

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2018



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

**Fiscal Year Ended
September 30, 2018**



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

CITY OF SUNRISE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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Section I
City of Sunrise, Florida
Introductory Section



March 13, 2019

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, 2018. 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, 2018, are free from 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, 2018, 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 92,000, 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 special improvement district and one special tax district, both 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 most successful mall in the continental 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. The area of the City anchored by these three major assets (Sawgrass Mills mall, Sawgrass International Corporate Park and BB&T Center) is known as the *Sunrise Business and Entertainment District*. This four square mile district has over \$5 billion worth of property value and continues to attract tourism, investment, and jobs to Sunrise.

Strong interest from the hotel development sector continues as demand for corporate lodging and tourism in Sunrise has been on the rise. Development is on schedule for a new 8-story, 170 room AC Marriott anticipated to open in 2020. The City is home to Broward County's highest rate of hotel occupancy for the sixth 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 2019 and beyond.

Last year, the culmination of businesses relocating and expanding in Sunrise resulted in the use of nearly 350,000 square feet of existing work space and over 800 new job opportunities in our community. Some of the largest real-estate transactions, relocations and expansions in Sunrise in 2018 were: *SR Technologies* – 77,000 square feet of office and 210 jobs; *Amazon* – 178,000 square feet of industrial and office space and 125 jobs; *Performance Financial* – 31,000 square feet of office space and 155 jobs; *Heritage Property and Casualty* – 24,000 square feet of office space and 110 jobs; and *Pet Supermarket* expanded their headquarters by adding 100 new jobs. In 2018, a total of 567 new business licenses were issued in Sunrise, up from 542 the year before.

Development continues at a brisk pace in Sunrise, with the City processing over 9,000 building permits this past year, which is approximately 1,000 more than the previous year. The construction value of these permits totals nearly \$200 million. The City's office market vacancy rate now sits below 7%, the lowest in our history, while commercial industrial space was near full occupancy in 2018. These low vacancy rates and high demand pushed office lease rates above \$30 per square foot, which are extremely strong numbers for a suburban market like Sunrise.

The strength of the Sunrise office market has driven developers to submit new plans for additional office projects in 2018. Sawgrass Point II will be the first speculative Class (A) office building to be built in Sunrise in over a decade. This new 4-story building will feature 110,000 square feet of corporate office space and a parking garage. Additionally, marketing has begun on over 500,000 square feet of new office buildings at *Metropica* and *Westerra*, which is currently in for plan review and will be available to meet the needs of expanding businesses beginning in 2020.

Fiscal year 2018 saw continued progress of *Metropica*, the 1.5 billion-dollar mixed-use project that has received international attention. In 2018, we saw the final touches being applied to Metropica's first 28-story, 293-unit residential tower and accompanying parking structure, while site work, infrastructure and underground development on the commercial and retail pads also began in 2018.

In 2018, redevelopment took center stage again as the City neared completion of its first comprehensive redevelopment plan for Eastern Sunrise. This plan will be a decades long blueprint for revitalizing the City's oldest neighborhoods by attracting new investment, providing expanded City programming, infrastructure improvements, and creative development codes to encourage private investment and development. The multifamily housing market continues to be a strong performer in Sunrise with occupancy and rents for the new development at historic highs. New apartment and townhome projects totaling over 2,000 new units throughout the City are in various states of planning and development and will begin construction in 2020.

The Sunrise economy continues to prosper and is expected to remain a favorite destination to conduct business and for international visitors to spend time and money. As job opportunities continue to expand in Sunrise and new residential options develop, the City's appeal as a location to purchase or rent a home increases. All indicators portray a City poised to capture both residential and commercial investors in 2019 and beyond.

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 any potential 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 Sunrise Sportsplex features land totaling approximately 16.4 acres that will be developed into a new park and include one convertible full size multi-purpose field, four youth baseball/softball fields, two playgrounds, and one concession building with restroom facilities.
- 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 include 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 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 second floor walking track, new multi-level fitness area, new racquetball courts, and new multi-purpose room.
- The Senior Center expansion will provide space for enhanced and additional programming. Work includes a new exercise room, a new craft room, an upgraded kitchen that can accommodate cooking classes, and a new media room.
- The Municipal Campus expansion allows for the construction of a new City Hall building with parking amenities to replace the existing City Hall.

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 seasonal events, including an Earth Day Festival, a Royal Egg Hunt, a Back to School Round-Up, a Fall Harvest Festival, and holiday-themed Arts and Crafts Festival. Sunrise's annual Fourth of July Celebration features an outdoor concert and fireworks at the BB&T Center and attracts nearly 20,000 revelers from across the region. Cultural events include year round Theatre and Art Gallery programming, a Martin Luther King Jr. Arts Weekend, the Fort Lauderdale International Film Festival screenings, open mic nights and writing workshops for teens, and our Tunes 'N Trucks outdoor concert series. The City's robust scholastic and community-based chess programs have also earned Sunrise local, national, and international acclaim. 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, 2017. 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**

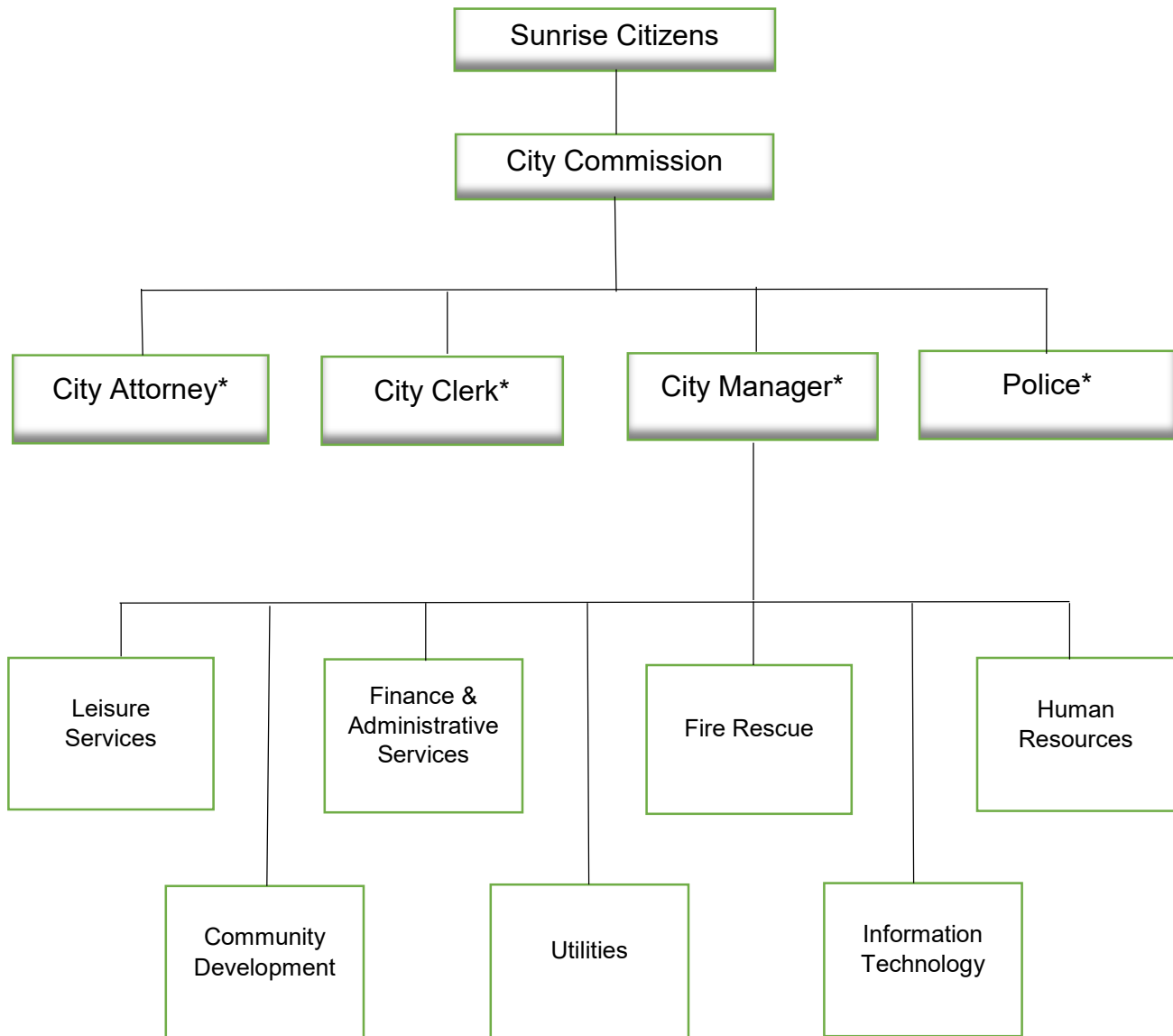
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

City of Sunrise
Departmental Organizational Chart
Fiscal Year 2017/2018



**City of Sunrise, Florida
List of City Officials
September 30, 2018**

Elected Officials

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

**Michael J. Ryan
Lawrence A. Sofield
Mark A. Douglas
Neil C. Kerch
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
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
Anthony Rosa**

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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, 2018, 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 79%, 81% and 60%, 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, 2018, 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 Changes in Total OPEB Liability and Related Ratios 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2019 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 13, 2019

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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, 2018. 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 \$622,719,049 at September 30, 2018, an increase of 4.4% from the restated net position.
- The City implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the current fiscal year. Total other postemployment benefits liability, deferred outflows and inflows of resources, other postemployment benefits 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 2017 government-wide and proprietary fund net position.

Governmental Activities

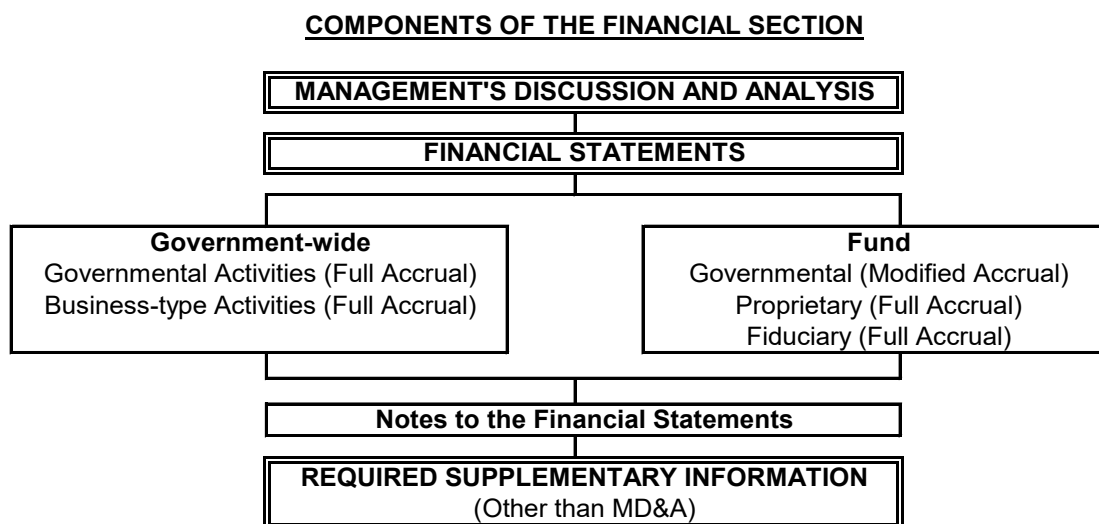
- On a government-wide basis for governmental activities, the City's general revenues of \$81,648,214 were \$10,819,106 less than the \$92,467,320 of expenses net of program revenue. Additionally, general revenues were \$5,741,126 more than the prior year representing an increase of 7.6%.
- As of September 30, 2018, the City's governmental activities reported a total ending net position of \$181,995,967. Unrestricted net position has a negative amount of \$72,061,847 due to the deferred outflows, deferred inflows and the pension and other postemployment benefits liabilities now being included as required by GASB reporting requirements.

General Fund

- At the end of the current fiscal year, fund balance for the general fund was \$74,873,483. Of this balance, \$13,224,004 for inventories, prepaid items and advances was nonspendable; \$27,086,609 was committed for revenue stabilization, contingency, economic development, and reforestation replacement; \$797,460 was assigned for subsequent year's expenditures and \$1,242,614 was assigned for encumbrances. The balance of \$32,522,796 is unassigned and available for new spending.
- At the end of the fiscal year, the unassigned fund balance was \$32,522,796 or 25.8% of general fund revenues and 26.3% of general fund expenditures.
- General fund revenues and other financing sources increased by \$5,667,444, an increase of 4.5% from fiscal year 2017 primarily due to increased assessed property values and increased receipts for public safety grants.
- General fund expenditures and other financing uses increased by \$13,363,936, or 11.3% more than last fiscal year primarily due to salary increases, capital equipment purchases, and increases in transfers out.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

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



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. Two other legal entities for which the City is financially accountable - 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 2018, the City maintained sixteen 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, Capital Improvements capital projects fund and General Obligation Bonds, Series 2015, capital projects fund. Data from the other thirteen 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 is 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 2018 and restated for fiscal year 2017:

Summary of Net Position As of September 30, 2018 and 2017 (in thousands), as restated						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$217,652	\$241,198	\$303,872	\$286,670	\$ 521,524	\$ 527,868
Capital assets	210,676	193,193	423,919	406,947	634,595	600,140
Total assets	<u>428,328</u>	<u>434,391</u>	<u>727,791</u>	<u>693,617</u>	<u>1,156,119</u>	<u>1,128,008</u>
Deferred outflows of resources	58,117	49,286	21,094	15,674	79,211	64,960
Current and other liabilities	19,646	19,333	31,426	30,407	51,072	49,740
Long-term liabilities	265,170	261,063	270,993	267,879	536,163	528,942
Total liabilities	<u>284,816</u>	<u>280,396</u>	<u>302,419</u>	<u>298,286</u>	<u>587,235</u>	<u>578,682</u>
Deferred inflows of resources	19,633	7,667	5,743	1,549	25,376	9,216
Net position:						
Net investment in capital assets	162,751	140,790	219,579	201,581	382,330	342,371
Restricted	91,307	115,510	117,891	108,975	209,198	224,485
Unrestricted	(72,062)	(60,686)	103,253	98,900	31,191	38,214
Total net position	<u>\$181,996</u>	<u>\$195,614</u>	<u>\$440,723</u>	<u>\$409,456</u>	<u>\$ 622,719</u>	<u>\$ 605,070</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2018, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$622,719 thousand.

The majority of the City's net position (61.4%) 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 (33.6%) 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 (5.0%) 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 restated net position of \$26,290 thousand for the current fiscal year. The increase of \$33,585 thousand for business-type activities is primarily due to an increase in water/wastewater and stormwater revenues. The decrease of \$7,295 thousand for governmental activities is primarily due to the other postemployment benefits reporting requirements of GASB 75.

Summary of Activities

The following table provides a condensed comparative summary of the City's operations for the fiscal years ended September 30, 2018 and 2017, as restated:

Changes in Net Position For the Fiscal Years Ended September 30, 2018 and 2017, as restated						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 53,421	\$ 53,873	\$145,996	\$141,060	\$199,417	\$194,933
Operating grants and contributions	7,482	6,165	5	33	7,487	6,198
Capital grants and contributions	2,603	3,026	4,398	3,296	7,001	6,322
General revenues:						
Property taxes	44,375	40,934	-	-	44,375	40,934
Utility service tax	10,117	9,773	-	-	10,117	9,773
Communications services tax	3,013	3,280	-	-	3,013	3,280
Local business tax	2,258	2,335	-	-	2,258	2,335
Franchise fees	9,619	9,506	-	-	9,619	9,506
Contributions not restricted to specific programs	8,948	8,402	-	-	8,948	8,402
Unrestricted investment earnings	2,425	1,377	3,944	1,770	6,369	3,147
Miscellaneous	893	301	1,306	495	2,199	796
Total revenues	<u>145,154</u>	<u>138,972</u>	<u>155,649</u>	<u>146,654</u>	<u>300,803</u>	<u>285,626</u>
Expenses						
General government	35,327	30,422	-	-	35,327	30,422
Public safety	91,329	86,838	-	-	91,329	86,838
Physical environment	97	16	-	-	97	16
Economic development	882	824	-	-	882	824
Transportation	10,357	10,446	-	-	10,357	10,446
Culture and recreation	16,134	14,782	-	-	16,134	14,782
Interest on long-term debt	1,847	1,981	-	-	1,847	1,981
Water and wastewater	-	-	90,489	87,003	90,489	87,003
Gas	-	-	7,613	7,168	7,613	7,168
Sanitation	-	-	12,668	11,701	12,668	11,701
Recycling	-	-	899	886	899	886
Stormwater	-	-	5,038	4,367	5,038	4,367
Golf course	-	-	1,833	1,848	1,833	1,848
Total expenses	<u>155,973</u>	<u>145,309</u>	<u>118,540</u>	<u>112,973</u>	<u>274,513</u>	<u>258,282</u>
Increase (decrease) in net position before transfers	(10,819)	(6,337)	37,109	33,681	26,290	27,344
Transfers	3,524	3,635	(3,524)	(3,635)	-	-
Change in net position	(7,295)	(2,702)	33,585	30,046	26,290	27,344
Net position – beginning, as restated (Note IV)(J)	<u>189,291</u>	<u>198,316</u>	<u>407,138</u>	<u>379,410</u>	<u>596,429</u>	<u>577,726</u>
Net position – ending, as restated	<u>\$181,996</u>	<u>\$195,614</u>	<u>\$440,723</u>	<u>\$409,456</u>	<u>\$622,719</u>	<u>\$605,070</u>

Revenues

For the fiscal year ended September 30, 2018, revenues from governmental activities totaled \$145,154 thousand.

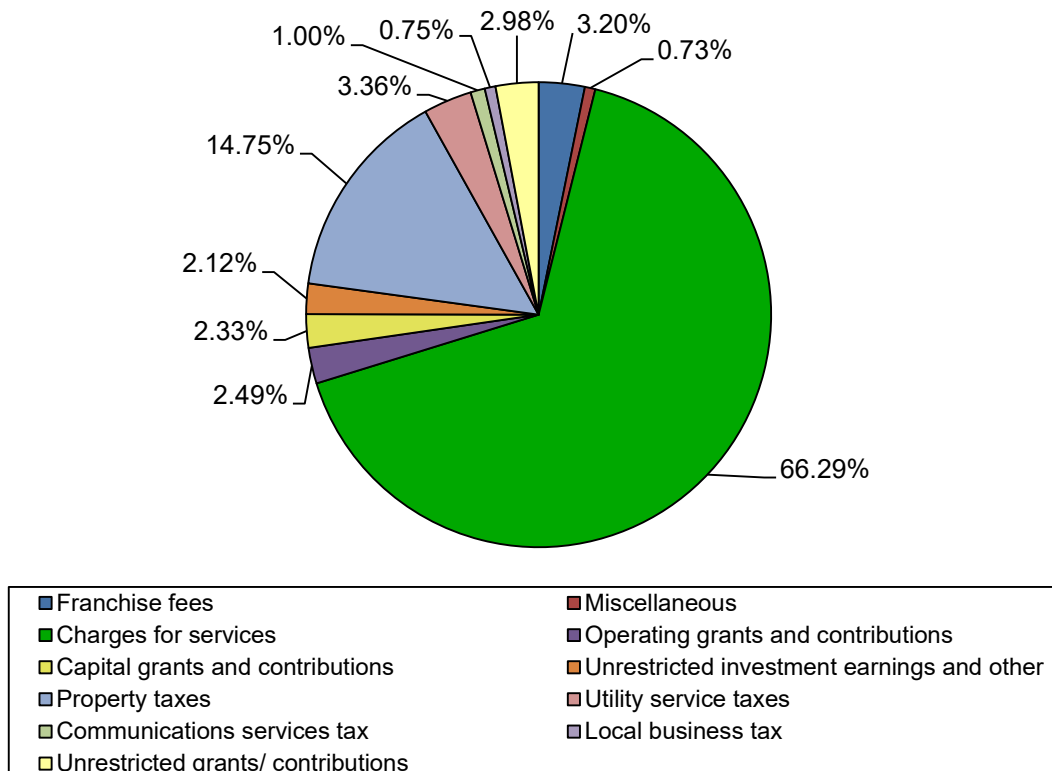
General property taxes were \$44,375 thousand, an increase of \$3,441 thousand as compared to fiscal year 2017. Assessed property values increased slightly compared to 2017 while the City maintained its previous year's millage rate.

Charges for services increased by \$4,484 thousand mainly due to an increase in the CPI of 3.55%, for water, wastewater and stormwater revenues on October 1, 2017.

Operating grants and contributions increased by \$1,289 thousand primarily due to the receipt of public safety federal and state grant funds. Capital grants and contributions increased by \$679 thousand primarily due to an increase in developer contributions.

Unrestricted investment earnings increased by \$3,222 thousand due to an increase in the average interest rate from 0.9% in fiscal year 2017 to 1.6% in fiscal year 2018.

Sources of Revenue: Government-wide for FY 2018

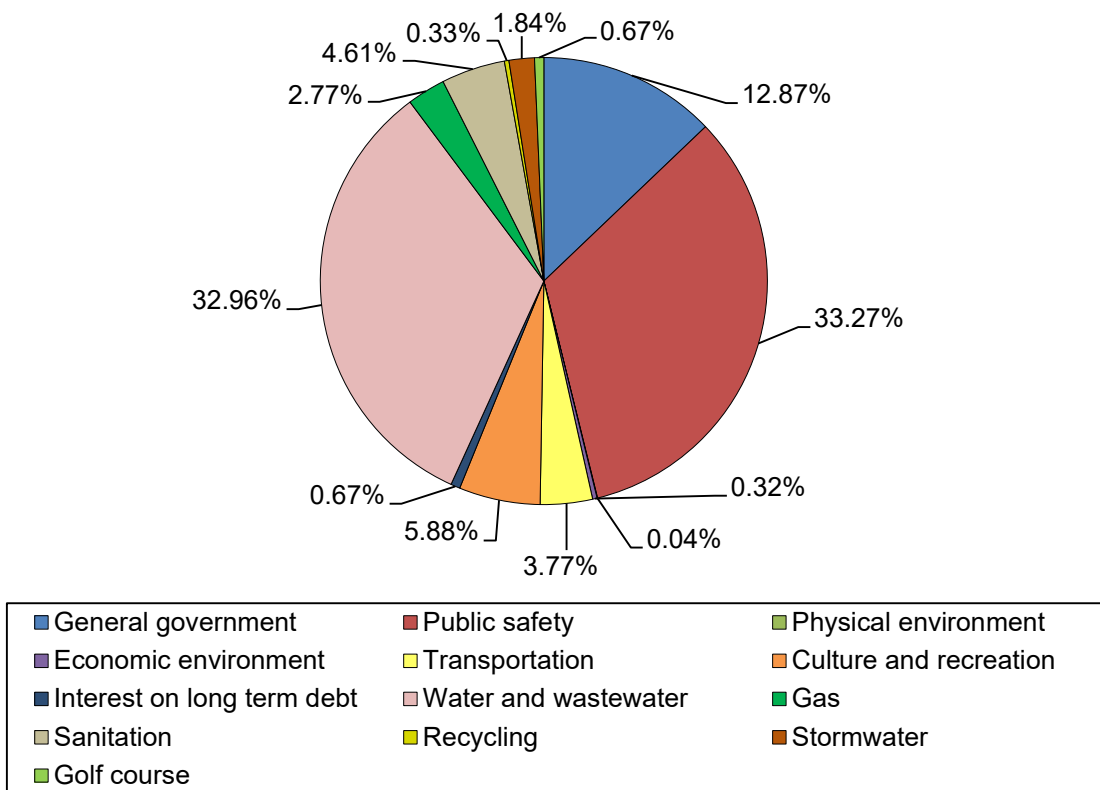


Expenses

For the fiscal year ended September 30, 2018, expenses for governmental activities totaled \$155,973 thousand, an increase of \$10,664 thousand, primarily due to increases for employee compensation, capital equipment purchases, and increased transfers out.

