



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2017



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

**Fiscal Year Ended
September 30, 2017**



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

CITY OF SUNRISE, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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Section I
City of Sunrise, Florida
Introductory Section



March 12, 2018

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, 2017. 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, 2017, 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, 2017, 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 mandated "Single Audit" designed to meet the special needs of the federal 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 on 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 an estimated 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 sector continues as demand for corporate lodging and tourism in Sunrise has been on the rise. Development plans for a new 8-story, 170 room AC Marriott were approved by the City this year with an anticipated opening in spring 2020. The City is home to Broward County's highest rate of hotel occupancy for the fifth 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 2018 and beyond.

Sunrise is showing signs of a maturing City, a community that is nearing its buildout. As we enter 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 a residential component. An example of this evolution are two redevelopment projects that were announced in 2017 that will convert underperforming retail developments to new multifamily apartment units: 288 apartment units will be built at Pine Plaza and approximately 200 units are planned for the former BJ's site, which will include new retailers and much needed improvements along Oakland Park Boulevard. Other long range planning that was underway include redeveloping the land surrounding the BB&T Center, which could include mixed-use entertainment and structured parking garages. Long term transportation and roadway improvement initiatives were in the planning stages and Hiatus Road was nearly complete in 2017. These are improvements that residents and visitors will benefit from for many years in the future.

The multifamily housing market continues to be a strong performer in Sunrise with occupancy and rents for the new development at historic highs.

This demand and strength is also true in the City's office and industrial markets. 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 163,000 square feet of existing office space in 2017. The City's office market vacancy rate now sits below 8%, the lowest in decades, and commercial industrial space fell below 5% in 2017. This low vacancy rate combined with lease rates climbing to more than \$30 per square foot for office space have pushed developers to submit new plans in 2017 for additional office projects in the City's Business and Entertainment District. These include new office buildings in Metropica and Westerra that are expected to begin development in late 2018 or early 2019. The largest existing office lease for Sunrise in 2017 was Ford Motor Company's software division with 60,000 square feet with the potential to bring 300 new jobs to the community.

Fiscal year 2017 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. American Express continues to ramp up staffing at their new regional headquarters in Sunrise. The total number of employees now working at the 400,000 square foot facility exceeds 3,000. The City issued 542 new business licenses and over 5,000 renewals in 2017. In addition, the Community Development Department processed 8,273 building permits with a construction value of \$196 million.

Fiscal year 2017 saw continued progress of *Metropica*, a billion-dollar mixed-use project that has received international attention. Construction of Metropica's \$72 million, 293-unit residential tower has reached floor 11 of its 28 stories. 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.

Sawgrass Mills, 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 2017 with the mall opening additional retail space. Large regional draw restaurants such as Yard House, Texas De Brazil and Matchbox opened in 2017. Additional stores and a third state-of-the-art parking garage with approximately 1,400 spaces is expected to begin construction in 2018.

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 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.
- The SAC Park Expansion and Renovation will expand the existing park to the east and renovate site amenities along with the construction of a 15,000 square foot multi-purpose building five new basketball courts.
- The City Park Improvements is a complete renovation including a multi-purpose field, stage, three new covered basketball courts, playground, splash pad and restrooms. Tennis courts will be refurbished and the parking lot will be expanded.
- The Oscar Wind Park expansion includes construction of a 15,000 square foot multi-purpose building with a gymnasium on land purchased from the School Board and the construction of a new playground, restroom building, and boardwalk with fishing pier.

Building projects include:

- The Civic Center Expansion provides space for additional programming and work will include a new gymnasium with basketball courts and a second floor walking track, a new multi-level fitness area, new racquetball courts, and a 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.
- The Municipal Campus Expansion allows for the construction of a new City Hall building to replace the existing facility with parking amenities.

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.
- The Springtree Biosolids Stabilization Project replaces transfer pumps, blending system, piping and valves in the gravity belt thickener polymer system 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.
- The Reuse Distribution System proposes installations within portions of the Sawgrass International Corporate Park north to Artesia and through Sawgrass Mills.
- 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 special events, including a Tunes ‘N Trucks Concert Series, an Earth Day Festival, a Spring Egg Hunt, a Back to School Round-Up, a Fall Harvest Festival, a Martin Luther King, Jr. Celebration, and a Winter Wonderland. Sunrise’s annual Fourth of July Celebration features an outdoor concert and fireworks at the BB&T Center and draws nearly 20,000 revelers from across the region. Cultural favorites include the City’s art gallery, writing workshops and open mic nights for teens, as well as Sunrise Pops symphonic orchestra concerts. The City is also a host location for the Fort Lauderdale International Film Festival screenings. A new event planned for 2018 will be the City’s first inaugural Sunrise Classic Car Show. The event is sure to generate additional visitors and tourism dollars to Sunrise. 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, 2016. 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**

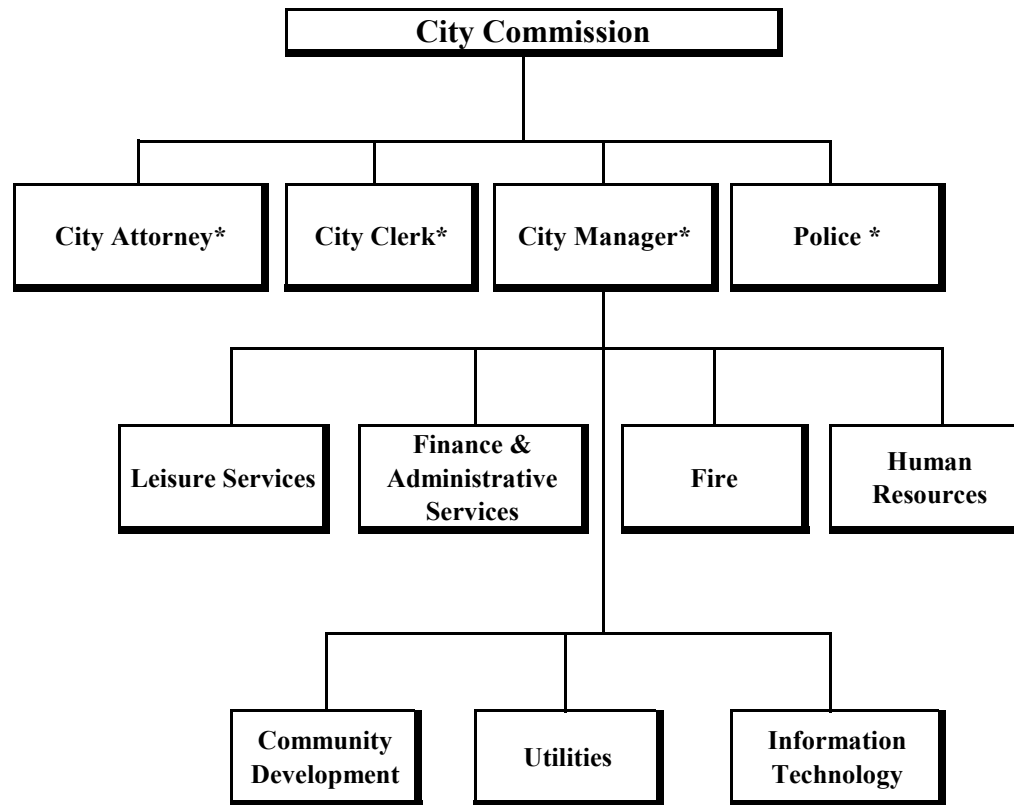
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO

**City of Sunrise
Departmental Organizational Chart
Fiscal Year 2016/2017**



* Charter Officer

**City of Sunrise, Florida
List of City Officials
September 30, 2017**

Elected Officials

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

**Michael J. Ryan
Neil C. Kerch
Lawrence A. Sofield
Mark A. Douglas
Joseph A. Scuotto**

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
Acting 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
John McNamara
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, 2017, 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 73%, 77% and 59%, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison statement 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 on pages 87 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, 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 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 12, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
March 12, 2018

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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, 2017. 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 \$605,069,950 at September 30, 2017, an increase of 4.7% from the restated net position.
- The City implemented Governmental Accounting Standards Board Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* during the current fiscal year. Net pension liability, deferred outflows and inflows of resources, pension expense and information about net position, including additions and deductions to net position have been determined and reported. Implementation of this statement has resulted in a restatement of the fiscal year 2016 government-wide and proprietary fund net position.

Governmental Activities

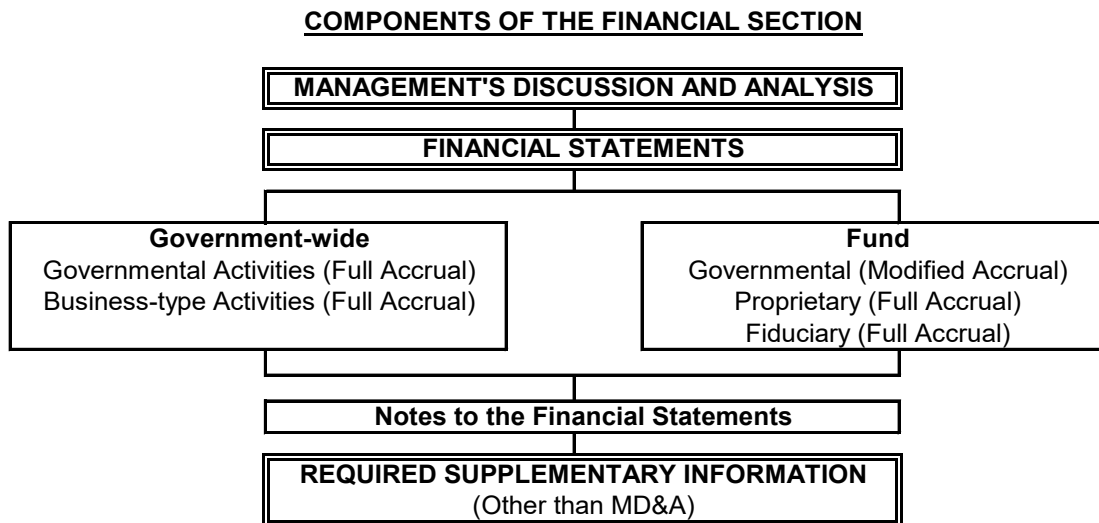
- On a government-wide basis for governmental activities, the City's general revenues of \$75,907,088 were \$6,337,819 less than the \$82,244,907 of expenses net of program revenue. Additionally, general revenues were \$3,690,729 more than the prior year representing an increase of 5.1%.
- As of September 30, 2017, the City's governmental activities reported a total ending net position of \$195,613,686. Unrestricted net position has a negative amount of \$60,686,131 due to the deferred outflows, deferred inflows and the pension liability now being included as required by GASB 68 and GASB 73 reporting requirements.

General Fund

- At the end of the current fiscal year, fund balance for the general fund was \$74,961,684. Of this balance, \$13,226,366 for inventories, prepaid items and advances was nonspendable; \$28,885,129 was committed for revenue stabilization, contingency, economic and job growth, and reforestation replacement; and \$670,109 was assigned for encumbrances. The balance of \$32,180,080 was unassigned and available for new spending.
- At the end of the fiscal year, the unassigned fund balance was \$32,180,080 or 26.8% of general fund revenues and 27.8% of general fund expenditures.
- General fund revenues and other financing sources increased by \$5,109,349, an increase of 4.2% from fiscal year 2016 primarily due to increased assessed property values and increased receipts for planning permit fees.
- General fund expenditures and other financing uses increased by \$1,639,838, or 1.4% more than last fiscal year primarily due to salary increases.

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.



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 2017, 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 2017 and restated for fiscal year 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$241,198	\$246,385	\$286,670	\$268,266	527,868	514,651
Capital assets	193,193	192,161	406,947	392,355	600,140	584,516
Total assets	<u>434,391</u>	<u>438,546</u>	<u>693,617</u>	<u>660,621</u>	<u>1,128,008</u>	<u>1,099,167</u>
Deferred outflows of resources	<u>49,286</u>	<u>48,600</u>	<u>15,674</u>	<u>13,115</u>	<u>64,960</u>	<u>61,715</u>
Current and other liabilities	19,333	22,642	30,407	25,826	49,740	48,468
Long-term liabilities	261,063	252,158	267,879	260,824	528,942	512,982
Total liabilities	<u>280,396</u>	<u>274,800</u>	<u>298,286</u>	<u>286,650</u>	<u>578,682</u>	<u>561,450</u>
Deferred inflows of resources	<u>7,667</u>	<u>3,553</u>	<u>1,549</u>	<u>221</u>	<u>9,216</u>	<u>3,774</u>
Net position:						
Net investment in capital assets	140,790	216,939	201,581	198,836	342,371	415,775
Restricted	115,510	46,042	108,975	135,887	224,485	181,929
Unrestricted	(60,686)	(54,188)	98,900	52,142	38,214	(2,046)
Total net position	<u>\$195,614</u>	<u>\$208,793</u>	<u>\$409,456</u>	<u>\$386,865</u>	<u>\$605,070</u>	<u>\$595,658</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2017, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$605,070 thousand.

The majority of the City's net position (56.6%) 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 (37.1%) represents resources that are subject to external restrictions on how they may be used, such as debt or capital projects. The remaining

balance of unrestricted net position (6.3%) may be used to meet the City's ongoing obligations to its citizenry.

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 \$27,344 thousand for the current fiscal year. The increase of \$30,046 thousand for business-type activities is primarily due to an increase in water/wastewater and stormwater revenues. The decrease of \$2,702 thousand for governmental activities is primarily due to the pension reporting requirements of GASB 73.

Summary of Activities

The following table provides a condensed comparative summary of the City's operations for the fiscal years ended September 30, 2017 and 2016, as restated:

	Changes in Net Position					
	For the Fiscal Years Ended September 30, 2017 and 2016					
	(in thousands), as restated					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program revenues:						
Charges for services	\$ 53,873	\$ 54,644	\$141,060	\$133,871	\$194,933	\$188,515
Operating grants and contributions	6,165	6,353	33	265	6,198	6,618
Capital grants and contributions	3,026	2,374	3,296	4,844	6,322	7,218
General revenues:						
Property taxes	40,934	38,118	-	-	40,934	38,118
Utility service tax	9,773	9,470	-	-	9,773	9,470
Communications services tax	3,280	3,083	-	-	3,280	3,083
Local business tax	2,335	2,313	-	-	2,335	2,313
Franchise fees	9,506	9,276	-	-	9,506	9,276
Contributions not restricted to specific programs	8,402	8,224	-	-	8,402	8,224
Unrestricted investment earnings	1,377	1,091	1,770	1,248	3,147	2,339
Miscellaneous	301	372	495	466	796	838
Gain on sale of capital assets	-	269	-	-	-	269
Total revenues	<u>138,972</u>	<u>135,587</u>	<u>146,654</u>	<u>140,694</u>	<u>285,626</u>	<u>276,281</u>
Expenses						
General government	30,422	26,390	-	-	30,422	26,390
Public safety	86,838	82,501	-	-	86,838	82,501
Physical environment	16	18	-	-	16	18
Economic development	824	987	-	-	824	987
Transportation	10,446	8,629	-	-	10,446	8,629
Culture and recreation	14,782	14,240	-	-	14,782	14,240
Interest on long-term debt	1,981	2,139	-	-	1,981	2,139
Water and wastewater	-	-	87,003	82,886	87,003	82,886
Gas	-	-	7,168	6,464	7,168	6,464
Sanitation	-	-	11,701	10,809	11,701	10,809
Recycling	-	-	886	853	886	853
Stormwater	-	-	4,367	4,637	4,367	4,637
Golf course	-	-	1,848	1,863	1,848	1,863
Total expenses	<u>145,309</u>	<u>134,904</u>	<u>112,973</u>	<u>107,512</u>	<u>258,282</u>	<u>242,416</u>
Increase in net position before transfers	(6,337)	683	33,681	33,182	27,344	33,865
Transfers	3,635	5,583	(3,635)	(5,583)	-	-
Change in net position	(2,702)	6,266	30,046	27,599	27,344	33,865
Net position – beginning, as restated (Note IV)(J)	<u>198,316</u>	<u>202,527</u>	<u>379,410</u>	<u>359,266</u>	<u>577,726</u>	<u>561,793</u>
Net position – ending, as restated	<u>\$195,614</u>	<u>\$208,793</u>	<u>\$409,456</u>	<u>\$386,865</u>	<u>\$605,070</u>	<u>\$595,658</u>

Revenues

For the fiscal year ended September 30, 2017, revenues from governmental activities totaled \$138,972 thousand.

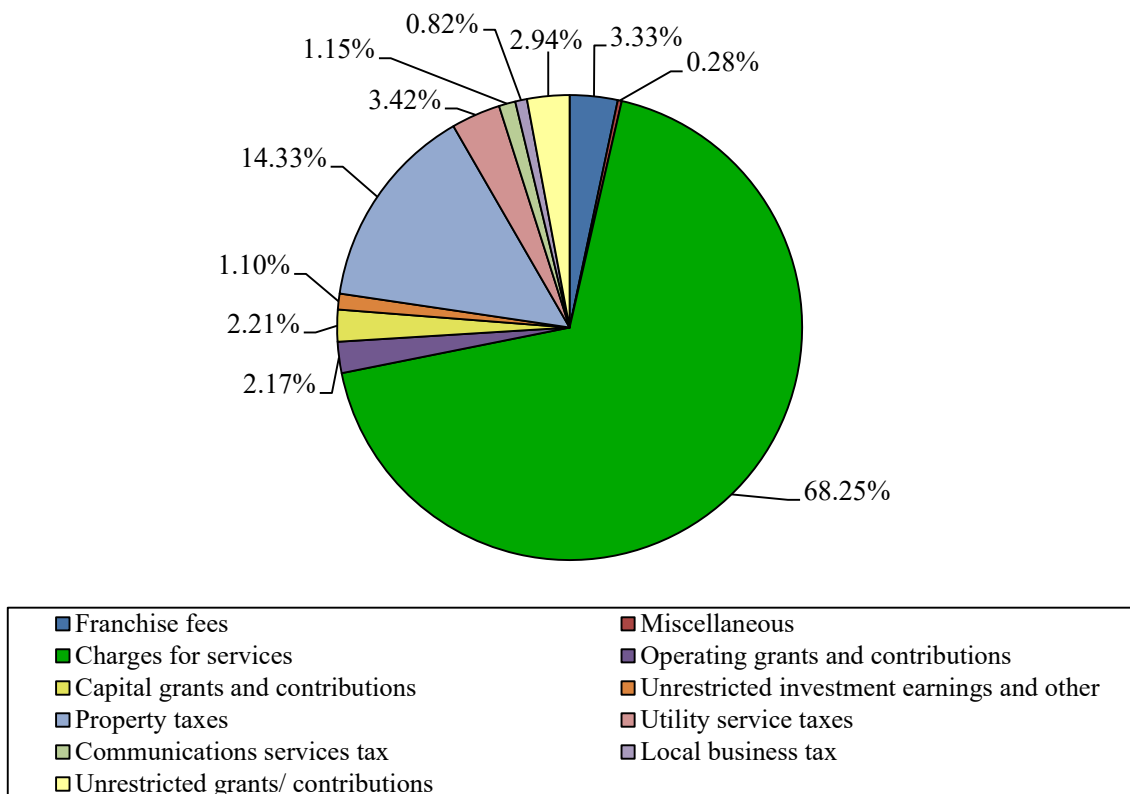
General property taxes were \$40,934 thousand, an increase of \$2,816 thousand as compared to fiscal year 2016. Assessed property values increased slightly compared to 2016 while the City maintained its previous year's millage rate.

Charges for services increased by \$6,418 thousand mainly due to an increase in the CPI of 4.77%, for water, wastewater and stormwater revenues on October 1, 2016.

Operating grants and contributions decreased by \$420 thousand primarily due to the end of the amortized recognition of a recycling grant over a five-year period and a decrease in forfeiture confiscation public safety revenues. Capital grants and contributions decreased by \$896 thousand due to a decrease in developer contributions.

Unrestricted investment earnings increased by \$808 thousand due to an increase in the average interest rate from 0.7% in fiscal year 2016 to 0.9% in fiscal year 2017.

