriff's Office - Edward Byrne Memorial JAG - 2014	16.738	2014-DJ-BX-0394	606	-
			1,079	-
Total United States Department of Justice			590,275	-
<u>United States Department of Transportation</u>				
Indirect Programs:				
Passed through University of South Florida - High Visibility Enforcement (HVE) Grant	20.205	BDV25	14,340	
Total United States Department of Transportation			14,340	-

See notes to schedule of federal awards and state financial assistance.

CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2016

Federal Agency, Pass-through Entity Federal Program Project/State Project	CFSA No. CFDA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<u>United States Department of Treasury</u>				
Direct Program:				
Federal Equitable Sharing	21.000		779,603	-
Total United States Department of Treasury			779,603	-
<u>Federal Emergency Management Agency (FEMA)</u>				
Indirect Programs:				
Passed through Florida Division of Emergency Management - Pre-Disaster Mitigation Grant	97.047	16DM-K1-11-16-02-179	134,155	-
Total Federal Emergency Management Agency			134,155	-
Total Expenditures of Federal Awards			\$ 2,290,210	\$ 147,133
STATE				
<u>Florida Department of Community Affairs</u>				
Indirect Project:				
Passed through Florida Housing Finance Corporation - State Housing Initiatives Partnership Program	52.901	52-202250001-52980100-00-10504500	382,719	-
Total Florida Department of Community Affairs			382,719	-
<u>Florida Department of Health</u>				
Direct Project:				
Emergency Medical Services (EMS)	64.003	M4055	33,299	-
Total Florida Department of Environmental Protection			33,299	-
<u>Florida Department of Transportation</u>				
Direct Project:				
Economic Development of Transportation Projects - Road	55.023	435728-1-58-01 (ARI-82)	514,392	-
Total Florida Department of Transportation			514,392	-
Total Expenditures of State Financial Assistance			\$ 930,410	\$ -
Total Expenditures of Federal Awards and State Financial Assistance			\$ 3,220,620	\$ 147,133

See notes to schedule of federal awards and state financial assistance.

CITY OF SUNRISE, FLORIDA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

NOTE 1 – BASIS OF 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 Sunrise, Florida under programs of the federal government and the state of Florida for the year ended September 30, 2016. The information in this 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), and Chapter 10.550, Rules of the Auditor General. Because the schedule presents only a selected portion of the operations of the City of Sunrise, Florida, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Sunrise, Florida.

NOTE 2 – 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 and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for the Equitable Sharing programs for Justice and Treasury which follow, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies*. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

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

CITY OF SUNRISE, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL PROGRAMS AND STATE PROJECTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

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 No

Significant deficiency(ies) identified not considered to be material weakness? Yes None reported

Non-compliance material to financial statements noted? Yes No

Federal Awards and State Projects

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified not considered to be material weakness? Yes None reported

Type of auditors’ report issued on compliance for major programs: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General? Yes No

Identification of major programs:

<u>Federal Program or Cluster</u>	<u>CFDA No.</u>
United States Department of Treasury - Treasury Forfeiture Fund Program	21.000

<u>State Project</u>	<u>CSFA No.</u>
Florida Department of Transportation – Economic Development Transportation Project – Roads Fund	55.023

Dollar threshold used to distinguish between Type A and Type B programs – Federal \$750,000

Dollar threshold used to distinguish between Type A and Type B projects – State \$279,123

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? Yes No

CITY OF SUNRISE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None.

CITY OF SUNRISE, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

III. PRIOR YEAR STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None.

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

Report on the Financial Statements

We have audited the financial statements of the City of Sunrise, Florida (the City), as of and for the year ended September 30, 2016, and have issued our report thereon dated March 13, 2017. We did not audit the financial statements of the Pension Trust Funds, which represent 75%, 75% and 55%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information.

Auditors' Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 13, 2017, 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 annual financial audit report. There were no findings or recommendations made in the preceding annual financial 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. As disclosed in Note I, the City was established under Chapter 61-2902 Laws of Florida in 1961. The City included the following blended component units: the Special Recreation District Phase I, the Special Tax District No.1 and the Metropica Improvement District.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of 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.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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 the review of financial information provided by same. Our assessment was performed as of the fiscal year end.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Unites

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218,39(3)(b) Florida statutes.

Other Matters

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

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

Marcum LLP

Fort Lauderdale, FL
March 13, 2017

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

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

We have examined the City of Sunrise, Florida (the City) compliance with Section 218.415 Florida Statutes for the year ended September 30, 2016. 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, 2016.

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

Marcum LLP

Fort Lauderdale, FL
March 13, 2017