Expenses for the City's business-type activities, which provide water, wastewater and gas, sanitation, recycling, stormwater services and golf course operations, totaled \$118,540 thousand, an increase of \$5,567 thousand from fiscal year 2017. This increase is due to additional 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 FY2018



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended September 30, 2018, the governmental funds reflect a combined fund balance of \$169,761,081, a decrease of \$25,559,438 in comparison with the prior year. Approximately 93.2% of this total amount (\$156,457,746) 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 (\$13,220,000), prepaid items (\$3,296) and inventories (\$80,039). This year's decrease in fund balance is due to a number of reasons. The other governmental funds fund balance decreased by \$1,033,836 primarily due to an increase in building fees and forfeiture confiscation expenditures. The Capital Improvements Capital Projects Fund had an increase in fund balance of \$2,300,132 due to the transfer of funds from the General Fund for various city-wide construction projects. The General Obligation Bonds, Series 2015 Capital Projects Fund had a decrease in fund balance of \$26,737,533 due to the construction of various park, recreation and leisure general obligation bond projects. The General Fund's expenditures and other financing uses were \$88,201 in excess of its revenues and other financing sources primarily due to the transfer of funds to the Capital Improvements Capital Projects Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget amounted to a \$9,360,603 increase in appropriations. Of this increase, \$1,137,708 was funded through various grants, \$341,282 was funded through miscellaneous revenue sources, and \$7,881,613 was funded from the General Fund unassigned fund balance. Highlights of the supplemental appropriation follow:

- \$2,933,513 in increases for general government activities. The increase was comprised of a supplemental appropriation of \$203,513 to be used for economic development expenditures, a supplemental appropriation of \$500,000 to be used for a Multi-Family Residential Rental Housing Stimulus Program, and a supplemental appropriation of \$2,500,000 to be used for expenditures related to Hurricane Irma. The funds for Hurricane Irma were appropriated from the committed contingency fund balance and must be repaid within three years from the date of disbursement. Additionally, there was a budget reduction for appropriations to the Capital Improvement Fund in the amount of \$270,000.
- \$1,478,990 in increases allocated to public safety. Included in this amount was supplemental appropriations to fund \$341,282 for the purchase of radios and \$1,137,708 for public safety related grants.
- \$4,948,100 in increases for transfers out to the Capital Improvements capital projects fund for various capital projects.

General Fund
Summary of Revenues, Expenditures and Changes in Fund
Balance – Budget to Actual
FY 2018
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues			
Taxes	\$ 56,257	\$ 56,257	\$ 56,645
Permits and fees	2,480	2,480	1,247
Franchise fees	9,301	9,301	9,736
Intergovernmental	8,778	9,915	10,437
Charges for services	23,551	23,551	24,585
Other	<u>22,109</u>	<u>22,450</u>	<u>23,341</u>
Total	<u>122,476</u>	<u>123,954</u>	<u>125,991</u>
Expenditures	<u>125,946</u>	<u>130,358</u>	<u>123,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,470)</u>	<u>(6,404)</u>	<u>2,251</u>
Other financing sources (uses)			
Transfers in	5,255	5,255	5,080
Transfers out	(2,515)	(7,463)	(7,463)
Sale of capital assets	<u>20</u>	<u>20</u>	<u>44</u>
Total	<u>2,760</u>	<u>(2,188)</u>	<u>(2,339)</u>
Net change in fund balance	<u>\$ (710)</u>	<u>\$ (8,592)</u>	<u>\$ (88)</u>

Actual general fund revenues exceeded original budgeted revenues by \$3,515 thousand. This increase is primarily due to receipt of \$1,389 thousand for cost recovery surcharges, \$1,178 thousand in additional grant awards, \$554 thousand in interest earnings and \$313 thousand in code liens satisfaction. The original budget was amended to account for \$1,137 thousand in additional grant awards and \$341 thousand in miscellaneous revenues. Actual general fund expenditures were less than the original budget by \$2,206 thousand primarily due to position vacancies resulting in salary and related payroll cost savings, less than anticipated expenditures for capital equipment and a concerted effort to curtail operating expenditures.

Actual revenue collections exceeded the final budget by \$2,037 thousand. The increase between actual revenues and the final budget are due to an increase in cost recovery charges and additional grant awards. In addition, total expenditures were approximately \$6,618 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 2018, the City's governmental activities had invested \$210,676,409 in a variety of capital assets and infrastructure, which represents a net increase of \$17,483,348 from the prior year. The City's investment in capital assets for its business-type activities amounted to \$423,919,418, which represents a net increase of \$16,972,264 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 10/1/17	Net Additions/ Deletions	Balance 9/30/18	Balance 10/1/17	Net Additions/ Deletions	Balance 9/30/18
Non-depreciable assets:						
Land	\$ 23,934	\$ 2,508	\$ 26,442	\$ 12,412	\$ -	\$ 12,412
Construction in progress	11,521	25,162	36,683	46,376	25,638	72,014
Depreciable capital assets:						
Intangibles	2,008	(442)	1,566	401	(48)	353
Buildings and system	154,750	(4,455)	150,295	597,163	12,843	610,006
Improvements other than buildings	55,283	22	55,305	18,384	205	18,589
Machinery and equipment	20,055	1,827	21,882	8,866	139	9,005
Vehicles	25,578	1,536	27,114	10,388	905	11,293
Infrastructure	331,894	3,397	335,291	-	-	-
Accumulated depreciation on capital assets	(431,830)	(12,072)	(443,902)	(287,043)	(22,710)	(309,753)
Totals	<u>\$193,193</u>	<u>\$ 17,483</u>	<u>\$ 210,676</u>	<u>\$ 406,947</u>	<u>\$ 16,972</u>	<u>\$ 423,919</u>

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

- The City made public safety purchases including a typhoon pumper fire engine for \$574,886, and police department vehicles totaling \$876,222.
- A sewer vacor truck was purchased by the Water/Wastewater Utility System for \$358,708.
- Various major projects were completed in the Water/Wastewater Utility System including Springtree Biscayne test wells/wellhead replacements and the Springtree wastewater deep injection wells.

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

- Parks improvements/expansions are in the design phase at City Park and the Sunrise Athletic Complex Park.
- Construction is underway for the Sunrise Sportsplex, Flamingo Park renovation, and Veterans Park as well as the expansion of the Senior Center, Civic Center and Welleby Park.
- 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 \$241,355,000. Of this amount, \$196,685,000 represents bonds and a direct borrowing secured solely by specified revenue sources, \$9,155,000 is special tax district ad valorem tax bonds and \$35,515,000 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 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 July 2018, the City defeased the principal amount of \$88,295,000 of utility revenue and refunding bonds (Series 1998). These funds were defeased with a direct placement borrowing, issued as Utility System Revenue Refunding Bonds, Series 2018.

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 2018 was 51,842 compared to 50,971 as of September 2017. The City's resident unemployment rate decreased from 3.7% in September 2017 to 2.8% in September 2018. The State of Florida's unemployment rate in September 2018 was 3.1%.

As of September 2017 (the latest data available from the U. S. Census Bureau), the City's median household income was \$61,887, while the State's median household income was \$52,594.

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, 2018**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 192,781,875	\$ 115,063,890	\$ 307,845,765
Investments	22,126,514	17,941,732	40,068,246
Receivables, net of allowance for uncollectibles	7,185,309	21,542,049	28,727,358
Internal balances	(4,903,503)	4,903,503	-
Inventories	430,706	2,023,030	2,453,736
Prepaid items	30,816	60,424	91,240
Restricted assets:			
Cash and cash equivalents	-	125,682,008	125,682,008
Investments	-	16,526,135	16,526,135
Interest receivable on investments	-	128,725	128,725
Capital assets not being depreciated:			
Land	26,442,757	12,412,438	38,855,195
Construction in progress	36,683,094	72,014,613	108,697,707
Capital assets (net of accumulated depreciation):			
Intangibles	166,049	19,883	185,932
Buildings and system	103,252,928	322,556,174	425,809,102
Improvements other than buildings	14,545,420	10,090,675	24,636,095
Machinery and equipment	6,587,320	2,538,365	9,125,685
Vehicles	10,980,556	4,287,270	15,267,826
Infrastructure	12,018,285	-	12,018,285
Total assets	<u>428,328,126</u>	<u>727,790,914</u>	<u>1,156,119,040</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	1,332,833	1,332,833
Other postemployment benefits	369,614	155,929	525,543
Pensions	57,747,001	19,605,706	77,352,707
Total deferred outflows of resources	<u>58,116,615</u>	<u>21,094,468</u>	<u>79,211,083</u>
LIABILITIES			
Accounts payable and other current liabilities	8,245,540	9,546,903	17,792,443
Retainage payable	1,820,022	1,515,504	3,335,526
Intergovernmental payable	314,516	2,123,690	2,438,206
Interest payable	564,344	-	564,344
Accrued liabilities	3,020,756	430,123	3,450,879
Unearned revenue	2,786,382	51,734	2,838,116
Other liabilities	2,894,585	-	2,894,585
Liabilities payable from restricted assets	-	17,758,729	17,758,729
Non-current liabilities:			
Due within one year	4,432,837	5,052,952	9,485,789
Due in more than one year			
Net pension liability	161,846,745	45,189,273	207,036,018
Total pension liability - retiree subsidy	19,800,028	16,159,890	35,959,918
Total pension liability - excess plan	2,241,127	-	2,241,127
Total other postemployment benefits	20,268,973	8,550,839	28,819,812
Debt and other	56,579,543	196,039,867	252,619,410
Total liabilities	<u>284,815,398</u>	<u>302,419,504</u>	<u>587,234,902</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits	1,231,010	519,326	1,750,336
Pensions	18,402,366	5,223,470	23,625,836
Total deferred inflows of resources	<u>19,633,376</u>	<u>5,742,796</u>	<u>25,376,172</u>
NET POSITION			
Net investment in capital assets	162,750,766	219,579,021	382,329,787
Restricted:			
Debt service	4,716,896	-	4,716,896
Renewal and replacement	-	37,777,887	37,777,887
Operations and maintenance	-	4,675,495	4,675,495
System reserve	-	75,437,559	75,437,559
Capital projects	72,114,622	-	72,114,622
Transportation	4,114,588	-	4,114,588
Building fees	9,737,382	-	9,737,382
Impact fees	623,560	-	623,560
Unrestricted	(72,061,847)	103,253,120	31,191,273
Total net position	<u>\$ 181,995,967</u>	<u>\$ 440,723,082</u>	<u>\$ 622,719,049</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, 2018

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	\$ 35,327,180	\$ 9,145,264	\$ -	\$ -	\$ (26,181,916)	\$ -	\$ (26,181,916)
Public safety	91,328,642	26,207,627	4,279,748	166,492	(60,674,775)	-	(60,674,775)
Physical environment	96,856	16,411,600	-	-	16,314,744	-	16,314,744
Economic development	881,688	-	1,024,988	-	143,300	-	143,300
Transportation	10,357,065	46,056	2,091,157	1,937,011	(6,282,841)	-	(6,282,841)
Culture and recreation	16,134,161	1,610,220	85,905	499,304	(13,938,732)	-	(13,938,732)
Interest on long-term debt	1,847,100	-	-	-	(1,847,100)	-	(1,847,100)
Total governmental activities	155,972,692	53,420,767	7,481,798	2,602,807	(92,467,320)	-	(92,467,320)
Business-type activities:							
Water and wastewater	90,488,937	115,575,194	5,503	4,398,270	-	29,490,030	29,490,030
Gas	7,613,124	8,049,019	-	-	-	435,895	435,895
Sanitation	12,667,652	12,700,783	-	-	-	33,131	33,131
Recycling	899,350	1,149,864	-	-	-	250,514	250,514
Stormwater	5,038,372	7,526,854	-	-	-	2,488,482	2,488,482
Golf course	1,832,889	994,406	-	-	-	(838,483)	(838,483)
Total business-type activities	118,540,324	145,996,120	5,503	4,398,270	-	31,859,569	31,859,569
Total	\$ 274,513,016	\$ 199,416,887	\$ 7,487,301	\$ 7,001,077	(92,467,320)	31,859,569	(60,607,751)
General revenues:							
Property taxes					44,375,078	-	44,375,078
Utility service tax					10,117,314	-	10,117,314
Communications services tax					3,013,094	-	3,013,094
Local business tax					2,257,857	-	2,257,857
Franchise fees based on gross receipts					9,619,183	-	9,619,183
Contributions not restricted to specific programs					8,948,305	-	8,948,305
Unrestricted investment earnings					2,424,959	3,944,069	6,369,028
Miscellaneous					892,424	1,305,786	2,198,210
Transfers					3,524,053	(3,524,053)	-
Total general revenues and transfers					85,172,267	1,725,802	86,898,069
Change in net position					(7,295,053)	33,585,371	26,290,318
Net position - beginning, as previously stated					195,613,686	409,456,264	605,069,950
Restatement of net position due to GASB implementation (see Note IV, J)					(6,322,666)	(2,318,553)	(8,641,219)
Net position - beginning, as restated					189,291,020	407,137,711	596,428,731
Net position - ending					\$ 181,995,967	\$ 440,723,082	\$ 622,719,049

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

CITY OF SUNRISE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Capital Improvements	General Obligation Bonds Series 2015	
ASSETS				
Cash and cash equivalents	\$ 57,284,377	\$ 41,893,220	\$ 5,833,167	\$ 164,816,067
Investments	9,338,984	6,253,905	-	17,733,519
Receivables, net of allowance for uncollectibles:				
Interest	57,536	40,880	4,700	126,800
Taxes	644,931	-	-	644,931
Franchise fees	1,051,523	-	-	1,051,523
Accounts receivable	956,157	-	-	956,157
Other	180,022	-	-	185,824
Due from other funds	813,684	4,327	3,772	897,923
Interfund	154,843	-	-	154,843
Intergovernmental	2,642,128	622,800	151,156	3,972,685
Prepaid items	3,296	-	-	3,296
Inventories	708	-	-	80,039
Advances to other funds	13,220,000	-	-	13,220,000
Total assets	\$ 86,348,189	\$ 48,815,132	\$ 5,992,795	\$ 203,843,607
LIABILITIES				
Accounts payable	2,568,141	849,764	2,082,190	6,497,487
Accrued liabilities	2,895,298	-	89,455	2,984,753
Retainage payable	252,853	754,706	812,463	1,820,022
Intergovernmental payable	313,157	-	1,359	314,516
Due to other funds	963,849	-	31,822	1,056,893
Interfund payable	-	-	154,843	154,843
Matured bonds payable	-	-	2,130,000	2,130,000
Matured interest payable	-	-	223,045	223,045
Unearned revenue	2,704,801	-	81,581	2,786,382
Other	1,776,607	-	1,117,978	2,894,585
Advances from other funds	-	13,000,000	220,000	13,220,000
Total liabilities	11,474,706	14,604,470	2,955,875	34,082,526
FUND BALANCES				
Nonspendable:				
Inventories	708	-	-	80,039
Prepaid items	3,296	-	-	3,296
Advances	13,220,000	-	-	13,220,000
Restricted for:				
Building department	-	-	-	9,737,382
Capital projects	-	-	1,410,468	34,867,070
Recreation	-	-	3,430	3,430
Public safety	-	-	-	4,080,710
Fire equipment	-	-	-	218,197
Median strips	-	-	-	386,918
Housing	-	-	-	1,303,556
Transportation	-	-	-	3,552,137
Developer agreements	-	623,333	-	623,333
Committed:				
Revenue stabilization	5,745,490	-	-	5,745,490
Contingency	13,986,470	-	-	13,986,470
Economic development	7,223,982	-	-	7,223,982
Reforestation replacement	130,667	-	-	130,667
Assigned to:				
Subsequent year's expenditures	797,460	-	-	797,460
Other purposes	1,242,614	-	-	1,242,614
Construction contracts	-	24,277,066	1,626,452	25,903,518
Transportation	-	-	-	483,120
Debt service funds	-	-	-	2,928,195
Capital projects funds	-	9,310,263	-	10,720,701
Unassigned				
General fund	32,522,796	-	-	32,522,796
Total fund balances	74,873,483	34,210,662	3,036,920	169,761,081
Total liabilities, deferred inflow of resources and fund balances	\$ 86,348,189	\$ 48,815,132	\$ 5,992,795	\$ 203,843,607

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, 2018

Fund balances - total governmental funds	\$ 169,761,081
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.	197,466,639
Debt interest payable that will not be liquidated with current financial resources is not reported in the funds.	(341,299)
Deferred inflows of resources related to pension earnings and other post employment benefits are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting.	(19,167,271)
Deferred outflows of resources related to pension contributions and other post employment benefits are not recognized in the governmental funds; however, they are reported in the statement of net position under full accrual accounting.	56,442,561
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.	30,322,292
Other post employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(19,666,640)
Pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(178,724,297)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(54,097,099)</u>
Net position of governmental activities	<u>\$ 181,995,967</u>

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

CITY OF SUNRISE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General	Capital Projects		Other Governmental Funds	Total Governmental Funds
		Capital Improvements	General Obligation Bonds Series 2015		
REVENUES					
Taxes:					
Property	\$ 39,707,637	\$ -	\$ -	\$ 4,667,441	\$ 44,375,078
Local option fuel	-	-	-	1,658,012	1,658,012
Insurance premium	1,548,796	-	-	-	1,548,796
Utility service	10,117,314	-	-	-	10,117,314
Communications services	3,013,094	-	-	-	3,013,094
Local business	2,257,857	-	-	-	2,257,857
Permits and fees	1,246,736	-	-	5,848,517	7,095,253
Franchise fees	9,735,850	-	-	-	9,735,850
Intergovernmental	10,436,851	650,860	151,156	2,149,103	13,387,970
Charges for services	24,584,777	-	-	53,366	24,638,143
Administrative charges	7,421,660	-	-	-	7,421,660
Judgments, fines and forfeitures	1,679,054	-	-	1,200,193	2,879,247
Special assessments	10,701,365	-	-	-	10,701,365
Impact fees	-	-	-	24,978	24,978
Investment earnings	1,004,341	627,968	333,374	960,052	2,925,735
Contributions and donations	63,190	-	-	-	63,190
Miscellaneous	2,473,041	-	1,138	105,091	2,579,270
Total revenues	125,991,563	1,278,828	485,668	16,666,753	144,422,812
EXPENDITURES					
Current:					
General government	29,797,500	-	-	-	29,797,500
Public safety	78,900,046	-	-	7,922,838	86,822,884
Economic development	-	-	-	881,688	881,688
Transportation	850,947	-	-	3,029,994	3,880,941
Culture and recreation	12,210,163	-	4,679	160,258	12,375,100
Debt service:					
Principal	-	-	-	2,870,000	2,870,000
Interest	-	-	-	1,848,286	1,848,286
Other	-	-	-	43,983	43,983
Capital outlay	1,981,519	3,926,796	27,218,522	1,917,607	35,044,444
Total expenditures	123,740,175	3,926,796	27,223,201	18,674,654	173,564,826
Excess (deficiency) of revenues over (under) expenditures	2,251,388	(2,647,968)	(26,737,533)	(2,007,901)	(29,142,014)
OTHER FINANCING SOURCES (USES)					
Transfers in	5,079,673	4,948,100	-	959,240	10,987,013
Transfers out	(7,462,960)	-	-	-	(7,462,960)
Proceeds on sale of capital assets	43,698	-	-	14,825	58,523
Total other financing sources (uses)	(2,339,589)	4,948,100	-	974,065	3,582,576
Net change in fund balances	(88,201)	2,300,132	(26,737,533)	(1,033,836)	(25,559,438)
Fund balances - beginning	74,961,684	31,910,530	29,774,453	58,673,852	195,320,519
Fund balances - ending	\$ 74,873,483	\$ 34,210,662	\$ 3,036,920	\$ 57,640,016	\$ 169,761,081

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, 2018

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

Net change in fund balances -- total governmental funds	\$ (25,559,438)
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.	18,735,760
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.	(2,307,449)
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.	3,140,272
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.	(904,384)
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.	(3,167,880)
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.	2,768,066
Change in net position of governmental activities	<u>\$ (7,295,053)</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 39,728,690	\$ 39,728,690	\$ 39,707,637	\$ (21,053)
Insurance premium	1,496,670	1,496,670	1,548,796	52,126
Utility service	9,661,200	9,661,200	10,117,314	456,114
Communications services	3,070,000	3,070,000	3,013,094	(56,906)
Local business	2,300,000	2,300,000	2,257,857	(42,143)
Permits and fees	2,479,620	2,479,620	1,246,736	(1,232,884)
Franchise fees	9,301,000	9,301,000	9,735,850	434,850
Intergovernmental	8,777,940	9,915,648	10,436,851	521,203
Charges for services	23,551,270	23,551,270	24,584,777	1,033,507
Administrative charges	7,421,660	7,421,660	7,421,660	-
Judgments, fines and forfeitures	1,706,000	1,706,000	1,679,054	(26,946)
Special assessments	10,764,840	10,764,840	10,701,365	(63,475)
Investment earnings	450,000	450,000	1,004,341	554,341
Contributions and donations	59,000	59,000	63,190	4,190
Miscellaneous	1,707,660	2,048,942	2,473,041	424,099
Total revenues	<u>122,475,550</u>	<u>123,954,540</u>	<u>125,991,563</u>	<u>2,037,023</u>
EXPENDITURES				
Current:				
General government:				
City Commission	835,030	835,030	774,675	60,355
City Manager	1,397,370	1,427,370	1,353,502	73,868
City Clerk	696,440	696,440	613,249	83,191
City Attorney	1,327,080	1,327,080	1,060,458	266,622
Finance and Administrative Services	5,426,085	5,424,585	4,943,863	480,722
Human Resources	1,507,230	1,505,736	1,329,121	176,615
Facilities	3,500,781	3,499,481	2,994,257	505,224
Planning and Development	4,553,585	4,507,535	3,488,070	1,019,465
Non-departmental	11,053,220	13,956,733	13,240,305	716,428
Total general government	<u>30,296,821</u>	<u>33,179,990</u>	<u>29,797,500</u>	<u>3,382,490</u>
Public safety:				
Police	46,262,954	46,468,899	46,157,161	311,738
Fire	31,313,837	31,405,384	31,258,900	146,484
Code Enforcement	1,706,270	1,706,270	1,483,985	222,285
Total public safety	<u>79,283,061</u>	<u>79,580,553</u>	<u>78,900,046</u>	<u>680,507</u>
Transportation:				
Public Works	<u>1,351,750</u>	<u>1,351,750</u>	<u>850,947</u>	<u>500,803</u>
Culture and recreation:				
Leisure Services	<u>13,257,811</u>	<u>13,271,389</u>	<u>12,210,163</u>	<u>1,061,226</u>

(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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital outlay:				
General government:				
Finance and Administrative Services	-	1,500	1,399	101
Human Resources	-	1,494	1,399	95
Facilities	443,634	444,934	128,918	316,016
Planning and Development	-	46,050	46,040	10
Public safety:				
Police	428,763	580,036	290,154	289,882
Fire	604,035	1,634,260	1,292,196	342,064
Culture and recreation:				
Leisure Services	279,694	266,116	221,413	44,703
Total capital outlay	1,756,126	2,974,390	1,981,519	992,871
Total expenditures	125,945,569	130,358,072	123,740,175	6,617,897
Excess (deficiency) of revenues over (under) expenditures	(3,470,019)	(6,403,532)	2,251,388	8,654,920
OTHER FINANCING SOURCES (USES)				
Transfers in	5,254,770	5,254,770	5,079,673	(175,097)
Transfers out	(2,514,860)	(7,462,960)	(7,462,960)	-
Proceeds on sale of capital assets	20,000	20,000	43,698	23,698
Total other financing sources (uses)	2,759,910	(2,188,190)	(2,339,589)	(151,399)
Net change in fund balances	(710,109)	(8,591,722)	(88,201)	8,503,521
Fund balances - beginning	74,961,684	74,961,684	74,961,684	-
Fund balances - ending	<u>\$ 74,251,575</u>	<u>\$ 66,369,962</u>	<u>\$ 74,873,483</u>	<u>\$ 8,503,521</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, 2018