Sources of Revenue: Government-wide for FY 2017

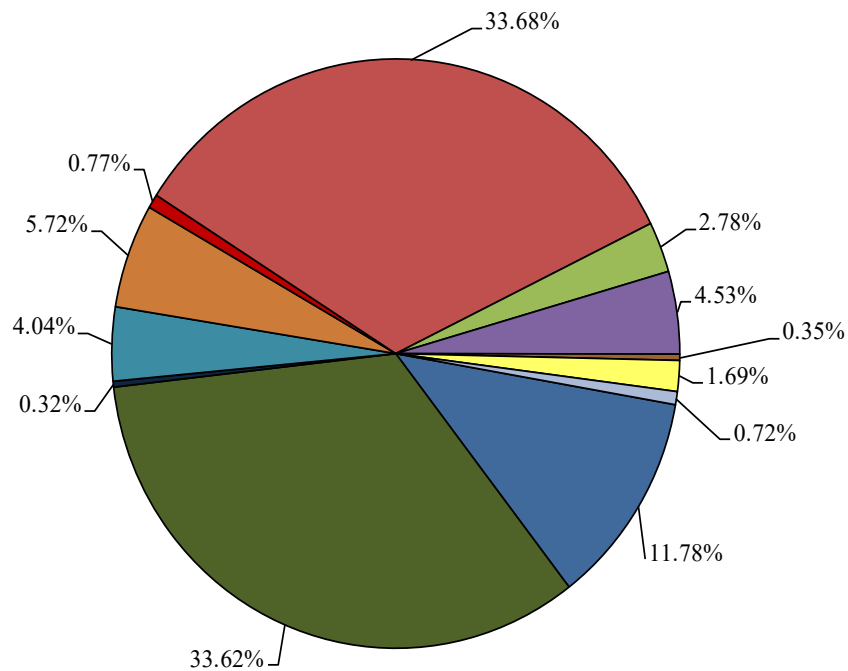


Expenses

For the fiscal year ended September 30, 2017, expenses for governmental activities totaled \$145,309 thousand, an increase of \$10,405 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 \$112,973 thousand, an increase of \$5,461 thousand from fiscal year 2016. 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 2017



■ General government	■ Public safety	■ Economic development
■ Transportation	■ Culture and recreation	■ Interest on long-term debt
■ Water and wastewater	■ Gas	■ Sanitation
■ Recycling	■ Stormwater	■ Golf course

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended September 30, 2017, the governmental funds reflect a combined fund balance of \$195,320,519, a decrease of \$3,686,428 in comparison with the prior year. Approximately 93.2% of this total amount (\$182,029,447) 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 (\$13,225,000), prepaid items (\$1,120) and inventories (\$64,952). 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 \$4,910,611 due to the continued construction of one parking garage. The other governmental funds fund balance decreased by \$6,384,108 primarily due to various city-wide construction projects. The General Fund's revenues and other financing sources were \$7,608,291 in excess of its expenditures and other financing uses primarily due to less than anticipated operating expenditures as well as higher than anticipated revenues received for permit fees and charges for services.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget amounted to a \$935,204 increase in appropriations. Of this increase, \$146,085 was funded through various grants and \$789,119 was funded from the General Fund unassigned fund balance. Highlights of the supplemental appropriation follow:

- \$764,739 in increases for general government activities. The increase was comprised of a supplemental appropriation of \$39,119 to be used for economic development expenditures and a supplemental appropriation of \$750,000 to be used for expenditures related to Hurricane Irma. Additionally, there were budget reductions for appropriations to the public works and code enforcement divisions in the amounts of \$6,830 and \$17,550, respectively.
- \$163,635 in increases allocated to public safety. Included in this amount was supplemental appropriations to fund \$17,550 to cover shortages in various accounts in the code enforcement division and \$146,085 for public safety related grants.
- \$6,830 in increases for public works to fund shortfalls in salaries and benefits.

General Fund
 Summary of Revenues, Expenditures and Changes in Fund
 Balance – Budget to Actual
FY 2017
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues			
Taxes	\$ 52,076	\$ 52,076	\$ 53,078
Permits and fees	2,582	2,582	3,651
Franchise fees	9,892	9,892	9,539
Intergovernmental	8,495	8,641	8,731
Charges for services	22,268	22,268	23,756
Other	<u>21,082</u>	<u>21,082</u>	<u>21,517</u>
Total	<u>116,395</u>	<u>116,541</u>	<u>120,272</u>
Expenditures	<u>120,148</u>	<u>121,083</u>	<u>115,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,753)</u>	<u>(4,542)</u>	<u>4,710</u>
Other financing sources (uses)			
Transfers in	5,265	5,265	5,097
Transfers out	(2,278)	(2,278)	(2,278)
Sale of capital assets	<u>20</u>	<u>20</u>	<u>79</u>
Total	<u>3,007</u>	<u>3,007</u>	<u>2,898</u>
Net change in fund balance	<u>\$ (746)</u>	<u>\$ (1,535)</u>	<u>\$ 7,608</u>

Actual general fund revenues exceeded original budgeted revenues by \$3,877 thousand. This increase is primarily due to receipt of cost recovery surcharges higher than anticipated. The original budget was amended to account for \$146 thousand in additional grant awards. Actual general fund expenditures were less than the original budget by \$4,586 thousand primarily due to position vacancies resulting in salary and related payroll cost savings and a concerted effort to curtail operating expenditures.

Actual revenue collections exceeded the final budget by \$3,731 thousand. The increase between actual revenues and the final budget are due to an increase in cost recovery charges and planning permit fees. In addition, total expenditures were approximately \$5,521 thousand 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 2017, the City's governmental activities had invested \$193,193,061 in a variety of capital assets and infrastructure, which represents a net increase of \$1,032,055 from the prior year. The City's investment in capital assets for its business-type activities amounted to \$406,947,154, which represents a net increase of \$14,592,279 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 10/1/16	Net Additions/ Deletions	Balance 9/30/17	Balance 10/1/16	Net Additions/ Deletions	Balance 9/30/17
Non-depreciable assets:						
Land	\$ 23,934	\$ -	\$ 23,934	\$ 12,147	\$ 265	\$ 12,412
Construction in progress	31,154	(19,633)	11,521	45,997	379	46,376
Depreciable capital assets:						
Intangibles	1,980	28	2,008	846	(445)	401
Buildings and system Improvements other than buildings	122,904	31,846	154,750	569,266	27,897	597,163
Machinery and equipment	54,080	1,203	55,283	12,625	5,759	18,384
Vehicles	20,071	(16)	20,055	8,800	66	8,866
Infrastructure	23,542	2,036	25,578	9,701	687	10,388
	331,894	-	331,894	-	-	-
Accumulated depreciation on capital assets	<u>(417,398)</u>	<u>(14,432)</u>	<u>(431,830)</u>	<u>(267,027)</u>	<u>(20,016)</u>	<u>(287,043)</u>
Totals	<u>\$ 192,161</u>	<u>\$ 1,032</u>	<u>\$ 193,193</u>	<u>\$ 392,355</u>	<u>\$ 14,592</u>	<u>\$ 406,947</u>

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

- The City made several public safety purchases including two ambulances for \$610,982, a fire engine for \$869,529, and police department vehicles totaling \$901,156. A bus was purchased by leisure services for \$136,509.
- Various major projects were completed in the Water/Wastewater Utility System including Golf Village water main improvements and the Southwest Wastewater Treatment Plant improvements which provided for the restoration of four percolation ponds and an on-site reuse irrigation system.

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

- Parks improvements/expansions are in the design phase at Welleby Park, Flamingo Park, City Park, and the Sunrise Athletic Complex Park.
- Construction is underway for the Senior Center expansion and the Civic Center and Municipal Campus expansions are in the design phase. A new athletic center on Pine Island Road and NW 50th Street is also in the design phase.
- 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 \$247,350,000. Of this amount, \$199,905,000 represents bonds secured solely by specified revenue sources, \$11,190,000 is special tax district ad valorem tax bonds and \$36,255,000 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 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.

In November 2016, the Sunrise Lakes Phase I Special Recreation District Public Improvement Refunding Bonds (bank note) were paid off early, resulting in an interest cost savings for the District.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The millage rate of \$6.0543 adopted for fiscal year 2018 was the same as fiscal year 2017. 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 2017 was 51,341 compared to 49,242 as of September 2016. The City's resident unemployment rate decreased from 4.6% in September 2016 to 3.3% in September 2017. The State of Florida's unemployment rate in September 2017 was 3.7%.

As of September 2016 (the latest data available from the U. S. Census Bureau), the City's median household income was \$47,468, while the State's median household income was \$50,860.

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, 2017**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 200,566,510	\$ 95,931,101	\$ 296,497,611
Investments	37,675,208	28,592,758	66,267,966
Receivables, net of allowance for uncollectibles	6,862,577	21,426,071	28,288,648
Internal balances	(4,306,233)	4,306,233	-
Inventories	366,541	2,050,742	2,417,283
Prepaid items	33,379	59,774	93,153
Restricted assets:			
Cash and cash equivalents	-	105,385,423	105,385,423
Investments	-	28,761,041	28,761,041
Interest receivable on investments	-	155,778	155,778
Accounts receivable	-	1,445	1,445
Capital assets not being depreciated:			
Land	23,934,730	12,412,438	36,347,168
Construction in progress	11,521,379	46,376,322	57,897,701
Capital assets (net of accumulated depreciation):			
Intangibles	326,612	21,487	348,099
Buildings and system	109,862,735	330,987,917	440,850,652
Improvements other than buildings	16,877,128	10,853,838	27,730,966
Machinery and equipment	6,120,367	2,630,015	8,750,382
Vehicles	10,566,157	3,665,137	14,231,294
Infrastructure	13,983,953	-	13,983,953
Total assets	<u>434,391,043</u>	<u>693,617,520</u>	<u>1,128,008,563</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	1,521,577	1,521,577
Pension	49,286,523	14,152,181	63,438,704
Total deferred outflows of resources	<u>49,286,523</u>	<u>15,673,758</u>	<u>64,960,281</u>
LIABILITIES			
Accounts payable and other current liabilities	5,678,609	6,664,618	12,343,227
Retainage payable	3,416,328	-	3,416,328
Intergovernmental payable	271,375	1,307,609	1,578,984
Interest payable	621,347	-	621,347
Accrued liabilities	3,503,664	517,858	4,021,522
Unearned revenue	2,692,392	62,477	2,754,869
Other liabilities	3,148,972	-	3,148,972
Liabilities payable from restricted assets	-	21,854,038	21,854,038
Non-current liabilities:			
Due within one year	4,698,966	4,964,909	9,663,875
Due in more than one year			
Net pension liability	159,774,378	40,091,883	199,866,261
Total pension liability - retiree subsidy	20,810,778	16,951,475	37,762,253
Debt and other	75,779,242	205,871,033	281,650,275
Total liabilities	<u>280,396,051</u>	<u>298,285,900</u>	<u>578,681,951</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	7,667,829	1,549,114	9,216,943
Total deferred inflows of resources	<u>7,667,829</u>	<u>1,549,114</u>	<u>9,216,943</u>
NET POSITION			
Net investment in capital assets	140,789,661	201,581,451	342,371,112
Restricted:			
Debt service	4,637,933	-	4,637,933
Renewal and replacement	-	45,996,386	45,996,386
Operations and maintenance	-	2,460,194	2,460,194
System reserve	-	60,518,036	60,518,036
Capital projects	96,000,110	-	96,000,110
Transportation	3,524,874	-	3,524,874
Building fees	10,599,152	-	10,599,152
Impact fees	748,087	-	748,087
Unrestricted	(60,686,131)	98,900,197	38,214,066
Total net position	<u>\$ 195,613,686</u>	<u>\$ 409,456,264</u>	<u>\$ 605,069,950</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, 2017

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	\$ 30,422,154	\$ 11,364,179	\$ -	\$ -	\$ (19,057,975)	\$ -	\$ (19,057,975)
Public safety	86,838,184	25,119,770	3,049,885	202,960	(58,465,569)	-	(58,465,569)
Physical environment	15,655	15,736,071	-	-	15,720,416	-	15,720,416
Economic development	823,732	-	1,023,878	-	200,146	-	200,146
Transportation	10,446,155	28,996	2,026,986	932,003	(7,458,170)	-	(7,458,170)
Culture and recreation	14,782,395	1,623,907	64,472	1,891,274	(11,202,742)	-	(11,202,742)
Interest on long-term debt	1,981,013	-	-	-	(1,981,013)	-	(1,981,013)
Total governmental activities	145,309,288	53,872,923	6,165,221	3,026,237	(82,244,907)	-	(82,244,907)
Business-type activities:							
Water and wastewater	87,002,721	112,866,419	33,301	3,295,284	-	29,192,283	29,192,283
Gas	7,168,302	7,645,822	-	-	-	477,520	477,520
Sanitation	11,700,774	11,234,023	-	-	-	(466,751)	(466,751)
Recycling	885,638	1,128,378	-	-	-	242,740	242,740
Stormwater	4,367,175	7,225,952	-	-	-	2,858,777	2,858,777
Golf course	1,848,015	959,209	-	-	-	(888,806)	(888,806)
Total business-type activities	112,972,625	141,059,803	33,301	3,295,284	-	31,415,763	31,415,763
Total	\$ 258,281,913	\$ 194,932,726	\$ 6,198,522	\$ 6,321,521	(82,244,907)	31,415,763	(50,829,144)
General revenues:							
Property taxes					40,933,847	-	40,933,847
Utility service tax					9,773,155	-	9,773,155
Communications services tax					3,280,405	-	3,280,405
Local business tax					2,334,836	-	2,334,836
Franchise fees based on gross receipts					9,505,423	-	9,505,423
Contributions not restricted to specific programs					8,402,313	-	8,402,313
Unrestricted investment earnings					1,376,415	1,770,111	3,146,526
Miscellaneous					300,558	495,230	795,788
Gain on sale of capital assets					136	-	136
Transfers					3,635,132	(3,635,132)	-
Total general revenues and transfers					79,542,220	(1,369,791)	78,172,429
Change in net position					(2,702,687)	30,045,972	27,343,285
Net position - beginning, as previously stated					208,793,420	386,864,611	595,658,031
Restatement of net position due to implementation of GASB 73					(10,477,047)	(7,454,319)	(17,931,366)
Net position - beginning, as restated					198,316,373	379,410,292	577,726,665
Net position - ending					\$ 195,613,686	\$ 409,456,264	\$ 605,069,950

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

CITY OF SUNRISE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Special Assessment Bonds, Series 2015		
ASSETS				
Cash and cash equivalents	\$ 49,814,900	\$ 36,084,040	\$ 91,877,505	\$ 177,776,445
Investments	16,809,218	-	13,782,697	30,591,915
Receivables, net of allowance for uncollectibles:				
Interest	79,787	24,752	77,903	182,442
Taxes	652,923	-	-	652,923
Franchise fees	1,128,224	-	-	1,128,224
Accounts receivable	923,763	-	-	923,763
Other	156,400	-	5,533	161,933
Due from other funds	697,295	-	98,627	795,922
Interfund	92,710	-	-	92,710
Intergovernmental	2,553,772	-	1,094,888	3,648,660
Prepaid items	1,120	-	-	1,120
Inventories	246	-	64,706	64,952
Advances to other funds	13,225,000	-	-	13,225,000
Total assets	<u>\$ 86,135,358</u>	<u>\$ 36,108,792</u>	<u>\$ 107,001,859</u>	<u>\$ 229,246,009</u>
LIABILITIES				
Accounts payable	2,072,426	93,956	1,914,882	4,081,264
Accrued liabilities	3,358,931	-	104,554	3,463,485
Retainage payable	-	3,165,090	251,238	3,416,328
Intergovernmental payable	270,568	-	807	271,375
Due to other funds	942,632	-	285,534	1,228,166
Interfund payable	-	-	92,710	92,710
Matured bonds payable	-	-	2,035,000	2,035,000
Matured interest payable	-	-	270,798	270,798
Unearned revenue	2,651,753	-	40,639	2,692,392
Other	1,877,364	-	1,271,608	3,148,972
Advances from other funds	-	-	13,225,000	13,225,000
Total liabilities	<u>11,173,674</u>	<u>3,259,046</u>	<u>19,492,770</u>	<u>33,925,490</u>
FUND BALANCES				
Nonspendable:				
Inventories	246	-	64,706	64,952
Prepaid items	1,120	-	-	1,120
Advances	13,225,000	-	-	13,225,000
Restricted for:				
Building Department	-	-	10,599,152	10,599,152
Capital projects	-	32,849,746	18,512,009	51,361,755
Recreation	-	-	162,388	162,388
Public safety	-	-	5,393,529	5,393,529
Fire equipment	-	-	202,513	202,513
Median strips	-	-	372,409	372,409
Housing	-	-	1,160,256	1,160,256
Transportation	-	-	3,218,524	3,218,524
Developer Agreements	-	-	623,333	623,333
Committed:				
Revenue stabilization	5,349,589	-	-	5,349,589
Contingency	15,298,766	-	-	15,298,766
Economic & job growth	8,107,607	-	-	8,107,607
Reforestation replacement	129,167	-	-	129,167
Assigned to:				
Subsequent year's expenditures	-	-	23,570,845	23,570,845
Other purposes	670,109	-	-	670,109
Construction contracts	-	-	18,978,796	18,978,796
Transportation	-	-	231,766	231,766
Debt service funds	-	-	2,953,482	2,953,482
Capital projects funds	-	-	1,465,381	1,465,381
Unassigned				
General fund	32,180,080	-	-	32,180,080
Total fund balances	<u>74,961,684</u>	<u>32,849,746</u>	<u>87,509,089</u>	<u>195,320,519</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 86,135,358</u>	<u>\$ 36,108,792</u>	<u>\$ 107,001,859</u>	<u>\$ 229,246,009</u>

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, 2017**

Fund balances - total governmental funds	\$	195,320,519
 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.		181,038,328
Debt interest payable that will not be liquidated with current financial resources is not reported in the funds.		(350,549)
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.		(7,494,604)
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.		48,005,944
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.		28,045,097
Pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(175,724,299)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(73,226,750)
Net position of governmental activities	\$	195,613,686

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, 2017

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Special Assessment Bonds, Series 2015		
REVENUES				
Taxes:				
Property	\$ 36,197,269	\$ -	\$ 4,736,578	\$ 40,933,847
Local option fuel	-	-	1,639,075	1,639,075
Insurance premium	1,491,886	-	-	1,491,886
Utility service	9,773,155	-	-	9,773,155
Communications services	3,280,405	-	-	3,280,405
Local business	2,334,836	-	-	2,334,836
Permits and fees	3,651,371	-	5,685,826	9,337,197
Franchise fees	9,538,510	-	-	9,538,510
Intergovernmental	8,730,545	-	3,527,606	12,258,151
Charges for services	23,756,346	-	31,996	23,788,342
Administrative charges	7,224,500	-	-	7,224,500
Judgments, fines and forfeitures	2,002,430	-	1,243,734	3,246,164
Special assessments	10,246,393	-	602,140	10,848,533
Impact fees	-	-	250,739	250,739
Investment earnings	586,249	243,000	764,120	1,593,369
Contributions and donations	52,835	-	-	52,835
Miscellaneous	1,404,881	-	89,305	1,494,186
Total revenues	<u>120,271,611</u>	<u>243,000</u>	<u>18,571,119</u>	<u>139,085,730</u>
EXPENDITURES				
Current:				
General government	27,743,724	-	-	27,743,724
Public safety	75,251,890	-	7,873,029	83,124,919
Economic development	-	-	823,732	823,732
Transportation	626,405	2,180	2,898,914	3,527,499
Culture and recreation	11,287,778	-	779	11,288,557
Debt service:				
Principal	-	-	3,340,000	3,340,000
Interest	-	-	1,981,762	1,981,762
Other	-	-	44,068	44,068
Capital outlay	651,832	5,151,431	8,824,313	14,627,576
Total expenditures	<u>115,561,629</u>	<u>5,153,611</u>	<u>25,786,597</u>	<u>146,501,837</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,709,982</u>	<u>(4,910,611)</u>	<u>(7,215,478)</u>	<u>(7,416,107)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,097,397	-	920,310	6,017,707
Transfers out	(2,277,570)	-	(105,005)	(2,382,575)
Proceeds on sale of capital assets	78,482	-	16,065	94,547
Total other financing sources (uses)	<u>2,898,309</u>	<u>-</u>	<u>831,370</u>	<u>3,729,679</u>
Net change in fund balances	7,608,291	(4,910,611)	(6,384,108)	(3,686,428)
Fund balances - beginning	<u>67,353,393</u>	<u>37,760,357</u>	<u>93,893,197</u>	<u>199,006,947</u>
Fund balances - ending	<u>\$ 74,961,684</u>	<u>\$ 32,849,746</u>	<u>\$ 87,509,089</u>	<u>\$ 195,320,519</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, 2017

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

Net change in fund balances -- total governmental funds	\$	(3,686,428)
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.		(1,002,627)
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.		(87,801)
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.		3,639,914
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.		(1,896,176)
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.		(3,401,074)
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>4,357,983</u>
Change in net position of governmental activities	\$	<u><u>(2,702,687)</u></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, 2017

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Taxes:				
Property	\$ 35,996,820	\$ 35,996,820	\$ 36,197,269	\$ 200,449
Insurance premium	1,492,440	1,492,440	1,491,886	(554)
Utility service	9,328,950	9,328,950	9,773,155	444,205
Communications services	2,992,900	2,992,900	3,280,405	287,505
Local business	2,265,000	2,265,000	2,334,836	69,836
Permits and fees	2,581,720	2,581,720	3,651,371	1,069,651
Franchise fees	9,891,860	9,891,860	9,538,510	(353,350)
Intergovernmental	8,494,810	8,640,895	8,730,545	89,650
Charges for services	22,268,190	22,268,190	23,756,346	1,488,156
Administrative charges	7,224,500	7,224,500	7,224,500	-
Judgments, fines and forfeitures	1,692,050	1,692,050	2,002,430	310,380
Special assessments	10,156,410	10,156,410	10,246,393	89,983
Investment earnings	294,730	294,730	586,249	291,519
Contributions and donations	71,120	71,120	52,835	(18,285)
Miscellaneous	1,643,500	1,643,500	1,404,881	(238,619)
Total revenues	116,395,000	116,541,085	120,271,611	3,730,526
EXPENDITURES				
Current:				
General government:				
City Commission	770,580	770,580	746,446	24,134
City Manager	1,286,170	1,286,170	1,268,852	17,318
City Clerk	710,970	709,910	592,457	117,453
City Attorney	1,240,330	1,240,330	972,293	268,037
Finance and Administrative Services	5,101,570	5,098,250	4,883,533	214,717
Human Resources	1,376,860	1,376,860	1,124,224	252,636
Facilities	3,353,745	3,296,915	3,059,478	237,437
Planning and Development	4,200,277	4,182,727	3,178,941	1,003,786
Non-departmental	12,503,660	13,292,779	11,917,500	1,375,279
Total general government	30,544,162	31,254,521	27,743,724	3,510,797
Public safety:				
Police	44,905,942	45,011,274	44,525,415	485,859
Fire	29,531,918	29,499,593	29,312,687	186,906
Code Enforcement	1,589,500	1,607,050	1,413,788	193,262
Total public safety	76,027,360	76,117,917	75,251,890	866,027
Transportation:				
Public Works	765,650	772,480	626,405	146,075
Culture and recreation:				
Leisure Services	12,155,463	12,117,391	11,287,778	829,613