	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	\$ 100,548,689	\$ 550,647	\$ 13,964,554	\$ 115,063,890	\$ 27,965,808
Investments	15,784,863	150,854	2,006,015	17,941,732	4,392,995
Interest receivable	98,647	1,619	13,844	114,110	27,524
Accounts receivable, net of allowance for uncollectibles	17,403,180	2,374,704	776,423	20,554,307	54,581
Other receivables	64,867	228	35	65,130	161,039
Due from other funds	56,895	-	-	56,895	-
Intergovernmental receivable	568,410	-	240,092	808,502	4,245
Inventories	2,003,403	-	19,627	2,023,030	350,667
Prepaid items	57,574	-	2,850	60,424	3,325
Restricted assets:					
Cash and cash equivalents	8,246,554	-	-	8,246,554	-
Total current assets	144,833,082	3,078,052	17,023,440	164,934,574	32,960,184
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	116,666,073	769,381	-	117,435,454	-
Investments	16,526,135	-	-	16,526,135	-
Interest receivable on investments	128,725	-	-	128,725	-
Capital assets:					
Land	11,123,293	-	1,289,145	12,412,438	-
Intangibles	349,303	-	3,283	352,586	238,188
Buildings and system	609,320,384	-	685,480	610,005,864	-
Improvements other than buildings	8,313,082	-	10,275,602	18,588,684	-
Machinery and equipment	6,284,118	1,504	2,719,574	9,005,196	1,362,005
Vehicles	9,938,119	-	1,355,173	11,293,292	15,790,276
Construction in progress	71,191,638	-	822,975	72,014,613	3,079,013
Less accumulated depreciation	(305,347,780)	(451)	(4,405,024)	(309,753,255)	(7,259,712)
Total capital assets, net of accumulated depreciation	411,172,157	1,053	12,746,208	423,919,418	13,209,770
Total noncurrent assets	544,493,090	770,434	12,746,208	558,009,732	13,209,770
Total assets	689,326,172	3,848,486	29,769,648	722,944,306	46,169,954
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	1,332,833	-	-	1,332,833	-
Other postemployment benefits	142,843	1,052	12,034	155,929	10,984
Pension	17,972,301	50,046	1,583,359	19,605,706	1,663,070
Total deferred outflows of resources	19,447,977	51,098	1,595,393	21,094,468	1,674,054

	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	7,881,315	1,316,462	324,064	9,521,841	854,908
Accrued liabilities	396,513	2,745	30,865	430,123	36,003
Due to other funds	608,359	191,340	13,066	812,765	3,367
Compensated absences	299,061	3,134	35,757	337,952	35,994
Retainage payable	1,515,504	-	-	1,515,504	-
Intergovernmental payable	2,120,708	-	2,982	2,123,690	-
Current liabilities payable from restricted assets:					
Accounts payable	3,523,911	-	-	3,523,911	-
Revenue bonds payable	4,715,000	-	-	4,715,000	-
Accrued interest payable	3,531,554	-	-	3,531,554	-
Total current liabilities	24,591,925	1,513,681	406,734	26,512,340	930,272
Noncurrent liabilities:					
Revenue bonds and notes payable (net of unamortized discounts/premiums)	192,155,901	-	-	192,155,901	-
Compensated absences	3,567,012	24,154	292,800	3,883,966	248,092
Net pension liability	41,317,338	39,462	3,832,473	45,189,273	4,028,703
Total pension liability - retiree subsidy	14,596,704	7,375	1,555,811	16,159,890	1,134,900
Total other postemployment benefits	7,833,225	57,639	659,975	8,550,839	602,333
Claims and judgments	-	-	-	-	4,477,000
Unearned revenue	7,600	42,550	1,584	51,734	-
Noncurrent liabilities payable from restricted assets:					
Retainage payable	882,288	-	-	882,288	-
Customer deposits payable	9,051,595	769,381	-	9,820,976	-
Total noncurrent liabilities	269,411,663	940,561	6,342,643	276,694,867	10,491,028
Total liabilities	294,003,588	2,454,242	6,749,377	303,207,207	11,421,300
DEFERRED INFLOWS OF RESOURCES					
Other postemployment benefits	475,741	3,500	40,085	519,326	36,581
Pension	4,781,105	34,622	407,743	5,223,470	429,524
Total deferred inflows of resources	5,256,846	38,122	447,828	5,742,796	466,105
NET POSITION					
Net investment in capital assets	206,836,554	1,053	12,741,414	219,579,021	13,055,199
Restricted for:					
Renewal and replacement	37,777,887	-	-	37,777,887	-
Operations and maintenance	4,675,495	-	-	4,675,495	-
System reserve	75,437,559	-	-	75,437,559	-
Unrestricted	84,786,220	1,406,167	11,426,422	97,618,809	22,901,404
Total net position	\$ 409,513,715	\$ 1,407,220	\$ 24,167,836	435,088,771	\$ 35,956,603
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				5,634,311	
Net position of business-type activities				\$ 440,723,082	

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, 2018

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Business-type Activities - Enterprise Funds					
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
Operating revenues:					
Charges for sales and services:					
Water sales	\$ 52,813,117	\$ -	\$ -	\$ 52,813,117	\$ -
Wastewater service	57,937,212	-	-	57,937,212	-
Gas sales	7,998,103	-	-	7,998,103	-
Fees	-	12,700,783	9,671,124	22,371,907	-
Service charges	2,166,832	-	-	2,166,832	26,903,122
Guaranteed revenues	1,389,259	-	-	1,389,259	-
Administrative charges	644,430	-	-	644,430	-
Total operating revenues	122,948,953	12,700,783	9,671,124	145,320,860	26,903,122
Operating expenses:					
Costs of sales and services:					
Power, water and wastewater purchases	3,641,593	-	159,914	3,801,507	35,675
Natural gas purchases	2,289,850	-	-	2,289,850	-
Chemical purchases	2,505,379	-	146,288	2,651,667	-
Solid waste/sludge removal	1,085,814	11,603,455	-	12,689,269	-
Recycling charges	-	-	774,627	774,627	-
Materials and supplies	1,401,405	-	138,339	1,539,744	1,222,395
Repairs and maintenance	5,295,004	10,170	120,216	5,425,390	2,242,747
Salaries, wages and employee benefits	30,286,033	259,707	2,452,410	32,998,150	3,213,297
Insurance and other expenses	12,311,508	38,462	2,524,446	14,874,416	4,398,060
Claims expense	-	-	-	-	11,933,375
Administrative fees	5,392,690	751,320	859,370	7,003,380	-
Depreciation and amortization	22,816,947	301	679,823	23,497,071	1,649,137
Total operating expenses	87,026,223	12,663,415	7,855,433	107,545,071	24,694,686
Operating income	35,922,730	37,368	1,815,691	37,775,789	2,208,436

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	3,721,018	19,203	203,848	3,944,069	461,688
Interest and amortization expense	(10,908,424)	(10,526)	-	(10,918,950)	-
Gain (loss) on sale of capital assets	(280,767)	-	5,305	(275,462)	(212)
Sale of recyclable materials	-	-	46,361	46,361	-
Other	3,406,921	40,820	185,491	3,633,232	972,573
Total non-operating revenues (expenses)	<u>(4,061,252)</u>	<u>49,497</u>	<u>441,005</u>	<u>(3,570,750)</u>	<u>1,434,049</u>
 Income before contributions and transfers	 31,861,478	 86,865	 2,256,696	 34,205,039	 3,642,485
 Capital contributions	 2,029,966	 -	 -	 2,029,966	 -
Transfers in	-	699,510	856,110	1,555,620	-
Transfers out	<u>(5,079,673)</u>	<u>-</u>	<u>-</u>	<u>(5,079,673)</u>	<u>-</u>
 Change in net position	 28,811,771	 786,375	 3,112,806	 32,710,952	 3,642,485
Total net position - beginning (restatement see Note IV, J)	<u>380,701,944</u>	<u>620,845</u>	<u>21,055,030</u>		<u>32,314,118</u>
Total net position - ending	<u>\$ 409,513,715</u>	<u>\$ 1,407,220</u>	<u>\$ 24,167,836</u>		<u>\$ 35,956,603</u>
 Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>874,419</u>	
Change in net position of business-type activities				<u>\$ 33,585,371</u>	

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, 2018

	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	\$ 127,613,293	\$ 12,484,528	\$ 9,788,361	\$ 149,886,182	\$ 26,881,215
Receipts from interfund services provided	644,430	-	-	644,430	-
Payments to suppliers	(27,033,481)	(11,751,508)	(3,847,925)	(42,632,914)	(19,148,629)
Payments to and for employees	(27,606,912)	(233,650)	(2,211,067)	(30,051,629)	(3,012,369)
Payments for interfund services used	(5,392,690)	(751,320)	(859,370)	(7,003,380)	-
Net cash provided by (used for) operating activities	68,224,640	(251,950)	2,869,999	70,842,689	4,720,217
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	-	699,510	856,110	1,555,620	-
Transfer to other funds	(5,079,673)	-	-	(5,079,673)	-
Net cash provided by (used for) noncapital financing activities	(5,079,673)	699,510	856,110	(3,524,053)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from refunding debt	89,625,000	-	-	89,625,000	-
Capital contributions	702,865	-	-	702,865	-
Acquisition and construction of capital assets	(38,364,361)	-	(1,174,953)	(39,539,314)	(2,704,387)
Principal paid on capital debt	(92,845,000)	-	-	(92,845,000)	-
Interest paid on capital debt	(12,836,768)	-	-	(12,836,768)	-
Proceeds from sales of capital assets	110,834	-	5,800	116,634	-
Net cash (used for) capital and related financing activities	(53,607,430)	-	(1,169,153)	(54,776,583)	(2,704,387)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	39,486,966	175,658	2,407,066	42,069,690	5,491,937
Purchase of investments	(17,911,481)	(142,909)	(1,406,639)	(19,461,029)	(2,835,417)
Interest and dividends received	4,034,408	20,432	223,820	4,278,660	503,393
Net cash provided by investing activities	25,609,893	53,181	1,224,247	26,887,321	3,159,913
Net increase in cash and cash equivalents	35,147,430	500,741	3,781,203	39,429,374	5,175,743
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)	190,313,886	819,287	10,183,351	201,316,524	22,790,065
Cash and cash equivalents, September 30, 2018 (including \$124,912,627 and \$769,381 for the utility system and sanitation funds, respectively, reported in restricted accounts)	\$ 225,461,316	\$ 1,320,028	\$ 13,964,554	\$ 240,745,898	\$ 27,965,808

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 to net cash provided by (used for) operating activities:					
Operating income	\$ 35,922,730	\$ 37,368	\$ 1,815,691	\$ 37,775,789	\$ 2,208,436
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Miscellaneous operating income from re-evaluation of capital assets	4,984	-	-	4,984	-
Miscellaneous non-operating income from by-products of recycling activities	-	-	46,361	46,361	-
Miscellaneous non-operating income	3,412,917	30,294	185,491	3,628,702	972,573
Depreciation and amortization expense	22,816,947	301	679,823	23,497,071	1,649,137
(Increase) decrease in accounts receivable	776,561	(278,757)	61,502	559,306	(21,907)
(Increase) decrease in other receivables	(38,604)	24,758	9,589	(4,257)	(64,531)
Decrease in due from other funds	131,654	-	-	131,654	-
(Increase) in intergovernmental receivables	(528,643)	-	(177,202)	(705,845)	(4,245)
(Increase) decrease in inventories	25,256	-	2,456	27,712	(49,078)
(Increase) decrease in prepaid items	(1,000)	-	350	(650)	(3,325)
(Increase) in deferred outflows	(5,141,038)	(37,121)	(431,295)	(5,609,454)	(393,475)
Increase in customer deposits	200,643	34,880	-	235,523	-
Increase (decrease) in accounts payable	2,634,225	(154,473)	1,034	2,480,786	146,229
(Decrease) in accrued liabilities	(77,865)	(289)	(9,581)	(87,735)	(4,176)
Increase in due to other funds	112,569	32,670	1,638	146,877	604
Increase in intergovernmental payables	814,467	-	1,614	816,081	-
Increase (decrease) in unearned revenue	(5,996)	(4,994)	247	(10,743)	-
(Decrease) in retainage payable	(600,146)	-	-	(600,146)	-
Increase(decrease) in compensated absences payable	(75,681)	6,685	12,859	(56,137)	(2,393)
Increase in total other postemployment benefits payable	61,673	454	5,196	67,323	4,742
(Decrease) in total pension liability - retiree subsidy	(710,840)	(5,227)	(75,518)	(791,585)	(54,611)
Increase in net pension liability	4,669,236	33,713	394,441	5,097,390	357,357
Increase in deferred inflows	3,820,591	27,788	345,303	4,193,682	292,880
(Decrease) in claims and judgments	-	-	-	-	(314,000)
Total adjustments	<u>32,301,910</u>	<u>(289,318)</u>	<u>1,054,308</u>	<u>33,066,900</u>	<u>2,511,781</u>
Net cash provided by (used for) operating activities	<u>\$ 68,224,640</u>	<u>\$ (251,950)</u>	<u>\$ 2,869,999</u>	<u>\$ 70,842,689</u>	<u>\$ 4,720,217</u>
Noncash investing, capital and financing activities:					
Contributions of capital assets	\$ 1,327,101	\$ -	\$ -	\$ 1,327,101	\$ -
Net (decrease) in fair value of investments	(257,598)	(1,624)	(18,049)	(277,271)	(33,779)

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, 2018**

	Pension Trust Funds	Special Assessment Agency Fund
ASSETS		
Cash and cash equivalents	\$ 3,269,527	\$ 6,676,021
Receivable from sale of securities	535,873	-
Interest and dividends receivable	517,949	-
Due from other funds	918,244	-
Other receivables	221	-
Investments, at fair value:		
Money market funds	4,792,066	-
U.S. government and agency securities	31,245,734	-
Corporate bonds	22,278,757	-
Mutual funds	145,898,488	-
Common stocks	205,845,336	-
International equity funds	52,955,040	-
Commingled real estate funds	48,243,585	-
Total investments	<u>511,259,006</u>	<u>-</u>
Prepaid items	606,011	-
Total assets	<u>517,106,831</u>	<u>6,676,021</u>
LIABILITIES		
Deposits held for others	-	6,676,021
Accounts payable	460,531	-
Due to other funds	37	-
Payable for securities purchased	611,276	-
Total liabilities	<u>1,071,844</u>	<u>6,676,021</u>
NET POSITION		
Restricted for pensions	<u>\$ 516,034,987</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, 2018**

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 28,699,104
Plan members	6,142,326
Other sources	1,548,796
Total contributions	<u>36,390,226</u>
Investment earnings:	
Interest	2,276,814
Dividends	6,535,530
Net appreciation in fair value of investments	36,883,142
Other	26,061
Total investment earnings	<u>45,721,547</u>
Less investment expense	<u>1,945,133</u>
Net investment earnings	<u>43,776,414</u>
Total additions	<u>80,166,640</u>
DEDUCTIONS	
Benefits	35,357,128
Refunds of contributions	201,303
Administrative expenses	674,289
Total deductions	<u>36,232,720</u>
Change in net position	43,933,920
Net position - beginning	<u>472,101,067</u>
Net position - ending	<u><u>\$ 516,034,987</u></u>

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

CITY OF SUNRISE, FLORIDA
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SEPTEMBER 30, 2018

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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 June 22, 1961 and has a population of approximately 92,000 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 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 District does not have any financial activity to date.

The City Commission establishes 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.

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 Postemployment Benefits Other Than Pensions* (Statement No. 75). In March 2016, the GASB issued *Irrevocable Split-Interest*

CITY OF SUNRISE, FLORIDA

Agreements (Statement No. 81). In March 2017, the GASB issued *Omnibus 2017* (Statement No. 85). In May 2017, the GASB issued *Certain Debt Extinguishment Issues* (Statement No. 86). In April 2018, the GASB issued *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (Statement No. 88). In June 2018, the GASB issued *Accounting for Interest Cost Incurred before the End of a Construction Period* (Statement No. 89). The City has applied the requirements, as applicable, of these Statements effective October 1, 2017. Additionally, the City has early implemented the requirements of Statement No. 88 and Statement No. 89.

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 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

CITY OF SUNRISE, FLORIDA

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 Capital Improvements capital projects fund accounts for general capital projects and the acquisition and construction in the Neighborhood Renaissance Program.
- The General Obligations Bonds, Series 2015, capital projects fund accounts for the construction and improvements to parks, recreation and leisure projects.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative fees, general expenses and depreciation/ amortization on capital assets. Operating expenses for the internal service funds include claims, insurance premiums, general expenses and depreciation/amortization on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

CITY OF SUNRISE, FLORIDA

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, 2018, the agency fund reports total assets of \$6,676,021, which consists of the debt service reserve of \$4,786,575 and \$1,889,446 received from the property owners for the 2019 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 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.

CITY OF SUNRISE, FLORIDA

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, 2018, 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; 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

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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 cost using the FIFO method; the meters and parts and supplies inventories are stated at cost, 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 cost of prepaid items is recorded as expenditure when consumed rather than when purchased. 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.

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

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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, a deferred pension expense (see note V.C.) and a deferred OPEB expense (see note V.D.). 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, deferred pension income (see note V.C.) and deferred OPEB income (see note V.D.). 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 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 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,

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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 \$54,097,099 are as follows:

Bonds payable	\$ 42,540,000
Plus: Issuance premiums	1,305,245
Less: Bond insurance costs	(24,195)
Compensated absences	<u>10,276,049</u>
Net adjustment to reduce <i>fund balances – total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 54,097,099</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 \$18,735,760 difference are as follows:

Capital outlay	\$ 35,044,444
Depreciation expense	(14,683,997)
Capitalized operating expenditures	29,998
Non-capitalized capital outlay expenditures	<u>(1,654,685)</u>
Net adjustment to decrease <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 18,735,760</u>

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 \$(2,307,449) difference are as follows:

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>\$ (2,307,449)</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>\$ (2,307,449)</u>

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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 \$3,140,272 difference are as follows:

Amortization of bond premium	\$ 269,086
Interest accrual for General Obligation bonds	9,250
Amortization of bond insurance costs	(8,064)
Bond principal repayments	<u>2,870,000</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 3,140,272</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 \$(904,384) difference are as follows:

Increase in other post employment benefits	\$ (990,640)
Decrease in compensated absences	<u>86,256</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>\$ (904,384)</u>

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 \$4,412,503 for the general fund, \$1,186,688 for the special revenue funds, and \$9,558,900 for the capital projects funds were approved during the year and are included in the final budget.

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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, 2018, the carrying value of the City's deposits and investments, exclusive of the Pension trust and agency funds, was \$10,332,246 in U.S. Treasuries, \$10,537,795 in certificates of deposit, \$128,324,917 in the SBA Florida PRIME, \$35,724,340 in the Florida Fixed Income Trust, \$10,232,912 in the FL Class Local Government Investment Pool, and \$146,661,554 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 \$148,238,110 with qualified public depositories. Total restricted and unrestricted cash and cash equivalents at September 30, 2018 are \$433,527,773. Total investments, including restricted and unrestricted, amount to \$56,594,381.

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, 2018 matures in 532 days. The weighted average days to maturity of the SBA Florida PRIME is 33 days. The weighted average days to maturity of the FL Class is 49 days. The weighted average maturity for the Florida Fixed Income Trust is 810 days. The weighted average maturity for the Fidelity Investments Money Market Government Portfolio Institutional Class is 23 days. The weighted average maturity for Fidelity Investments Money Market Treasury Portfolio – Class III is 18 days. The weighted average maturity for Goldman Sachs Financial Square Government Fund is 46 days. The weighted average maturity for First American Funds Treasury Obligations Fund is 19 days. The weighted average maturity for Federated Government Obligations Fund is 23 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

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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.

As of September 30, 2018, 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	\$52,413,511	\$ -	\$40,043,923	\$10,377,875	\$1,991,713

The City's Police Officers' Pension trust fund contained the following fixed income investments as of September 30, 2018:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>Lehman Aggregate Bond Rating</u>
U.S. treasuries	\$ 19,292,615	5.60	AA
U.S. agencies	6,283,577	7.20	AA
Corporate bonds	16,885,033	7.10	A-AAA
Total fair value	<u>\$ 42,461,225</u>		
Portfolio weighted average duration		6.43	

At September 30, 2018, 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	\$ 5,669,542	\$ 436,049	\$ 262,612	\$ 514,432	\$ 4,456,449
Corporate bonds	5,393,724	49,862	2,191,983	3,151,879	-
	<u>\$ 11,063,266</u>	<u>\$ 485,911</u>	<u>\$ 2,454,595</u>	<u>\$ 3,666,311</u>	<u>\$ 4,456,449</u>

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, 2018, \$35,117,052 were rated AAA, \$2,620,676 were rated AA, \$6,289,621 were rated A, \$3,668,946 were rated BAA, \$1,572,405 were rated BB, and \$3,144,811 were rated B or lower. The credit ratings of investments in the corporate bonds of the Firefighters' Pension Plan at September 30, 2018 range from A+ to BBB+ and total \$5,393,724. U. S. Government obligations of \$5,669,542 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

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portfolio per issuer. The City had a total of \$69,900,359 or 14.2% of the total portfolio invested with BankUnited and an additional \$39,147,109 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, 2018, the Florida PRIME Fund Investment Pool held \$128,324,917 or 26.2% of the City's portfolio. The Florida Fixed Income Trust held \$35,724,340 or 7.3% 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, 2018, the City had \$66,963,558 or 13.7% invested in Federated Government Obligations Fund and \$66,167,711 or 13.5% in Fidelity Investments Money Market Government Portfolio Institutional Class. 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.

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.

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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, 2018:

	Fair Value	Level 1	Level 2
U.S. treasuries	\$ 10,332,246	\$ -	\$ 10,332,246
Total investments at fair value	<u>10,332,246</u>	<u>\$ -</u>	<u>\$ 10,332,246</u>
Investments measured at net asset value (NAV)			
Fixed Income Trust (FIT)	<u>35,724,340</u>		
Investments reported at amortized cost			
Certificates of deposit	<u>10,537,795</u>		
Total investments	<u>\$ 56,594,381</u>		

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

Investments Measured at Net Asset Value (NAV)				
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective funds (FIT)	\$ 35,724,340	-	Daily	Next Day
Total investments measured at NAV	<u>\$ 35,724,340</u>			

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.

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The following table summarizes the General Pension Plan's investments within the fair value hierarchy at September 30, 2018:

	Fair Value	Level 1	Level 2
Common stocks	\$ 23,698,926	\$ 23,698,926	\$ -
Fixed income mutual funds	52,413,511	-	52,413,511
Equity mutual funds	62,414,160	-	62,414,160
International equity trust funds	31,455,872	-	31,455,872
Collective investment trust	31,070,817	-	31,070,817
Real estate funds	15,879,664	-	15,879,664
Total investments at fair value	<u>\$ 216,932,950</u>	<u>\$ 23,698,926</u>	<u>\$ 193,234,024</u>

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

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

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

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

Real estate funds – Investments are not quoted in active markets, but inputs to pricing are observable. Accordingly, these investments have been reported as Level 2 investments.

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The following table summarizes the Police Pension Plan's investments (excluding money market funds) within the fair value hierarchy at September 30, 2018:

	Fair Value	Level 1	Level 2
U.S. Government obligations	\$ 19,292,615	\$ -	\$ 19,292,615
U.S. Government agency obligations	6,283,577	-	6,283,577
Corporate bonds	16,885,033	-	16,885,033
Domestic stocks	61,088,352	61,088,352	-
Domestic equity investment funds	21,143,225	21,143,225	-
International equity investment funds	12,306,904	12,306,904	-
Total investments at fair value	136,999,706	<u>\$ 94,538,481</u>	<u>\$ 42,461,225</u>

Investments measured at net asset value (NAV)

Commingled real estate funds	<u>11,892,269</u>
Total investments	<u>\$ 148,891,975</u>

Debt securities - Debt securities classified in 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 \$ 11,892,269	-	Quarterly	60 days
Total investments measured at NAV <u>\$ 11,892,269</u>			

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, 2018:

	Fair Value	Level 1	Level 2
U.S. treasuries	\$ 1,872,033	\$ -	\$ 1,872,033
Mortgage backed securities	3,797,509	-	3,797,509
Corporate bonds	5,393,724	-	5,393,724
Common stock	55,664,167	55,664,167	-
International equity investment fund	9,192,264	9,192,264	-
Total investments at fair value	75,919,697	<u>\$ 64,856,431</u>	<u>\$ 11,063,266</u>
Investments measured at net asset value (NAV)			
Collective fund	44,250,666		
Commingled real estate funds	20,471,652		
Total investments	<u>\$ 140,642,015</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, 2018. 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	\$ 44,250,666	-	Daily	Same Day
Commingled real estate	20,471,652	-	Daily	Same Day
Total investments measured at NAV	<u>\$ 64,722,318</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 managers using fair values of the underlying investments of the fund. There are

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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, 2018, are as follows:

	<u>Interest</u>	<u>Taxes/ Franchise Fees</u>	<u>Accounts</u>	<u>Other</u>	<u>Inter- governmental</u>	<u>Total Receivables</u>
Governmental activities:						
General	\$ 57,536	\$1,696,454	\$ 956,157	\$180,022	\$ 2,642,128	\$ 5,532,297
Capital Improvements	40,880	-	-	-	622,800	663,680
General Oblig. Bds	4,700	-	-	-	151,156	155,856
Internal Service	27,524	-	54,581	161,039	4,245	247,389
Other governmental	<u>23,684</u>	<u>-</u>	<u>-</u>	<u>5,802</u>	<u>556,601</u>	<u>586,087</u>
Total – governmental activities	<u>\$154,324</u>	<u>\$1,696,454</u>	<u>\$ 1,010,738</u>	<u>\$346,863</u>	<u>\$ 3,976,930</u>	<u>\$ 7,185,309</u>
Business-type activities:						
Water, Wastewater & Gas Utility System						
Unrestricted	\$ 98,647	\$ -	\$17,553,180	\$64,867	\$ 568,410	\$ 18,285,104
Restricted	128,725	-	-	-	-	128,725
Sanitation	1,619	-	2,374,704	228	-	2,376,551
Other proprietary	<u>13,844</u>	<u>-</u>	<u>776,423</u>	<u>35</u>	<u>240,092</u>	<u>1,030,394</u>
Gross receivables	242,835	-	20,704,307	65,130	808,502	21,820,774
Less: Uncollectibles	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Total – business-type activities	<u>\$242,835</u>	<u>\$ -</u>	<u>\$20,554,307</u>	<u>\$ 65,130</u>	<u>\$ 808,502</u>	<u>\$ 21,670,774</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	\$ 70,967
Uncollectibles related to gas sales	6,069
Uncollectibles related to recycling services	488
Uncollectibles related to stormwater services	<u>3,545</u>
Total uncollectibles for the current fiscal year	<u>\$ 81,069</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)	\$ 1,848,109
Prepaid inspection/plans review fees (General fund)	823,448
Prepaid inspection/plans review fees (Building fund)	71,932
Prepaid sidewalk replacement fees (Fuel and Roadway special revenue fund)	9,649
Grant proceeds prior to meeting all eligibility requirements (General fund)	<u>33,244</u>
Total unearned revenue for governmental funds	<u>\$ 2,786,382</u>

C. Capital assets

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 23,934,730	\$ 2,958,027	\$ (450,000)	\$ 26,442,757
Construction in progress	11,521,379	31,517,309	(6,355,594)	36,683,094
Total capital assets, not being depreciated or amortized	<u>35,456,109</u>	<u>34,475,336</u>	<u>(6,805,594)</u>	<u>63,125,851</u>
Capital assets, being depreciated or amortized:				
Intangibles	2,007,740	2,800	(444,770)	1,565,770
Buildings and system	154,749,743	-	(4,454,341)	150,295,402
Improvements other than buildings	55,283,151	119,345	(97,805)	55,304,691
Machinery and equipment	20,055,029	2,231,848	(404,871)	21,882,006
Vehicles	25,577,919	2,252,843	(716,939)	27,113,823
Infrastructure	331,893,532	3,397,567	-	335,291,099
Total capital assets, being depreciated or amortized	589,567,114	8,004,403	(6,118,726)	591,452,791
Less accumulated depreciation/ amortization for:				
Intangibles	(1,681,128)	(163,363)	444,770	(1,399,721)
Buildings and system	(44,887,008)	(4,774,002)	2,618,536	(47,042,474)
Improvements other than buildings	(38,406,023)	(2,448,254)	95,006	(40,759,271)
Machinery and equipment	(13,934,662)	(1,750,391)	390,367	(15,294,686)
Vehicles	(15,011,762)	(1,833,889)	712,384	(16,133,267)
Infrastructure	(317,909,579)	(5,363,235)	-	(323,272,814)
Total accumulated depreciation/ amortization	<u>(431,830,162)</u>	<u>(16,333,134)</u>	<u>4,261,063</u>	<u>(443,902,233)</u>
Total capital assets, being depreciated or amortized, net	<u>157,736,952</u>	<u>(8,328,731)</u>	<u>(1,857,663)</u>	<u>147,550,558</u>
Governmental activities capital assets, net	<u>\$193,193,061</u>	<u>\$ 26,146,605</u>	<u>\$ (8,663,257)</u>	<u>\$210,676,409</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 12,412,438	\$ -	\$ -	\$ 12,412,438
Construction in progress	46,376,322	36,947,074	(11,308,783)	72,014,613
Total capital assets, not being depreciated or amortized	58,788,760	36,947,074	(11,308,783)	84,427,051
Capital assets, being depreciated or amortized:				
Intangibles	400,856	3,523	(51,793)	352,586
Buildings and system	597,162,427	13,311,366	(467,929)	610,005,864
Improvements other than buildings	18,384,394	269,267	(64,977)	18,588,684
Machinery and equipment	8,866,367	331,896	(193,067)	9,005,196
Vehicles	10,388,118	1,307,087	(401,913)	11,293,292
Total capital assets, being depreciated or amortized	635,202,162	15,223,139	(1,179,679)	649,245,622
Less accumulated depreciation/ amortization for:				
Intangibles	(379,369)	(5,127)	51,793	(332,703)
Buildings and system	(266,174,510)	(21,351,989)	76,809	(287,449,690)
Improvements other than buildings	(7,530,556)	(1,032,430)	64,977	(8,498,009)
Machinery and equipment	(6,236,352)	(422,571)	192,092	(6,466,831)
Vehicles	(6,722,981)	(684,954)	401,913	(7,006,022)
Total accumulated depreciation/ amortization	(287,043,768)	(23,497,071)	787,584	(309,753,255)
Total capital assets, being depreciated or amortized, net	348,158,394	(8,273,932)	(392,095)	339,492,367
Business-type activities capital assets, net	<u>\$ 406,947,154</u>	<u>\$ 28,673,142</u>	<u>\$ (11,700,878)</u>	<u>\$ 423,919,418</u>

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

Governmental activities:	
General government	\$ 3,769,923
Public safety	3,565,879
Transportation, including depreciation of general infrastructure assets	5,835,946
Culture and recreation	3,161,386
Total depreciation expense - governmental activities	<u>\$ 16,333,134</u>
Business-type activities:	
Water, wastewater, and gas	\$ 22,816,947
Sanitation	301
Stormwater	607,067
Golf course	72,756
Total depreciation expense - business-type activities	<u>\$ 23,497,071</u>

D. Construction commitments

At September 30, 2018, the City had in process various uncompleted construction projects with remaining balances totaling \$49,748,228. Funding of these projects is to be made primarily through the proceeds of the related bond issues or restricted funds.

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E. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Encumbrances as of September 30, 2018 are as follows:

Major funds:	
General Fund	\$ 1,242,614
Capital Improvements Capital Projects Fund	24,277,066
General Obligations Bonds, Series 2015 Capital Projects Fund	1,626,452
Other governmental funds	<u>270,698</u>
Total Encumbrances	<u><u>\$27,416,830</u></u>

F. Interfund receivables, payables and transfers

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 \$120,000 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 \$154,843 to the CDBG Grant special revenue fund revenue fund as a short-term loan to fund operations.

The composition of interfund balances as of September 30, 2018, is as follows.

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 154,843	\$ -
Non-major governmental funds:		
Special revenue funds:		
Community Development Block Grant	-	154,843
Total interfund receivables/payables	<u>\$ 154,843</u>	<u>\$ 154,843</u>
 <u>Fund</u>	 <u>Advance from</u>	 <u>Advance to</u>
General fund	\$ 13,220,000	\$ -
Non-major governmental funds:		
Special revenue funds:		
Community Development Block Grant	-	100,000
Police Confiscation	-	120,000
Capital projects funds:		
Capital Improvements	-	13,000,000
Total advances	<u>\$ 13,220,000</u>	<u>\$ 13,220,000</u>

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<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Purpose</u>
General fund	\$ 813,684	\$ 963,849	1,2,3,4
Capital Improvements capital projects	4,327	-	1
General Obligation Bond Series 2015 capital projects	3,772	61,222	1,4
Special revenue funds:			
Building Fees	-	4,370	2
Community Development Block Grant	-	139	2
Fuel and Roadway	-	1,284	2
Police Confiscation	75,894	26,029	1,2
Debt service funds:			
Special Tax District No. 1	46	-	4
General Obligation Bond Series 2015	200	-	1,4
Total non-major governmental funds	76,140	31,822	
Enterprise funds:			
Water, Wastewater, and Gas Utility System	56,895	608,359	1,2
Sanitation	-	191,340	2,3
Non-major enterprise funds:			
Recycling	-	11,535	2
Stormwater	-	1,531	2
Total non-major enterprise funds	-	13,066	
Internal service funds:			
Fleet Management	-	299	2
Information Technology & Communications	-	3,068	2
Total internal service funds	-	3,367	
Pension trust/agency funds:			
General Employees' Pension	59,591	-	2
Police Officers' Pension	52,697	37	2
Firefighters' Pension	805,956	-	2
Total pension trust/agency funds	918,244	37	
Total due to/due from	\$ 1,873,062	\$ 1,873,062	

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

Interfund transfers:

	Transfers out:		
	General fund	Water, Wastewater, and Gas Utility System enterprise fund	Total
Transfers in:			
General fund	\$ -	\$ 5,079,673 a	\$ 5,079,673
Capital improvements capital projects	4,948,100 b	-	4,948,100
Non-major governmental funds	959,240 a/b	-	959,240
Sanitation fund	699,510 c	-	699,510
Non-major enterprise funds	856,110 c	-	856,110
	<u>\$ 7,462,960</u>	<u>\$ 5,079,673</u>	<u>\$ 12,542,633</u>

The reasons for these transfers are set forth below:

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

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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

The schedule below details the changes in long-term liabilities for the year ended September 30, 2018:

	Beginning Balance as previously stated	Restatement	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:							
Bonds payable	\$ 47,445,000	\$ -	\$ 47,445,000	\$ -	\$ (2,775,000)	\$ 44,670,000	\$ 2,130,000
Less deferred amounts:							
For issuance premiums	1,574,331	-	1,574,331	-	(269,086)	1,305,245	-
Total bonds payable	49,019,331	-	49,019,331	-	(3,044,086)	45,975,245	2,130,000
Compensated absences	10,648,784	-	10,648,784	6,523,523	(6,612,172)	10,560,135	1,102,837
Total other postemployment benefits	16,019,093	4,707,281	20,726,374	1,602,837	(2,060,238)	20,268,973	-
Total pension liability - retiree subsidy	20,810,778	-	20,810,778	1,538,862	(2,549,612)	19,800,028	-
Total pension liability - excess plan	-	2,464,102	2,464,102	71,856	(294,831)	2,241,127	-
Net pension liability	159,774,378	-	159,774,378	94,313,575	(92,241,208)	161,846,745	-
Claims	4,791,000	-	4,791,000	611,154	(925,154)	4,477,000	1,200,000
Governmental activities long-term liabilities	<u>\$ 261,063,364</u>	<u>\$ 7,171,383</u>	<u>\$ 268,234,747</u>	<u>\$ 104,661,807</u>	<u>\$ (107,727,301)</u>	<u>\$ 265,169,253</u>	<u>\$ 4,432,837</u>
Business-type activities:							
Bonds payable:							
Revenue bonds	\$ 199,905,000	\$ -	\$ 199,905,000	\$ -	\$ (92,845,000)	\$ 107,060,000	\$ 4,715,000
Less deferred amounts:							
For issuance premiums	487,924	-	487,924	-	(302,023)	185,901	-
Total bonds payable	200,392,924	-	200,392,924	-	(93,147,023)	107,245,901	4,715,000
Direct borrowing	-	-	-	89,625,000	-	89,625,000	-
Compensated absences	4,278,055	-	4,278,055	2,239,061	(2,295,198)	4,221,918	337,952
Total other postemployment benefits	6,164,963	2,578,839	8,743,802	676,187	(869,150)	8,550,839	-
Total pension liability - retiree subsidy	16,951,475	-	16,951,475	1,205,185	(1,996,770)	16,159,890	-
Net pension liability	40,091,883	-	40,091,883	27,280,544	(22,183,154)	45,189,273	-
Business-type activities long-term liabilities	<u>\$ 267,879,300</u>	<u>\$ 2,578,839</u>	<u>\$ 270,458,139</u>	<u>\$ 121,025,977</u>	<u>\$ (120,491,295)</u>	<u>\$ 270,992,821</u>	<u>\$ 5,052,952</u>

For governmental activities, pension liabilities, compensated absences and other post-employment benefits are generally liquidated by the general fund. Pension contributions are paid by the General Fund, Building Fees Fund, and Fuel and Roadway Fund. Claims and judgments are liquidated by the Workers' Compensation internal service fund.

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 and direct borrowings are collateralized by a lien on the revenues earned by the utility system.

On July 3, 2018, the City issued Utility System Revenue Refunding bonds, Series 2018, as a direct borrowing totaling \$89,625,000. This was done to refund the Utility System Revenue Refunding Bonds, Series 1998. The true interest cost is 2.33% and mature in 2026.

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General Long-Term Debt Bonds are collateralized by multiple sources. 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.

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

Year Ending September 30:	Business-type Activities			
	Bonds		Direct Borrowing	
	Principal	Interest	Principal	Interest
2019	\$ 4,715,000	\$ 5,853,578	\$ -	\$ 2,088,262
2020	4,925,000	5,656,579	1,065,000	2,063,448
2021	3,505,000	5,516,379	2,740,000	1,999,606
2022	-	5,516,379	13,500,000	1,685,056
2023	-	5,516,379	13,810,000	1,361,283
2024-2028	8,225,000	27,103,776	58,510,000	2,084,069
2029-2033	50,175,000	16,738,988	-	-
2034-2036	35,515,000	2,151,445	-	-
Sub-total	107,060,000	74,053,503	89,625,000	11,281,724
Bond premium	185,901	-	-	-
Total	<u>\$ 107,245,901</u>	<u>\$ 74,053,503</u>	<u>\$ 89,625,000</u>	<u>\$ 11,281,724</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>
2019	\$ 2,130,000	\$ 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	900,000	1,197,946
2024-2028	5,210,000	5,233,230
2029-2033	6,390,000	4,219,057
2034-2038	7,510,000	2,724,902
2039-2043	8,985,000	1,385,556
2044-2045	4,075,000	69,863
	44,670,000	20,751,158
Plus: Bond premium	1,305,245	-
Total	<u>\$ 45,975,245</u>	<u>\$ 20,751,158</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				
Special Tax District No. 1				
Ad Valorem Tax Refunding Bonds, Series 2001	Refunding			
Serial bonds		\$ 26,660,000	\$ 7,230,000	2.70%-5.00%
Ad Valorem Tax Bonds, Series 2003	Fund certain District capital improvements			
Serial bonds		6,770,000	1,925,000	1.25%-4.60%
General Obligation Bonds, Series 2015				
Serial bonds	Park, Recreation & Leisure Projects	18,460,000	16,345,000	3.0%-5.0%
Term bonds		<u>19,170,000</u>	<u>19,170,000</u>	3.375%-4.0%
Total governmental activities bonds		<u>\$ 74,695,000</u>	<u>\$ 44,670,000</u>	

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

	Purpose of <u>Issue</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>
Business-type activities				
Utility revenue bonds:				
Series 1998	Refunding and fund	\$ 13,935,000	\$ -	3.60-5.50%
Serial bonds	utility system	143,650,000	-	5.06-5.20%
Term bonds	improvements			
Series 2010A	Fund utility system	19,960,000	12,100,000	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>1,045,000</u>	3.00%-4.00%
Term bonds				
Total business-type activities bonds		<u>\$ 276,200,000</u>	<u>\$ 107,060,000</u>	

The City has outstanding utility revenue bonds and a direct borrowing totaling \$107,060,000 and \$89,625,000, respectively. The City has pledged future net water, wastewater, and gas revenues to repay this debt. 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 2010A bonds are payable through 2021; the Series 2010B bonds are payable through 2036; and the Series 2010C bonds are payable

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through 2020. The Series 1998 bonds were refunded in July 2018 with a direct borrowing of \$89,625,000, which is payable through 2026. Total principal and interest remaining to be paid on the utility bonds and direct borrowing is \$282,020,227. Principal and interest paid for the current year, excluding the 1998 refunding principal, and total customer net revenue were \$15,571,703 and \$58,739,677, respectively. The pledged revenues are expected to continue through maturity of the debt.

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.

On July 3, 2018, the City forward refunded the City's outstanding Utility System Revenue and Revenue Refunding Bonds, Series 1998, which mature in the years 2019 through 2029. The present value of the debt refunded is \$102,472,362 resulting in a net present value savings of \$12,143,396.

Summarized below are the refunded bonds of the City's governmental and business-type activities held with escrow agents:

Type	Series	Year Refunded	Outstanding as of 9/30/18
Governmental activities:			
Public Facilities revenue bonds	1992B	2013	\$ 21,700,000
Business-type activities:			
Utility System revenue bonds	1976F	1983	60,000
	1983A	1985	680,000
	1983C	1985	980,000
	1998	2010	30,870,000
	1998	2018	88,295,000
Total outstanding defeased, refunded debt			<u>\$ 142,585,000</u>

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 2017-2018 fiscal year is 6.0543 mills. On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held during 2007 and became effective October 1, 2008. Amendment 1 increased the current \$25,000 homestead exemption by an additional \$25,000 (for property values between \$50,000 and \$75,000), except for school district taxes. Amendment 1 also provided "portability", allowing property owners to transfer up to \$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

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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, 2018 were approximately 99% 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 27, 2017. 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, 2018 is shown as follows:

Lien date	January 1, 2017
Levy date, tax bills mailed	November 1, 2017
Last date for 4% discount on taxes paid	November 30, 2017
Last date for 3% discount on taxes paid	December 31, 2017
Last date for 2% discount on taxes paid	January 31, 2018
Last date for 1% discount on taxes paid	February 28, 2018
Final due date of payment of taxes	March 31, 2018
Date for auctioning tax certificates on delinquent accounts	On or before June 1, 2018

J. Restatement of prior year balances

The October 1, 2017 beginning net position of the following fund types was restated due to the implementation of GASB Statement Number 73 and GASB Statement Number 75.

Governmental Activities

Net position, October 1, 2017, as previously stated		\$ 195,613,686
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Prior period adjustments:

Governmental funds

GASB 73 Implementation Excess Benefits Plan		(2,232,369)
Eliminate OPEB obligation	15,912,373	
Net effect of implementation of GASB 75	<u>(19,511,799)</u>	<u>(3,599,426)</u>

Internal Service funds

Eliminate OPEB obligation	106,720	
Net effect of implementation of GASB 75	<u>(597,591)</u>	<u>(490,871)</u>
Net position, October 1, 2017, restated		<u>\$ 189,291,020</u>

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Business-type Activities

Net position, October 1, 2017, as previously stated \$ 409,456,264

Prior period adjustments:

Water, Wastewater & Gas fund

Eliminate OPEB obligation	5,682,482	
Net effect of implementation of GASB 75	<u>(7,771,552)</u>	(2,089,070)

Sanitation fund

Eliminate OPEB obligation	4,089	
Net effect of implementation of GASB 75	<u>(57,185)</u>	(53,096)

Non-major enterprise funds

Eliminate OPEB obligation	478,392	
Net effect of implementation of GASB 75	<u>(654,779)</u>	<u>(176,387)</u>

Net position, October 1, 2017, restated \$ 407,137,711

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 \$4,477,000, which is discounted at 2%, is reported in the fund at September 30, 2018 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 <u>9/30/18</u>	Year ended <u>9/30/17</u>
Unpaid claims, beginning of fiscal year	\$ 4,791	\$ 4,787
Incurred claims (and estimate changes)	611	1,001
Claim payments	<u>(925)</u>	<u>(997)</u>
Unpaid claims, end of fiscal year	<u>\$ 4,477</u>	<u>\$ 4,791</u>

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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 significant adverse effect on the financial condition of the City.

C. Employee retirement systems and pension plans

Plan descriptions: The City of Sunrise contributes to three single-employer defined benefit pension plans: General Employees' Pension Plan, Police Officers' Pension Plan and Firefighters' Pension Plan and one defined contribution plan: Governmental Money Purchase Plan and Trust. Additionally, the City maintains a 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-five members in the DROP as of September 30, 2018. 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

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check will be distributed to eligible participants – those eligible for a 13th check, except for DROP participants. Members hired on or after September 30, 2015 who begin receiving normal retirement benefits are eligible for a 13th check for years of investment gains if the plan is 100% funded.

City Ordinance 124-X-02-B, approved March 12, 2002, established a retirement incentive program for firefighters. During a “window period” of thirty calendar days, beginning February 27, 2002, eligible firefighters could have made an irrevocable election to participate in this program. The eligible firefighters must have retired and separated from City employment no later than April 15, 2002. Eligible firefighters who elected the program could have also elected to participate in a DROP for up to thirty-six months or, alternatively, elect a BAC-DROP option for up to eighteen months. Beginning four years after retirement or entry into the DROP, a 2% annual increase in retirement benefits is applicable for all members. As of June 10, 2008, eligible firefighters can participate in the DROP for a maximum period of 72 months. Effective September 25, 2012, eligible firefighters who elect to participate in the DROP program can participate for up to 84 months; eligible firefighters may elect a “BAC – DROP” option of up to 24 months, which will reduce the maximum 84-month DROP period by the same amount of time. Effective October 1, 2013, the annual COLA is increased to 2.5% for firefighter members who terminate employment and begin receiving normal retirement benefits or enter the DROP on or after October 1, 2010. As of September 30, 2018, thirty 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, 2018, there were eighty-three 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. Effective for all general employees, including management and senior management, hired on or after October 1, 2009, 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 \$332,136 for the fiscal year ended September 30, 2018 for the seventy-four 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

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benefit for general 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 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 347 participants during the fiscal year ended September 30, 2018. 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. Effective September 12, 2017, under Ordinance 622, an excess benefit plan was established for eligible members of the Police Officers' Retirement Plan and Firefighters' Retirement Plan who entered the DROP between March 1, 2010 and October 17, 2017. These are administered by the City and 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 seven eligible participants covered during the fiscal year ended September 30, 2018.

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:

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

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

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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	36.31%	57.73%	48.74%
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	\$ 13,239,759	\$ 10,216,783	\$ 6,791,358
Contributions made:			
City	\$ 13,239,759	\$ 9,431,736	\$ 6,027,609
Plan members	3,198,740	1,698,916	1,244,670
Other	-	785,047 ¹	763,749 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 \$1,548,796 for the year ended September 30, 2018: \$763,749 for property insurance contracts for firefighters and \$785,047 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, 2017, 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, 2016 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 BB for all plans. The actuarial methods and assumptions for each plan are as follows:

	<u>General Employees' Pension Plan</u>	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percent, closed	Level percent, closed	Level percent, closed
Remaining amortization period	20 years	22 years	25 years
Actuarial assumptions:			
Investment rate of return	7.45%	7.75%	7.85%
Inflation rate	2.5%	2.5%	3.0%
Projected salary increases*	3.5%-6.5%	4.2%-7.5%	5%-12%
Cost of living adjustments	2% management & commissioners; 2.5% senior management based on eligibility	2.5% for eligible employees	2%-2.5% 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	547	140	115
Inactive, non-retired members	68	-	2
Active members	537	153	119

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The actuarial valuation of the total pension liability for the retiree subsidy plan and excess benefits plan was performed as of September 30, 2017 and with a measurement date of September 30, 2017 based on the assumptions presented below.

	<u>Retiree Subsidy</u>	<u>Excess Plan</u>
Actuarial valuation date	September 30, 2017	September 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation rate	2.5%	2.5%
Discount rate	3.5%	3.5%
Salary increases	Police-based on age of employee General-based on years of credited service	N/A

Membership as of Actuarial Valuation Date

Retirees and beneficiaries	314	7
Active members	627	-

Discount rate: The discount rate used to measure the total pension liability was 7.45% for the General Employees' Retirement Plan, 7.75% for the Police Officers' Plan and 7.85% 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.