(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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital outlay:				
General government:				
City Clerk	-	1,060	1,058	2
Finance and Administrative Services	-	3,320	3,313	7
Human Resources	23,880	23,880	10,305	13,575
Facilities	80,500	130,500	85,643	44,857
Public safety:				
Police	219,195	231,948	201,796	30,152
Fire	59,200	119,525	104,084	15,441
Culture and recreation:				
Leisure Services	272,451	310,523	245,633	64,890
Total capital outlay	<u>655,226</u>	<u>820,756</u>	<u>651,832</u>	<u>168,924</u>
Total expenditures	<u>120,147,861</u>	<u>121,083,065</u>	<u>115,561,629</u>	<u>5,521,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,752,861)</u>	<u>(4,541,980)</u>	<u>4,709,982</u>	<u>9,251,962</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,264,570	5,264,570	5,097,397	(167,173)
Transfers out	(2,277,570)	(2,277,570)	(2,277,570)	-
Proceeds on sale of capital assets	20,000	20,000	78,482	58,482
Total other financing sources (uses)	<u>3,007,000</u>	<u>3,007,000</u>	<u>2,898,309</u>	<u>(108,691)</u>
Net change in fund balances	(745,861)	(1,534,980)	7,608,291	9,143,271
Fund balances - beginning	<u>67,353,393</u>	<u>67,353,393</u>	<u>67,353,393</u>	<u>-</u>
Fund balances - ending	<u>\$ 66,607,532</u>	<u>\$ 65,818,413</u>	<u>\$ 74,961,684</u>	<u>\$ 9,143,271</u>

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

CITY OF SUNRISE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	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	\$ 85,662,964	\$ 84,786	\$ 10,183,351	\$ 95,931,101	\$ 22,790,065
Investments	25,383,040	185,227	3,024,491	28,592,758	7,083,293
Interest receivable	127,386	1,224	15,767	144,377	35,450
Accounts receivable, net of allowance for uncollectibles	18,178,296	2,095,947	837,925	21,112,168	32,674
Assessments receivable, net	5,996	-	-	5,996	-
Other receivables	26,263	24,986	9,624	60,873	96,508
Due from other funds	188,549	-	-	188,549	-
Intergovernmental receivable	39,767	-	62,890	102,657	-
Inventories	2,028,659	-	22,083	2,050,742	301,589
Prepaid items	56,574	-	3,200	59,774	-
Restricted assets:					
Cash and cash equivalents	9,896,619	-	-	9,896,619	-
Accounts receivable	1,445	-	-	1,445	-
Total current assets	141,595,558	2,392,170	14,159,331	158,147,059	30,339,579
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	94,754,303	734,501	-	95,488,804	-
Investments	28,761,041	-	-	28,761,041	-
Interest receivable on investments	155,778	-	-	155,778	-
Capital assets:					
Land	11,123,293	-	1,289,145	12,412,438	-
Intangibles	395,497	-	5,359	400,856	238,188
Buildings and system	596,476,947	-	685,480	597,162,427	-
Improvements other than buildings	8,319,449	-	10,064,945	18,384,394	-
Machinery and equipment	6,263,976	1,504	2,600,887	8,866,367	1,286,159
Vehicles	9,391,977	-	996,141	10,388,118	13,930,206
Construction in progress	46,020,045	-	356,277	46,376,322	2,311,604
Less accumulated depreciation	(283,296,957)	(150)	(3,746,661)	(287,043,768)	(5,611,424)
Total capital assets, net of accumulated depreciation	394,694,227	1,354	12,251,573	406,947,154	12,154,733
Total noncurrent assets	518,365,349	735,855	12,251,573	531,352,777	12,154,733
Total assets	659,960,907	3,128,025	26,410,904	689,499,836	42,494,312
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	1,521,577	-	-	1,521,577	-
Pension	12,974,106	13,977	1,164,098	14,152,181	1,280,579
Total deferred outflows of resources	14,495,683	13,977	1,164,098	15,673,758	1,280,579

	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	4,846,973	1,470,935	323,030	6,640,938	708,679
Accrued liabilities	474,378	3,034	40,446	517,858	40,179
Due to other funds	495,790	158,670	11,428	665,888	2,763
Compensated absences	377,659	2,060	35,190	414,909	36,506
Intergovernmental payable	1,306,241	-	1,368	1,307,609	-
Current liabilities payable from restricted assets:					
Accounts payable	3,924,028	-	-	3,924,028	-
Revenue bonds payable	4,550,000	-	-	4,550,000	-
Accrued interest payable	5,346,619	-	-	5,346,619	-
Total current liabilities	21,321,688	1,634,699	411,462	23,367,849	788,127
Noncurrent liabilities:					
Revenue bonds payable (net of unamortized discounts/premiums)	195,842,924	-	-	195,842,924	-
Compensated absences	3,564,095	18,543	280,508	3,863,146	249,973
Other post employment benefits	5,682,482	4,089	478,392	6,164,963	106,720
Net pension liability	36,648,102	5,749	3,438,032	40,091,883	3,671,346
Total pension liability - retiree subsidy	15,307,544	12,602	1,631,329	16,951,475	1,189,511
Claims and judgments	-	-	-	-	4,791,000
Unearned revenue	13,596	47,544	1,337	62,477	-
Noncurrent liabilities payable from restricted assets:					
Retainage payable	2,997,938	-	-	2,997,938	-
Customer deposits payable	8,850,952	734,501	-	9,585,453	-
Total noncurrent liabilities	268,907,633	823,028	5,829,598	275,560,259	10,008,550
Total liabilities	290,229,321	2,457,727	6,241,060	298,928,108	10,796,677
DEFERRED INFLOWS OF RESOURCES					
Pension	1,436,255	10,334	102,525	1,549,114	173,225
Total deferred inflows of resources	1,436,255	10,334	102,525	1,549,114	173,225
NET POSITION					
Net investment in capital assets	189,329,878	-	12,251,573	201,581,451	12,154,733
Restricted for:					
Renewal and replacement	45,996,386	-	-	45,996,386	-
Operations and maintenance	2,460,194	-	-	2,460,194	-
System reserve	60,518,036	-	-	60,518,036	-
Unrestricted	84,486,520	673,941	8,979,844	94,140,305	20,650,256
Total net position	\$ 382,791,014	\$ 673,941	\$ 21,231,417	404,696,372	\$ 32,804,989
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				4,759,892	
Net position of business-type activities				\$ 409,456,264	

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, 2017

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	<u>Business-type Activities - Enterprise Funds</u>				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	\$ 51,750,537	\$ -	\$ -	\$ 51,750,537	\$ -
Wastewater service	56,358,672	-	-	56,358,672	-
Gas sales	7,599,220	-	-	7,599,220	-
Fees	-	11,234,023	9,313,539	20,547,562	-
Service charges	2,070,859	-	-	2,070,859	28,037,911
Guaranteed revenues	1,289,993	-	-	1,289,993	-
Administrative charges	780,950	-	-	780,950	-
Total operating revenues	<u>119,850,231</u>	<u>11,234,023</u>	<u>9,313,539</u>	<u>140,397,793</u>	<u>28,037,911</u>
Operating expenses:					
Costs of sales and services:					
Power, water and wastewater purchases	3,617,274	-	157,134	3,774,408	38,083
Natural gas purchases	2,270,410	-	-	2,270,410	-
Chemical purchases	2,346,412	-	98,543	2,444,955	-
Solid waste/sludge removal	1,034,863	10,549,668	-	11,584,531	-
Recycling charges	-	-	771,636	771,636	-
Materials and supplies	1,356,150	1,139	150,047	1,507,336	1,112,271
Repairs and maintenance	5,184,990	7,530	162,080	5,354,600	1,984,496
Salaries, wages and employee benefits	29,089,167	233,996	2,338,812	31,661,975	3,126,312
Insurance and other expenses	11,645,800	23,455	2,144,768	13,814,023	4,312,789
Claims expense	-	-	-	-	12,551,888
Administrative fees	5,235,330	885,750	842,500	6,963,580	-
Depreciation and amortization	21,883,921	150	552,427	22,436,498	1,412,382
Total operating expenses	<u>83,664,317</u>	<u>11,701,688</u>	<u>7,217,947</u>	<u>102,583,952</u>	<u>24,538,221</u>
Operating income (loss)	<u>36,185,914</u>	<u>(467,665)</u>	<u>2,095,592</u>	<u>37,813,841</u>	<u>3,499,690</u>

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	1,673,722	6,178	90,211	1,770,111	222,371
Interest and amortization expense	(10,431,478)	(4,541)	(5,927)	(10,441,946)	-
Gain (loss) on sale of capital assets	(712,343)	-	3,366	(708,977)	8,571
Sale of recyclable materials	-	-	115,746	115,746	-
Other	2,149,470	57,788	65,929	2,273,187	2,051,611
Total non-operating revenues (expenses)	(7,320,629)	59,425	269,325	(6,991,879)	2,282,553
Income (loss) before contributions and transfers	28,865,285	(408,240)	2,364,917	30,821,962	5,782,243
Capital contributions	1,434,882	-	-	1,434,882	-
Transfers in	-	435,880	921,380	1,357,260	-
Transfers out	(4,992,392)	-	-	(4,992,392)	-
Change in net position	25,307,775	27,640	3,286,297	28,621,712	5,782,243
Total net position - beginning (restatement see Note IV, J)	357,483,239	646,301	17,945,120		27,022,746
Total net position - ending	\$ 382,791,014	\$ 673,941	\$ 21,231,417		\$ 32,804,989
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				1,424,260	
Change in net position of business-type activities				\$ 30,045,972	

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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, 2017

	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	\$ 117,750,378	\$ 10,750,246	\$ 9,235,624	\$ 137,736,248	\$ 28,011,707
Receipts from interfund services provided	780,950	-	-	780,950	-
Payments to suppliers	(22,329,748)	(10,197,468)	(4,117,092)	(36,644,308)	(17,632,068)
Payments to and for employees	(26,253,489)	(191,338)	(2,125,294)	(28,570,121)	(2,775,986)
Payments for interfund services used	(5,235,330)	(885,750)	(842,500)	(6,963,580)	-
Net cash provided by (used for) operating activities	<u>64,712,761</u>	<u>(524,310)</u>	<u>2,150,738</u>	<u>66,339,189</u>	<u>7,603,653</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances from other funds	-	-	(112,903)	(112,903)	-
Transfer from other funds	-	435,880	921,380	1,357,260	-
Transfer to other funds	(4,992,392)	-	-	(4,992,392)	-
Net cash provided by (used for) noncapital financing activities	<u>(4,992,392)</u>	<u>435,880</u>	<u>808,477</u>	<u>(3,748,035)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	587,575	-	-	587,575	-
Acquisition and construction of capital assets	(36,063,302)	(1,504)	(900,869)	(36,965,675)	(3,526,294)
Principal paid on capital debt	(4,425,000)	-	-	(4,425,000)	-
Interest paid on capital debt	(10,771,840)	-	(5,927)	(10,777,767)	-
Proceeds from sales of capital assets	61,061	-	4,978	66,039	-
Net cash (used for) capital and related financing activities	<u>(50,611,506)</u>	<u>(1,504)</u>	<u>(901,818)</u>	<u>(51,514,828)</u>	<u>(3,526,294)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	53,466,689	188,614	2,526,441	56,181,744	6,112,532
Purchase of investments	(38,375,855)	(99,274)	(1,960,340)	(40,435,469)	(4,864,940)
Interest and dividends received	1,751,131	6,289	93,972	1,851,392	231,750
Net cash provided by investing activities	<u>16,841,965</u>	<u>95,629</u>	<u>660,073</u>	<u>17,597,667</u>	<u>1,479,342</u>
Net increase in cash and cash equivalents	25,950,828	5,695	2,717,470	28,673,993	5,556,701
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>
Cash and cash equivalents, September 30, 2017 (including \$104,650,922 and \$734,501 for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>\$ 190,313,886</u>	<u>\$ 819,287</u>	<u>\$ 10,183,351</u>	<u>\$ 201,316,524</u>	<u>\$ 22,790,065</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)	\$ 36,185,914	\$ (467,665)	\$ 2,095,592	\$ 37,813,841	\$ 3,499,690
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	-	-	115,746	115,746	-
Miscellaneous non-operating income	2,155,466	53,247	65,929	2,274,642	2,051,611
Depreciation and amortization expense	21,883,921	150	552,427	22,436,498	1,412,382
(Increase) in accounts receivable	(3,008,246)	(538,000)	(196,299)	(3,742,545)	(26,204)
(Increase) decrease in other receivables	(26,263)	109,555	(2,701)	80,591	11,949
(Increase) in due from other funds	(188,549)	-	-	(188,549)	-
(Increase) in intergovernmental receivables	(39,767)	-	(62,890)	(102,657)	-
(Increase) in inventories	(73,156)	-	(5,672)	(78,828)	(23,910)
Decrease in prepaid items	500	-	150	650	-
(Increase) in deferred outflows	(2,339,700)	(13,977)	(221,401)	(2,575,078)	(216,024)
Increase in customer deposits	55,612	31,544	-	87,156	-
Increase (decrease) in accounts payable	4,453,860	221,522	(184,955)	4,490,427	323,732
Increase in accrued liabilities	201,686	3,034	16,154	220,874	19,671
Increase (decrease) in due to other funds	(26)	(511)	10,099	9,562	1,002
(Decrease) in intergovernmental payables	(496,909)	-	(1,593)	(498,502)	-
Increase (decrease) in unearned revenue	(38,674)	23,414	320	(14,940)	-
Increase (decrease) in retainage payable	818,083	-	(448,669)	369,414	-
Increase in compensated absences payable	438,976	20,603	1,939	461,518	88,634
Increase in other post employment benefits payable	553,953	4,089	47,032	605,074	43,350
Increase in total pension liability - retiree subsidy	2,244,948	12,602	240,390	2,497,940	175,284
Increase in net pension liability	687,058	5,749	46,165	738,972	85,227
Increase in deferred inflows	1,234,885	10,334	82,975	1,328,194	153,182
Increase in claims and judgments	-	-	-	-	4,077
Total adjustments	<u>28,526,847</u>	<u>(56,645)</u>	<u>55,146</u>	<u>28,525,348</u>	<u>4,103,963</u>
Net cash provided by (used for) operating activities	\$ <u>64,712,761</u>	\$ <u>(524,310)</u>	\$ <u>2,150,738</u>	\$ <u>66,339,189</u>	\$ <u>7,603,653</u>
Noncash investing, capital and financing activities:					
Contributions of capital assets	\$ 847,307	\$ -	\$ -	\$ 847,307	\$ -
Capital asset trade-ins	5,005	-	-	5,005	-
Net (decrease) in fair value of investments	(201,988)	(721)	(11,643)	(214,352)	(11,123)

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, 2017**

	<u>Pension Trust Funds</u>	<u>Special Assessment Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 3,266,311	\$ 6,652,085
Receivable from sale of securities	858,173	-
Interest and dividends receivable	541,177	-
Due from other funds	911,083	1,263
Other receivables	461	-
Investments, at fair value:		-
Money market funds	7,620,731	-
U.S. government and agency securities	38,480,863	-
Corporate bonds	26,379,074	-
Mutual funds	103,679,326	-
Common stocks	210,671,384	-
International equity funds	55,457,367	-
Commingled real estate funds	25,178,811	-
Total investments	<u>467,467,556</u>	<u>-</u>
Prepaid items	546,353	-
Total assets	<u>473,591,114</u>	<u>6,653,348</u>
LIABILITIES		
Deposits held for others	-	6,653,348
Accounts payable	406,424	-
Payable for securities purchased	1,083,623	-
Total liabilities	<u>1,490,047</u>	<u>6,653,348</u>
NET POSITION		
Restricted for pensions	<u>\$ 472,101,067</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, 2017**

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 25,938,823
Plan members	6,126,705
Other sources	1,491,886
Total contributions	<u>33,557,414</u>
Investment earnings:	
Interest	1,831,590
Dividends	5,428,261
Net appreciation in fair value of investments	44,388,734
Other	23,824
Total investment earnings	<u>51,672,409</u>
Less investment expense	<u>1,840,124</u>
Net investment earnings	<u>49,832,285</u>
Total additions	<u>83,389,699</u>
DEDUCTIONS	
Benefits	29,461,297
Refunds of contributions	180,303
Administrative expenses	726,577
Total deductions	<u>30,368,177</u>
Change in net position	53,021,522
Net position - beginning	<u>419,079,545</u>
Net position - ending	<u>\$ 472,101,067</u>

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

CITY OF SUNRISE, FLORIDA
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SEPTEMBER 30, 2017

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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 June 2015, the GASB issued *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (Statement No. 73). In August 2015, the GASB issued *Tax Abatement Disclosures* (Statement No. 77). In December 2015, the GASB issued *Certain External Investment Pools and Pool Participants* (Statement No. 79). The City has applied the requirements, as applicable, of these Statements effective October 1, 2016.

The City has already adopted Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73* effective October 1, 2015.

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

CITY OF SUNRISE, FLORIDA

assets. Operating expenses for the internal service funds include claims, insurance premiums, 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 includes 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, 2017, the agency fund reports total assets of \$6,653,348, which consists of the debt service reserve of \$4,786,575 and \$1,866,773 received from the property owners for the 2018 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

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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, 2017, 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 two money market mutual funds including Fidelity Investments Money Market Government Portfolio - Institutional Class and Federated Government Obligations Fund - Institutional Shares.

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), limited real estate investments, 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 last business day of the fiscal year at current exchange rates;

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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 net realizable value, using the FIFO method; the meters and parts and supplies inventories are stated at lower of cost or net realizable value, 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.

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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

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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

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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.

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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 \$73,226,750 are as follows:

Bonds payable	\$ 45,410,000
Plus: Issuance premiums	1,574,331
Less: Bond insurance costs	(32,259)
Compensated absences	10,362,305
Other post-employment benefits	<u>15,912,373</u>
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 73,226,750</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 \$1,002,627 difference are as follows:

Capital outlay	\$ 14,627,576
Depreciation expense	(15,011,850)
Capitalized operating expenditures	29,643
Non-capitalized capital outlay expenditures	<u>(647,996)</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>\$ (1,002,627)</u>

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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 \$(87,801) 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.	\$ (84,410)
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.	67,955
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.	7,000
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>(78,346)</u>
<i>Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities</i>	<u><u>\$ (87,801)</u></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 \$3,639,914 difference are as follows:

Amortization of bond premium	\$ 299,165
Interest accrual for General Obligation bonds	8,813
Amortization of bond insurance costs	(8,064)
Bond principal repayments	<u>3,340,000</u>
<i>Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities</i>	<u><u>\$ 3,639,914</u></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 \$(1,896,176) difference are as follows:

Increase in other post employment benefits	\$ (1,396,433)
Increase in compensated absences	<u>(499,743)</u>
<i>Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities</i>	<u><u>\$ (1,896,176)</u></u>

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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 \$935,204 for the general fund, \$721,717 for the special revenue funds, and \$13,158,714 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, 2017, the carrying value of the City's deposits and investments, exclusive of the Pension trust and agency funds, was \$8,983,125 in U.S. Treasuries, \$25,150,506 in U.S. Government sponsored enterprises; \$20,530,185 in certificates of deposit, \$120,845,437 in the SBA Florida PRIME, \$35,380,410 in the Florida Fixed Income Trust, \$10,052,489 in the FL Class Local Government Investment Pool, \$4,984,781 in commercial paper, and \$133,701,686 in five money market mutual funds (Fidelity Investments Money Market Government Portfolio Institutional Class with Wells Fargo Bank, Fidelity Investments Money Market Treasury Portfolio – Class III with Bank of New York Mellon, Goldman Sachs Financial Square Government Fund – Institutional Shares with Regions Bank, First American Funds Treasury Obligations Fund with US Bank, and Federated Government Obligations Fund – Institutional Shares with Wells Fargo Bank and Hancock Bank). The investments in Florida PRIME and the five money market mutual funds are classified as cash and cash equivalents. Additionally, cash and cash equivalents are comprised of \$70,280 on hand and \$137,213,142 with qualified public

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depositories. Total restricted and unrestricted cash and cash equivalents at September 30, 2017 are \$401,883,034. Total investments, including restricted and unrestricted, amount to \$95,029,007.