Discount rate: The discount rate used to measure the total pension liability for the retiree subsidy plan and excess benefits plan was based on a municipal bond rate of 3.50% based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

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

<u>Pension Plan</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
General Employees (7.45%)	\$ 133,581,061	\$ 99,139,527	\$ 70,461,513
Police Officers (7.75%)	83,562,836	57,563,033	36,419,372
Firefighters (7.85%)	74,023,778	50,333,458	31,144,374

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 plan and excess benefits plan 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>Current Discount Rate</u>	<u>1% Increase</u>
Retiree Subsidy Pension Plan (3.50%)	\$ 40,937,861	\$ 35,959,918	\$ 31,872,594
Excess Benefits Plan (3.50%)	2,388,995	2,241,127	2,108,208

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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, 2017 are summarized in the following table:

	Target Allocation	Asset Class	Long-Term Expected Real Rate of Return
<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	6.20%
	8.0%	Real estate	4.50%
	9.0%	International equity	8.50%
	32.0%	Fixed income	3.00%
<u>Firefighters' Retirement Plan</u>	37.0%	Large Cap	6.40%
	8.0%	Mid Cap	9.60%
	10.0%	Small Cap	6.50%
	30.0%	Fixed income	2.50%
	10.0%	International equity	2.90%
	5.0%	Emerging Markets	11.30%

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Changes in the Net Pension Liability:

	Pension Plans			
	General Employees	Police Officers	Firefighters'	Total
Total pension liability - beginning	\$ 263,928,563	\$ 186,044,406	\$ 168,972,837	\$ 618,945,806
Changes for the year:				
Service cost	6,719,925	4,599,186	3,389,400	14,708,511
Interest	19,803,514	14,481,168	13,694,521	47,979,203
Changes of benefit terms	-	-	432,669	432,669
Difference between expected and actual experience	2,638,592	2,023,747	1,152,743	5,815,082
Change of assumptions	17,587,407	(1,393,066)	4,703,070	20,897,411
Benefit payments	(13,058,734)	(9,946,162)	(6,456,401)	(29,461,297)
Refunds	(144,530)	(29,030)	(6,743)	(180,303)
Net change in total pension liability	33,546,174	9,735,843	16,909,259	60,191,276
Total pension liability - ending (a)	<u>\$ 297,474,737</u>	<u>\$ 195,780,249</u>	<u>\$ 185,882,096</u>	<u>\$ 679,137,082</u>
Plan fiduciary net position - beginning	\$ 176,026,669	\$ 122,661,859	\$ 120,391,017	\$ 419,079,545
Employer contributions	11,255,914	9,199,456	5,483,453	25,938,823
Employee contributions	3,173,557	1,664,869	1,288,279	6,126,705
Other contributions	-	724,891	766,995	1,491,886
Net investment income	21,271,925	14,258,027	14,302,330	49,832,282
Benefit payments	(13,058,734)	(9,946,162)	(6,456,401)	(29,461,297)
Refunds	(144,530)	(29,030)	(6,743)	(180,303)
Administrative expenses	(189,591)	(316,694)	(220,292)	(726,577)
Net change in fiduciary net position	22,308,541	15,555,357	15,157,621	53,021,519
Plan fiduciary net position - ending (b)	<u>\$ 198,335,210</u>	<u>\$ 138,217,216</u>	<u>\$ 135,548,638</u>	<u>\$ 472,101,064</u>
Net pension liability (a-b)	<u>\$ 99,139,527</u>	<u>\$ 57,563,033</u>	<u>\$ 50,333,458</u>	<u>\$ 207,036,018</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.

Changes in the Total Pension Liability:

	Other Pension Plans		
	Retiree Subsidy	Excess Benefits	Total
Total pension liability - beginning	\$ 37,762,253	\$ 2,464,102	\$ 40,226,355
Changes for the year:			
Service cost	1,562,667	-	1,562,667
Interest	1,181,380	71,856	1,253,236
Difference between expected and actual experience	(1,035,065)	-	(1,035,065)
Change of assumptions	(2,075,887)	(63,098)	(2,138,985)
Benefit payments	(1,435,430)	(231,733)	(1,667,163)
Net change in total pension liability	(1,802,335)	(222,975)	(2,025,310)
Total pension liability - ending (a)	<u>\$ 35,959,918</u>	<u>\$ 2,241,127</u>	<u>\$ 38,201,045</u>
Covered payroll	\$ 41,071,530	N/A	
Total pension liability as a percentage of covered payroll	87.55%	N/A	

CITY OF SUNRISE, FLORIDA

The Schedules of Changes in the City's Total Pension Liability and Related Ratios for the retiree subsidy and excess benefits plans 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, 2018, the City recognized pension income of \$19,892,947 and pension expense of \$24,788,419 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:

	Pension Plans			Total
	General Employees'	Police Officers'	Firefighters'	
<u>Deferred outflow s</u>				
Difference between expected and actual experience	\$ 6,282,919	\$ 1,817,266	\$ 926,715	\$ 9,026,900
Contributions subsequent to the measurement date	13,239,759	10,216,783	6,791,358	30,247,900
Difference between expected and actual earnings on investments	5,119,201	3,431,654	3,482,997	12,033,852
Changes in assumptions	14,755,532	2,594,613	4,829,773	22,179,918
Total deferred outflow s	<u>\$ 39,397,411</u>	<u>\$ 18,060,316</u>	<u>\$ 16,030,843</u>	<u>\$ 73,488,570</u>
<u>Deferred inflow s</u>				
Difference between expected and actual experience	\$ 59,924	\$ 74,115	\$ 770,249	\$ 904,288
Difference between expected and actual earnings on investments	9,009,062	4,313,228	5,706,368	19,028,658
Changes in assumptions	-	1,053,294	-	1,053,294
Total deferred inflow s	<u>\$ 9,068,986</u>	<u>\$ 5,440,637</u>	<u>\$ 6,476,617</u>	<u>\$ 20,986,240</u>

As a result of GASB No. 73, for the year ended September 30, 2018, the City recognized pension income of \$80,160 for the retiree subsidy and \$222,975 for the excess benefits plans. Additionally, the City recognized pension expense of \$1,263,642 for the retiree subsidy and \$15,091 for the excess benefit plans. Deferred outflows and inflows of resources related to the City's other pension plans are as follows:

	Other Pension Plans		Total
	Retiree Subsidy	Excess Benefits	
<u>Deferred outflow s</u>			
Contributions subsequent to the measurement date	\$ 1,515,590	\$ 216,642	\$ 1,732,232
Changes in assumptions	2,131,905	-	2,131,905
Total deferred outflow s	<u>\$ 3,647,495</u>	<u>\$ 216,642</u>	<u>\$ 3,864,137</u>
<u>Deferred inflow s</u>			
Difference between expected and actual experience	\$ 878,237	\$ -	\$ 878,237
Changes in assumptions	1,761,359	-	1,761,359
Total deferred inflow s	<u>\$ 2,639,596</u>	<u>\$ -</u>	<u>\$ 2,639,596</u>

CITY OF SUNRISE, FLORIDA

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				Retiree Subsidy
	General Employees'	Police Officers'	Firefighters'		
2019	\$ 6,903,590	\$ 2,091,834	\$ 871,634		\$ (44,975)
2020	6,349,777	2,071,961	1,617,609		(44,975)
2021	3,211,832	(920,073)	(98,009)		(44,975)
2022	623,467	(840,826)	256,816		(44,975)
2023	-	-	114,818		(44,975)
Thereafter	-	-	-		(282,816)
	<u>\$ 17,088,666</u>	<u>\$ 2,402,896</u>	<u>\$ 2,762,868</u>		<u>\$ (507,691)</u>

D. Postemployment 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. 75, the City recognizes the total OPEB liability and the OPEB expense 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 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.

CITY OF SUNRISE, FLORIDA

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 7% effective October 1, 2018, followed by a .25% decrease in the rate each successive year until 2021. The trend rates for years after 2021 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. The actuarial valuation of the total OPEB liability was performed as of September 30, 2017 and with a measurement date of September 30, 2017 based on the assumptions presented below.

Actuarial valuation date	September 30, 2017
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	3.5%
Inflation rate	2.5%
Projected salary increases	Police-based on age of employee General-based on years of credited service Fire-based on years of credited service
Asset valuation method	n/a
Membership as of Actuarial Valuation Date	
Retirees and beneficiaries	367
Active members	940

Changes in the Total OPEB Liability:

Service cost	\$ 1,337,581
Interest on total OPEB liability	941,443
Changes of assumptions	(2,052,118)
Benefit payments	<u>(877,270)</u>
Net change in total OPEB liability	<u>(650,364)</u>
Total OPEB obligation – beginning	<u>29,470,176</u>
Total OPEB obligation – ending	<u><u>\$28,819,812</u></u>
Covered payroll	\$69,668,812
Total OPEB liability as a percentage of covered payroll	41.37%

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

CITY OF SUNRISE, FLORIDA

Discount rate: The discount rate used to measure the total OPEB liability was based on a municipal bond rate of 3.50% based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

Mortality rate: The mortality rate used to measure the total OPEB liability was based on July 1, 2016 mortality tables of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the City's total OPEB liability calculated using a discount rate of 3.50%, as well as the total OPEB liability using a discount rate that is one percentage point lower and one percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
OPEB liability (3.50%)	\$ 34,381,744	\$ 28,819,812	\$ 24,506,178

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate: The following presents the City's total OPEB liability calculated using the assumed trend rates, as well as the total OPEB liability using a trend rate that is one percentage point lower and one percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
OPEB liability (7.00%)	\$ 26,531,104	\$ 28,819,812	\$ 31,716,929

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$1,451,699 as the result of GASB No. 75. Deferred outflows and inflows of resources related to OPEB are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 525,543	\$ -
Changes in assumptions	-	1,750,336
	<u>\$ 525,543</u>	<u>\$ 1,750,336</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending September 30	Deferred Inflows of Resources
2019	\$ (301,782)
2020	(301,782)
2021	(301,782)
2022	(301,782)
2023	(301,782)
Thereafter	(241,426)
	<u>\$ (1,750,336)</u>

**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			
	2017	2016	2015	2014
Total pension liability - beginning	\$ 263,928,563	\$ 246,978,656	\$ 230,997,644	\$ 225,236,553
Changes for the year:				
Service cost	6,719,925	6,249,017	5,709,473	5,592,989
Interest	19,803,514	18,468,241	17,739,018	16,695,690
Difference between expected and actual experience	2,638,592	6,201,568	4,223,251	(86,907)
Change of assumptions	17,587,407	-	2,870,501	-
Benefit payments	(13,058,734)	(13,886,080)	(14,424,957)	(16,155,069)
Refunds	(144,530)	(82,839)	(136,274)	(285,612)
Net change in total pension liability	33,546,174	16,949,907	15,981,012	5,761,091
Total pension liability - ending (a)	<u>\$ 297,474,737</u>	<u>\$ 263,928,563</u>	<u>\$ 246,978,656</u>	<u>\$ 230,997,644</u>
Plan fiduciary net position - beginning	\$ 176,026,669	\$ 160,767,773	\$ 163,396,851	\$ 155,619,994
Employer contributions	11,255,914	10,310,136	9,797,263	9,606,777
Employee contributions	3,173,557	3,103,175	2,951,954	2,676,412
Net investment income (loss)	21,271,925	16,019,240	(618,632)	12,106,642
Benefit payments	(13,058,734)	(13,886,080)	(14,424,957)	(16,155,069)
Refunds	(144,530)	(82,839)	(136,274)	(285,612)
Administrative expenses	(189,591)	(204,736)	(198,432)	(172,293)
Net change in plan fiduciary net position	22,308,541	15,258,896	(2,629,078)	7,776,857
Plan fiduciary net position - ending (b)	<u>\$ 198,335,210</u>	<u>\$ 176,026,669</u>	<u>\$ 160,767,773</u>	<u>\$ 163,396,851</u>
Net pension liability (a-b)	<u>\$ 99,139,527</u>	<u>\$ 87,901,894</u>	<u>\$ 86,210,883</u>	<u>\$ 67,600,793</u>
Plan fiduciary net position as a percentage of the total pension liability	66.67%	66.69%	65.09%	70.74%
Covered payroll	\$ 35,656,748	\$ 31,775,096	\$ 28,384,840	\$ 26,603,455
Net pension liability as a percentage of covered payroll	278.04%	276.64%	303.72%	254.11%

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

	Police Officers' Pension Plan			
Measurement date September 30,	2017	2016	2015	2014
Total pension liability - beginning	\$ 186,044,406	\$ 175,806,062	\$ 157,911,262	\$ 151,315,619
Changes for the year:				
Service cost	4,599,186	4,415,243	4,068,061	3,784,863
Interest	14,481,168	13,727,142	12,725,631	12,056,017
Difference between expected and actual experience	2,023,747	560,558	-	(444,699)
Change of assumptions	(1,393,066)	-	6,918,969	-
Benefit payments	(9,946,162)	(8,399,112)	(5,761,251)	(8,760,460)
Refunds	(29,030)	(65,487)	(56,610)	(40,078)
Net change in total pension liability	9,735,843	10,238,344	17,894,800	6,595,643
Total pension liability - ending (a)	<u>\$ 195,780,249</u>	<u>\$ 186,044,406</u>	<u>\$ 175,806,062</u>	<u>\$ 157,911,262</u>
Plan fiduciary net position - beginning	\$ 122,661,859	\$ 110,239,064	\$ 105,563,905	\$ 96,495,201
Employer contributions	9,199,456	8,834,348	8,194,759	7,472,477
Employee contributions	1,664,869	1,510,667	1,524,051	1,293,252
Other contributions	724,891	693,248	639,176	620,714
Net investment income	14,258,027	10,187,217	366,132	8,705,647
Benefit payments	(9,946,162)	(8,399,112)	(5,761,251)	(8,760,460)
Refunds	(29,030)	(65,487)	(56,610)	(40,078)
Administrative expenses	(316,694)	(338,086)	(231,098)	(222,848)
Net change in plan fiduciary net position	15,555,357	12,422,795	4,675,159	9,068,704
Plan fiduciary net position - ending (b)	<u>\$ 138,217,216</u>	<u>\$ 122,661,859</u>	<u>\$ 110,239,064</u>	<u>\$ 105,563,905</u>
Net pension liability (a-b)	<u>\$ 57,563,033</u>	<u>\$ 63,382,547</u>	<u>\$ 65,566,998</u>	<u>\$ 52,347,357</u>
Plan fiduciary net position as a percentage of the total pension liability	70.60%	65.93%	62.70%	66.85%
Covered payroll	\$ 16,985,178	\$ 15,886,876	\$ 15,488,323	\$ 13,142,805
Net pension liability as a percentage of covered payroll	338.90%	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			
	2017	2016	2015	2014
Total pension liability - beginning	\$ 168,972,837	\$ 158,772,928	\$ 151,751,626	\$ 145,582,653
Changes for the year:				
Service cost	3,389,400	3,217,784	3,090,913	3,007,593
Interest	13,694,521	12,568,229	12,023,905	11,602,371
Change of benefit terms	432,669	-	-	-
Difference between expected and actual experience	1,152,743	(728,503)	-	(1,492,632)
Change of assumptions	4,703,070	1,643,838	-	172,854
Benefit payments	(6,456,401)	(6,437,587)	(8,093,516)	(7,121,213)
Refunds	(6,743)	(63,852)	-	-
Net change in total pension liability	16,909,259	10,199,909	7,021,302	6,168,973
Total pension liability - ending (a)	\$ 185,882,096	\$ 168,972,837	\$ 158,772,928	\$ 151,751,626
Plan fiduciary net position - beginning	\$ 120,391,017	\$ 108,526,799	\$ 109,371,318	\$ 99,036,104
Employer contributions	5,483,453	5,185,357	5,225,550	4,972,033
Employee contributions	1,288,279	1,338,474	1,156,746	1,125,192
Other contributions	766,995	803,419	853,244	879,470
Net investment income (loss)	14,302,330	11,249,228	176,272	10,639,774
Benefit payments	(6,456,401)	(6,437,587)	(8,093,516)	(7,121,213)
Refunds	(6,743)	(63,852)	-	-
Administrative expenses	(220,292)	(210,821)	(162,815)	(160,042)
Net change in plan fiduciary net position	15,157,621	11,864,218	(844,519)	10,335,214
Plan fiduciary net position - ending (b)	\$ 135,548,638	\$ 120,391,017	\$ 108,526,799	\$ 109,371,318
Net pension liability (a-b)	\$ 50,333,458	\$ 48,581,820	\$ 50,246,129	\$ 42,380,308
Plan fiduciary net position as a percentage of the total pension liability	72.92%	71.25%	68.35%	72.07%
Covered payroll	\$ 12,036,803	\$ 11,680,780	\$ 10,816,447	\$ 10,555,759
Net pension liability as a percentage of covered payroll	418.16%	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,	Retiree Subsidy Pension Plan	
	2017	2016
Total pension liability - beginning	\$ 37,762,253	\$ 33,561,459
Changes for the year:		
Service cost	1,562,667	1,311,427
Interest	1,181,380	1,268,486
Difference between expected and actual experience	(1,035,065)	-
Change of assumptions	(2,075,887)	2,984,667
Benefit payments	(1,435,430)	(1,363,786)
Refunds	-	-
Net change in total pension liability	(1,802,335)	4,200,794
Total pension liability - ending	\$ 35,959,918	\$ 37,762,253
 Covered payroll	 \$ 41,071,530	 \$ 33,616,746
 Total pension liability as a percentage of covered payroll	 87.55%	 112.33%

Measurement date September 30,	Excess Benefits Pension Plan	
	2017	2016
Total pension liability - beginning	\$ 2,464,102	\$ -
Changes for the year:		
Interest	71,856	-
Change of assumptions	(63,098)	-
Benefit payments	(231,733)	-
Net change in total pension liability	(222,975)	-
Total pension liability - ending	\$ 2,241,127	\$ -
 Covered payroll	 N/A	 N/A
 Total pension liability as a percentage of covered payroll	 N/A	 N/A

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 OPEB LIABILITY AND RELATED RATIOS

Measurement date September 30,	<u>Other Post- employment Benefits</u> <u>2017</u>
Total OPEB liability - beginning	\$ 29,470,176
Changes for the year:	
Service cost	1,337,581
Interest	941,443
Change of assumptions	(2,052,118)
Benefit payments	(877,270)
Refunds	-
Net change in total OPEB liability	<u>(650,364)</u>
Total OPEB liability - ending	<u><u>\$ 28,819,812</u></u>
 Covered payroll	 \$ 69,668,608
 Total OPEB liability as a percentage of covered payroll	 41.37%

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 EMPLOYER CONTRIBUTIONS
Last Five 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
9/30/2018	13,239,759	13,239,759	-	35,240,205	37.57%	Inflation	2.50%
						Salary Increases	3.5% to 6.5% depending on service
						Investment Rate of Return	7.45%
						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	22 years
9/30/2017	9,924,347	9,924,347	-	16,985,178	58.43%	Asset valuation method	5-year smoothed market
9/30/2018	10,216,783	10,216,783	-	17,508,583	58.35%	Inflation	2.50%
						Salary Increases	4.2% to 7.5% depending on service
						Investment Rate of Return	7.75%
						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
9/30/2018	6,791,358	6,791,358	-	11,728,068	57.91%	Inflation	3.00%
						Salary Increases	5% to 12% including inflation
						Investment Rate of Return	7.85%, 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.

<i>Building Fees Fund</i>	<i>Accounts for the receipts and disbursements associated with building and permit fees.</i>
<i>Impact Fees Fund</i>	<i>Accounts for the receipts and disbursements of impact fees received from developers.</i>
<i>Urban Area Security Initiative Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Urban Area Security Initiative Grant funds.</i>
<i>Broward County Home Consortium Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Broward County Home Consortium Grant funds.</i>
<i>Neighborhood Stabilization Program Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Neighborhood Stabilization Grant funds.</i>
<i>Community Development Block Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Community Development Block Grant funds.</i>
<i>State Housing Initiative Partnership Grant Fund</i>	<i>Accounts for the receipts and disbursements of the State Housing Initiative Partnership Grant funds.</i>
<i>Fuel & Roadway Fund</i>	<i>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.</i>
<i>Police Confiscation Fund</i>	<i>Accounts for the receipts and disbursements of police confiscation funds.</i>

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 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>
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<i>General Obligation Bonds, Series 2015 Fund</i>	<i>Accumulates ad valorem taxes collected for payment of debt service on the General Obligation, Series 2015 maturing on July 1, 2044.</i>
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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</i>	<i>Accounts for the construction of a parking garage and additional public works improvements for Special Tax District No. 1.</i>
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<i>Special Assessment Bonds Series 2015 Capital Projects</i>	<i>Accounts for the development, construction, equipment and installation of two parking garages at Sawgrass Mills.</i>
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CITY OF SUNRISE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 19,809,426	\$ 5,273,960	\$ 34,721,917	\$ 59,805,303
Investments	1,967,731	-	172,899	2,140,630
Interest receivable	14,923	7,034	1,727	23,684
Other receivables	5,802	-	-	5,802
Due from other funds	75,894	246	-	76,140
Intergovernmental receivable	556,601	-	-	556,601
Inventories	79,331	-	-	79,331
Total assets	<u>\$ 22,509,708</u>	<u>\$ 5,281,240</u>	<u>\$ 34,896,543</u>	<u>\$ 62,687,491</u>
LIABILITIES				
Accounts payable	967,889	-	29,503	997,392
Accrued liabilities	89,455	-	-	89,455
Intergovernmental payable	1,359	-	-	1,359
Due to other funds	31,822	-	-	31,822
Interfund payable	154,843	-	-	154,843
Matured bonds payable	-	2,130,000	-	2,130,000
Matured interest payable	-	223,045	-	223,045
Unearned revenue	81,581	-	-	81,581
Other	1,117,978	-	-	1,117,978
Advances from other funds	220,000	-	-	220,000
Total liabilities	<u>2,664,927</u>	<u>2,353,045</u>	<u>29,503</u>	<u>5,047,475</u>
FUND BALANCES				
Nonspendable:				
Inventories	79,331	-	-	79,331
Restricted for:				
Building	9,737,382	-	-	9,737,382
Capital projects	-	-	33,456,602	33,456,602
Recreation	3,430	-	-	3,430
Public safety	4,080,710	-	-	4,080,710
Fire equipment	218,197	-	-	218,197
Median strips	386,918	-	-	386,918
Housing	1,303,556	-	-	1,303,556
Transportation	3,552,137	-	-	3,552,137
Assigned to:				
Transportation	483,120	-	-	483,120
Debt service	-	2,928,195	-	2,928,195
Capital projects	-	-	1,410,438	1,410,438
Total fund balances	<u>19,844,781</u>	<u>2,928,195</u>	<u>34,867,040</u>	<u>57,640,016</u>
Total liabilities and fund balances	<u>\$ 22,509,708</u>	<u>\$ 5,281,240</u>	<u>\$ 34,896,543</u>	<u>\$ 62,687,491</u>

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes:				
Property	\$ -	\$ 4,667,441	\$ -	\$ 4,667,441
Local option fuel	1,658,012	-	-	1,658,012
Permits and fees	5,848,517	-	-	5,848,517
Intergovernmental	2,149,103	-	-	2,149,103
Charges for services	53,366	-	-	53,366
Judgments, fines and forfeitures	1,200,193	-	-	1,200,193
Impact fees	24,978	-	-	24,978
Investment earnings	261,581	69,541	628,930	960,052
Miscellaneous	105,091	-	-	105,091
Total revenues	<u>11,300,841</u>	<u>4,736,982</u>	<u>628,930</u>	<u>16,666,753</u>
EXPENDITURES				
Current:				
Public safety	7,922,838	-	-	7,922,838
Economic development	881,688	-	-	881,688
Transportation	3,026,308	-	3,686	3,029,994
Culture and recreation	160,258	-	-	160,258
Debt service:				
Principal	-	2,870,000	-	2,870,000
Interest	-	1,848,286	-	1,848,286
Other	-	43,983	-	43,983
Capital outlay	<u>1,844,276</u>	<u>-</u>	<u>73,331</u>	<u>1,917,607</u>
Total expenditures	<u>13,835,368</u>	<u>4,762,269</u>	<u>77,017</u>	<u>18,674,654</u>
Deficiency of revenues under expenditures	<u>(2,534,527)</u>	<u>(25,287)</u>	<u>551,913</u>	<u>(2,007,901)</u>
OTHER FINANCING SOURCES				
Transfers in:				
General fund	959,240	-	-	959,240
Proceeds on sale of capital assets	<u>14,825</u>	<u>-</u>	<u>-</u>	<u>14,825</u>
Total other financing sources	<u>974,065</u>	<u>-</u>	<u>-</u>	<u>974,065</u>
Net change in fund balances	(1,560,462)	(25,287)	551,913	(1,033,836)
Fund balances - beginning	<u>21,405,243</u>	<u>2,953,482</u>	<u>34,315,127</u>	<u>58,673,852</u>
Fund balances - ending	<u>\$ 19,844,781</u>	<u>\$ 2,928,195</u>	<u>\$ 34,867,040</u>	<u>\$ 57,640,016</u>

CITY OF SUNRISE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2018

	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	\$ 8,652,313	\$ 679,202	\$ 36,014	\$ 544,520	\$ 180,581	\$ -	\$ 515,299	\$ 3,407,196	\$ 5,794,301	\$ 19,809,426
Investments	1,289,301	103,949	-	-	-	-	77,816	496,665	-	1,967,731
Interest receivable	8,447	667	-	-	-	-	532	3,350	1,927	14,923
Other receivables	1,725	-	-	-	-	-	-	4,077	-	5,802
Due from other funds	-	-	-	-	-	-	-	-	75,894	75,894
Intergovernmental receivable	-	-	-	5,721	-	263,150	-	287,730	-	556,601
Inventories	-	-	-	-	-	-	-	79,331	-	79,331
Total assets	\$ 9,951,786	\$ 783,818	\$ 36,014	\$ 550,241	\$ 180,581	\$ 263,150	\$ 593,647	\$ 4,278,349	\$ 5,872,122	\$ 22,509,708
LIABILITIES										
Accounts payable	73,350	-	-	-	-	28	23,859	132,951	737,701	967,889
Accrued liabilities	64,752	-	-	-	-	3,835	-	19,877	991	89,455
Intergovernmental payable	-	-	-	-	-	1,359	-	-	-	1,359
Due to other funds	4,370	-	-	-	-	139	-	1,284	26,029	31,822
Interfund payable	-	-	-	-	-	154,843	-	-	-	154,843
Unearned revenue	71,932	-	-	-	-	-	-	9,649	-	81,581
Other	-	160,258	-	-	-	-	-	-	957,720	1,117,978
Advances from other funds	-	-	-	-	-	100,000	-	-	120,000	220,000
Total liabilities	214,404	160,258	-	-	-	260,204	23,859	163,761	1,842,441	2,664,927
FUND BALANCES										
Nonspendable:										
Inventories	-	-	-	-	-	-	-	79,331	-	79,331
Restricted:										
Building	9,737,382	-	-	-	-	-	-	-	-	9,737,382
Recreation	-	3,430	-	-	-	-	-	-	-	3,430
Public safety	-	15,015	36,014	-	-	-	-	-	4,029,681	4,080,710
Fire equipment	-	218,197	-	-	-	-	-	-	-	218,197
Median strips	-	386,918	-	-	-	-	-	-	-	386,918
Housing	-	-	-	550,241	180,581	2,946	569,788	-	-	1,303,556
Transportation	-	-	-	-	-	-	-	3,552,137	-	3,552,137
Assigned to:										
Transportation	-	-	-	-	-	-	-	483,120	-	483,120
Total fund balances	9,737,382	623,560	36,014	550,241	180,581	2,946	569,788	4,114,588	4,029,681	19,844,781
Total liabilities and fund balances	\$ 9,951,786	\$ 783,818	\$ 36,014	\$ 550,241	\$ 180,581	\$ 263,150	\$ 593,647	\$ 4,278,349	\$ 5,872,122	\$ 22,509,708

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,658,012	\$ -	\$ 1,658,012
Permits and fees	5,848,517	-	-	-	-	-	-	-	-	5,848,517
Intergovernmental	-	-	128,889	77,242	-	647,833	407,416	887,723	-	2,149,103
Charges for services	-	-	-	-	-	-	-	46,056	7,310	53,366
Judgments, fines and forfeitures	-	-	-	-	-	-	-	-	1,200,193	1,200,193
Impact fees	-	24,978	-	-	-	-	-	-	-	24,978
Investment earnings	132,979	10,753	-	-	-	-	7,659	49,849	60,341	261,581
Miscellaneous	-	-	-	-	40,000	2,758	9,080	52,883	370	105,091
Total revenues	5,981,496	35,731	128,889	77,242	40,000	650,591	424,155	2,694,523	1,268,214	11,300,841
EXPENDITURES										
Current:										
Public safety	6,748,693	-	12,193	-	-	91,000	-	-	1,070,952	7,922,838
Economic development	-	-	-	12,532	-	480,854	388,302	-	-	881,688
Transportation	-	-	-	-	-	76,000	-	2,950,308	-	3,026,308
Culture and recreation	-	160,258	-	-	-	-	-	-	-	160,258
Capital outlay	94,573	-	116,696	-	-	-	-	103,863	1,529,144	1,844,276
Total expenditures	6,843,266	160,258	128,889	12,532	-	647,854	388,302	3,054,171	2,600,096	13,835,368
Excess (deficiency) of revenues over (under) expenditures	(861,770)	(124,527)	-	64,710	40,000	2,737	35,853	(359,648)	(1,331,882)	(2,534,527)
OTHER FINANCING SOURCES										
Transfers in:										
General fund	-	-	-	-	-	-	-	959,240	-	959,240
Proceeds on sale of capital assets	-	-	-	-	-	-	-	-	14,825	14,825
Total other financing sources	-	-	-	-	-	-	-	959,240	14,825	974,065
Net change in fund balances	(861,770)	(124,527)	-	64,710	40,000	2,737	35,853	599,592	(1,317,057)	(1,560,462)
Fund balances - beginning	10,599,152	748,087	36,014	485,531	140,581	209	533,935	3,514,996	5,346,738	21,405,243
Fund balances - ending	\$ 9,737,382	\$ 623,560	\$ 36,014	\$ 550,241	\$ 180,581	\$ 2,946	\$ 569,788	\$ 4,114,588	\$ 4,029,681	\$ 19,844,781

**CITY OF SUNRISE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
SEPTEMBER 30, 2018**

	Special Tax District No. 1	General Obligation Bonds, Series 2015	Total Nonmajor Debt Service Funds
ASSETS			
Cash and cash equivalents	\$ 5,137,867	\$ 136,093	\$ 5,273,960
Interest receivable	6,826	208	7,034
Due from other funds	46	200	246
Total assets	<u><u>\$ 5,144,739</u></u>	<u><u>\$ 136,501</u></u>	<u><u>\$ 5,281,240</u></u>
LIABILITIES			
Matured bonds payable	2,130,000	-	2,130,000
Matured interest payable	223,045	-	223,045
Total liabilities	<u><u>2,353,045</u></u>	<u><u>-</u></u>	<u><u>2,353,045</u></u>
FUND BALANCES			
Assigned to:			
Debt service	2,791,694	136,501	2,928,195
Total fund balances	<u><u>2,791,694</u></u>	<u><u>136,501</u></u>	<u><u>2,928,195</u></u>
Total liabilities and fund balances	<u><u>\$ 5,144,739</u></u>	<u><u>\$ 136,501</u></u>	<u><u>\$ 5,281,240</u></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, 2018

	Special Tax District No. 1	General Obligation Bonds, Series 2015	Total Nonmajor Debt Service Funds
REVENUES			
Property taxes	\$ 2,507,079	\$ 2,160,362	\$ 4,667,441
Investment earnings	57,205	12,336	69,541
Total revenues	<u>2,564,284</u>	<u>2,172,698</u>	<u>4,736,982</u>
EXPENDITURES			
Debt service:			
Principal	2,130,000	740,000	2,870,000
Interest	446,090	1,402,196	1,848,286
Other	43,683	300	43,983
Total expenditures	<u>2,619,773</u>	<u>2,142,496</u>	<u>4,762,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(55,489)</u>	<u>30,202</u>	<u>(25,287)</u>
Fund balances - beginning	<u>2,847,183</u>	<u>106,299</u>	<u>2,953,482</u>
Fund balances - ending	<u><u>\$ 2,791,694</u></u>	<u><u>\$ 136,501</u></u>	<u><u>\$ 2,928,195</u></u>

**CITY OF SUNRISE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2018**

	Special Tax District No. 1 Capital Projects	Special Assessment Bonds Series 2015	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and cash equivalents	\$ 1,265,662	\$ 33,456,255	\$ 34,721,917
Investments	172,899	-	172,899
Interest receivable	1,242	485	1,727
Total assets	<u>\$ 1,439,803</u>	<u>\$ 33,456,740</u>	<u>\$ 34,896,543</u>
LIABILITIES			
Accounts payable	<u>29,365</u>	<u>138</u>	<u>29,503</u>
FUND BALANCE			
Restricted:			
Capital projects	-	33,456,602	33,456,602
Assigned:			
Capital projects	1,410,438	-	1,410,438
Total fund balances	<u>1,410,438</u>	<u>33,456,602</u>	<u>34,867,040</u>
Total liabilities and fund balances	<u>\$ 1,439,803</u>	<u>\$ 33,456,740</u>	<u>\$ 34,896,543</u>

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Special Tax District No. 1 Capital Projects</u>	<u>Special Assessment Bonds Series 2015</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES			
Investment earnings	\$ 19,672	\$ 609,258	\$ 628,930
EXPENDITURES			
Current:			
Transportation	1,284	2,402	3,686
Capital outlay	73,331	-	73,331
Total expenditures	74,615	2,402	77,017
Excess (deficiency) of revenues over (under) expenditures	(54,943)	606,856	551,913
Fund balances - beginning	1,465,381	32,849,746	34,315,127
Fund balances - ending	\$ 1,410,438	\$ 33,456,602	\$ 34,867,040

CITY OF SUNRISE, FLORIDA
BUILDING FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Permits and fees	\$ 5,920,850	\$ 5,848,517	\$ (72,333)
Investment earnings	50,000	132,979	82,979
Total revenues	<u>5,970,850</u>	<u>5,981,496</u>	<u>10,646</u>
EXPENDITURES			
Current:			
Public safety	7,723,460	6,748,693	974,767
Capital outlay	105,400	94,573	10,827
Total expenditures	<u>7,828,860</u>	<u>6,843,266</u>	<u>985,594</u>
Excess (deficiency) of revenues over (under) expenditures	(1,858,010)	(861,770)	996,240
Fund balance - beginning	<u>10,599,152</u>	<u>10,599,152</u>	-
Fund balance - ending	<u>\$ 8,741,142</u>	<u>\$ 9,737,382</u>	<u>\$ 996,240</u>

**CITY OF SUNRISE, FLORIDA
IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Impact fees	\$ 56,500	\$ 24,978	\$ (31,522)
Investment earnings	4,500	10,753	6,253
Total revenues	61,000	35,731	(25,269)
EXPENDITURES			
Current:			
Culture and recreation	160,258	160,258	-
Deficiency of revenues under expenditures	(99,258)	(124,527)	(25,269)
Fund balance - beginning	748,087	748,087	-
Fund balance - ending	<u>\$ 648,829</u>	<u>\$ 623,560</u>	<u>\$ (25,269)</u>

CITY OF SUNRISE, FLORIDA
URBAN AREA SECURITY INITIATIVE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 130,200	\$ 128,889	\$ (1,311)
EXPENDITURES			
Current:			
Public safety	10,860	12,193	(1,333)
Capital outlay	119,340	116,696	2,644
Total expenditures	130,200	128,889	1,311
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Fund balance - beginning	36,014	36,014	-
Fund balance - ending	\$ 36,014	\$ 36,014	\$ -

**CITY OF SUNRISE, FLORIDA
BROWARD COUNTY HOME CONSORTIUM GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	<u>\$ 111,830</u>	<u>\$ 77,242</u>	<u>\$ (34,588)</u>
EXPENDITURES			
Current:			
Economic development	<u>253,460</u>	<u>12,532</u>	<u>240,928</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(141,630)</u>	<u>64,710</u>	<u>206,340</u>
Fund balance - beginning	<u>485,531</u>	<u>485,531</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 343,901</u></u>	<u><u>\$ 550,241</u></u>	<u><u>\$ 206,340</u></u>

**CITY OF SUNRISE, FLORIDA
NEIGHBORHOOD STABILIZATION PROGRAM GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Miscellaneous	\$ -	\$ 40,000	\$ 40,000
EXPENDITURES			
Current:			
Economic development	140,580	-	140,580
Excess (deficiency) of revenues over (under) expenditures	(140,580)	40,000	180,580
Fund balance - beginning	140,581	140,581	-
Fund balance - ending	<u>\$ 1</u>	<u>\$ 180,581</u>	<u>\$ 180,580</u>

CITY OF SUNRISE, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 997,070	\$ 647,833	\$ (349,237)
Miscellaneous	-	2,758	2,758
Total revenues	997,070	650,591	(346,479)
EXPENDITURES			
Current:			
Public safety	91,000	91,000	-
Economic development	830,070	480,854	349,216
Transportation	76,000	76,000	-
Total expenditures	997,070	647,854	349,216
Excess of revenues over expenditures	-	2,737	2,737
Fund balance - beginning	209	209	-
Fund balance - ending	\$ 209	\$ 2,946	\$ 2,737

CITY OF SUNRISE, FLORIDA
STATE HOUSING INITIATIVES PARTNERSHIP GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 386,340	\$ 407,416	\$ 21,076
Investment earnings	-	7,659	7,659
Miscellaneous	-	9,080	9,080
Total revenues	<u>386,340</u>	<u>424,155</u>	<u>37,815</u>
EXPENDITURES			
Current:			
Economic development	<u>764,130</u>	<u>388,302</u>	<u>375,828</u>
Excess (deficiency) of revenues over (under) expenditures	(377,790)	35,853	413,643
Fund balance - beginning	<u>533,935</u>	<u>533,935</u>	-
Fund balance - ending	<u>\$ 156,145</u>	<u>\$ 569,788</u>	<u>\$ 413,643</u>

CITY OF SUNRISE, FLORIDA
FUEL AND ROADWAY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Local option fuel tax	\$ 1,669,210	\$ 1,658,012	\$ (11,198)
Intergovernmental	820,460	887,723	67,263
Charges for services	38,000	46,056	8,056
Investment earnings	12,000	49,849	37,849
Miscellaneous	45,200	52,883	7,683
Total revenues	<u>2,584,870</u>	<u>2,694,523</u>	<u>109,653</u>
EXPENDITURES			
Current:			
Transportation	3,422,760	2,950,308	472,452
Capital outlay	390,496	103,863	286,633
Total expenditures	<u>3,813,256</u>	<u>3,054,171</u>	<u>759,085</u>
Excess (deficiency) of revenues over (under) expenditures	(1,228,386)	(359,648)	868,738
OTHER FINANCING SOURCES			
Transfers in	<u>959,240</u>	<u>959,240</u>	-
Net change in fund balances	(269,146)	599,592	868,738
Fund balance - beginning	<u>3,514,996</u>	<u>3,514,996</u>	-
Fund balance - ending	<u>\$ 3,245,850</u>	<u>\$ 4,114,588</u>	<u>\$ 868,738</u>

CITY OF SUNRISE, FLORIDA
POLICE CONFISCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ -	\$ 7,310	\$ 7,310
Judgments, fines and forfeitures	-	1,200,193	1,200,193
Investment earnings	-	60,341	60,341
Miscellaneous	-	370	370
Total revenues	<u>-</u>	<u>1,268,214</u>	<u>1,268,214</u>
EXPENDITURES			
Current:			
Public safety	1,696,576	1,070,952	625,624
Capital outlay	1,779,560	1,529,144	250,416
Total expenditures	<u>3,476,136</u>	<u>2,600,096</u>	<u>876,040</u>
Excess (deficiency) of revenues over (under) expenditures	(3,476,136)	(1,331,882)	2,144,254
OTHER FINANCING SOURCES			
Proceeds on sale of capital assets	<u>-</u>	<u>14,825</u>	<u>14,825</u>
Net change in fund balances	(3,476,136)	(1,317,057)	2,159,079
Fund balance - beginning	<u>5,346,738</u>	<u>5,346,738</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,870,602</u>	<u>\$ 4,029,681</u>	<u>\$ 2,159,079</u>

CITY OF SUNRISE, FLORIDA
SPECIAL TAX DISTRICT NO. 1 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 2,561,200	\$ 2,507,079	\$ (54,121)
Investment earnings	400	57,205	56,805
Total revenues	<u>2,561,600</u>	<u>2,564,284</u>	<u>2,684</u>
EXPENDITURES			
Debt service:			
Principal	2,130,000	2,130,000	-
Interest	446,090	446,090	-
Other	44,510	43,683	827
Total expenditures	<u>2,620,600</u>	<u>2,619,773</u>	<u>827</u>
Excess (deficiency) of revenues over (under) expenditures	(59,000)	(55,489)	3,511
Fund balance - beginning	<u>2,847,183</u>	<u>2,847,183</u>	-
Fund balance - ending	<u>\$ 2,788,183</u>	<u>\$ 2,791,694</u>	<u>\$ 3,511</u>

CITY OF SUNRISE, FLORIDA
GENERAL OBLIGATION BONDS, SERIES 2015 DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 2,169,730	\$ 2,160,362	\$ (9,368)
Investment earnings	500	12,336	11,836
Total revenues	<u>2,170,230</u>	<u>2,172,698</u>	<u>2,468</u>
EXPENDITURES			
Debt service:			
Principal	740,000	740,000	-
Interest	1,402,200	1,402,196	4
Other	300	300	-
Total expenditures	<u>2,142,500</u>	<u>2,142,496</u>	<u>4</u>
Excess of revenues over expenditures	27,730	30,202	2,472
Fund balance - beginning	<u>106,299</u>	<u>106,299</u>	<u>-</u>
Fund balance - ending	<u>\$ 134,029</u>	<u>\$ 136,501</u>	<u>\$ 2,472</u>

CITY OF SUNRISE, FLORIDA
SPECIAL TAX DISTRICT NO. 1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	\$ -	\$ 19,672	\$ 19,672
EXPENDITURES			
Current:			
Transportation	-	1,284	(1,284)
Capital outlay	1,443,934	73,331	1,370,603
Total expenditures	1,443,934	74,615	1,369,319
Excess (deficiency) of revenues over (under) expenditures	(1,443,934)	(54,943)	1,388,991
Fund balance - beginning	1,465,381	1,465,381	-
Fund balance - ending	\$ 21,447	\$ 1,410,438	\$ 1,388,991

CITY OF SUNRISE, FLORIDA
SPECIAL ASSESSMENT BONDS, SERIES 2015 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	\$ 150,000	\$ 609,258	\$ 459,258
EXPENDITURES			
Current:			
Transportation	-	2,402	(2,402)
Capital outlay	32,524,099	-	32,524,099
Total expenditures	32,524,099	2,402	32,521,697
Excess (deficiency) of revenues over (under) expenditures	(32,374,099)	606,856	32,980,955
Fund balance - beginning	32,849,746	32,849,746	-
Fund balance - ending	\$ 475,647	\$ 33,456,602	\$ 32,980,955

CITY OF SUNRISE, FLORIDA
CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 1,010,120	\$ 650,860	\$ (359,260)
Investment earnings	220,000	627,968	407,968
Total revenues	<u>1,230,120</u>	<u>1,278,828</u>	<u>48,708</u>
EXPENDITURES			
Capital outlay	<u>49,810,097</u>	<u>3,926,796</u>	<u>45,883,301</u>
Excess (deficiency) of revenues over (under) expenditures	(48,579,977)	(2,647,968)	45,932,009
OTHER FINANCING SOURCES			
Transfers in	<u>4,948,100</u>	<u>4,948,100</u>	<u>-</u>
Net change in fund balances	(43,631,877)	2,300,132	45,932,009
Fund balance - beginning	<u>31,910,530</u>	<u>31,910,530</u>	<u>-</u>
Fund balance - ending	<u>\$ (11,721,347)</u>	<u>\$ 34,210,662</u>	<u>\$ 45,932,009</u>

CITY OF SUNRISE, FLORIDA
GENERAL OBLIGATION BONDS, SERIES 2015 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 150,777	\$ 151,156	\$ 379
Investment earnings	280,000	333,374	53,374
Miscellaneous	-	1,138	1,138
Total revenues	<u>430,777</u>	<u>485,668</u>	<u>54,891</u>
EXPENDITURES			
Current:			
Culture and recreation	-	4,679	(4,679)
Capital outlay	<u>29,657,830</u>	<u>27,218,522</u>	<u>2,439,308</u>
Total expenditures	<u>29,657,830</u>	<u>27,223,201</u>	<u>2,434,629</u>
Excess (deficiency) of revenues over (under) expenditures	(29,227,053)	(26,737,533)	2,489,520
Fund balance - beginning	<u>29,774,453</u>	<u>29,774,453</u>	<u>-</u>
Fund balance - ending	<u>\$ 547,400</u>	<u>\$ 3,036,920</u>	<u>\$ 2,489,520</u>

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.

<i>Recycling Fund</i>	<i>Accounts for the provision of recycling services to City residents.</i>
<i>Stormwater Fund</i>	<i>Accounts for the operations of a City stormwater utility.</i>
<i>Golf Course Fund</i>	<i>Accounts for the operations of a City owned golf course.</i>

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2018

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 613,814	\$ 13,050,429	\$ 300,311	\$ 13,964,554
Investments	71,025	1,879,729	55,261	2,006,015
Interest receivable	619	12,925	300	13,844
Accounts receivable, net of allowance for uncollectibles	181,017	595,406	-	776,423
Other receivables	35	-	-	35
Intergovernmental receivable	-	240,092	-	240,092
Inventories	-	19,627	-	19,627
Prepaid items	-	-	2,850	2,850
Total current assets	866,510	15,798,208	358,722	17,023,440
Noncurrent assets:				
Capital assets:				
Land	-	65,845	1,223,300	1,289,145
Intangibles	-	3,283	-	3,283
Buildings and system	-	685,480	-	685,480
Improvements other than buildings	-	10,043,052	232,550	10,275,602
Machinery and equipment	3,635	1,894,637	821,302	2,719,574
Vehicles	-	1,355,173	-	1,355,173
Construction in progress	-	822,975	-	822,975
Less accumulated depreciation	(3,635)	(3,621,999)	(779,390)	(4,405,024)
Total capital assets, net of accumulated depreciation	-	11,248,446	1,497,762	12,746,208
Total assets	866,510	27,046,654	1,856,484	29,769,648
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits	-	12,034	-	12,034
Pension	-	1,550,392	32,967	1,583,359
Total deferred outflows of resources	-	1,562,426	32,967	1,595,393
LIABILITIES				
Current liabilities:				
Accounts payable	142,851	134,042	47,171	324,064
Accrued liabilities	-	30,865	-	30,865
Due to other funds	11,535	1,531	-	13,066
Compensated absences	-	35,757	-	35,757
Intergovernmental payable	-	-	2,982	2,982
Total current liabilities	154,386	202,195	50,153	406,734
Noncurrent liabilities:				
Compensated absences	-	292,800	-	292,800
Net pension liability	-	3,832,473	-	3,832,473
Total pension liability - retiree subsidy	-	1,231,451	324,360	1,555,811
Total other postemployment benefits	-	659,975	-	659,975
Unearned revenue	-	-	1,584	1,584
Total noncurrent liabilities	-	6,016,699	325,944	6,342,643
Total liabilities	154,386	6,218,894	376,097	6,749,377
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefits	-	40,085	-	40,085
Pension	-	385,042	22,701	407,743
Total deferred inflows of resources	-	425,127	22,701	447,828
NET POSITION				
Investment in capital assets	-	11,243,652	1,497,762	12,741,414
Unrestricted	712,124	10,721,407	(7,109)	11,426,422
Total net position	\$ 712,124	\$ 21,965,059	\$ 1,490,653	\$ 24,167,836

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for sales and services:				
Fees	\$ 1,149,864	\$ 7,526,854	\$ 994,406	\$ 9,671,124
Operating expenses:				
Costs of sales and services:				
Power, water and wastewater purchases	-	53,776	106,138	159,914
Chemical purchases	-	45,350	100,938	146,288
Recycling charges	774,627	-	-	774,627
Materials and supplies	52,343	85,996	-	138,339
Repairs and maintenance	880	92,937	26,399	120,216
Salaries, wages and employee benefits	-	2,418,333	34,077	2,452,410
Insurance and other expenses	8,422	1,192,008	1,324,016	2,524,446
Administrative fees	63,100	631,400	164,870	859,370
Depreciation and amortization	-	607,067	72,756	679,823
Total operating expenses	899,372	5,126,867	1,829,194	7,855,433
Operating income (loss)	250,492	2,399,987	(834,788)	1,815,691
Non-operating revenues (expenses):				
Investment earnings	6,497	191,078	6,273	203,848
Gain (loss) on sale of capital assets	-	5,305	-	5,305
Sale of recyclable materials	46,361	-	-	46,361
Other	-	182,908	2,583	185,491
Total non-operating revenues (expenses)	52,858	379,291	8,856	441,005
Income (loss) before transfers	303,350	2,779,278	(825,932)	2,256,696
Transfers in	-	-	856,110	856,110
Change in net position	303,350	2,779,278	30,178	3,112,806
Total net position - beginning (restatement see Note IV, J)	408,774	19,185,781	1,460,475	21,055,030
Total net position - ending	\$ 712,124	\$ 21,965,059	\$ 1,490,653	\$ 24,167,836