As of September 30, 2017, 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	\$52,003,389	\$(4,701,426)	\$34,384,356	\$18,569,648	\$3,750,811

The City's Police Officers' Pension trust fund contained the following fixed income investments as of September 30, 2017:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>Lehman Aggregate Bond Rating</u>
U.S. treasuries	\$ 10,685,612	5.30	AA
U.S. agencies	21,545,104	6.90	AA
Corporate bonds	11,589,023	7.30	A-AAA
Total fair value	<u>\$ 43,819,739</u>		
Portfolio weighted average duration		6.61	

At September 30, 2017, 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	\$ 6,100,349	\$ -	\$ 1,127,193	\$ 731,183	\$ 4,241,973
U.S. agencies	149,798	-	149,798	-	-
Corporate bonds	14,790,051	-	4,332,798	10,457,253	-
	<u>\$ 21,040,198</u>	<u>\$ -</u>	<u>\$ 5,609,789</u>	<u>\$ 11,188,436</u>	<u>\$ 4,241,973</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, 2017 matures in 151 days. The weighted average days to maturity of the SBA Florida PRIME is 51 days. The weighted average days to maturity of the FL Class is 56 days. The weighted average maturity for the Florida Fixed Income Trust is 902 days. The weighted average maturity for the Fidelity Investments Money Market Government Portfolio Institutional Class is 27 days. The weighted average maturity for Fidelity Investments Money Market Treasury Portfolio – Class III is 35 days. The weighted average maturity for Goldman Sachs Financial Square Government Fund is 21 days. The weighted average maturity for First American Funds Treasury Obligations Fund is 33 days. The weighted average maturity for Federated Government Obligations Fund is 26 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 investment portfolio through the adoption of the Barclays Capital Government/Credit Intermediate Index.

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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 and FL Class are rated AAAM by Standard and Poor's. The Florida Fixed Income Trust is rated AA+f/S1 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, 2017, \$34,053,877 were rated AAA, \$5,792,077 were rated AA, \$3,935,752 were rated A, \$4,597,775 were rated BAA, \$1,533,834 were rated BB, and \$2,090,074 were rated B or lower. The credit ratings of investments in the corporate bonds of the Firefighters' Pension Plan at September 30, 2017 range from AA+ to BBB+ and total \$14,790,051. U.S. Government agency securities totaled \$149,798 and were rated AA+. U. S. Government obligations of \$6,100,349 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. 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 \$68,846,297 or 13.9% of the total portfolio invested with BankUnited and an additional \$39,700,443 or 8% 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, 2017, the Florida PRIME Fund Investment Pool held \$120,845,438 or 24.3% of the City's portfolio. The Florida Fixed Income Trust held \$35,380,410 or 7.1% 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, 2017, the City had \$46,025,572 or 9.3% invested in Federated Government Obligations Fund; \$40,258,735 or 8.1% in Fidelity Investments Money Market Government Portfolio Institutional Class; and \$32,264,724 or 6.5% 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 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.

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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 City 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 City 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.

The following table summarizes the City’s investments, excluding the pension funds, within the fair value hierarchy at September 30, 2017:

	Fair Value	Level 1	Level 2
U.S. treasuries	\$ 8,983,125	\$ 8,983,125	\$ -
U.S. agencies	25,150,506	-	25,150,506
Commercial paper	4,984,781	4,984,781	-
Total investments at fair value	39,118,412	\$ 13,967,906	\$ 25,150,506
Investments measured at net asset value (NAV)			
Fixed Income Trust (FIT)	35,380,410		
Investments reported at amortized cost			
Certificates of deposit	20,530,185		
Total investments	\$ 95,029,007		

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

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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	\$ 35,380,410	-	Daily	Next Day
Total investments				
measured at NAV	\$ 35,380,410			

The FL FIT is a commingled Pool designed to provide a high level of current income consistent with low volatility of net asset value and provide positive holding period returns for time horizons of 1-3 years or greater. The management team utilizes multiple short term investment strategies based upon the interest rate outlook for the 1 to 5 year part of the treasury curve. The management team takes advantage of these short term strategies by utilizing a diversified portfolio of fixed income securities such as U.S. Treasury and Agencies Securities, government securities and agency mortgage back securities, corporate securities, commercial paper and other money market investments.

The following table summarizes the General Pension Plan's investments within the fair value hierarchy at September 30, 2017:

	Fair Value	Level 1	Level 2
Common stocks	\$ 61,213,159	\$ 61,213,159	\$ -
Fixed income mutual funds	52,003,389	-	52,003,389
Equity mutual funds	23,046,398	-	23,046,398
International equity trust funds	30,211,940	-	30,211,940
Collective investment trust	28,629,539	-	28,629,539
Total investments at fair value	\$ 195,104,425	\$ 61,213,159	\$ 133,891,266

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.

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.

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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 (excluding money market funds) within the fair value hierarchy at September 30, 2017:

	Fair Value	Level 1	Level 2
U.S. Government obligations	\$ 10,685,612	\$ -	\$ 10,685,612
U.S. Government agency obligations	21,545,104	-	21,545,104
Corporate bonds	11,589,023	-	11,589,023
Domestic stocks	66,229,307	66,229,307	-
International equity investment fund	14,321,024	14,321,024	-
Total investments at fair value	<u>124,370,070</u>	<u>\$ 80,550,331</u>	<u>\$ 43,819,739</u>

Investments measured at net asset value (NAV)

Commingled real estate funds	<u>11,154,742</u>
Total investments	<u>\$ 135,524,812</u>

Debt securities - Debt securities classified in Level 1 or Level 2 of the fair value hierarchy are valued using prices quoted in active markets for those 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.

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.

Investments Measured at Net Asset Value (NAV)

	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled real estate	\$ 11,154,742	-	Quarterly
Total investments measured at NAV	<u>\$ 11,154,742</u>		60 days

The real estate investment funds are open end, commingled private equity real estate portfolios. These REIT-based funds are structured as limited partnerships. Their primary focus is to invest in well-based income producing properties within major U.S. markets. The fair values of the investments in these funds have been determined using the NAV per unit of the trusts ownership interest in partners’ capital. The investments of the fund are valued quarterly. Withdrawal requests must be made 60 days in advance and may be in one or more installments.

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The following table summarizes the Firefighters’ Pension Plan’s investments (excluding money market funds) within the fair value hierarchy at September 30, 2017:

	Fair Value	Level 1	Level 2
U.S. treasuries	\$ 2,492,614	\$ -	\$ 2,492,614
U.S. agencies	149,798	-	149,798
Mortgage backed securities	3,607,735	-	3,607,735
Corporate bonds	14,790,051	-	14,790,051
Common stock	45,226,334	45,226,334	-
Equity mutual fund	99,028	99,028	-
International equity investment fund	10,924,403	10,924,403	-
Total investments at fair value	<u>77,289,963</u>	<u>\$ 56,249,765</u>	<u>\$ 21,040,198</u>
Investments measured at net asset value (NAV)			
Collective fund	37,903,556		
Commingled real estate funds	14,024,069		
Total investments	<u>\$ 129,217,588</u>		

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, 2017. 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.

Investments Measured at Net Asset Value (NAV)

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective funds	\$ 37,903,556	-	Daily	Same Day
Commingled real estate	14,024,069	-	Daily	Same Day
Total investments measured at NAV	<u>\$ 51,927,625</u>			

Collective funds consist of collective investment vehicles 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.

The fair values of the investments in the commingled real estate funds have been determined using the NAV. Net asset values of the commingled real estate are determined by the fund

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managers using fair values of the underlying investments of the fund. There are no restrictions or terms and conditions. Real estate values are based upon independent appraisals performed for assets held by the open-end fund annually, with restricted-scope appraisals conducted on a quarterly basis for those assets not receiving a full appraisal. The fair value of real estate is determined as the price that the plan would expect to receive if the asset was sold to a market participant assuming the highest and best use of each asset at the date of the statement of fiduciary net position.

B. Receivables and unearned revenue

Receivables at September 30, 2017, 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	\$ 79,787	\$1,781,147	\$ 923,763	\$ -	\$156,400	\$ 2,553,772	\$ 5,494,869
Special Assessment	24,752	-	-	-	-	-	24,752
Internal Service	35,450	-	32,674	-	96,508	-	164,632
Other governmental	<u>77,903</u>	-	-	-	<u>5,533</u>	<u>1,094,888</u>	<u>1,178,324</u>
Total – governmental activities	<u>\$217,892</u>	<u>\$1,781,147</u>	<u>\$ 956,437</u>	<u>\$ -</u>	<u>\$258,441</u>	<u>\$ 3,648,660</u>	<u>\$ 6,862,577</u>
Business-type activities:							
Water, Wastewater & Gas Utility System							
Unrestricted	\$127,386	\$ -	\$18,328,296	\$ 5,996	\$26,263	\$ 39,767	\$ 18,527,708
Restricted	155,778	-	1,445	-	-	-	157,223
Sanitation	1,224	-	2,095,947	-	24,986	-	2,122,157
Other proprietary	<u>15,767</u>	-	<u>837,925</u>	-	<u>9,624</u>	<u>62,890</u>	<u>926,206</u>
Gross receivables	300,155	-	21,263,613	-	60,873	102,657	21,733,294
Less: Uncollectibles	-	-	<u>(150,000)</u>	-	-	-	<u>(150,000)</u>
Total – business-type activities	<u>\$300,155</u>	<u>\$ -</u>	<u>\$21,113,613</u>	<u>\$ 5,996</u>	<u>\$ 60,873</u>	<u>\$ 102,657</u>	<u>\$ 21,583,294</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	\$ 53,190
Uncollectibles related to gas sales	2,371
Uncollectibles related to recycling services	503
Uncollectibles related to stormwater services	<u>2,972</u>
Total uncollectibles for the current fiscal year	<u>\$ 59,036</u>

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.

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Unearned revenue

At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Prepaid local business license tax (General fund)	\$ 1,864,016
Prepaid inspection/plans review fees (General fund)	754,899
Prepaid inspection/plans review fees (Building fund)	37,250
Prepaid sidewalk replacement fees (Fuel and Roadway special revenue fund)	3,389
Grant proceeds prior to meeting all eligibility requirements (General fund)	<u>32,838</u>
Total unearned revenue for governmental funds	<u>\$ 2,692,392</u>

C. Capital assets

Capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 23,934,730	\$ -	\$ -	\$ 23,934,730
Construction in progress	<u>31,153,645</u>	<u>13,216,688</u>	<u>(32,848,954)</u>	<u>11,521,379</u>
Total capital assets, not being depreciated or amortized	<u>55,088,375</u>	<u>13,216,688</u>	<u>(32,848,954)</u>	<u>35,456,109</u>
Capital assets, being depreciated or amortized:				
Intangibles	1,979,934	65,921	(38,115)	2,007,740
Buildings and system	122,903,823	31,845,920	-	154,749,743
Improvements other than buildings	54,079,802	1,271,437	(68,088)	55,283,151
Machinery and equipment	20,071,358	893,930	(910,259)	20,055,029
Vehicles	23,542,427	3,097,192	(1,061,700)	25,577,919
Infrastructure	<u>331,893,532</u>	<u>-</u>	<u>-</u>	<u>331,893,532</u>
Total capital assets, being depreciated or amortized	554,470,876	37,174,400	(2,078,162)	589,567,114
Less accumulated depreciation/ amortization for:				
Intangibles	(1,555,843)	(163,400)	38,115	(1,681,128)
Buildings and system	(40,638,534)	(4,248,474)	-	(44,887,008)
Improvements other than buildings	(35,783,820)	(2,635,821)	13,618	(38,406,023)
Machinery and equipment	(13,108,647)	(1,716,284)	890,269	(13,934,662)
Vehicles	(14,388,524)	(1,673,551)	1,050,313	(15,011,762)
Infrastructure	<u>(311,922,877)</u>	<u>(5,986,702)</u>	<u>-</u>	<u>(317,909,579)</u>
Total accumulated depreciation/ amortization	<u>(417,398,245)</u>	<u>(16,424,232)</u>	<u>1,992,315</u>	<u>(431,830,162)</u>
Total capital assets, being depreciated or amortized, net	<u>137,072,631</u>	<u>20,750,168</u>	<u>(85,847)</u>	<u>157,736,952</u>
Governmental activities capital assets, net	<u>\$192,161,006</u>	<u>\$ 33,966,856</u>	<u>\$(32,934,801)</u>	<u>\$193,193,061</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 12,147,246	\$ 265,192	\$ -	\$ 12,412,438
Construction in progress	45,996,743	34,762,501	(34,382,922)	46,376,322
Total capital assets, not being depreciated or amortized	<u>58,143,989</u>	<u>35,027,693</u>	<u>(34,382,922)</u>	<u>58,788,760</u>
Capital assets, being depreciated or amortized:				
Intangibles	846,445	23,874	(469,463)	400,856
Buildings and system	569,265,767	29,974,218	(2,077,558)	597,162,427
Improvements other than buildings	12,625,312	5,776,973	(17,891)	18,384,394
Machinery and equipment	8,800,464	429,495	(363,592)	8,866,367
Vehicles	9,700,717	959,467	(272,066)	10,388,118
Total capital assets, being depreciated or amortized	<u>601,238,705</u>	<u>37,164,027</u>	<u>(3,200,570)</u>	<u>635,202,162</u>
Less accumulated depreciation/ amortization for:				
Intangibles	(837,802)	(11,030)	469,463	(379,369)
Buildings and system	(247,016,924)	(20,465,897)	1,308,311	(266,174,510)
Improvements other than buildings	(6,627,314)	(918,988)	15,746	(7,530,556)
Machinery and equipment	(6,133,477)	(457,838)	354,963	(6,236,352)
Vehicles	(6,412,302)	(582,745)	272,066	(6,722,981)
Total accumulated depreciation/ amortization	<u>(267,027,819)</u>	<u>(22,436,498)</u>	<u>2,420,549</u>	<u>(287,043,768)</u>
Total capital assets, being depreciated or amortized, net	<u>334,210,886</u>	<u>14,727,529</u>	<u>(780,021)</u>	<u>348,158,394</u>
Business-type activities capital assets, net	<u>\$ 392,354,875</u>	<u>\$ 49,755,222</u>	<u>\$ (35,162,943)</u>	<u>\$ 406,947,154</u>

At September 30, 2017, the total amount of interest costs expensed related to business-type activities is \$10,441,946.

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

Governmental activities:	
General government	\$ 3,173,974
Public safety	3,540,931
Transportation, including depreciation of general infrastructure assets	6,427,676
Culture and recreation	3,281,651
Total depreciation expense - governmental activities	<u>\$ 16,424,232</u>
Business-type activities:	
Water, wastewater, and gas	\$ 21,883,921
Sanitation	150
Recycling	364
Stormwater	458,968
Golf course	93,095
Total depreciation expense - business-type activities	<u>\$ 22,436,498</u>

D. Construction commitments

At September 30, 2017, the City had in process various uncompleted construction projects with remaining balances totaling \$58,547,462. 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, 2017 are as follows:

Major funds:	
General Fund	\$ 670,109
Other governmental funds	<u>19,104,106</u>
Total Encumbrances	<u>\$19,774,215</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 and was paid off as of September 30, 2017.

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 \$125,000 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 \$13,000,000 to the Capital Improvements capital projects fund. This advance was made to fund certain park, recreation and leisure services projects. The General Fund recognizes the advance as an asset with a corresponding nonspendable fund balance.

The General Fund advanced \$92,710 to the Urban Area Security Initiative grant special revenue fund as a short-term loan to fund operations.

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The composition of interfund balances as of September 30, 2017, is as follows.

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>	
General fund	\$ 92,710	\$ -	
Non-major governmental funds:			
Special revenue funds:			
Urban Area Security Initiative Grant	-	92,710	
Total interfund receivables/payables	<u>\$ 92,710</u>	<u>\$ 92,710</u>	
<u>Fund</u>	<u>Advance from</u>	<u>Advance to</u>	
General fund	\$ 13,225,000	\$ -	
Non-major governmental funds:			
Special revenue funds:			
Community Development Block Grant	-	100,000	
Police Confiscation	-	125,000	
Capital projects funds:			
Capital Improvements	-	13,000,000	
Total advances	<u>\$ 13,225,000</u>	<u>\$ 13,225,000</u>	
<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Purpose</u>
General fund	\$ 697,295	\$ 942,632	1,2,3,4
Non-major governmental funds:			
Special revenue funds:			
Building Fees	-	3,435	2
Community Development Block Grant	-	117	2
Fuel and Roadway	-	1,290	2
Police Confiscation	59,932	55,305	1,2
Debt service funds:			
Special Tax District No. 1	33	-	4
General Obligation Bond Series 2015	371	-	4
Capital projects funds:			
Capital Improvements	36,838	-	1
General Obligation Bond Series 2015	1,453	225,387	1,4
Total non-major governmental funds	<u>98,627</u>	<u>285,534</u>	
Enterprise funds:			
Water, Wastewater, and Gas Utility System	188,549	495,790	1,2
Sanitation	-	158,670	3
Non-major enterprise funds:			
Recycling	-	9,835	2
Stormwater	-	1,593	2
Total non-major enterprise funds	<u>-</u>	<u>11,428</u>	
Internal service funds:			
Fleet Management	-	243	2
Information Technology & Communications	-	2,520	2
Total internal service funds	<u>-</u>	<u>2,763</u>	
Pension trust/agency funds:			
General Employees' Pension	52,721	-	2
Police Officers' Pension	47,146	-	2
Firefighters' Pension	811,216	-	2
Special Assessment Agency	1,263	-	4
Total pension trust/agency funds	<u>912,346</u>	<u>-</u>	
Total due to/due from	<u>\$ 1,896,817</u>	<u>\$ 1,896,817</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

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Interfund transfers:

	Transfers out:			
	General fund	Non-major governmental funds	Water, Wastewater, and Gas Utility System enterprise fund	Total
Transfers in:				
General fund	\$ -	\$ 105,005 b	\$ 4,992,392 a	\$ 5,097,397
Non-major governmental fund	920,310 a/b	-	-	920,310
Sanitation fund	435,880 c	-	-	435,880
Non-major enterprise funds	921,380 c	-	-	921,380
Internal service funds	-	-	-	-
	\$ 2,277,570	\$ 105,005	\$ 4,992,392	\$ 7,374,967

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

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. These bonds were paid off in November 2016 by 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.

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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>
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	12,430,000	9,253,279
2023-2027	72,335,000	35,639,645
2028-2032	49,290,000	19,725,496
2033-2036	46,505,000	4,251,447
Sub-total	<u>199,905,000</u>	<u>109,729,023</u>
Bond premium	487,924	-
Total	<u>\$ 200,392,924</u>	<u>\$ 109,729,023</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>
2018	\$ 2,035,000	\$ 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	3,310,000	1,242,946
2023-2027	4,965,000	5,493,730
2028-2032	6,180,000	4,413,765
2033-2037	7,255,000	2,993,240
2038-2042	8,655,000	1,722,424
2043-2045	<u>6,015,000</u>	<u>207,395</u>
	47,445,000	22,599,444
Plus: Bond premium	1,574,331	-
Total	<u>\$ 49,019,331</u>	<u>\$ 22,599,444</u>

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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	\$ -	4.413%
Special Tax District No. 1 Ad Valorem Tax Refunding Bonds, Series 2001 Serial bonds	Refunding	26,660,000	8,830,000	2.70%-5.00%
Ad Valorem Tax Bonds, Series 2003 Serial bonds	Fund certain District capital improvements	6,770,000	2,360,000	1.25%-4.60%
General Obligation Bonds, Series 2015 Serial bonds Term bonds	Park, Recreation & Leisure Projects	18,460,000 <u>19,170,000</u>	17,085,000 <u>19,170,000</u>	3.0%-5.0% 3.375%-4.0%
Total governmental activities bonds		<u>\$ 74,695,000</u>	<u>\$ 47,445,000</u>	

The City has pledged future net water, wastewater, and gas revenues to repay \$296,349,299 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 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 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. The final principal and interest payments for the Series 1993 bonds were made in 2017. Total principal and interest remaining to be paid on the utility bonds is \$309,634,023. Principal and interest paid for the current year and total customer net revenue were \$15,118,239 and \$58,069,835, 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	-	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	16,030,000	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>\$ 296,349,299</u>	<u>\$ 199,905,000</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 9/30/17</u>
Governmental activities:			
Public Facilities revenue bonds	1992B	2013	\$ 26,040,000
Business-type activities:			
Utility System revenue bonds	1976F	1983	60,000
	1983A	1985	680,000
	1983C	1985	980,000
	1998	2010	<u>40,290,000</u>
Total outstanding defeased, refunded debt			<u>\$ 68,050,000</u>

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Change in long-term liabilities

Total long-term liability activity for the year ended September 30, 2017, was as follows:

	Beginning Balance as previously stated	Restatement	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:							
Bonds payable	\$ 50,920,000	\$ -	\$ 50,920,000	\$ -	\$ (3,475,000)	\$ 47,445,000	\$ 2,035,000
Less deferred amounts:							
For issuance premiums	1,873,496	-	1,873,496	-	(299,165)	1,574,331	-
Total bonds payable	52,793,496	-	52,793,496	-	(3,774,165)	49,019,331	2,035,000
Compensated absences	10,060,407	-	10,060,407	6,865,613	(6,277,236)	10,648,784	1,063,966
Other post employment benefits	14,579,310	-	14,579,310	2,057,470	(617,687)	16,019,093	-
Total pension liability -retiree subsidy	7,267,091	11,228,629	18,495,720	3,066,640	(751,582)	20,810,778	-
Net pension liability	162,671,099	-	162,671,099	77,034,806	(79,931,527)	159,774,378	-
Claims	4,786,923	-	4,786,923	1,000,987	(996,910)	4,791,000	1,600,000
Governmental activities long-term liabilities	\$ 252,158,326	\$ 11,228,629	\$ 263,386,955	\$ 90,025,516	\$ (92,349,107)	\$ 261,063,364	\$ 4,698,966
Business-type activities:							
Bonds payable:							
Revenue bonds	\$ 204,330,000	\$ -	\$ 204,330,000	\$ -	\$ (4,425,000)	\$ 199,905,000	\$ 4,550,000
Less deferred amounts:							
For issuance premiums	765,556	-	765,556	-	(277,632)	487,924	-
Total bonds payable	205,095,556	-	205,095,556	-	(4,702,632)	200,392,924	4,550,000
Compensated absences	3,816,537	-	3,816,537	2,247,698	(1,786,180)	4,278,055	414,909
Other post employment benefits	5,559,889	-	5,559,889	864,657	(259,583)	6,164,963	-
Total pension liability -retiree subsidy	6,999,216	8,066,523	15,065,739	2,497,940	(612,204)	16,951,475	-
Net pension liability	39,352,911	-	39,352,911	19,705,414	(18,966,442)	40,091,883	-
Business-type activities long-term liabilities	\$ 260,824,109	\$ 8,066,523	\$ 268,890,632	\$ 25,315,709	\$ (26,327,041)	\$ 267,879,300	\$ 4,964,909

For governmental activities, compensated absences and other post-employment benefits 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 2016-2017 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,

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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 \$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, 2017 were approximately 99.6% 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 28, 2016. 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, 2017 is shown as follows:

Lien date	January 1, 2016
Levy date, tax bills mailed	November 1, 2016
Last date for 4% discount on taxes paid	November 30, 2016
Last date for 3% discount on taxes paid	December 31, 2016
Last date for 2% discount on taxes paid	January 31, 2017
Last date for 1% discount on taxes paid	February 28, 2017
Final due date of payment of taxes	March 31, 2017
Date for auctioning tax certificates on delinquent accounts	On or before June 1, 2017

J. Restatement of prior year balances

The October 1, 2016 beginning net position of the following fund types was restated due to the implementation of GASB Statement Number 73.