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,206,043	\$ 7,585,794	\$ 996,524	\$ 9,788,361
Payments to suppliers	(755,785)	(1,535,536)	(1,556,604)	(3,847,925)
Payments to and for employees	-	(2,187,168)	(23,899)	(2,211,067)
Payments for interfund services used	(63,100)	(631,400)	(164,870)	(859,370)
Net cash provided by (used for) operating activities	387,158	3,231,690	(748,849)	2,869,999
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	-	856,110	856,110
Net cash provided by noncapital financing activities	-	-	856,110	856,110
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(1,125,678)	(49,275)	(1,174,953)
Proceeds from sales of capital assets	-	5,800	-	5,800
Net cash (used for) capital and related financing activities	-	(1,119,878)	(49,275)	(1,169,153)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	75,595	2,257,762	73,709	2,407,066
Purchase of investments	(93,825)	(1,262,985)	(49,829)	(1,406,639)
Interest and dividends received	7,255	209,844	6,721	223,820
Net cash provided by (used for) investing activities	(10,975)	1,204,621	30,601	1,224,247
Net increase in cash and cash equivalents	376,183	3,316,433	88,587	3,781,203
Cash and cash equivalents, September 30, 2017	237,631	9,733,996	211,724	10,183,351
Cash and cash equivalents, September 30, 2018	\$ 613,814	\$ 13,050,429	\$ 300,311	\$ 13,964,554

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 250,492	\$ 2,399,987	\$ (834,788)	\$ 1,815,691
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	46,361	-	-	46,361
Miscellaneous non-operating income	-	182,908	2,583	185,491
Depreciation and amortization expense	-	607,067	72,756	679,823
(Increase) decrease in accounts receivable	(983)	62,485	-	61,502
Decrease in other receivables	9,589	-	-	9,589
(Increase) in intergovernmental receivables	-	(177,202)	-	(177,202)
Decrease in inventories	-	2,456	-	2,456
Decrease in prepaid items	-	-	350	350
(Increase) decrease in deferred outflows	-	(434,272)	2,977	(431,295)
Increase (decrease) in accounts payable	79,999	(77,176)	(1,789)	1,034
(Decrease) in accrued liabilities	-	(9,581)	-	(9,581)
Increase (decrease) in due to other funds	1,700	(62)	-	1,638
Increase in intergovernmental payables	-	-	1,614	1,614
Increase in unearned revenue	-	-	247	247
Increase in compensated absences payable	-	12,859	-	12,859
Increase in total other postemployment benefits payable	-	5,196	-	5,196
(Decrease) in total pension liability - retiree subsidy	-	(60,018)	(15,500)	(75,518)
Increase in net pension liability	-	394,441	-	394,441
Increase in deferred inflows	-	322,602	22,701	345,303
Total adjustments	136,666	831,703	85,939	1,054,308
Net cash provided by (used for) operating activities	\$ 387,158	\$ 3,231,690	\$ (748,849)	\$ 2,869,999
Noncash investing activities:				
Net (decrease) in fair value of investments	\$ (1,029)	\$ (16,614)	\$ (406)	\$ (18,049)

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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, 2018

	Workers' Compensation	Fleet Management	Information Technology & Communications	Self- Insured Health	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 10,768,421	\$ 5,290,804	\$ 4,427,401	\$ 7,479,182	\$ 27,965,808
Investments	1,629,336	967,863	754,603	1,041,193	4,392,995
Interest receivable	10,482	5,338	4,443	7,261	27,524
Accounts receivable, net of allowance for uncollectibles	-	-	-	54,581	54,581
Other receivables	-	6,878	-	154,161	161,039
Intergovernmental receivable	2,671	1,574	-	-	4,245
Inventories	-	350,667	-	-	350,667
Prepaid items	1,750	-	1,575	-	3,325
Total current assets	12,412,660	6,623,124	5,188,022	8,736,378	32,960,184
Noncurrent assets:					
Capital assets:					
Intangibles	-	2,580	235,608	-	238,188
Machinery and equipment	-	223,058	1,138,947	-	1,362,005
Vehicles	-	15,765,507	24,769	-	15,790,276
Construction in progress	-	-	3,079,013	-	3,079,013
Less accumulated depreciation	-	(6,393,154)	(866,558)	-	(7,259,712)
Total capital assets, net of accumulated depreciation	-	9,597,991	3,611,779	-	13,209,770
Total assets	12,412,660	16,221,115	8,799,801	8,736,378	46,169,954
DEFERRED OUTFLOWS OF RESOURCES					
Other postemployment benefits	-	1,052	9,932	-	10,984
Pension	-	134,261	1,528,809	-	1,663,070
Total deferred outflows of resources	-	135,313	1,538,741	-	1,674,054
LIABILITIES					
Current liabilities:					
Accounts payable	10,968	504,774	325,099	14,067	854,908
Accrued liabilities	-	3,182	32,821	-	36,003
Due to other funds	-	299	3,068	-	3,367
Compensated absences	-	3,532	32,462	-	35,994
Total current liabilities	10,968	511,787	393,450	14,067	930,272
Noncurrent liabilities:					
Compensated absences	-	22,889	225,203	-	248,092
Net pension liability	-	314,423	3,714,280	-	4,028,703
Total pension liability - retiree subsidy	-	108,059	1,026,841	-	1,134,900
Total other postemployment benefits	-	57,639	544,694	-	602,333
Claims and judgments	4,477,000	-	-	-	4,477,000
Total noncurrent liabilities	4,477,000	503,010	5,511,018	-	10,491,028
Total liabilities	4,487,968	1,014,797	5,904,468	14,067	11,421,300
DEFERRED INFLOWS OF RESOURCES					
Other postemployment benefits	-	3,500	33,081	-	36,581
Pension	-	37,084	392,440	-	429,524
Total deferred inflows of resources	-	40,584	425,521	-	466,105
NET POSITION					
Investment in capital assets	-	9,596,194	3,459,005	-	13,055,199
Unrestricted	7,924,692	5,704,853	549,548	8,722,311	22,901,404
Total net position	\$ 7,924,692	\$ 15,301,047	\$ 4,008,553	\$ 8,722,311	\$ 35,956,603

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Workers' Compensation	Fleet Management	Information Technology & Communications	Self- Insured Health	Total
Operating revenues:					
Charges for sales and services:					
Service charges	\$ 2,142,300	\$ 3,703,380	\$ 5,801,660	\$ 15,255,782	\$ 26,903,122
Operating expenses:					
Costs of sales and services:					
Power, water and wastewater purchases	-	35,675	-	-	35,675
Materials and supplies	-	1,185,694	36,701	-	1,222,395
Repairs and maintenance	-	2,000,552	242,195	-	2,242,747
Salaries, wages and employee benefits	-	255,090	2,958,207	-	3,213,297
Insurance and other expenses	532,197	50,816	2,142,417	1,672,630	4,398,060
Claims expense	611,154	-	-	11,322,221	11,933,375
Depreciation and amortization	-	1,372,819	276,318	-	1,649,137
Total operating expenses	1,143,351	4,900,646	5,655,838	12,994,851	24,694,686
Operating income	998,949	(1,197,266)	145,822	2,260,931	2,208,436
Non-operating revenues:					
Investment earnings	168,253	109,183	82,822	101,430	461,688
Gain (loss) on sale of capital assets	-	-	(212)	-	(212)
Other	232,952	58,624	-	680,997	972,573
Total non-operating revenues	401,205	167,807	82,610	782,427	1,434,049
Change in net position	1,400,154	(1,029,459)	228,432	3,043,358	3,642,485
Total net position - beginning (restatement see Note IV, J)	6,524,538	16,330,506	3,780,121	5,678,953	32,314,118
Total net position - ending	\$ 7,924,692	\$ 15,301,047	\$ 4,008,553	\$ 8,722,311	\$ 35,956,603

**CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Workers' Compensation	Fleet Management	Information Technology & Communications	Self-Insured Health	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 2,142,300	\$ 3,703,380	\$ 5,801,660	\$ 15,233,875	\$ 26,881,215
Payments to suppliers	(1,217,988)	(3,269,513)	(2,278,602)	(12,382,526)	(19,148,629)
Payments to and for employees	-	(233,650)	(2,778,719)	-	(3,012,369)
Net cash provided by operating activities	<u>924,312</u>	<u>200,217</u>	<u>744,339</u>	<u>2,851,349</u>	<u>4,720,217</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	-	(1,922,445)	(781,942)	-	(2,704,387)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(1,922,445)</u>	<u>(781,942)</u>	<u>-</u>	<u>(2,704,387)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	2,007,356	1,286,437	974,337	1,223,807	5,491,937
Purchase of investments	(1,005,338)	(333,155)	(459,221)	(1,037,703)	(2,835,417)
Interest and dividends received	184,122	117,760	89,618	111,893	503,393
Net cash provided by investing activities	<u>1,186,140</u>	<u>1,071,042</u>	<u>604,734</u>	<u>297,997</u>	<u>3,159,913</u>
 Net increase (decrease) in cash and cash equivalents	 2,110,452	 (651,186)	 567,131	 3,149,346	 5,175,743
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>
Cash and cash equivalents, September 30, 2018	<u>\$ 10,768,421</u>	<u>\$ 5,290,804</u>	<u>\$ 4,427,401</u>	<u>\$ 7,479,182</u>	<u>\$ 27,965,808</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 (loss)	<u>\$ 998,949</u>	<u>\$ (1,197,266)</u>	<u>\$ 145,822</u>	<u>\$ 2,260,931</u>	<u>\$ 2,208,436</u>
Adjustments to reconcile operating income to net cash provided by operating activities:					
Miscellaneous non-operating income	232,952	58,624	-	680,997	972,573
Depreciation and amortization expense	-	1,372,819	276,318	-	1,649,137
(Increase) in accounts receivable	-	-	-	(21,907)	(21,907)
(Increase) decrease in other receivables	-	12,010	-	(76,541)	(64,531)
(Increase) in intergovernmental receivables	(2,671)	(1,574)	-	-	(4,245)
(Increase) in inventories	-	(49,078)	-	-	(49,078)
(Increase) in prepaid items	(1,750)	-	(1,575)	-	(3,325)
(Increase) in deferred outflows	-	(37,121)	(356,354)	-	(393,475)
Increase (decrease) in accounts payable	10,832	(16,758)	144,286	7,869	146,229
Increase (decrease) in accrued liabilities	-	96	(4,272)	-	(4,176)
Increase in due to other funds	-	56	548	-	604
Increase (decrease) in compensated absences payable	-	1,681	(4,074)	-	(2,393)
Increase in total other postemployment benefits payable	-	454	4,288	-	4,742
(Decrease) in total pension liability - retiree subsidy	-	(5,227)	(49,384)	-	(54,611)
Increase in net pension liability	-	33,713	323,644	-	357,357
Increase in deferred inflows	-	27,788	265,092	-	292,880
(Decrease) in claims and judgments	(314,000)	-	-	-	(314,000)
Total adjustments	<u>(74,637)</u>	<u>1,397,483</u>	<u>598,517</u>	<u>590,418</u>	<u>2,511,781</u>
Net cash provided by operating activities	<u>\$ 924,312</u>	<u>\$ 200,217</u>	<u>\$ 744,339</u>	<u>\$ 2,851,349</u>	<u>\$ 4,720,217</u>
Noncash investing activities:					
Net (decrease) in fair value of investments	\$ (12,989)	\$ (4,562)	\$ (5,123)	\$ (11,105)	\$ (33,779)

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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***

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

***Special Assessment
Agency Fund***

Accounts 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, 2018

	Employee Retirement Funds			Total Pension Trust Funds	Special Assessment Agency Fund
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension		
ASSETS					
Cash and cash equivalents	\$ 1,715,714	\$ 1,553,813	\$ -	\$ 3,269,527	\$ 6,676,021
Receivable from sale of securities	-	361,119	174,754	535,873	-
Interest and dividends receivable	38,711	278,085	201,153	517,949	-
Due from other funds	59,591	52,697	805,956	918,244	-
Other receivables	221	-	-	221	-
Investments:					
Money market funds	-	-	4,792,066	4,792,066	-
U.S. government and agency securities	-	25,576,192	5,669,542	31,245,734	-
Corporate bonds	-	16,885,033	5,393,724	22,278,757	-
Mutual funds	145,898,488	-	-	145,898,488	-
Common stocks	23,698,926	82,231,577	99,914,833	205,845,336	-
International equity funds	31,455,872	12,306,904	9,192,264	52,955,040	-
Commingled real estate funds	15,879,664	11,892,269	20,471,652	48,243,585	-
Total investments	216,932,950	148,891,975	145,434,081	511,259,006	-
Prepaid items	-	606,011	-	606,011	-
Total assets	218,747,187	151,743,700	146,615,944	517,106,831	6,676,021
LIABILITIES					
Deposits held for others	-	-	-	-	6,676,021
Accounts payable	195,682	131,220	133,629	460,531	-
Due to other funds	-	37	-	37	-
Payable for purchase of securities	-	366,230	245,046	611,276	-
Total liabilities	195,682	497,487	378,675	1,071,844	6,676,021
NET POSITION					
Restricted for pensions	\$ 218,551,505	\$ 151,246,213	\$ 146,237,269	\$ 516,034,987	

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
ADDITIONS				
Contributions:				
Employer	\$ 13,239,759	\$ 9,431,736	\$ 6,027,609	\$ 28,699,104
Plan members	3,198,740	1,698,916	1,244,670	6,142,326
Other sources	-	785,047	763,749	1,548,796
Total contributions	16,438,499	11,915,699	8,036,028	36,390,226
Investment earnings:				
Interest	13,766	1,186,556	1,076,492	2,276,814
Dividends	3,146,126	1,997,292	1,392,112	6,535,530
Net appreciation in fair value of investments	16,169,576	8,686,798	12,026,768	36,883,142
Other	15,351	6,978	3,732	26,061
Total investment earnings	19,344,819	11,877,624	14,499,104	45,721,547
Less investment expense	763,722	492,699	688,712	1,945,133
Net investment earnings	18,581,097	11,384,925	13,810,392	43,776,414
Total additions	35,019,596	23,300,624	21,846,420	80,166,640
DEDUCTIONS				
Benefits	14,471,951	9,924,857	10,960,320	35,357,128
Refunds of contributions	134,450	66,853	-	201,303
Administrative expenses	196,903	279,917	197,469	674,289
Total deductions	14,803,304	10,271,627	11,157,789	36,232,720
Change in net position	20,216,292	13,028,997	10,688,631	43,933,920
Net position - beginning	198,335,213	138,217,216	135,548,638	472,101,067
Net position - ending	\$ 218,551,505	\$ 151,246,213	\$ 146,237,269	\$ 516,034,987

CITY OF SUNRISE, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018
ASSETS				
Cash and cash equivalents	\$ 6,652,085	\$ 4,808,256	\$ 4,784,320	\$ 6,676,021
Due from other funds	1,263	4,710,061	4,711,324	-
Total assets	<u>\$ 6,653,348</u>	<u>\$ 9,518,317</u>	<u>\$ 9,495,644</u>	<u>\$ 6,676,021</u>
LIABILITIES				
Deposits held for others	\$ 6,653,348	\$ 4,807,393	\$ 4,784,720	\$ 6,676,021
Total liabilities	<u>\$ 6,653,348</u>	<u>\$ 4,807,393</u>	<u>\$ 4,784,720</u>	<u>\$ 6,676,021</u>

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

Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

CONTENTS

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Financial Trends	136
<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	141
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	146
<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	150
<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	153
<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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	\$ 162,750,766	\$ 140,789,661	\$ 216,939,533	\$ 168,525,248	\$ 161,496,469	\$ 172,578,594	\$ 149,534,658	\$ 155,481,156	\$ 142,039,078	\$ 123,216,601
Restricted	91,307,048	115,510,156	46,042,385	93,706,809	8,471,002	8,570,447	12,970,864	14,338,760	14,748,436	14,247,059
Unrestricted (2) (3) (4)	(72,061,847)	(60,686,131)	(54,188,498)	(59,704,740)	(30,731,825)	72,083,680	94,285,475	102,909,539	131,178,114	160,417,231
Total governmental activities net position	<u>\$ 181,995,967</u>	<u>\$ 195,613,686</u>	<u>\$ 208,793,420</u>	<u>\$ 202,527,317</u>	<u>\$ 139,235,646</u>	<u>\$ 253,232,721</u>	<u>\$ 256,790,997</u>	<u>\$ 272,729,455</u>	<u>\$ 287,965,628</u>	<u>\$ 297,880,891</u>
Business-type activities:										
Net investment in capital assets	\$ 219,579,021	\$ 201,581,451	\$ 198,835,364	\$ 187,354,916	\$ 194,208,810	\$ 195,615,586	\$ 205,103,917	\$ 215,951,117	\$ 225,849,507	\$ 165,211,690
Restricted	117,890,941	108,974,616	135,887,097	139,944,842	142,517,366	59,799,505	46,285,671	34,052,302	31,477,214	15,107,507
Unrestricted (2) (3) (4)	103,253,120	98,900,197	52,142,150	31,966,077	(5,367,597)	80,932,037	72,518,710	60,828,007	34,252,389	108,312,854
Total business-type activities net position	<u>\$ 440,723,082</u>	<u>\$ 409,456,264</u>	<u>\$ 386,864,611</u>	<u>\$ 359,265,835</u>	<u>\$ 331,358,579</u>	<u>\$ 336,347,128</u>	<u>\$ 323,908,298</u>	<u>\$ 310,831,426</u>	<u>\$ 291,579,110</u>	<u>\$ 288,632,051</u>
Total:										
Net investment in capital assets (1)	\$ 382,329,787	\$ 342,371,112	\$ 415,774,897	\$ 355,880,164	\$ 355,705,279	\$ 368,194,180	\$ 354,638,575	\$ 371,432,273	\$ 367,888,585	\$ 288,428,291
Restricted	209,197,989	224,484,772	181,929,482	233,651,651	150,988,368	68,369,952	59,256,535	48,391,062	46,225,650	29,354,566
Unrestricted (2) (3) (4)	31,191,273	38,214,066	(2,046,348)	(27,738,663)	(36,099,422)	153,015,717	166,804,185	163,737,546	165,430,503	268,730,085
Total net position	<u>\$ 622,719,049</u>	<u>\$ 605,069,950</u>	<u>\$ 595,658,031</u>	<u>\$ 561,793,152</u>	<u>\$ 470,594,225</u>	<u>\$ 589,579,849</u>	<u>\$ 580,699,295</u>	<u>\$ 583,560,881</u>	<u>\$ 579,544,738</u>	<u>\$ 586,512,942</u>

(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.

(4) Fiscal year 2017 unrestricted net position has been restated due to the implementation of GASB 75.

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
Governmental activities:										
General government	\$ 35,327,180	\$ 30,422,154	26,389,946	\$ 26,785,702	\$ 22,117,132	\$ 21,971,961	\$ 22,165,444	\$ 19,697,928	\$ 20,082,293	\$ 18,173,477
Public safety	91,328,642	86,838,184	82,501,264	76,420,597	75,725,531	73,437,952	73,391,974	69,634,438	64,437,920	63,489,700
Physical environment	96,856	15,655	17,439	19,213	-	26	-	58,450	-	4,449,634
Economic development	881,688	823,732	986,907	783,130	1,450,739	2,163,364	3,509,823	3,394,166	4,809,338	3,344,301
Human services	-	-	-	-	-	5,891	38,434	5,709	30,911	43,625
Transportation	10,357,065	10,446,155	8,629,081	11,208,805	11,112,617	13,415,518	15,108,537	16,038,739	16,280,932	14,391,264
Culture and recreation	16,134,161	14,782,395	14,240,291	15,114,540	15,069,953	13,903,513	14,325,266	13,672,035	13,564,626	15,215,151
Interest on long-term debt	1,847,100	1,981,013	2,138,958	3,520,704	860,394	2,986,064	3,308,802	3,766,241	4,173,836	4,393,765
Total governmental activities expenses	155,972,692	145,309,288	134,903,886	133,852,691	126,336,366	127,884,289	131,848,280	126,267,706	123,379,856	123,500,917
Business-type activities:										
Water and wastewater	90,488,937	87,002,721	82,886,168	80,097,871	74,498,032	76,928,227	75,555,668	70,525,696	66,756,884	60,752,251
Gas	7,613,124	7,168,302	6,464,051	6,483,831	7,028,195	6,501,671	6,074,455	6,591,254	6,871,911	6,772,874
Sanitation	12,667,652	11,700,774	10,809,059	10,475,071	10,072,501	11,875,547	12,253,967	14,048,290	14,508,602	14,705,325
Recycling	899,350	885,638	853,151	815,541	853,629	571,219	518,729	545,524	559,919	604,604
Stormwater	5,038,372	4,367,175	4,637,636	4,239,043	4,100,658	2,060,696	2,372,426	2,169,113	2,181,131	1,924,842
Golf course	1,832,889	1,848,015	1,862,669	1,910,545	1,957,715	1,933,471	1,893,322	1,848,000	832,053	1,449,494
Total business-type activities expenses	118,540,324	112,972,625	107,512,734	104,021,902	98,510,730	99,870,831	98,668,567	95,727,877	91,710,500	86,209,390
Total expenses	\$ 274,513,016	\$ 258,281,913	\$ 242,416,620	\$ 237,874,593	\$ 224,847,096	\$ 227,755,120	\$ 230,516,847	\$ 221,995,583	\$ 215,090,356	\$ 209,710,307
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 9,145,264	\$ 11,364,179	\$ 9,944,340	\$ 10,742,083	\$ 7,798,806	\$ 6,664,836	\$ 6,714,210	\$ 6,461,395	\$ 5,752,065	\$ 5,941,060
Public safety	26,207,627	25,119,770	28,021,610	23,424,381	25,267,766	23,379,743	20,243,787	17,010,389	15,803,017	16,015,292
Physical environment	16,411,600	15,736,071	14,918,466	14,756,282	13,853,068	13,400,272	12,470,134	11,966,332	11,953,369	9,638,883
Transportation	46,056	28,996	79,167	67,284	88,959	52,509	80,922	56,145	25,005	17,025
Culture and recreation	1,610,220	1,623,907	1,680,726	1,714,226	1,477,256	1,391,195	1,249,751	1,158,463	1,115,163	1,187,904
Operating grants and contributions	7,481,798	6,165,221	6,352,861	6,170,818	9,379,731	7,810,672	8,465,070	10,163,701	5,717,742	7,170,963
Capital grants and contributions	2,602,807	3,026,237	2,373,611	65,245,338	2,181,943	2,179,024	1,487,777	2,055,863	1,731,426	1,363,767
Total governmental activities program revenues	63,505,372	63,064,381	63,370,781	122,120,412	60,047,529	54,878,251	50,711,651	48,872,288	42,097,787	41,334,894
Business-type activities:										
Charges for services:										
Water and wastewater	115,575,194	112,866,419	107,956,039	102,977,721	97,709,023	93,518,987	86,481,462	82,899,507	81,881,749	65,397,327
Gas	8,049,019	7,645,822	6,917,521	7,511,570	7,785,045	7,318,596	7,041,104	7,524,819	7,808,387	8,290,006
Sanitation	12,700,783	11,234,023	9,905,560	9,596,577	9,202,805	11,545,708	11,446,027	13,272,614	13,729,802	13,977,607
Recycling	1,149,864	1,128,378	1,163,315	1,141,180	1,109,183	1,068,927	178,435	175,689	175,078	178,433
Stormwater	7,526,854	7,225,952	6,855,996	6,440,263	6,214,993	4,303,188	4,237,157	4,054,391	4,072,545	2,927,086
Golf course	994,406	959,209	1,072,826	1,134,232	1,149,913	1,106,185	987,789	893,641	36,176	493,963
Operating grants and contributions	5,503	33,301	264,976	-	-	-	-	-	-	20,911
Capital grants and contributions	4,398,270	3,295,284	4,843,538	3,553,989	2,359,667	1,018,658	337,687	1,952,079	998,783	2,416,271
Total business-type activities program revenues	150,399,893	144,388,388	138,979,771	132,355,532	125,530,629	119,880,249	110,709,661	110,772,740	108,702,520	93,701,604
Total program revenues	\$ 213,905,265	\$ 207,452,769	\$ 202,350,552	\$ 254,475,944	\$ 185,578,158	\$ 174,758,500	\$ 161,421,312	\$ 159,645,028	\$ 150,800,307	\$ 135,036,498
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (92,467,320)	\$ (82,244,907)	\$ (71,533,105)	\$ (11,732,279)	\$ (66,288,837)	\$ (73,006,038)	\$ (81,136,629)	\$ (77,395,418)	\$ (81,282,069)	\$ (82,166,023)
Business-type activities	31,859,569	31,415,763	31,467,037	28,333,630	27,019,899	20,009,418	12,041,094	15,044,863	16,992,020	7,492,214
Total (expense)/revenue	\$ (60,607,751)	\$ (50,829,144)	\$ (40,066,068)	\$ 16,601,351	\$ (39,268,938)	\$ (52,996,620)	\$ (69,095,535)	\$ (62,350,555)	\$ (64,290,049)	\$ (74,673,809)