Governmental Activities

Net position, October 1, 2016, as previously stated	\$ 208,793,420
Restatement of net position – Governmental funds	(9,546,298)
Restatement of net position – Internal Service funds	<u>(930,749)</u>
Net position, October 1, 2016, restated	<u>\$ 198,316,373</u>

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Business-type Activities

Net position, October 1, 2016, as previously stated	\$ 386,864,611
Restatement of net position – Water, Wastewater & Gas Fund	(6,780,422)
Restatement of net position – Non-major enterprise funds	<u>(673,897)</u>
Net position, October 1, 2016, restated	<u>\$ 379,410,292</u>

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 \$4,791,000, which is discounted at 2%, is reported in the fund at September 30, 2017 and is based 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 9/30/17	Year ended 9/30/16
Unpaid claims, beginning of fiscal year	\$ 4,787	\$ 4,727
Incurred claims (and estimate changes)	1,001	1,210
Claim payments	<u>(997)</u>	<u>(1,150)</u>
Unpaid claims, end of fiscal year	<u>\$ 4,791</u>	<u>\$ 4,787</u>

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.

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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 supplemental 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 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%

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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, 2017, thirty-six 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 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 \$281,577 for the fiscal year ended September 30, 2017 for the sixty-six 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 benefit plan 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

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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 331 participants during the fiscal year ended September 30, 2017. There are no assets accumulated in the retiree subsidy plan to pay related benefits.

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, 2017.

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:

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

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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%.

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	34.64%	63.38%	52.96%
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	\$ 11,255,914	\$ 9,924,347	\$ 6,250,448
Contributions made:			
City	\$ 11,255,914	\$ 9,199,456	\$ 5,483,453
Plan members	3,173,557	1,664,869	1,288,279
Other	-	724,891 ¹	766,995 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 \$1,491,886 for the year ended September 30, 2017: \$766,995 for property insurance contracts for firefighters and \$724,891 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, 2016, 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, 2015 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:

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	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan
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	23 years	25 years
Actuarial assumptions:			
Investment rate of return	7.5%	7.8%	7.9%
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	534	132	109
Inactive, non-retired members	68	1	3
Active members	505	150	118

The actuarial valuation of the total liability for the retiree subsidy plan was performed as of October 1, 2015 and rolled forward 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

Membership as of Actuarial Valuation Date

Retirees and beneficiaries	297
Active members	568

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 7.9% 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.

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Discount rate: The discount rate used to measure the total pension liability for the retiree subsidy plan was based on a municipal bond rate of 3.06%.

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>Discount Rate</u>	<u>1% Increase</u>
General Employees (7.50%)	\$ 117,015,851	\$ 87,901,894	\$ 63,352,794
Police Officers (7.80%)	87,774,334	63,382,547	43,467,898
Firefighters (7.90%)	69,123,908	48,581,820	31,711,427

Sensitivity of the total pension liability to changes in the discount rate: The following presents the City’s total pension liability for the retiree subsidy calculated using a municipal bond discount rate and the total liability using municipal bond rates that are one percentage point lower and one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Retiree Subsidy Pension Plan (3.06%)	\$ 43,189,833	\$ 37,762,253	\$ 33,321,253

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, 2016 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>	37.0%	Large Cap	6.60%
	8.0%	Mid Cap	9.60%
	10.0%	Small Cap	6.40%
	30.0%	Fixed income	2.60%
	10.0%	International equity	3.00%
	5.0%	Emerging Markets	11.10%

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Changes in the Net Pension Liability:

	General Employees	Police Officers	Firefighters'	Total
Total pension liability - beginning	\$ 246,978,656	\$ 175,806,062	\$ 158,772,928	\$ 581,557,646
Changes for the year:				
Service cost	6,249,017	4,415,243	3,217,784	13,882,044
Interest	18,468,241	13,727,142	12,568,229	44,763,612
Difference between expected and actual experience	6,201,568	560,558	(728,503)	6,033,623
Change of assumptions	-	-	1,643,838	1,643,838
Benefit payments	(13,886,080)	(8,399,112)	(6,437,587)	(28,722,779)
Refunds	(82,839)	(65,487)	(63,852)	(212,178)
Net change in total pension liability	<u>16,949,907</u>	<u>10,238,344</u>	<u>10,199,909</u>	<u>37,388,160</u>
Total pension liability - ending (a)	<u>\$ 263,928,563</u>	<u>\$ 186,044,406</u>	<u>\$ 168,972,837</u>	<u>\$ 618,945,806</u>
Plan fiduciary net position - beginning	\$ 160,767,773	\$ 110,239,064	\$ 108,526,799	\$ 379,533,636
Employer contributions	10,310,136	8,834,348	5,185,357	24,329,841
Employee contributions	3,103,175	1,510,667	1,338,474	5,952,316
Other contributions	-	693,248	803,419	1,496,667
Net investment income	16,019,240	10,187,217	11,249,228	37,455,685
Benefit payments	(13,886,080)	(8,399,112)	(6,437,587)	(28,722,779)
Refunds	(82,839)	(65,487)	(63,852)	(212,178)
Administrative expenses	(204,736)	(338,086)	(210,821)	(753,643)
Net change in fiduciary net position	<u>15,258,896</u>	<u>12,422,795</u>	<u>11,864,218</u>	<u>39,545,909</u>
Plan fiduciary net position - ending (b)	<u>\$ 176,026,669</u>	<u>\$ 122,661,859</u>	<u>\$ 120,391,017</u>	<u>\$ 419,079,545</u>
Net pension liability (a-b)	<u>\$ 87,901,894</u>	<u>\$ 63,382,547</u>	<u>\$ 48,581,820</u>	<u>\$ 199,866,261</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

Changes in the Total Pension Liability:

	Retiree Subsidy Plan
Service cost	\$ 1,311,427
Interest on total pension subsidy liability	1,268,486
Changes of assumptions	2,984,667
Benefit payments	<u>(1,363,786)</u>
Net change in total pension subsidy liability	4,200,794
Total pension subsidy obligation – beginning	<u>33,561,459</u>
Total pension subsidy obligation – ending	<u>\$37,762,253</u>
Covered payroll	\$33,616,746
Total pension subsidy liability as a percentage of covered payroll	112.33%

The Schedules of Changes in the City’s Total Pension Liability and Related Ratios for the retiree subsidy plan are presented as required supplementary information following the notes to the financial statements, present multiyear trend information.

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

For the year ended September 30, 2017, the City recognized pension income of \$4,829,883 and pension expense of \$8,847,790 as the result of GASB No. 68. Deferred outflows and inflows of resources related to the City’s three defined benefit pension plans are as follows:

	General Employees'	Police Officers'	Firefighters'	Total
<u>Deferred outflows</u>				
Difference between expected and actual experience	\$ 6,430,250	\$ 423,837	\$ -	\$ 6,854,087
Contributions subsequent to the measurement date	11,255,914	9,924,347	6,250,448	27,430,709
Difference between expected and actual earnings on investments	7,678,802	5,147,480	5,224,496	18,050,778
Changes in assumptions	1,674,459	4,036,065	1,398,890	7,109,414
Total deferred outflows	<u>\$ 27,039,425</u>	<u>\$ 19,531,729</u>	<u>\$ 12,873,834</u>	<u>\$ 59,444,988</u>
<u>Deferred inflows</u>				
Difference between expected and actual experience	\$ 93,214	\$ 166,761	\$ 1,203,019	\$ 1,462,994
Difference between expected and actual earnings on investments	3,431,139	1,314,077	3,008,733	7,753,949
Total deferred inflows	<u>\$ 3,524,353</u>	<u>\$ 1,480,838</u>	<u>\$ 4,211,752</u>	<u>\$ 9,216,943</u>

CITY OF SUNRISE, FLORIDA

Deferred outflows of resources due to assumption changes (\$2,558,286) and restatement (\$1,435,430) related to the City’s retiree subsidy pension plan amount to \$3,993,716.

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

Fiscal Year	Defined Benefit Pension Plans			
	General Employees'	Police Officers'	Firefighters'	Retiree Subsidy
2018	\$ 15,662,279	\$ 12,700,029	\$ 6,900,473	\$ 426,381
2019	4,032,788	2,794,214	650,024	426,381
2020	3,478,975	2,774,341	1,395,999	426,381
2021	341,030	(217,693)	(319,619)	426,381
2022	-	-	35,205	426,381
Thereafter	-	-	-	426,381
	\$ 23,515,072	\$ 18,050,891	\$ 8,662,082	\$ 2,558,286

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.

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

CITY OF SUNRISE, FLORIDA

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

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	\$ 3,176,264
Interest on net OPEB obligation	704,872
Adjustment to annual required contribution	<u>(959,009)</u>
Annual OPEB cost (expense)	2,922,127
Contributions made	<u>(877,270)</u>
Increase in net OPEB obligation	2,044,857
Net OPEB obligation – beginning of year	<u>20,139,199</u>
Net OPEB obligation – ending of year	<u>\$22,184,056</u>

CITY OF SUNRISE, FLORIDA

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>
09/30/15	\$ 2,572,788	33.4%	\$18,056,757
09/30/16	2,891,348	28.0	20,139,199
09/30/17	2,922,127	30.0	22,184,056

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		
	2016	2015	2014
Total pension liability - beginning	\$ 246,978,656	\$ 235,380,688	\$ 225,236,553
Changes for the year:			
Service cost	6,249,017	5,709,473	5,592,989
Interest	18,468,241	17,739,019	16,695,690
Difference between expected and actual experience	6,201,568	(159,794)	4,296,137
Change of assumptions	-	2,870,501	-
Benefit payments	(13,886,080)	(14,424,957)	(16,155,069)
Refunds	(82,839)	(136,274)	(285,612)
Net change in total pension liability	<u>16,949,907</u>	<u>11,597,968</u>	<u>10,144,135</u>
Total pension liability - ending (a)	<u>\$ 263,928,563</u>	<u>\$ 246,978,656</u>	<u>\$ 235,380,688</u>
Plan fiduciary net position - beginning	\$ 160,767,773	\$ 163,396,851	\$ 155,619,994
Employer contributions	10,310,136	9,797,263	9,606,777
Employee contributions	3,103,175	2,951,954	2,676,412
Net investment income (loss)	16,019,240	(618,632)	12,106,642
Benefit payments	(13,886,080)	(14,424,957)	(16,155,069)
Refunds	(82,839)	(136,274)	(285,612)
Administrative expenses	(204,736)	(198,432)	(172,293)
Net change in plan fiduciary net position	<u>15,258,896</u>	<u>(2,629,078)</u>	<u>7,776,857</u>
Plan fiduciary net position - ending (b)	<u>\$ 176,026,669</u>	<u>\$ 160,767,773</u>	<u>\$ 163,396,851</u>
Net pension liability (a-b)	<u>\$ 87,901,894</u>	<u>\$ 86,210,883</u>	<u>\$ 71,983,837</u>
Plan fiduciary net position as a percentage of the total pension liability	66.69%	65.09%	69.42%
Covered employee payroll	\$ 31,775,096	\$ 28,384,840	\$ 26,603,455
Net pension liability as a percentage of covered-employee payroll	276.64%	303.72%	270.58%

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		
	2016	2015	2014
Total pension liability - beginning	\$ 175,806,062	\$ 157,911,262	\$ 151,315,619
Changes for the year:			
Service cost	4,415,243	4,068,061	3,784,863
Interest	13,727,142	12,725,631	12,056,017
Difference between expected and actual experience	560,558	-	(444,699)
Change of assumptions	-	6,918,969	-
Benefit payments	(8,399,112)	(5,761,251)	(8,760,460)
Refunds	(65,487)	(56,610)	(40,078)
Net change in total pension liability	10,238,344	17,894,800	6,595,643
Total pension liability - ending (a)	\$ 186,044,406	\$ 175,806,062	\$ 157,911,262
Plan fiduciary net position - beginning	\$ 110,239,064	\$ 105,563,905	\$ 96,495,201
Employer contributions	8,834,348	8,194,759	7,472,477
Employee contributions	1,510,667	1,524,051	1,293,252
Other contributions	693,248	639,176	620,714
Net investment income	10,187,217	366,132	8,705,647
Benefit payments	(8,399,112)	(5,761,251)	(8,760,460)
Refunds	(65,487)	(56,610)	(40,078)
Administrative expenses	(338,086)	(231,098)	(222,848)
Net change in plan fiduciary net position	12,422,795	4,675,159	9,068,704
Plan fiduciary net position - ending (b)	\$ 122,661,859	\$ 110,239,064	\$ 105,563,905
Net pension liability (a-b)	\$ 63,382,547	\$ 65,566,998	\$ 52,347,357
Plan fiduciary net position as a percentage of the total pension liability	65.93%	62.70%	66.85%
Covered employee payroll	\$ 15,886,876	\$ 15,488,323	\$ 13,142,805
Net pension liability as a percentage of covered-employee payroll	398.96%	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		
	2016	2015	2014
Total pension liability - beginning	\$ 158,772,928	\$ 151,751,626	\$ 145,582,653
Changes for the year:			
Service cost	3,217,784	3,090,913	3,007,593
Interest	12,568,229	12,023,905	11,602,371
Difference between expected and actual experience	(728,503)	-	(1,492,632)
Change of assumptions	1,643,838	-	172,854
Benefit payments	(6,437,587)	(8,093,516)	(7,121,213)
Refunds	(63,852)	-	-
Net change in total pension liability	10,199,909	7,021,302	6,168,973
Total pension liability - ending (a)	\$ 168,972,837	\$ 158,772,928	\$ 151,751,626
Plan fiduciary net position - beginning	\$ 108,526,799	\$ 109,371,318	\$ 99,036,104
Employer contributions	5,185,357	5,225,550	4,972,033
Employee contributions	1,338,474	1,156,746	1,125,192
Other contributions	803,419	853,244	879,470
Net investment income (loss)	11,249,228	176,272	10,639,774
Benefit payments	(6,437,587)	(8,093,516)	(7,121,213)
Refunds	(63,852)	-	-
Administrative expenses	(210,821)	(162,815)	(160,042)
Net change in plan fiduciary net position	11,864,218	(844,519)	10,335,214
Plan fiduciary net position - ending (b)	\$ 120,391,017	\$ 108,526,799	\$ 109,371,318
Net pension liability (a-b)	\$ 48,581,820	\$ 50,246,129	\$ 42,380,308
Plan fiduciary net position as a percentage of the total pension liability	71.25%	68.35%	72.07%
Covered employee payroll	\$ 11,680,780	\$ 10,816,447	\$ 10,555,759
Net pension liability as a percentage of covered-employee payroll	415.91%	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 CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS

Measurement date September 30,	<u>Retiree Subsidy Pension Plan</u> <u>2016</u>
Total pension liability - beginning	\$ 33,561,459
Changes for the year:	
Service cost	1,311,427
Interest	1,268,486
Difference between expected and actual experience	-
Change of assumptions	2,984,667
Benefit payments	(1,363,786)
Refunds	-
Net change in total pension liability	<u>4,200,794</u>
Total pension liability - ending	<u>\$ 37,762,253</u>
Covered employee payroll	\$ 33,616,746
Total pension liability as a percentage of covered-employee payroll	112.33%

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%

**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>					
9/30/2012	\$ 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%
9/30/2017	877,270	3,176,264	27.6%	60,078,617	1.5%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Employer Contributions	Total Pension Liability	City's percentage of pension liability	Covered Payroll	Pension liability as a percentage of covered payroll
<u>Retiree Subsidy Plan*</u>					
9/30/2017	\$ 1,363,786	\$ 37,762,253	100.0%	\$33,616,746	112.3%

*There are no assets accumulated in a trust to pay related benefits.

This schedule is intended to have ten years of data. Implementation of GASB No. 73 occurred in fiscal year 2017. Additional data to be compiled as information becomes available.

CITY OF SUNRISE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Four 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	-	\$ 26,603,455	36.11%	Actuarial Cost Method	Entry age normal
9/30/2015	9,797,263	9,797,263	-	28,384,840	34.52%	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
9/30/2017	11,255,914	11,255,914	-	35,656,748	31.57%	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	23 years
9/30/2017	9,924,347	9,924,347	-	16,985,178	58.43%	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
9/30/2017	6,250,448	6,250,448	-	12,036,803	51.93%	Asset valuation method	5-year smoothed market
						Inflation	3.00%
						Salary Increases	6% to 13% including inflation
						Investment Rate of Return	7.9%, 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. These bonds were paid off in November 2016.</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, 2017

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 19,312,751	\$ 5,256,036	\$ 67,308,718	\$ 91,877,505
Investments	3,606,426	-	10,176,271	13,782,697
Interest receivable	18,323	2,840	56,740	77,903
Other receivables	5,533	-	-	5,533
Due from other funds	59,932	404	38,291	98,627
Intergovernmental receivable	485,440	-	609,448	1,094,888
Inventories	64,706	-	-	64,706
Total assets	\$ 23,553,111	\$ 5,259,280	\$ 78,189,468	\$ 107,001,859
LIABILITIES				
Accounts payable	342,525	-	1,572,357	1,914,882
Accrued liabilities	104,554	-	-	104,554
Retainage payable	9,878	-	241,360	251,238
Intergovernmental payable	807	-	-	807
Due to other funds	60,147	-	225,387	285,534
Interfund payable	92,710	-	-	92,710
Matured bonds payable	-	2,035,000	-	2,035,000
Matured interest payable	-	270,798	-	270,798
Unearned revenue	40,639	-	-	40,639
Other	1,271,608	-	-	1,271,608
Advances from other funds	225,000	-	13,000,000	13,225,000
Total liabilities	2,147,868	2,305,798	15,039,104	19,492,770
FUND BALANCES				
Nonspendable:				
Inventories	64,706	-	-	64,706
Restricted for:				
Building	10,599,152	-	-	10,599,152
Capital projects	-	-	18,512,009	18,512,009
Recreation	162,388	-	-	162,388
Public safety	5,393,529	-	-	5,393,529
Fire equipment	202,513	-	-	202,513
Median strips	372,409	-	-	372,409
Housing	1,160,256	-	-	1,160,256
Transportation	3,218,524	-	-	3,218,524
Developer agreements	-	-	623,333	623,333
Assigned to:				
Subsequent year's expenditures	-	-	23,570,845	23,570,845
Construction contracts	-	-	18,978,796	18,978,796
Debt service	-	2,953,482	-	2,953,482
Capital projects	-	-	1,465,381	1,465,381
Unassigned	-	-	-	-
Total fund balances	21,405,243	2,953,482	63,150,364	87,509,089
Total liabilities and fund balances	\$ 23,553,111	\$ 5,259,280	\$ 78,189,468	\$ 107,001,859

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes:				
Property	\$ -	\$ 4,736,578	\$ -	\$ 4,736,578
Local option fuel	1,639,075	-	-	1,639,075
Permits and fees	5,685,826	-	-	5,685,826
Intergovernmental	2,112,653	-	1,414,953	3,527,606
Charges for services	31,996	-	-	31,996
Judgments, fines and forfeitures	1,243,734	-	-	1,243,734
Special assessments	-	602,140	-	602,140
Impact fees	250,739	-	-	250,739
Investment earnings	145,282	20,780	598,058	764,120
Miscellaneous	89,305	-	-	89,305
Total revenues	<u>11,198,610</u>	<u>5,359,498</u>	<u>2,013,011</u>	<u>18,571,119</u>
EXPENDITURES				
Current:				
Public safety	7,873,029	-	-	7,873,029
Economic development	823,732	-	-	823,732
Transportation	2,898,631	-	283	2,898,914
Culture and recreation	-	-	779	779
Debt service:				
Principal	-	3,340,000	-	3,340,000
Interest	-	1,981,762	-	1,981,762
Other	-	44,068	-	44,068
Capital outlay	998,042	-	7,826,271	8,824,313
Total expenditures	<u>12,593,434</u>	<u>5,365,830</u>	<u>7,827,333</u>	<u>25,786,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,394,824)</u>	<u>(6,332)</u>	<u>(5,814,322)</u>	<u>(7,215,478)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	920,310	-	-	920,310
Transfers out:				
General fund	(105,005)	-	-	(105,005)
Proceeds on sale of capital assets	16,065	-	-	16,065
Total other financing sources and (uses)	<u>831,370</u>	<u>-</u>	<u>-</u>	<u>831,370</u>
Net change in fund balances	(563,454)	(6,332)	(5,814,322)	(6,384,108)
Fund balances - beginning	<u>21,968,697</u>	<u>2,959,814</u>	<u>68,964,686</u>	<u>93,893,197</u>
Fund balances - ending	<u>\$ 21,405,243</u>	<u>\$ 2,953,482</u>	<u>\$ 63,150,364</u>	<u>\$ 87,509,089</u>

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2017

	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	\$ 8,186,769	\$ 566,146	\$ -	\$ 485,531	\$ 140,581	\$ 33,581	\$ 417,352	\$ 2,634,283	\$ 6,848,508	\$ 19,312,751
Investments	2,525,933	181,049	-	-	-	-	116,103	783,341	-	3,606,426
Interest receivable	12,736	892	-	-	-	-	635	4,060	-	18,323
Other receivables	358	-	-	-	-	-	721	4,454	-	5,533
Due from other funds	-	-	-	-	-	-	-	-	59,932	59,932
Intergovernmental receivable	-	-	128,724	-	-	72,652	-	284,064	-	485,440
Inventories	-	-	-	-	-	-	-	64,706	-	64,706
Total assets	\$ 10,725,796	\$ 748,087	\$ 128,724	\$ 485,531	\$ 140,581	\$ 106,233	\$ 534,811	\$ 3,774,908	\$ 6,908,440	\$ 23,553,111
LIABILITIES										
Accounts payable	20,496	-	-	-	-	-	-	215,171	106,858	342,525
Accrued liabilities	65,463	-	-	-	-	5,100	876	30,184	2,931	104,554
Retainage payable	-	-	-	-	-	-	-	9,878	-	9,878
Intergovernmental payable	-	-	-	-	-	807	-	-	-	807
Due to other funds	3,435	-	-	-	-	117	-	1,290	55,305	60,147
Interfund payable	-	-	92,710	-	-	-	-	-	-	92,710
Unearned revenue	37,250	-	-	-	-	-	-	3,389	-	40,639
Other	-	-	-	-	-	-	-	-	1,271,608	1,271,608
Advances from other funds	-	-	-	-	-	100,000	-	-	125,000	225,000
Total liabilities	126,644	-	92,710	-	-	106,024	876	259,912	1,561,702	2,147,868
FUND BALANCES										
Nonspendable:										
Inventories	-	-	-	-	-	-	-	64,706	-	64,706
Restricted:										
Building	10,599,152	-	-	-	-	-	-	-	-	10,599,152
Recreation	-	162,388	-	-	-	-	-	-	-	162,388
Public safety	-	10,777	36,014	-	-	-	-	-	5,346,738	5,393,529
Fire equipment	-	202,513	-	-	-	-	-	-	-	202,513
Median strips	-	372,409	-	-	-	-	-	-	-	372,409
Housing	-	-	-	485,531	140,581	209	533,935	-	-	1,160,256
Transportation	-	-	-	-	-	-	-	3,218,524	-	3,218,524
Assigned to:										
Transportation	-	-	-	-	-	-	-	231,766	-	231,766
Total fund balances	10,599,152	748,087	36,014	485,531	140,581	209	533,935	3,514,996	5,346,738	21,405,243
Total liabilities and fund balances	\$ 10,725,796	\$ 748,087	\$ 128,724	\$ 485,531	\$ 140,581	\$ 106,233	\$ 534,811	\$ 3,774,908	\$ 6,908,440	\$ 23,553,111

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,639,075	\$ -	\$ 1,639,075
Permits and fees	5,685,826	-	-	-	-	-	-	-	-	5,685,826
Intergovernmental	-	-	128,724	29,219	-	523,608	565,698	865,404	-	2,112,653
Charges for services	-	-	-	-	-	-	-	28,996	3,000	31,996
Judgments, fines and forfeitures	-	-	-	-	-	-	-	-	1,243,734	1,243,734
Impact fees	-	250,739	-	-	-	-	-	-	-	250,739
Investment earnings	78,235	5,987	-	-	-	-	3,105	23,005	34,950	145,282
Miscellaneous	-	-	-	-	-	3,210	34,038	51,709	348	89,305
Total revenues	<u>5,764,061</u>	<u>256,726</u>	<u>128,724</u>	<u>29,219</u>	<u>-</u>	<u>526,818</u>	<u>602,841</u>	<u>2,608,189</u>	<u>1,282,032</u>	<u>11,198,610</u>
EXPENDITURES										
Current:										
Public safety	6,280,918	-	-	-	-	84,000	-	-	1,508,111	7,873,029
Economic development	-	-	-	96,328	-	391,873	335,531	-	-	823,732
Transportation	-	-	-	-	-	51,000	-	2,847,631	-	2,898,631
Capital outlay	61,971	-	128,724	-	-	-	-	266,103	541,244	998,042
Total expenditures	<u>6,342,889</u>	<u>-</u>	<u>128,724</u>	<u>96,328</u>	<u>-</u>	<u>526,873</u>	<u>335,531</u>	<u>3,113,734</u>	<u>2,049,355</u>	<u>12,593,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(578,828)</u>	<u>256,726</u>	<u>-</u>	<u>(67,109)</u>	<u>-</u>	<u>(55)</u>	<u>267,310</u>	<u>(505,545)</u>	<u>(767,323)</u>	<u>(1,394,824)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in:										
General fund	-	-	-	-	-	-	-	920,310	-	920,310
Transfers out:										
General fund	-	(105,005)	-	-	-	-	-	-	-	(105,005)
Proceeds on sale of capital assets	-	-	-	-	-	-	-	-	16,065	16,065
Total other financing sources and (uses)	<u>-</u>	<u>(105,005)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>920,310</u>	<u>16,065</u>	<u>831,370</u>
Net change in fund balances	<u>(578,828)</u>	<u>151,721</u>	<u>-</u>	<u>(67,109)</u>	<u>-</u>	<u>(55)</u>	<u>267,310</u>	<u>414,765</u>	<u>(751,258)</u>	<u>(563,454)</u>
Fund balances - beginning	<u>11,177,980</u>	<u>596,366</u>	<u>36,014</u>	<u>552,640</u>	<u>140,581</u>	<u>264</u>	<u>266,625</u>	<u>3,100,231</u>	<u>6,097,996</u>	<u>21,968,697</u>
Fund balances - ending	<u>\$ 10,599,152</u>	<u>\$ 748,087</u>	<u>\$ 36,014</u>	<u>\$ 485,531</u>	<u>\$ 140,581</u>	<u>\$ 209</u>	<u>\$ 533,935</u>	<u>\$ 3,514,996</u>	<u>\$ 5,346,738</u>	<u>\$ 21,405,243</u>

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 SEPTEMBER 30, 2017

	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	\$ -	\$ 5,150,185	\$ 105,851	\$ 5,256,036
Interest receivable	-	2,763	77	2,840
Due from other funds	-	33	371	404
Total assets	<u>\$ -</u>	<u>\$ 5,152,981</u>	<u>\$ 106,299</u>	<u>\$ 5,259,280</u>
LIABILITIES				
Matured bonds payable	-	2,035,000	-	2,035,000
Matured interest payable	-	270,798	-	270,798
Total liabilities	<u>-</u>	<u>2,305,798</u>	<u>-</u>	<u>2,305,798</u>
FUND BALANCES				
Assigned to:				
Debt service	-	2,847,183	106,299	2,953,482
Total fund balances	<u>-</u>	<u>2,847,183</u>	<u>106,299</u>	<u>2,953,482</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 5,152,981</u>	<u>\$ 106,299</u>	<u>\$ 5,259,280</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, 2017

	Special Recreation District Phase I	Special Tax District No. 1	General Obligation Bonds, Series 2015	Total Nonmajor Debt Service Funds
REVENUES				
Property taxes	\$ -	\$ 2,496,778	\$ 2,239,800	\$ 4,736,578
Special assessments	602,140	-	-	602,140
Investment earnings	259	15,940	4,581	20,780
Total revenues	<u>602,399</u>	<u>2,512,718</u>	<u>2,244,381</u>	<u>5,359,498</u>
EXPENDITURES				
Debt service:				
Principal	600,000	2,035,000	705,000	3,340,000
Interest	2,721	541,595	1,437,446	1,981,762
Other	237	43,531	300	44,068
Total expenditures	<u>602,958</u>	<u>2,620,126</u>	<u>2,142,746</u>	<u>5,365,830</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(559)</u>	<u>(107,408)</u>	<u>101,635</u>	<u>(6,332)</u>
Fund balances - beginning	<u>559</u>	<u>2,954,591</u>	<u>4,664</u>	<u>2,959,814</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 2,847,183</u>	<u>\$ 106,299</u>	<u>\$ 2,953,482</u>

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2017

	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	\$ 1,152,654	\$ 35,713,176	\$ 30,442,888	\$ 67,308,718
Investments	311,194	9,865,077	-	10,176,271
Interest receivable	1,627	54,123	990	56,740
Due from other funds	-	36,838	1,453	38,291
Intergovernmental receivable	-	-	609,448	609,448
Total assets	\$ 1,465,475	\$ 45,669,214	\$ 31,054,779	\$ 78,189,468
LIABILITIES				
Accounts payable	94	680,355	891,908	1,572,357
Accrued liabilities	-	-	-	-
Retainage payable	-	78,329	163,031	241,360
Due to other funds	-	-	225,387	225,387
Advances from other funds	-	13,000,000	-	13,000,000
Total liabilities	94	13,758,684	1,280,326	15,039,104
FUND BALANCE				
Restricted:				
Capital projects	-	-	18,512,009	18,512,009
Developer agreements	-	623,333	-	623,333
Assigned:				
Subsequent year's expenditures	-	23,570,845	-	23,570,845
Construction contracts	-	7,716,352	11,262,444	18,978,796
Capital projects	1,465,381	-	-	1,465,381
Total fund balances	1,465,381	31,910,530	29,774,453	63,150,364
Total liabilities and fund balances	\$ 1,465,475	\$ 45,669,214	\$ 31,054,779	\$ 78,189,468

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	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	\$ -	\$ 24,841	\$ 1,390,112	\$ 1,414,953
Investment earnings	10,204	251,938	335,916	598,058
Total revenues	<u>10,204</u>	<u>276,779</u>	<u>1,726,028</u>	<u>2,013,011</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Transportation	283	-	-	283
Culture and recreation	-	-	779	779
Capital outlay	29,633	2,617,517	5,179,121	7,826,271
Total expenditures	<u>29,916</u>	<u>2,617,517</u>	<u>5,179,900</u>	<u>7,827,333</u>
Excess (deficiency) of revenues over (under) expenditures	(19,712)	(2,340,738)	(3,453,872)	(5,814,322)
Fund balances - beginning	<u>1,485,093</u>	<u>34,251,268</u>	<u>33,228,325</u>	<u>68,964,686</u>
Fund balances - ending	<u>\$ 1,465,381</u>	<u>\$ 31,910,530</u>	<u>\$ 29,774,453</u>	<u>\$ 63,150,364</u>

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Permits and fees	\$ 6,801,900	\$ 5,685,826	\$ (1,116,074)
Investment earnings	11,670	78,235	66,565
Total revenues	6,813,570	5,764,061	(1,049,509)
EXPENDITURES			
Current:			
Public safety	7,376,170	6,280,918	1,095,252
Capital outlay	70,000	61,971	8,029
Total expenditures	7,446,170	6,342,889	1,103,281
Excess (deficiency) of revenues over (under) expenditures	(632,600)	(578,828)	53,772
Fund balances - beginning	11,177,980	11,177,980	-
Fund balances - ending	\$ 10,545,380	\$ 10,599,152	\$ 53,772

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Impact fees	\$ 55,800	\$ 250,739	\$ 194,939
Investment earnings	4,500	5,987	1,487
Total revenues	60,300	256,726	196,426
Excess of revenues over expenditures	60,300	256,726	196,426
OTHER FINANCING (USES)			
Transfers out	(107,400)	(105,005)	2,395
Net change in fund balances	(47,100)	151,721	198,821
Fund balances - beginning	596,366	596,366	-
Fund balances - ending	\$ 549,266	\$ 748,087	\$ 198,821

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 128,724	\$ 128,724
EXPENDITURES			
Capital outlay	131,871	128,724	3,147
Excess (deficiency) of revenues over (under) expenditures	(131,871)	-	131,871
Fund balances - beginning	36,014	36,014	-
Fund balances - ending	\$ (95,857)	\$ 36,014	\$ 131,871

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, 2017

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	<u>\$ 212,920</u>	<u>\$ 29,219</u>	<u>\$ (183,701)</u>
EXPENDITURES			
Current:			
Economic development	<u>732,920</u>	<u>96,328</u>	<u>636,592</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(520,000)</u>	<u>(67,109)</u>	<u>452,891</u>
Fund balances - beginning	<u>552,640</u>	<u>552,640</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 32,640</u></u>	<u><u>\$ 485,531</u></u>	<u><u>\$ 452,891</u></u>

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
Economic development	140,530	-	140,530
Excess (deficiency) of revenues over (under) expenditures	(140,530)	-	140,530
Fund balances - beginning	140,581	140,581	-
Fund balances - ending	<u>\$ 51</u>	<u>\$ 140,581</u>	<u>\$ 140,530</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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 1,313,440	\$ 523,608	\$ (789,832)
Miscellaneous	-	3,210	3,210
Total revenues	<u>1,313,440</u>	<u>526,818</u>	<u>(786,622)</u>
EXPENDITURES			
Current:			
Public safety	84,380	84,000	380
Economic development	1,164,770	391,873	772,897
Transportation	64,290	51,000	13,290
Total expenditures	<u>1,313,440</u>	<u>526,873</u>	<u>786,567</u>
Deficiency of revenues under expenditures	-	(55)	(55)
Fund balances - beginning	<u>264</u>	<u>264</u>	<u>-</u>
Fund balances - ending	<u>\$ 264</u>	<u>\$ 209</u>	<u>\$ (55)</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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 560,030	\$ 565,698	\$ 5,668
Investment earnings	-	3,105	3,105
Miscellaneous	-	34,038	34,038
Total revenues	<u>560,030</u>	<u>602,841</u>	<u>42,811</u>
EXPENDITURES			
Current:			
Economic development	<u>850,410</u>	<u>335,531</u>	<u>514,879</u>
Excess (deficiency) of revenues over (under) expenditures	(290,380)	267,310	557,690
Fund balances - beginning	<u>266,625</u>	<u>266,625</u>	-
Fund balances - ending	<u>\$ (23,755)</u>	<u>\$ 533,935</u>	<u>\$ 557,690</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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Local option fuel tax	\$ 1,599,600	\$ 1,639,075	\$ 39,475
Intergovernmental	777,500	865,404	87,904
Charges for services	37,240	28,996	(8,244)
Investment earnings	12,000	23,005	11,005
Miscellaneous	45,200	51,709	6,509
Total revenues	2,471,540	2,608,189	136,649
EXPENDITURES			
Current:			
Transportation	2,899,350	2,847,631	51,719
Capital outlay	647,301	266,103	381,198
Total expenditures	3,546,651	3,113,734	432,917
Excess (deficiency) of revenues over (under) expenditures	(1,075,111)	(505,545)	569,566
OTHER FINANCING SOURCES			
Transfers in	920,310	920,310	-
Net change in fund balances	(154,801)	414,765	569,566
Fund balances - beginning	3,100,231	3,100,231	-
Fund balances - ending	\$ 2,945,430	\$ 3,514,996	\$ 569,566

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ -	\$ 3,000	\$ 3,000
Judgments, fines and forfeitures	-	1,243,734	1,243,734
Investment earnings	-	34,950	34,950
Miscellaneous	-	348	348
Total revenues	<u>-</u>	<u>1,282,032</u>	<u>1,282,032</u>
EXPENDITURES			
Current:			
Public safety	2,103,650	1,508,111	595,539
Capital outlay	675,922	541,244	134,678
Total expenditures	<u>2,779,572</u>	<u>2,049,355</u>	<u>730,217</u>
Excess (deficiency) of revenues over (under) expenditures	(2,779,572)	(767,323)	2,012,249
OTHER FINANCING SOURCES			
Proceeds on sale of capital assets	-	16,065	16,065
Net change in fund balances	(2,779,572)	(751,258)	2,028,314
Fund balances - beginning	<u>6,097,996</u>	<u>6,097,996</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,318,424</u>	<u>\$ 5,346,738</u>	<u>\$ 2,028,314</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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Special assessments	\$ 626,830	\$ 602,140	\$ (24,690)
Investment earnings	250	259	9
Total revenues	<u>627,080</u>	<u>602,399</u>	<u>(24,681)</u>
EXPENDITURES			
Debt service:			
Principal	600,000	600,000	-
Interest	26,750	2,721	24,029
Other	330	237	93
Total expenditures	<u>627,080</u>	<u>602,958</u>	<u>24,122</u>
Deficiency of revenues under expenditures	-	(559)	(559)
Fund balances - beginning	<u>559</u>	<u>559</u>	-
Fund balances - ending	<u>\$ 559</u>	<u>\$ -</u>	<u>\$ (559)</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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 2,547,560	\$ 2,496,778	\$ (50,782)
Investment earnings	400	15,940	15,540
Total revenues	<u>2,547,960</u>	<u>2,512,718</u>	<u>(35,242)</u>
EXPENDITURES			
Debt service:			
Principal	2,035,000	2,035,000	-
Interest	541,600	541,595	5
Other	44,360	43,531	829
Total expenditures	<u>2,620,960</u>	<u>2,620,126</u>	<u>834</u>
Deficiency of revenues under expenditures	(73,000)	(107,408)	(34,408)
Fund balances - beginning	<u>2,954,591</u>	<u>2,954,591</u>	-
Fund balances - ending	<u>\$ 2,881,591</u>	<u>\$ 2,847,183</u>	<u>\$ (34,408)</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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 2,213,640	\$ 2,239,800	\$ 26,160
Investment earnings	100	4,581	4,481
Total revenues	<u>2,213,740</u>	<u>2,244,381</u>	<u>30,641</u>
EXPENDITURES			
Debt service:			
Principal	705,000	705,000	-
Interest	1,437,450	1,437,446	4
Other	300	300	-
Total expenditures	<u>2,142,750</u>	<u>2,142,746</u>	<u>4</u>
Excess of revenues over expenditures	70,990	101,635	30,645
Fund balances - beginning	<u>4,664</u>	<u>4,664</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 75,654</u></u>	<u><u>\$ 106,299</u></u>	<u><u>\$ 30,645</u></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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	\$ -	\$ 10,204	\$ 10,204
EXPENDITURES			
Current:			
Transportation	-	283	(283)
Capital outlay	1,473,567	29,633	1,443,934
Total expenditures	<u>1,473,567</u>	<u>29,916</u>	<u>1,443,651</u>
Excess (deficiency) of revenues over (under) expenditures	(1,473,567)	(19,712)	1,453,855
Fund balances - beginning	<u>1,485,093</u>	<u>1,485,093</u>	-
Fund balances - ending	<u>\$ 11,526</u>	<u>\$ 1,465,381</u>	<u>\$ 1,453,855</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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 586,250	\$ 24,841	\$ (561,409)
Investment earnings	121,300	251,938	130,638
Miscellaneous	28,800	-	(28,800)
Total revenues	<u>736,350</u>	<u>276,779</u>	<u>(459,571)</u>
EXPENDITURES			
Capital outlay	<u>42,691,530</u>	<u>2,617,517</u>	<u>40,074,013</u>
Excess (deficiency) of revenues over (under) expenditures	(41,955,180)	(2,340,738)	39,614,442
Fund balances - beginning	<u>34,251,268</u>	<u>34,251,268</u>	<u>-</u>
Fund balances - ending	<u>\$ (7,703,912)</u>	<u>\$ 31,910,530</u>	<u>\$ 39,614,442</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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 1,540,890	\$ 1,390,112	\$ (150,778)
Investment earnings	203,160	335,916	132,756
Total revenues	<u>1,744,050</u>	<u>1,726,028</u>	<u>(18,022)</u>
EXPENDITURES			
Current:			
Culture and recreation	-	779	(779)
Capital outlay	34,498,274	5,179,121	29,319,153
Total expenditures	<u>34,498,274</u>	<u>5,179,900</u>	<u>29,318,374</u>
 Excess (deficiency) of revenues over (under) expenditures	 (32,754,224)	 (3,453,872)	 29,300,352
 Fund balances - beginning	 <u>33,228,325</u>	 <u>33,228,325</u>	 <u>-</u>
 Fund balances - ending	 <u>\$ 474,101</u>	 <u>\$ 29,774,453</u>	 <u>\$ 29,300,352</u>

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, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	\$ 150,000	\$ 243,000	\$ 93,000
EXPENDITURES			
Current:			
Transportation	-	2,180	(2,180)
Capital outlay	37,675,530	5,151,431	32,524,099
Total expenditures	37,675,530	5,153,611	32,521,919
Excess (deficiency) of revenues over (under) expenditures	(37,525,530)	(4,910,611)	32,614,919
Fund balances - beginning	37,760,357	37,760,357	-
Fund balances - ending	\$ 234,827	\$ 32,849,746	\$ 32,614,919

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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, 2017

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 237,631	\$ 9,733,996	\$ 211,724	\$ 10,183,351
Investments	53,824	2,891,120	79,547	3,024,491
Interest receivable	348	15,077	342	15,767
Accounts receivable, net of allowance for uncollectibles	180,034	657,891	-	837,925
Other receivables	9,624	-	-	9,624
Intergovernmental receivable	-	62,890	-	62,890
Inventories	-	22,083	-	22,083
Prepaid items	-	-	3,200	3,200
Total current assets	481,461	13,383,057	294,813	14,159,331
Noncurrent assets:				
Capital assets:				
Land	-	65,845	1,223,300	1,289,145
Intangibles	-	5,359	-	5,359
Buildings and system improvements other than buildings	-	685,480	-	685,480
Machinery and equipment	3,635	1,825,225	772,027	2,600,887
Vehicles	-	996,141	-	996,141
Construction in progress	-	356,277	-	356,277
Less accumulated depreciation	(3,635)	(3,036,392)	(706,634)	(3,746,661)
Total capital assets, net of accumulated depreciation	-	10,730,330	1,521,243	12,251,573
Total assets	481,461	24,113,387	1,816,056	26,410,904
DEFERRED OUTFLOWS OF RESOURCES				
Pension	-	1,128,154	35,944	1,164,098
Total deferred outflows of resources	-	1,128,154	35,944	1,164,098
LIABILITIES				
Current liabilities:				
Accounts payable	62,852	211,218	48,960	323,030
Accrued liabilities	-	40,446	-	40,446
Due to other funds	9,835	1,593	-	11,428
Compensated absences	-	35,190	-	35,190
Intergovernmental payable	-	-	1,368	1,368
Total current liabilities	72,687	288,447	50,328	411,462
Noncurrent liabilities:				
Compensated absences	-	280,508	-	280,508
Other post employment benefits	-	478,392	-	478,392
Net pension liability	-	3,438,032	-	3,438,032
Total pension liability - retiree subsidy	-	1,291,469	339,860	1,631,329
Unearned revenue	-	-	1,337	1,337
Total noncurrent liabilities	-	5,488,401	341,197	5,829,598
Total liabilities	72,687	5,776,848	391,525	6,241,060
DEFERRED INFLOWS OF RESOURCES				
Pension	-	102,525	-	102,525
Total deferred inflows of resources	-	102,525	-	102,525
NET POSITION				
Investment in capital assets	-	10,730,330	1,521,243	12,251,573
Unrestricted	408,774	8,631,838	(60,768)	8,979,844
Total net position	\$ 408,774	\$ 19,362,168	\$ 1,460,475	\$ 21,231,417

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for sales and services:				
Fees	\$ 1,128,378	\$ 7,225,952	\$ 959,209	\$ 9,313,539
Operating expenses:				
Costs of sales and services:				
Power, water and wastewater purchases	-	43,104	114,030	157,134
Chemical purchases	-	34,248	64,295	98,543
Recycling charges	771,636	-	-	771,636
Materials and supplies	50,582	74,404	25,061	150,047
Repairs and maintenance	650	101,264	60,166	162,080
Salaries, wages and employee benefits	-	2,300,776	38,036	2,338,812
Insurance and other expenses	571	850,405	1,293,792	2,144,768
Administrative fees	61,860	619,010	161,630	842,500
Depreciation and amortization	364	458,968	93,095	552,427
Total operating expenses	<u>885,663</u>	<u>4,482,179</u>	<u>1,850,105</u>	<u>7,217,947</u>
Operating income (loss)	<u>242,715</u>	<u>2,743,773</u>	<u>(890,896)</u>	<u>2,095,592</u>
Non-operating revenues (expenses):				
Investment earnings	1,220	85,828	3,163	90,211
Interest expense	-	(5,927)	-	(5,927)
Gain (loss) on sale of capital assets	-	4,627	(1,261)	3,366
Sale of recyclable materials	115,746	-	-	115,746
Other	-	63,932	1,997	65,929
Total non-operating revenues (expenses)	<u>116,966</u>	<u>148,460</u>	<u>3,899</u>	<u>269,325</u>
Income (loss) before transfers	359,681	2,892,233	(886,997)	2,364,917
Transfers in	-	-	921,380	921,380
Change in net position	359,681	2,892,233	34,383	3,286,297
Total net position - beginning (restatement see Note IV, J)	<u>49,093</u>	<u>16,469,935</u>	<u>1,426,092</u>	<u>17,945,120</u>
Total net position - ending	<u>\$ 408,774</u>	<u>\$ 19,362,168</u>	<u>\$ 1,460,475</u>	<u>\$ 21,231,417</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,213,674	\$ 7,063,763	\$ 958,187	\$ 9,235,624
Payments to suppliers	(896,225)	(1,668,030)	(1,552,837)	(4,117,092)
Payments to and for employees	-	(2,101,395)	(23,899)	(2,125,294)
Payments for interfund services used	(61,860)	(619,010)	(161,630)	(842,500)
Net cash provided by (used for) operating activities	<u>255,589</u>	<u>2,675,328</u>	<u>(780,179)</u>	<u>2,150,738</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	-	(112,903)	-	(112,903)
Transfer from other funds	-	-	921,380	921,380
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(112,903)</u>	<u>921,380</u>	<u>808,477</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(846,706)	(54,163)	(900,869)
Interest paid on capital debt	-	(5,927)	-	(5,927)
Proceeds from sales of capital assets	-	4,627	351	4,978
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(848,006)</u>	<u>(53,812)</u>	<u>(901,818)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	47,431	2,404,401	74,609	2,526,441
Purchase of investments	(68,551)	(1,809,928)	(81,861)	(1,960,340)
Interest and dividends received	1,141	89,604	3,227	93,972
Net cash provided by (used for) investing activities	<u>(19,979)</u>	<u>684,077</u>	<u>(4,025)</u>	<u>660,073</u>
Net increase in cash and cash equivalents	235,610	2,398,496	83,364	2,717,470
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>
Cash and cash equivalents, September 30, 2017	<u>\$ 237,631</u>	<u>\$ 9,733,996</u>	<u>\$ 211,724</u>	<u>\$ 10,183,351</u>

	<u>Recycling</u>	<u>Stormwater</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 242,715	\$ 2,743,773	\$ (890,896)	\$ 2,095,592
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	115,746	-	-	115,746
Miscellaneous non-operating income	-	63,932	1,997	65,929
Depreciation and amortization expense	364	458,968	93,095	552,427
(Increase) in accounts receivable	(37,081)	(159,218)	-	(196,299)
(Increase) in other receivables	(2,701)	-	-	(2,701)
(Increase) in inventories	-	(5,672)	-	(5,672)
(Increase) in deferred outflows	-	(185,457)	(35,944)	(221,401)
Increase (decrease) in accounts payable	(73,289)	(114,277)	2,611	(184,955)
Increase in accrued liabilities	-	16,154	-	16,154
Increase in due to other funds	9,835	264	-	10,099
(Decrease) in intergovernmental payables	-	-	(1,593)	(1,593)
Increase in unearned revenue	-	-	320	320
(Decrease) in retainage payable	-	(448,669)	-	(448,669)
Increase in compensated absences payable	-	1,939	-	1,939
Increase in other post employment benefits payable	-	47,032	-	47,032
Increase in total pension liability - retiree subsidy	-	190,309	50,081	240,390
Increase in net pension liability	-	46,165	-	46,165
Increase in deferred inflows	-	82,975	-	82,975
Total adjustments	<u>12,874</u>	<u>(68,445)</u>	<u>110,717</u>	<u>55,146</u>
Net cash provided by (used for) operating activities	<u>\$ 255,589</u>	<u>\$ 2,675,328</u>	<u>\$ (780,179)</u>	<u>\$ 2,150,738</u>
Noncash investing activities:				
Net (decrease) in fair value of investments	\$ (259)	\$ (11,123)	\$ (261)	\$ (11,643)

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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, 2017

	Workers' Compensation	Fleet Management	Information Technology & Communications	Self- Insured Health	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 8,657,969	\$ 5,941,990	\$ 3,860,270	\$ 4,329,836	\$ 22,790,065
Investments	2,644,343	1,925,707	1,274,841	1,238,402	7,083,293
Interest receivable	13,362	9,353	6,116	6,619	35,450
Accounts receivable, net of allowance for uncollectibles	-	-	-	32,674	32,674
Other receivables	-	18,888	-	77,620	96,508
Inventories	-	301,589	-	-	301,589
Total current assets	11,315,674	8,197,527	5,141,227	5,685,151	30,339,579
Noncurrent assets:					
Capital assets:					
Intangibles	-	2,580	235,608	-	238,188
Machinery and equipment	-	160,683	1,125,476	-	1,286,159
Vehicles	-	13,905,437	24,769	-	13,930,206
Construction in progress	-	-	2,311,604	-	2,311,604
Less accumulated depreciation	-	(5,020,335)	(591,089)	-	(5,611,424)
Total capital assets, net of accumulated depreciation	-	9,048,365	3,106,368	-	12,154,733
Total assets	11,315,674	17,245,892	8,247,595	5,685,151	42,494,312
DEFERRED OUTFLOWS OF RESOURCES					
Pension	-	98,192	1,182,387	-	1,280,579
Total deferred outflows of resources	-	98,192	1,182,387	-	1,280,579
LIABILITIES					
Current liabilities:					
Accounts payable	136	521,532	180,813	6,198	708,679
Accrued liabilities	-	3,086	37,093	-	40,179
Due to other funds	-	243	2,520	-	2,763
Compensated absences	-	3,216	33,290	-	36,506
Total current liabilities	136	528,077	253,716	6,198	788,127
Noncurrent liabilities:					
Compensated absences	-	21,524	228,449	-	249,973
Other post employment benefits	-	7,883	98,837	-	106,720
Net pension liability	-	280,710	3,390,636	-	3,671,346
Total pension liability - retiree subsidy	-	113,286	1,076,225	-	1,189,511
Claims and judgments	4,791,000	-	-	-	4,791,000
Total noncurrent liabilities	4,791,000	423,403	4,794,147	-	10,008,550
Total liabilities	4,791,136	951,480	5,047,863	6,198	10,796,677
DEFERRED INFLOWS OF RESOURCES					
Pension	-	12,796	160,429	-	173,225
Total deferred inflows of resources	-	12,796	160,429	-	173,225
NET POSITION					
Investment in capital assets	-	9,048,365	3,106,368	-	12,154,733
Unrestricted	6,524,538	7,331,443	1,115,322	5,678,953	20,650,256
Total net position	\$ 6,524,538	\$ 16,379,808	\$ 4,221,690	\$ 5,678,953	\$ 32,804,989

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Workers' Compensation	Fleet Management	Information Technology & Communications	Self- Insured Health	Total
Operating revenues:					
Charges for sales and services:					
Service charges	\$ 2,362,200	\$ 5,475,910	\$ 5,641,900	\$ 14,557,901	\$ 28,037,911
Operating expenses:					
Costs of sales and services:					
Power, water and wastewater purchases	-	38,083	-	-	38,083
Materials and supplies	-	1,049,840	62,431	-	1,112,271
Repairs and maintenance	-	1,820,955	163,541	-	1,984,496
Salaries, wages and employee benefits	-	229,783	2,896,529	-	3,126,312
Insurance and other expenses	519,230	59,528	2,027,292	1,706,739	4,312,789
Claims expense	1,000,987	-	-	11,550,901	12,551,888
Depreciation and amortization	-	1,139,677	272,705	-	1,412,382
Total operating expenses	<u>1,520,217</u>	<u>4,337,866</u>	<u>5,422,498</u>	<u>13,257,640</u>	<u>24,538,221</u>
Operating income	<u>841,983</u>	<u>1,138,044</u>	<u>219,402</u>	<u>1,300,261</u>	<u>3,499,690</u>
Non-operating revenues:					
Investment earnings	81,463	63,113	43,245	34,550	222,371
Gain (loss) on sale of capital assets	-	15,000	(6,429)	-	8,571
Other	689,856	76,266	2,480	1,283,009	2,051,611
Total non-operating revenues	<u>771,319</u>	<u>154,379</u>	<u>39,296</u>	<u>1,317,559</u>	<u>2,282,553</u>
Change in net position	1,613,302	1,292,423	258,698	2,617,820	5,782,243
Total net position - beginning (restatement see Note IV, J)	<u>4,911,236</u>	<u>15,087,385</u>	<u>3,962,992</u>	<u>3,061,133</u>	<u>27,022,746</u>
Total net position - ending	<u>\$ 6,524,538</u>	<u>\$ 16,379,808</u>	<u>\$ 4,221,690</u>	<u>\$ 5,678,953</u>	<u>\$ 32,804,989</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

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	Workers' Compensation	Fleet Management	Information Technology & Communications	Self-Insured Health	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 2,362,200	\$ 5,475,910	\$ 5,641,900	\$ 14,531,697	\$ 28,011,707
Payments to suppliers	(826,148)	(2,575,490)	(2,288,671)	(11,941,759)	(17,632,068)
Payments to and for employees	-	(203,147)	(2,572,839)	-	(2,775,986)
Net cash provided by operating activities	<u>1,536,052</u>	<u>2,697,273</u>	<u>780,390</u>	<u>2,589,938</u>	<u>7,603,653</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	(2,785,145)	(741,149)	-	(3,526,294)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(2,785,145)</u>	<u>(741,149)</u>	<u>-</u>	<u>(3,526,294)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	2,206,920	1,851,713	1,259,594	794,305	6,112,532
Purchase of investments	(1,736,399)	(1,202,415)	(812,909)	(1,113,217)	(4,864,940)
Interest and dividends received	85,010	66,336	45,274	35,130	231,750
Net cash provided by (used for) investing activities	<u>555,531</u>	<u>715,634</u>	<u>491,959</u>	<u>(283,782)</u>	<u>1,479,342</u>
Net increase in cash and cash equivalents	2,091,583	627,762	531,200	2,306,156	5,556,701
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>
Cash and cash equivalents, September 30, 2017	<u>\$ 8,657,969</u>	<u>\$ 5,941,990</u>	<u>\$ 3,860,270</u>	<u>\$ 4,329,836</u>	<u>\$ 22,790,065</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 to net cash provided by operating activities:					
Operating income	\$ 841,983	\$ 1,138,044	\$ 219,402	\$ 1,300,261	\$ 3,499,690
Adjustments to reconcile operating income to net cash provided by operating activities:					
Miscellaneous non-operating income	689,856	76,266	2,480	1,283,009	2,051,611
Depreciation and amortization expense	-	1,139,677	272,705	-	1,412,382
(Increase) in accounts receivable	-	-	-	(26,204)	(26,204)
(Increase) decrease in other receivables	-	(18,888)	-	30,837	11,949
(Increase) in inventories	-	(23,910)	-	-	(23,910)
(Increase) in deferred outflows	-	(18,603)	(197,421)	-	(216,024)
Increase (decrease) in accounts payable	136	359,448	(37,887)	2,035	323,732
Increase in accrued liabilities	-	1,574	18,097	-	19,671
Increase in due to other funds	-	84	918	-	1,002
Increase in compensated absences payable	-	5,297	83,337	-	88,634
Increase in other post employment benefits payable	-	4,089	39,261	-	43,350
Increase in total pension liability - retiree subsidy	-	16,693	158,591	-	175,284
Increase in net pension liability	-	6,257	78,970	-	85,227
Increase in deferred inflows	-	11,245	141,937	-	153,182
Increase in claims and judgments	4,077	-	-	-	4,077
Total adjustments	<u>694,069</u>	<u>1,559,229</u>	<u>560,988</u>	<u>1,289,677</u>	<u>4,103,963</u>
Net cash provided by operating activities	<u>\$ 1,536,052</u>	<u>\$ 2,697,273</u>	<u>\$ 780,390</u>	<u>\$ 2,589,938</u>	<u>\$ 7,603,653</u>
Noncash investing activities:					
Net (decrease) in fair value of investments	\$ (9,942)	\$ (6,868)	\$ (4,490)	\$ (5,068)	\$ (26,368)

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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, 2017

	<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	\$ 3,264,737	\$ 1,574	\$ -	\$ 3,266,311	\$ 6,652,085
Receivable from sale of securities	294,467	329,163	234,543	858,173	-
Interest and dividends receivable	153,808	167,988	219,381	541,177	-
Due from other funds	52,721	47,146	811,216	911,083	1,263
Other receivables	461	-	-	461	-
Investments:					
Money market funds	-	2,178,500	5,442,231	7,620,731	-
U.S. government and agency securities	-	32,230,716	6,250,147	38,480,863	-
Corporate bonds	-	11,589,023	14,790,051	26,379,074	-
Mutual funds	103,679,326	-	-	103,679,326	-
Common stocks	61,213,159	66,229,307	83,228,918	210,671,384	-
International equity funds	30,211,940	14,321,024	10,924,403	55,457,367	-
Commingled real estate funds	-	11,154,742	14,024,069	25,178,811	-
Total investments	<u>195,104,425</u>	<u>137,703,312</u>	<u>134,659,819</u>	<u>467,467,556</u>	<u>-</u>
Prepaid items	-	546,353	-	546,353	-
Total assets	<u>198,870,619</u>	<u>138,795,536</u>	<u>135,924,959</u>	<u>473,591,114</u>	<u>6,653,348</u>
LIABILITIES					
Deposits held for others	-	-	-	-	6,653,348
Accounts payable	232,374	158,135	15,915	406,424	-
Payable for purchase of securities	303,032	420,185	360,406	1,083,623	-
Total liabilities	<u>535,406</u>	<u>578,320</u>	<u>376,321</u>	<u>1,490,047</u>	<u>6,653,348</u>
NET POSITION					
Restricted for pensions	<u>\$ 198,335,213</u>	<u>\$ 138,217,216</u>	<u>\$ 135,548,638</u>	<u>\$ 472,101,067</u>	

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Employee Retirement Funds</u>			
	<u>General Employees' Pension</u>	<u>Police Officers' Pension</u>	<u>Firefighters' Pension</u>	<u>Total Pension Trust Funds</u>
ADDITIONS				
Contributions:				
Employer	\$ 11,255,914	\$ 9,199,456	\$ 5,483,453	\$ 25,938,823
Plan members	3,173,557	1,664,869	1,288,279	6,126,705
Other sources	-	724,891	766,995	1,491,886
Total contributions	<u>14,429,471</u>	<u>11,589,216</u>	<u>7,538,727</u>	<u>33,557,414</u>
Investment earnings:				
Interest	11,831	1,139,286	680,473	1,831,590
Dividends	2,901,840	1,594,434	931,987	5,428,261
Net appreciation in fair value of investments	19,106,361	12,062,021	13,220,352	44,388,734
Other	3,913	5,744	14,167	23,824
Total investment earnings	<u>22,023,945</u>	<u>14,801,485</u>	<u>14,846,979</u>	<u>51,672,409</u>
Less investment expense	752,017	543,458	544,649	1,840,124
Net investment earnings	<u>21,271,928</u>	<u>14,258,027</u>	<u>14,302,330</u>	<u>49,832,285</u>
Total additions	<u>35,701,399</u>	<u>25,847,243</u>	<u>21,841,057</u>	<u>83,389,699</u>
DEDUCTIONS				
Benefits	13,058,734	9,946,162	6,456,401	29,461,297
Refunds of contributions	144,530	29,030	6,743	180,303
Administrative expenses	189,591	316,694	220,292	726,577
Total deductions	<u>13,392,855</u>	<u>10,291,886</u>	<u>6,683,436</u>	<u>30,368,177</u>
Change in net position	<u>22,308,544</u>	<u>15,555,357</u>	<u>15,157,621</u>	<u>53,021,522</u>
Net position - beginning	<u>176,026,669</u>	<u>122,661,859</u>	<u>120,391,017</u>	<u>419,079,545</u>
Net position - ending	<u>\$ 198,335,213</u>	<u>\$ 138,217,216</u>	<u>\$ 135,548,638</u>	<u>\$ 472,101,067</u>

CITY OF SUNRISE, FLORIDA
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017
ASSETS				
Cash and cash equivalents	\$ 6,639,809	\$ 4,797,613	\$ 4,785,337	\$ 6,652,085
Due from other funds	-	1,263	-	1,263
Total assets	\$ 6,639,809	\$ 4,798,876	\$ 4,785,337	\$ 6,653,348
LIABILITIES				
Deposits held for others	\$ 6,639,809	\$ 4,798,876	\$ 4,785,337	\$ 6,653,348
Total liabilities	\$ 6,639,809	\$ 4,798,876	\$ 4,785,337	\$ 6,653,348

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

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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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 140,789,661
Restricted	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	115,510,156
Unrestricted (2) (3)	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)	(60,686,131)
Total governmental activities net position	\$ 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	\$ 195,613,686
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 201,581,451
Restricted	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	108,974,616
Unrestricted (2) (3)	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	98,900,197
Total business-type activities net position	\$ 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	\$ 409,456,264
Total:										
Net investment in capital assets (1)	\$ 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	\$ 342,371,112
Restricted	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	224,484,772
Unrestricted (2) (3)	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)	38,214,066
Total net position	\$ 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	\$ 605,069,950

- (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.
(3) Fiscal year 2016 unrestricted net position has been restated due to the implementation of GASB 73.

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES										
Governmental activities:										
General government	\$ 17,448,298	\$ 18,173,477	\$ 20,082,293	\$ 19,697,928	\$ 22,165,444	\$ 21,971,961	\$ 22,117,132	\$ 26,785,702	26,389,946	\$ 30,422,154
Public safety	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	86,838,184
Physical environment	5,616,096	4,449,634	-	58,450	-	26	-	19,213	17,439	15,655
Economic development	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	823,732
Human services	42,441	43,625	30,911	5,709	38,434	5,891	-	-	-	-
Transportation	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	10,446,155
Culture and recreation	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	14,782,395
Interest on long-term debt	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	1,981,013
Total governmental activities expenses	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	145,309,288
Business-type activities:										
Water and wastewater	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	87,002,721
Gas	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	7,168,302
Sanitation	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	11,700,774
Recycling	564,707	604,604	559,919	545,524	518,729	571,219	853,629	815,541	853,151	885,638
Stormwater	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	4,367,175
Golf course	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	1,848,015
Total business-type activities expenses	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	112,972,625
Total expenses	\$ 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	\$ 258,281,913
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 11,364,179
Public safety	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	25,119,770
Physical environment	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	15,736,071
Transportation	18,997	17,025	25,005	56,145	80,922	52,509	88,959	67,284	79,167	28,996
Culture and recreation	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	1,623,907
Operating grants and contributions	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	6,165,221
Capital grants and contributions	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	3,026,237
Total governmental activities program revenues	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	63,064,381
Business-type activities:										
Charges for services:										
Water and wastewater	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	112,866,419
Gas	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	7,645,822
Sanitation	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	11,234,023
Recycling	170,265	178,433	175,078	175,689	178,435	1,068,927	1,109,183	1,141,180	1,163,315	1,128,378
Stormwater	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	7,225,952
Golf course	565,554	493,963	36,176	893,641	987,789	1,106,185	1,149,913	1,134,232	1,072,826	959,209
Operating grants and contributions	82,488	20,911	-	-	-	-	-	-	264,976	33,301
Capital grants and contributions	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	3,295,284
Total business-type activities program revenues	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	144,388,388
Total program revenues	\$ 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	\$ 207,452,769
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (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)	\$ (82,244,907)
Business-type activities	(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	31,415,763
Total (expense)/revenue	\$ (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)	\$ (50,829,144)

(continued)

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 40,933,847
Insurance premium taxes	1,508,690	1,438,573	1,372,490	1,277,851	-	-	-	-	-	-
Utility service tax	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	9,773,155
Communications services tax	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	3,280,405
Local business tax	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	2,334,836
Franchise fees	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	9,505,423
Grants and contributions not restricted to specific programs	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	8,402,313
Unrestricted investment earnings	3,782,898	1,353,077	2,647,362	1,197,371	1,414,724	775,628	181,000	854,372	1,090,804	1,376,415
Miscellaneous	1,334,886	532,834	1,105,735	1,018,796	1,148,317	2,279,063	756,909	4,284,588	372,106	300,558
Gain on sale of capital assets	94,230	42,435	30,341	38,873	-	29,373	19,849	-	269,206	136
Extraordinary loss on defeasance of debt	-	-	-	-	-	(6,879,604)	-	-	-	-
Transfers	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	3,635,132
Total governmental activities	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	79,542,220
Business-type activities:										
Unrestricted investment earnings	2,920,620	736,911	1,812,363	949,692	1,299,817	846,136	438,071	830,950	1,248,323	1,770,111
Miscellaneous	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	495,230
Extraordinary loss on early extinguishment of debt	-	-	(18,701,562)	-	-	-	-	-	-	-
Transfers	(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)	(3,635,132)
Total business-type activities	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)	(1,369,791)
Total	\$ 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	\$ 78,172,429
CHANGE IN NET POSITION										
Governmental activities	\$ (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	\$ (2,702,687)
Business-type activities	(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	30,045,972
Total	\$ (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	\$ 27,343,285

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

	Pre-GASB 54			Post-GASB 54						
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ 1,126,038	\$ 906,751	\$ 781,078							
Unreserved	54,581,311	46,969,831	76,930,022							
Total general fund	\$ 55,707,349	\$ 47,876,582	\$ 77,711,100							
All other governmental funds										
Reserved	\$ 691,999	\$ 742,431	\$ 1,395,685							
Unreserved, reported in:										
Special revenue funds	50,690,054	43,728,427	4,569,356							
Debt service funds	10,284,203	13,071,464	14,338,516							
Capital projects funds	65,003,974	73,916,230	46,907,792							
Total all other governmental funds	\$ 126,670,230	\$ 131,458,552	\$ 67,211,349							
General fund										
Nonspendable	\$ 15,345,639	\$ 631,062	\$ 632,503	\$ 789,630	\$ 215,061	\$ 261,915	\$ 13,226,366			
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	28,885,129			
Assigned	10,067,923	4,784,445	813,745	6,896,977	426,655	705,861	670,109			
Unassigned	12,329,568	31,546,789	17,062,334	23,444,531	33,500,451	37,435,972	32,180,080			
Total general fund	\$ 67,558,129	\$ 70,000,154	\$ 54,657,506	\$ 70,047,663	\$ 63,214,613	\$ 67,353,393	\$ 74,961,684			
All other governmental funds										
Nonspendable	\$ 46,009	\$ 53,101	\$ 41,563	\$ 54,449	\$ 79,889	\$ 78,767	\$ 64,706			
Spendable:										
Restricted	10,938,716	7,980,303	8,976,005	11,829,801	108,440,054	93,597,538	73,093,859			
Assigned	42,790,651	35,506,939	32,993,753	32,760,916	32,205,135	38,072,842	47,200,270			
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	\$ 120,358,835			

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES										
Taxes	\$ 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	\$ 59,453,204
Permits and fees	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	9,337,197
Franchise fees	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	9,538,510
Intergovernmental	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	12,258,151
Charges for services	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	23,788,342
Administrative charges	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	7,224,500
Judgments, fines and forfeitures	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	3,246,164
Special assessments	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	10,848,533
Impact fees	138,514	38,128	11,126	134,266	79,550	46,473	84,198	453,942	3,534	250,739
Investment earnings	3,877,039	1,441,684	2,544,657	1,148,747	1,342,780	734,970	180,510	750,001	1,084,163	1,593,369
Contributions and donations	-	84,889	17,822	18,053	8,560	33,368	282,715	116,720	185,586	52,835
Miscellaneous	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	1,494,186
Total revenues	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	139,085,730
EXPENDITURES										
General government	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	27,743,724
Public safety	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	83,124,919
Physical environment	3,748,891	3,486,746	-	58,450	-	-	-	-	-	-
Economic development	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	823,732
Human services	42,441	43,625	30,911	5,709	38,434	5,891	-	-	-	-
Transportation	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	3,527,499
Culture and recreation	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	11,288,557
Debt service:										
Principal	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	3,340,000
Payment to refunded bond escrow agent	-	-	-	-	-	39,529,163	-	-	-	-
Interest	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	1,981,762
Principal repayment due to refunding	-	-	-	8,175,000	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	677,441	-	-
Other	88,471	62,057	55,023	51,997	55,375	132,796	39,884	51,488	44,011	44,068
Capital outlay	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	14,627,576
Total expenditures	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	146,501,837
Excess (deficiency) of revenues over (under) expenditures	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)	(7,416,107)
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	168,932	53,734	53,873	77,377	113,195	34,024	45,531	22,229	1,749,315	94,547
Transfers in	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	6,017,707
Transfers out	(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)	(2,382,575)
Total other financing sources (uses)	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	3,729,679
Net change in fund balances	\$ 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)	\$ (3,686,428)
Debt service as a percentage of noncapital expenditures	8.8%	8.5%	8.1%	13.9%	6.5%	28.5%	2.6%	2.7%	4.0%	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
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
2017	40,933,847	2,334,836	1,491,886	3,280,405	1,639,075	9,773,155	59,453,204
Change 2008-2017	14.7%	8.0%	-1.1%	-29.9%	0.9%	44.5%	13.4%

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				
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	6.4426	8,889,605	64.86%
2017	5,422,562	3,219,314	499,898	441,752	3,314,284	46,548	6,222,694	6.4293	9,583,526	64.93%

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
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
2017	2016	6.0543	0.3750	3.4887	5.6690	6.9063	0.4882	0.3307	0.0320	1.3462

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	2017			2008		
	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	\$ 409,858,330	1	7.03%	\$ 318,071,080	1	5.21%
Sunrise Village Development LLC	97,692,482	2	1.68%	-	-	-
Sawgrass Mills Phase III LP	93,471,220	3	1.60%	86,172,580	2	1.41%
Florida Power & Light Co.	66,635,182	4	1.14%	46,970,146	5	0.77%
Sawgrass Office FI Joint Venture LLC	58,703,960	5	1.01%	-	-	-
MGI Flamingo Palms LTD Partner	56,213,433	6	0.96%	50,215,900	4	0.82%
Fifteen Gap Sawgrass LLC	53,674,010	7	0.92%	-	-	-
Liberty Property LTD Partnership	44,837,270	8	0.77%	-	-	-
CCRE SEF Sawgrass LLC	43,066,420	9	0.74%	-	-	-
PPF Amlie 127th Avenue LLC	34,694,110	10	0.60%	-	-	-
N/S Sawgrass Office Associates LLC	-	-	-	73,607,540	3	1.21%
TMW Weltfonds 1500 Concord Terrace LP	-	-	-	44,316,280	6	0.73%
Sawgrass Lakes Center LLC	-	-	-	42,702,590	7	0.70%
Walmart	-	-	-	40,643,660	8	0.67%
L/M #3	-	-	-	37,106,000	9	0.61%
IKEA Property Inc.	-	-	-	35,557,720	10	0.58%
Totals	\$ 958,846,417		16.45%	\$ 775,363,496		12.71%

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
2008	2007	\$ 34,357,047	\$ 34,021,196	99.0%	\$ 138,531	\$ 34,159,727	99.4%
2009	2008	34,980,436	34,507,051	98.6%	157,039	34,664,090	99.1%
2010	2009	35,498,126	34,434,744	97.0%	(133,115)	34,301,629	96.6%
2011	2010	30,712,669	30,041,047	97.8%	(208,559)	29,832,488	97.1%
2012	2011	29,421,567	28,908,232	98.3%	(198,539)	28,709,693	97.6%
2013	2012	29,567,455	29,240,476	98.9%	(249,910)	28,990,566	98.0%
2014	2013	30,750,681	30,213,556	98.3%	(161,497)	30,052,059	97.7%
2015	2014	32,971,380	32,281,140	97.9%	34,546	32,315,686	98.0%
2016	2015	34,924,498	34,755,966	99.5%	14,889	34,770,855	99.6%
2017	2016	37,691,193	37,547,182	99.6%	-	37,547,182	99.6%

*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				
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	
2017	37,829,331	-	-	11,190,000	200,392,924	249,412,255	2.73%	2,715	

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 THREE 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
2017	37,829,331	106,299	37,723,032	0.39%	410.64

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, 2017

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE*	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt repaid with property taxes			
Broward County School Board	\$ 1,735,301,000	3.49%	\$ 60,562,005
Broward County	207,550,000	3.82%	<u>7,928,410</u>
Subtotal, overlapping debt			68,490,415
City direct debt			<u>49,019,331</u>
Total direct and overlapping debt			<u><u>\$ 117,509,746</u></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
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
2017	119,850,231	61,780,396	58,069,835	4,425,000	10,693,239	3.84	5,927,460	2.76
PUBLIC FACILITIES REVENUE BONDS^a								
UTILITY SERVICE TAXES								
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			-	-	-	-		
2017			-	-	-	-		
PUBLIC IMPROVEMENT BONDS								
SPECIAL ASSESSMENT COLLECTIONS								
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		
2017			602,140	600,000	2,721	1.00		
AD VALOREM TAX BONDS^b								
SPECIAL TAX DISTRICT NO. 1 PROPERTY TAX COLLECTIONS								
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		
2017			2,496,778	2,035,000	541,595	0.97		

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**

FISCAL YEAR	POPULATION	TOTAL POPULATION INCOME (AMOUNTS IN THOUSANDS)	PER CAPITA INCOME	UNEMPLOYMENT RATE
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	5.2%
2016	90,714	2,212,696	24,392	4.6%
2017	91,865	Not available	Not available	3.3%

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>2017</u>			<u>2008</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>
American Express	3,000	1	5.84%	-	-	-
Broward County School Board	1,246	2	2.43%	1,523	1	3.17%
City of Sunrise	1,046	3	2.04%	1,062	2	2.21%
Coventry Healthcare of Florida	900	4	1.75%	-	-	-
United Healthcare	750	5	1.46%	750	4	1.56%
Mednax National Medical Group	600	6	1.17%	-	-	-
Sheridan Health	500	7	0.97%	-	-	-
Centene Healthcare	450	8	0.88%	-	-	-
Team Health	350	9	0.68%	-	-	-
Comcast	350	10	0.68%	300	9	0.62%
Vista Health Plans	-	-	-	900	3	1.87%
AT & T	-	-	-	700	5	1.46%
Pediatrix	-	-	-	500	6	1.04%
Research in Motion	-	-	-	500	7	1.04%
Nortel	-	-	-	300	8	0.62%
Publix	-	-	-	300	10	0.62%
Total	9,192		17.90%	6,835		14.21%

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Information Technology	16	16	15	14	13	17	13	14	15	19
Finance and Administrative Services	25	22	20	20	20	21	33	32	37	36
Central Services	17	19	22	22	21	21	-	-	-	-
Community Development-Planning	31	31	29	27	31	29	28	27	26	29
Other ^a	38	38	39	40	38	42	27	26	27	30
Public safety										
Police										
Officers	175	175	171	176	177	176	176	176	184	178
Civilians	83	89	86	86	82	82	65	66	59	71
Fire										
Firefighters and officers	146	146	139	145	149	145	149	150	153	148
Civilians	15	6	6	8	8	9	9	10	9	11
Building	31	29	28	26	25	24	29	34	35	37
Code Enforcement	15	15	15	15	15	13	13	14	15	13
Transportation										
Public Works	34	33	34	34	34	29	-	-	-	-
Culture and recreation	112	100	94	94	87	93	100	101	103	112
Water	101	100	102	100	102	102	119	119	125	125
Wastewater	94	93	94	105	107	106	124	124	131	130
Gas	25	22	21	20	19	20	21	21	21	23
Golf Course	15	11	-	-	-	-	-	-	-	-
Recycling	1	-	-	-	-	-	-	-	-	-
Stormwater	7	7	7	6	7	7	20	22	22	20

^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

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FUNCTION	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety										
Police										
Physical arrests	3,044	3,066	2,661	2,855	2,115	2,629	1,940	1,498	1,405	452
Parking violations	742	558	532	466	367	761	338	265	169	128
Traffic violations	13,490	11,843	10,845	12,874	19,471	12,714	14,153	11,914	9,430	12,609
Fire										
Number of calls answered	11,807	11,776	11,970	11,647	12,015	13,131	14,187	14,127	15,536	15,796
Inspections	9,057	9,613	9,662	10,101	10,578	10,577	10,529	9,860	10,710	9,522
Transportation										
Street resurfacing (miles)	15	6	15	10	12	8	8	-	8	-
Potholes repaired	61	351	398	186	295	317	290	253	301	336
Culture and recreation										
Participants-youth athletic programs	2,846	2,787	2,702	2,923	2,816	2,880	3,169	2,560	2,452	2,041
Theatre performance attendance	5,128	4,182	3,682	3,674	5,287	12,901	10,773	11,232	11,052	17,832
Senior center memberships	1,320	1,385	1,391	1,479	1,676	1,228	1,104	1,185	1,075	1,049
Athletic club memberships	290	220	193	291	296	461	525	758	915	709
Water										
New connections	143	35	142	157	62	149	69	102	100	12
Water main breaks	34	38	56	46	56	67	84	44	41	42
Average daily consumption (thousands of gallons)	21,546	21,469	20,400	20,672	19,746	19,797	19,833	20,562	19,563	20,087
Wastewater										
Average daily sewage treatment (thousands of gallons)	24,265	26,062	25,851	21,664	24,445	21,423	20,864	20,880	20,691	20,871
Gas										
Average daily usage (CCF's)	12,499	11,843	12,544	12,180	10,995	10,802	12,413	13,008	13,890	14,450
Golf course										
Memberships	95	55	321	217	192	165	161	170	165	170
Rounds of golf played	17,137	9,602	1,054	36,992	37,399	39,649	38,996	38,259	36,745	33,679
Stormwater										
Commercial equivalent residential units (ERU's)	34,994	37,070	37,070	37,327	37,062	37,231	37,304	37,553	37,772	37,771
Residential equivalent residential units (ERU's)	37,619	37,787	37,900	38,158	38,386	38,695	38,695	39,024	39,025	39,442

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

FUNCTION	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	3	3	3	1	1	1	1	1	1	1
Patrol units	216	226	249	258	252	246	246	243	244	228
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	3,797	3,797	3,863	3,868	3,917	3,925	3,925	3,925	3,925
Culture and recreation										
Parks	13	13	13	13	13	13	13	15	15	15
Park acreage	177	177	177	177	177	177	181	198	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	8	8	8	8	9	9	9	9	9	9
Water										
Water mains (miles)	636	636	636	637	637	637	637	637	637	637
Maximum daily capacity (thousands of gallons)	44,000	44,000	44,000	44,000	44,000	50,000	50,000	50,000	51,500	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	30,990	30,990
Gas mains (miles)	178	180	181	181	184	185	188	188	188	190
Golf Course	1	1	1	1	1	1	1	1	1	1
Stormwater										
Pump stations	7	7	7	8	8	8	8	8	8	8
Storm sewers (miles)	390	392	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, 2017, 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 12, 2018. 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 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 12, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Sunrise, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2017. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program 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). Those standards and the Uniform Guidance 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 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Major Federal Program

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 its major federal program for the year ended September 30, 2017.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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 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 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. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, FL
March 12, 2018

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CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2017

Federal Agency, Pass-through Entity Federal Program Project	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 (2015 UASI)	97.067	16-DS-U7-11-23-02-368	128,724	-
Indirect Programs:				
Passed through State of Florida, Division of Emergency Management - Disaster Relief Funding, Hurricane Matthew	97.036	17-PA-U5-11-16-01-076	127,619	-
Total United States Department of Homeland Security			256,343	-
<u>United States Department of Housing and Urban Development</u>				
Direct Programs:				
Community Development Block Grants/Entitlement Grants Cluster	14.218	B-14-MC-12-0035	120,652	-
Community Development Block Grants/Entitlement Grants Cluster	14.218	B-15-MC-12-0035	113,056	-
Community Development Block Grants/Entitlement Grants Cluster	14.218	B-16-MC-12-0035	293,110	-
			<u>526,818</u>	<u>-</u>
Indirect Programs:				
Passed through Broward County - Home Investment Partnerships Program	14.239	15-HFCD-159-HOME	96,328	96,328
Total United States Department of Housing and Urban Development			623,146	96,328
<u>United States Department of Justice</u>				
Direct Programs:				
Federal Equitable Sharing	16.922		855,383	-
Bulletproof Vest Partnership Program	16.607	2016	4,967	-
Bulletproof Vest Partnership Program	16.607	2017	8,807	-
Missing Persons with Alzheimer's Disease	16.015	2015-SJ-BX-0005	30,369	-
			<u>899,526</u>	<u>-</u>
Indirect Programs:				
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant (JAG2014)	16.738	2014-DJ-BX-0394	19,159	-
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant (JAG2015)	16.738	2015-DJ-BX-1021	16,223	-
			<u>35,382</u>	<u>-</u>
Total United States Department of Justice			934,908	-

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See notes to schedule of expenditures of federal awards.

CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2017

Federal Agency, Pass-through Entity Federal Program Project	CFDA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<u>United States Department of Transportation</u>				
Indirect Programs:				
<u>Highway Planning and Construction Cluster:</u>				
Passed through University of South Florida - High Visibility Enforcement	20.205	G0E08	14,951	-
Passed through Florida Department of Transportation - NW 44th Street from 11500 Block to Pine Island Road	20.205	G0937	1,190,112	-
Passed through Florida Department of Environmental Protection - Shotgun Road Linear Park	20.219	T1406	200,000	-
Total United States Department of Transportation			<u>1,405,063</u>	<u>-</u>
 <u>United States Department of Treasury</u>				
Direct Program:				
Federal Equitable Sharing	21.016	N/A	329,169	-
Total United States Department of Treasury			<u>329,169</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 3,548,629</u>	<u>\$ 96,328</u>

CITY OF SUNRISE, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal 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, 2017. 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). 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, 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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

___ Yes X No

Significant deficiency(ies) identified not considered to be material weakness?

___ Yes X None reported

Non-compliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over major program:

Material weakness(es) identified?

___ Yes X No

Significant deficiency(ies) identified not considered to be material weakness?

___ Yes X None reported

Type of auditors’ report issued on compliance for major program:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

___ Yes X No

Identification of major federal program:

Federal Program or Cluster

CFDA No.

United States Department of Transportation

Highway Planning and Construction (Cluster)

Highway Planning and Construction

20.205

Recreational Trails Program

20.219

Dollar threshold used to distinguish between Type A and Type B programs – Federal

\$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

X Yes ___ No

CITY OF SUNRISE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CITY OF SUNRISE, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

II. PRIOR YEAR FEDERAL AWARDS 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, 2017, and have issued our report thereon dated March 12, 2018. We did not audit the financial statements of the Pension Trust Funds, which represent 73%, 77% and 59%, 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 Reporting Requirements

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 Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 12, 2018, 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 and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City 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 for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was performed as of the fiscal year end.

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the year ended September 30, 2017, 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, 2017. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide 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 did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the 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 12, 2018

**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, Local Government Investment Policies for the year ended September 30, 2017. Management of the City is responsible for the City's compliance with the specified 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 Section 218.415 Florida Statutes for the year ended September 30, 2017.

This report is intended to describe our testing of compliance with Section 218.415 Florida Statutes and it is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, FL
March 12, 2018