(continued)

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property taxes	\$ 44,375,078	\$ 40,933,847	\$ 38,118,401	\$ 33,486,368	\$ 31,708,055	\$ 30,726,477	\$ 30,485,081	\$ 31,323,739	\$ 36,137,516	\$ 36,391,545
Insurance premium taxes	-	-	-	-	-	-	-	1,277,851	1,372,490	1,438,573
Utility service tax	10,117,314	9,773,155	9,469,694	9,242,584	9,047,000	8,392,172	7,928,732	7,656,725	7,688,446	6,956,486
Communications services tax	3,013,094	3,280,405	3,083,443	3,557,460	3,017,207	4,251,293	4,237,582	4,365,158	4,880,665	4,746,093
Local business tax	2,257,857	2,334,836	2,313,203	2,217,511	2,426,731	2,352,391	2,138,637	2,196,298	2,158,770	2,190,433
Franchise fees	9,619,183	9,505,423	9,275,964	9,373,129	9,199,078	8,790,155	8,829,581	9,007,930	9,765,447	9,898,820
Grants and contributions not restricted to specific programs	8,948,305	8,402,313	8,223,538	7,900,405	8,078,628	7,556,493	7,176,366	7,177,354	7,248,078	6,914,110
Unrestricted investment earnings	2,424,959	1,376,415	1,090,804	854,372	181,000	775,628	1,414,724	1,197,371	2,647,362	1,353,077
Miscellaneous	892,424	300,558	372,106	4,284,588	756,909	2,279,063	1,148,317	1,018,796	1,105,735	532,834
Gain on sale of capital assets	-	136	269,206	-	19,849	29,373	-	38,873	30,341	42,435
Extraordinary loss on defeasance of debt	-	-	-	-	-	(6,879,604)	-	-	-	-
Transfers	3,524,053	3,635,132	5,582,849	4,107,533	7,960,905	11,174,321	1,924,193	(312,864)	(1,668,044)	(1,368,079)
Total governmental activities	85,172,267	79,542,220	77,799,208	75,023,950	72,395,362	69,447,762	65,283,213	64,947,231	71,366,806	69,096,327
Business-type activities:										
Unrestricted investment earnings	3,944,069	1,770,111	1,248,323	830,950	438,071	846,136	1,299,817	949,692	1,812,363	736,911
Miscellaneous	1,305,786	495,230	466,265	2,850,209	2,842,841	2,757,597	3,540,344	2,944,897	1,176,194	2,010,497
Extraordinary loss on early extinguishment of debt	-	-	-	-	-	-	-	-	(18,701,562)	-
Transfers	(3,524,053)	(3,635,132)	(5,582,849)	(4,107,533)	(7,960,905)	(11,174,321)	(1,924,193)	312,864	1,668,044	1,368,079
Total business-type activities	1,725,802	(1,369,791)	(3,868,261)	(426,374)	(4,679,993)	(7,570,588)	2,915,968	4,207,453	(14,044,961)	4,115,487
Total	\$ 86,898,069	\$ 78,172,429	\$ 73,930,947	\$ 74,597,576	\$ 67,715,369	\$ 61,877,174	\$ 68,199,181	\$ 69,154,684	\$ 57,321,845	\$ 73,211,814
CHANGE IN NET POSITION										
Governmental activities	\$ (7,295,053)	\$ (2,702,687)	\$ 6,266,103	\$ 63,291,671	\$ 6,106,525	\$ (3,558,276)	\$ (15,853,416)	\$ (12,448,187)	\$ (9,915,263)	\$ (13,069,696)
Business-type activities	33,585,371	30,045,972	27,598,776	27,907,256	22,339,906	12,438,830	14,957,062	19,252,316	2,947,059	11,607,701
Total	\$ 26,290,318	\$ 27,343,285	\$ 33,864,879	\$ 91,198,927	\$ 28,446,431	\$ 8,880,554	\$ (896,354)	\$ 6,804,129	\$ (6,968,204)	\$ (1,461,995)

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

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	Pre-GASB 54	
	2010	2009
General fund		
Reserved	\$ 781,078	\$ 906,751
Unreserved	76,930,022	46,969,831
Total general fund	<u>\$ 77,711,100</u>	<u>\$ 47,876,582</u>
All other governmental funds		
Reserved	\$ 1,395,685	\$ 742,431
Unreserved, reported in:		
Special revenue funds	4,569,356	43,728,427
Debt service funds	14,338,516	13,071,464
Capital projects funds	46,907,792	73,916,230
Total all other governmental funds	<u>\$ 67,211,349</u>	<u>\$ 131,458,552</u>

	Post-GASB 54							
	2018	2017	2016	2015	2014	2013	2012	2011
General fund								
Nonspendable	\$ 13,224,004	\$ 13,226,366	\$ 261,915	\$ 215,061	\$ 789,630	\$ 632,503	\$ 631,062	\$ 15,345,639
Spendable:								
Restricted	-	-	-	-	9,292,889	6,766,019	4,408,916	1,199,657
Committed	27,086,609	28,885,129	28,949,645	29,072,446	29,623,636	29,382,905	28,628,942	28,615,342
Assigned	2,040,074	670,109	705,861	426,655	6,896,977	813,745	4,784,445	10,067,923
Unassigned	32,522,796	32,180,080	37,435,972	33,500,451	23,444,531	17,062,334	31,546,789	12,329,568
Total general fund	<u>\$ 74,873,483</u>	<u>\$ 74,961,684</u>	<u>\$ 67,353,393</u>	<u>\$ 63,214,613</u>	<u>\$ 70,047,663</u>	<u>\$ 54,657,506</u>	<u>\$ 70,000,154</u>	<u>\$ 67,558,129</u>
All other governmental funds								
Nonspendable	\$ 79,331	\$ 64,706	\$ 78,767	\$ 79,889	\$ 54,449	\$ 41,563	\$ 53,101	\$ 46,009
Spendable:								
Restricted	54,772,733	73,093,859	93,597,538	108,440,054	11,829,801	8,976,005	7,980,303	10,938,716
Assigned	40,035,534	47,200,270	38,072,842	32,205,135	32,760,916	32,993,753	35,506,939	42,790,651
Unassigned	-	-	(95,593)	(41,504)	(49,786)	(40,313)	(203,644)	(251,900)
Total all other governmental funds	<u>\$ 94,887,598</u>	<u>\$ 120,358,835</u>	<u>\$ 131,653,554</u>	<u>\$ 140,683,574</u>	<u>\$ 44,595,380</u>	<u>\$ 41,971,008</u>	<u>\$ 43,336,699</u>	<u>\$ 53,523,476</u>

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES										
Taxes	\$ 62,970,151	\$ 59,453,204	\$ 56,080,133	\$ 51,545,650	\$ 49,197,197	\$ 48,609,630	47,591,108	\$ 48,563,152	\$ 54,123,339	\$ 54,091,176
Permits and fees	7,095,253	9,337,197	10,629,884	8,843,619	8,587,577	7,017,560	6,460,836	4,506,666	3,195,176	4,015,896
Franchise fees	9,735,850	9,538,510	9,339,543	9,453,202	9,281,065	8,870,063	8,905,875	9,091,636	9,856,813	9,956,320
Intergovernmental	13,387,970	12,258,151	11,262,558	9,751,783	11,350,180	10,795,365	11,289,965	13,729,502	12,484,748	10,284,225
Charges for services	24,638,143	23,788,342	23,665,741	23,101,315	21,567,977	20,242,171	19,185,483	18,045,527	17,544,176	15,096,127
Administrative charges	7,421,660	7,224,500	7,077,430	6,980,000	6,231,856	5,653,003	5,581,732	5,280,317	5,103,573	4,965,668
Judgments, fines and forfeitures	2,879,247	3,246,164	3,385,855	3,409,077	6,119,436	3,737,369	2,977,201	4,420,158	1,341,017	2,999,253
Special assessments	10,701,365	10,848,533	10,371,591	8,857,695	8,750,541	9,374,859	7,553,494	7,542,173	7,558,901	7,501,909
Impact fees	24,978	250,739	3,534	453,942	84,198	46,473	79,550	134,266	11,126	38,128
Investment earnings	2,925,735	1,593,369	1,084,163	750,001	180,510	734,970	1,342,780	1,148,747	2,544,657	1,441,684
Contributions and donations	63,190	52,835	185,586	116,720	282,715	33,368	8,560	18,053	17,822	84,889
Miscellaneous	2,579,270	1,494,186	1,681,972	4,184,984	4,212,749	4,047,084	3,472,958	2,522,855	2,045,547	2,148,045
Total revenues	144,422,812	139,085,730	134,767,990	127,447,988	125,846,001	119,161,915	114,449,542	115,003,052	115,826,895	112,623,320
EXPENDITURES										
General government	29,797,500	27,743,724	25,459,742	24,501,052	20,463,001	19,860,339	19,210,450	18,028,188	18,160,966	15,544,084
Public safety	86,822,884	83,124,919	78,703,391	75,204,035	73,207,700	71,002,021	69,311,638	66,635,145	62,852,805	58,289,107
Physical environment	-	-	-	-	-	-	-	58,450	-	3,486,746
Economic development	881,688	823,732	986,907	783,130	1,450,739	2,163,364	3,509,823	3,394,166	4,723,402	3,313,051
Human services	-	-	-	-	-	5,891	38,434	5,709	30,911	43,625
Transportation	3,880,941	3,527,499	2,634,245	2,761,671	1,934,897	3,763,154	3,784,499	3,763,258	3,673,074	958,354
Culture and recreation	12,375,100	11,288,557	10,338,707	10,189,068	10,974,675	9,651,561	9,937,616	9,780,996	9,439,482	10,597,706
Debt service:										
Principal	2,870,000	3,340,000	2,840,000	2,085,000	1,995,000	2,175,000	6,430,000	7,180,000	7,070,000	6,975,000
Payment to refunded bond escrow agent	-	-	-	-	-	39,529,163	-	-	-	-
Interest	1,848,286	1,981,762	2,139,269	1,102,407	852,330	947,226	1,036,509	1,362,316	1,646,525	1,750,965
Principal repayment due to refunding	-	-	-	-	-	-	-	8,175,000	-	-
Bond issuance costs	-	-	-	677,441	-	-	-	-	-	-
Other	43,983	44,068	44,011	51,488	39,884	132,796	55,375	51,997	55,023	62,057
Capital outlay	35,044,444	14,627,576	21,345,863	24,287,277	4,919,682	3,322,084	11,926,264	20,173,184	34,358,816	13,330,725
Total expenditures	173,564,826	146,501,837	144,492,135	141,642,569	115,837,908	152,552,599	125,240,608	138,608,409	142,011,004	114,351,420
Excess (deficiency) of revenues over (under) expenditures	(29,142,014)	(7,416,107)	(9,724,145)	(14,194,581)	10,008,093	(33,390,684)	(10,791,066)	(23,605,357)	(26,184,109)	(1,728,100)
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	58,523	94,547	1,749,315	22,229	45,531	34,024	113,195	77,377	53,873	53,734
Transfers in	10,987,013	6,017,707	12,322,444	20,225,450	13,972,983	26,657,418	15,941,233	32,429,194	31,881,105	39,343,749
Transfers out	(7,462,960)	(2,382,575)	(9,238,854)	(20,829,457)	(6,012,078)	(10,009,097)	(13,008,114)	(32,742,058)	(33,549,149)	(40,711,828)
Total other financing sources (uses)	3,582,576	3,729,679	4,832,905	103,449,725	8,006,436	16,682,345	3,046,314	(235,487)	(1,614,171)	(1,314,345)
Net change in fund balances	\$ (25,559,438)	\$ (3,686,428)	\$ (4,891,240)	\$ 89,255,144	\$ 18,014,529	\$ (16,708,339)	\$ (7,744,752)	\$ (23,840,844)	\$ (27,798,280)	\$ (3,042,445)
Debt service as a percentage of noncapital expenditures	3.4%	4.0%	4.0%	2.7%	2.6%	28.5%	6.5%	13.9%	8.1%	8.5%

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
2018	\$ 44,375,078	\$ 2,257,857	\$ 1,548,796	\$ 3,013,094	\$ 1,658,012	\$ 10,117,314	\$ 62,970,151
2017	40,933,847	2,334,836	1,491,886	3,280,405	1,639,075	9,773,155	59,453,204
2016	38,118,401	2,313,203	1,496,667	3,083,443	1,598,725	9,469,694	56,080,133
2015	33,486,368	2,217,511	1,492,420	3,557,460	1,549,307	9,242,584	51,545,650
2014	31,708,055	2,426,731	1,500,184	3,017,207	1,498,020	9,047,000	49,197,197
2013	30,726,477	2,352,391	1,433,000	4,251,293	1,454,297	8,392,172	48,609,630
2012	30,485,081	2,138,637	1,299,161	4,285,645	1,453,852	7,928,732	47,591,108
2011	31,323,739	2,196,298	1,277,851	4,557,410	1,551,129	7,656,725	48,563,152
2010	36,137,516	2,158,770	1,372,490	5,072,917	1,693,200	7,688,446	54,123,339
2009	36,391,545	2,190,433	1,438,573	5,533,736	1,580,403	6,956,486	54,091,176
Change 2009-2018	21.9%	3.1%	7.7%	-45.6%	4.9%	45.4%	16.4%

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				
2018	\$ 5,962,687	\$ 3,484,742	\$ 561,027	\$ 453,972	\$ 3,550,037	\$ 45,725	\$ 6,866,666	\$ 6.3838	\$ 10,462,428	65.63%
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%
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%
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%
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%
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%
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%
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%
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%
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%

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	
2018	2017	\$ 6.0543	\$ 0.3295	\$ 3.3609	\$ 5.6690	\$ 6.5394	\$ 0.4882	\$ 0.3100	\$ 0.0320	\$ 1.2483	
2017	2016	6.0543	0.3750	3.4887	5.6690	6.9063	0.4882	0.3307	0.0320	1.3462	
2016	2015	6.0543	0.3883	3.6526	5.7230	7.2740	0.4882	0.3551	0.0320	1.4425	
2015	2014	6.0543	-	3.7495	5.7230	7.4380	0.4882	0.3842	0.0345	1.5939	
2014	2013	6.0543	-	4.0801	5.7230	7.4800	0.4882	0.4110	0.0345	1.7554	
2013	2012	6.0543	-	4.2098	5.5530	7.4560	0.4902	0.4289	0.0345	1.8564	
2012	2011	6.0543	-	4.2222	5.5530	7.4180	0.4789	0.4363	0.0345	1.8750	
2011	2010	6.0543	-	4.1217	5.5530	7.6310	0.4696	0.6240	0.0345	1.8750	
2010	2009	6.0543	-	4.7426	5.3889	7.4310	0.4243	0.6240	0.0345	1.7059	
2009	2008	5.4397	-	4.6137	5.3145	7.4170	0.3754	0.6240	0.0345	1.7059	

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	2018			2009		
	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	\$ 416,452,820	1	6.45%	\$ 318,071,080	1	5.24%
American Express Travel Related Svcs Co	115,000,000	2	1.78%	-	-	-
Sunrise Village Development LLC	106,449,454	3	1.65%	-	-	-
Sawgrass Mills Phase III LP	93,471,220	4	1.45%	86,549,040	2	1.43%
PPF Amlti 127th Avenue LLC	74,626,388	5	1.16%	-	-	-
Florida Power & Light Co.	73,585,320	6	1.14%	-	-	-
Sawgrass Office FI Joint Venture LLC	62,181,320	7	0.96%	-	-	-
MGI Flamingo Palms LTD Partner	61,814,423	8	0.96%	44,942,960	5	0.74%
Fifteen Gap Sawgrass LLC	50,561,000	9	0.78%	-	-	-
WPT Land 2 LP	49,457,720	10	0.77%	-	-	-
N/S Sawgrass Office Associates LLC	-	-	-	73,619,170	3	1.21%
Liberty Property LTD Partnership	-	-	-	50,217,670	4	0.83%
TMW Weltfonds 1500 Concord Terrace LP	-	-	-	44,316,280	6	0.73%
Sawgrass Lakes Center LLC	-	-	-	42,702,590	7	0.70%
Duke Realty Limited Partnership	-	-	-	35,890,550	8	0.59%
IKEA Property Inc.	-	-	-	35,599,250	9	0.59%
AMB/NDPNDP Local LP	-	-	-	30,120,110	10	0.50%
Totals	\$ 1,103,599,665		17.10%	\$ 762,028,700		12.56%

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
2018	2017	\$ 41,600,840	\$ 41,199,825	99.0%	\$ -	\$ 41,199,825	99.0%
2017	2016	37,691,193	37,547,182	99.6%	19,900	37,567,082	99.7%
2016	2015	34,924,498	34,755,966	99.5%	15,179	34,771,145	99.6%
2015	2014	32,971,380	32,281,140	97.9%	34,850	32,315,990	98.0%
2014	2013	30,750,681	30,213,556	98.3%	(161,497)	30,052,059	97.7%
2013	2012	29,567,455	29,240,476	98.9%	(249,889)	28,990,587	98.0%
2012	2011	29,421,567	28,908,232	98.3%	(198,109)	28,710,123	97.6%
2011	2010	30,712,669	30,041,047	97.8%	(208,257)	29,832,790	97.1%
2010	2009	35,498,126	34,434,744	97.0%	(132,866)	34,301,878	96.6%
2009	2008	34,980,436	34,507,051	98.6%	157,299	34,664,350	99.1%

*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**

	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF REAL PROPERTY ^a	PER CAPITA ^b
	FISCAL YEAR	GENERAL OBLIGATION BONDS	PUBLIC FACILITIES REVENUE BONDS	PUBLIC IMPROVEMENT BONDS	AD VALOREM TAX BONDS	DIRECT BORROWING	UTILITY SYSTEM REVENUE BONDS			
146	2018	\$ 36,820,245	\$ -	\$ -	\$ 9,155,000	\$ 89,625,000	\$ 107,245,901	\$ 242,846,146	2.43%	2,621
	2017	37,829,331	-	-	11,190,000	-	200,392,924	249,412,255	2.73%	2,715
	2016	38,833,496	-	830,000	13,130,000	-	205,095,556	257,889,052	3.05%	2,843
	2015	39,833,533	-	1,055,000	14,990,000	-	211,470,883	267,349,416	3.43%	3,016
	2014	-	-	1,270,000	16,770,000	-	217,617,532	235,657,532	3.37%	2,660
	2013	-	-	1,270,000	16,770,000	-	216,133,701	234,173,701	3.49%	2,701
	2012	-	30,618,786	1,740,000	18,475,000	-	222,055,039	272,888,825	4.07%	3,167
	2011	-	32,706,196	2,195,000	20,110,000	-	227,624,479	282,635,675	4.11%	3,350
	2010	-	43,671,974	2,630,000	21,680,000	-	234,328,963	302,310,937	3.72%	3,580
	2009	-	46,304,366	3,050,000	23,190,000	-	179,178,140	251,722,506	2.63%	2,821

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 FOUR 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
2018	\$ 36,820,245	\$ 136,501	\$ 36,683,744	0.35%	395.88
2017	37,829,331	106,299	37,723,032	0.39%	410.64
2016	38,833,496	4,664	38,828,832	0.44%	428.04
2015	39,833,533	48	39,833,485	0.48%	\$ 449.44

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, 2018**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE*	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt repaid with property taxes			
Broward County School Board	\$ 1,649,812,000	3.55%	\$ 58,568,326
Broward County	181,970,000	3.86%	<u>7,024,042</u>
Subtotal, overlapping debt			65,592,368
City direct debt			<u>135,600,245</u>
Total direct and overlapping debt			<u><u>\$ 201,192,613</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: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE		COVERAGE	R & R TRANSFER	COVERAGE AFTER R & R TRANSFER
				PRINCIPAL	INTEREST			
2018	\$ 122,948,953	\$ 64,209,276	\$ 58,739,677	\$ 4,550,000	\$ 11,021,703	3.77	\$ 5,755,240	2.75
2017	119,850,231	61,780,396	58,069,835	4,425,000	10,693,239	3.84	5,927,460	2.76
2016	114,224,530	58,029,427	56,195,103	6,070,000	10,145,529	3.47	5,791,460	2.55
2015	109,840,261	56,815,404	53,024,857	5,860,000	11,126,264	3.12	5,469,430	2.36
2014	104,857,766	53,446,264	51,411,502	5,850,000	9,085,839	3.44	5,320,666	2.54
2013	100,240,820	55,338,483	44,902,337	5,850,000	10,256,964	2.79	5,028,457	2.12
2012	92,940,085	47,658,170	45,281,915	7,185,000	10,949,689	2.50	4,954,591	1.96
2011	89,855,154	48,252,823	41,602,331	7,726,190	11,496,899	2.16	4,808,699	1.73
2010	89,140,021	47,213,431	41,926,590	7,490,000	8,719,183	2.59	4,747,986	2.00
2009	73,825,926	40,932,145	32,893,781	7,260,000	9,338,173	1.98	3,573,243	1.63

PUBLIC FACILITIES REVENUE BONDS^a

UTILITY SERVICE TAXES					
2018	\$ -	\$ -	\$ -	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	11,751,709	-	-	-	-
2012	11,355,293	4,340,000	-	2.62	
2011	11,397,306	5,175,000	242,250	2.10	
2010	11,960,608	5,140,000	448,885	2.14	
2009	11,689,661	5,110,000	480,455	2.09	

PUBLIC IMPROVEMENT BONDS

SPECIAL ASSESSMENT COLLECTIONS				
2018	\$ -	\$ -	\$ -	-
2017	602,140	600,000	2,721	1.00
2016	267,000	230,000	36,628	1.00
2015	271,440	225,000	46,557	1.00
2014	270,600	215,000	56,045	1.00
2013	547,500	470,000	76,529	1.00
2012	550,500	455,000	96,356	1.00
2011	551,869	435,000	115,313	1.00
2010	553,671	420,000	133,617	1.00
2009	551,905	410,000	151,487	0.98

AD VALOREM TAX BONDS^b

SPECIAL TAX DISTRICT NO. 1 PROPERTY TAX COLLECTIONS				
2018	\$ 2,507,079	\$ 2,130,000	\$ 446,090	0.97
2017	2,496,778	2,035,000	541,595	0.97
2016	2,465,540	1,940,000	631,695	0.96
2015	2,381,501	1,860,000	716,715	0.92
2014	2,450,529	1,780,000	796,285	0.95
2013	2,444,946	1,705,000	870,697	0.95
2012	2,444,934	1,635,000	940,153	0.95
2011	2,440,121	1,570,000	1,004,753	0.95
2010	2,433,946	1,510,000	1,064,023	0.95
2009	2,368,532	1,455,000	1,119,023	0.92

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
2018	92,663	Not available	Not available	2.8%
2017	91,865	2,283,121	24,853	3.7%
2016	90,714	2,212,696	24,392	4.5%
2015	88,630	2,084,134	23,515	5.2%
2014	88,033	2,105,309	23,915	5.4%
2013	86,685	2,039,178	23,524	6.4%
2012	86,154	2,066,834	23,990	7.6%
2011	84,375	1,994,034	23,633	9.3%
2010	84,439	2,006,946	23,768	10.2%
2009	89,242	2,202,760	24,683	9.3%

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

	2018			2009		
			PERCENTAGE OF TOTAL CITY			PERCENTAGE OF TOTAL CITY
EMPLOYER	EMPLOYEES	RANK	EMPLOYMENT	EMPLOYEES	RANK	EMPLOYMENT
American Express	3,300	1	6.37%	-	-	-
Broward County School Board	1,253	2	2.42%	1,693	1	3.65%
City of Sunrise	1,076	3	2.08%	1,019	2	2.20%
Coventry Healthcare of Florida	900	4	1.74%	-	-	-
United Healthcare	750	5	1.45%	750	4	1.62%
Mednax National Medical Group	600	6	1.16%	500	6	1.08%
Centene Healthcare	450	7	0.87%	-	-	-
Team Health	350	8	0.68%	-	-	-
Comcast	350	9	0.68%	350	8	0.75%
Cross County Services	340	10	0.66%	-	-	-
Vista Health Plans	-	-	-	900	3	1.94%
AT & T	-	-	-	700	5	1.51%
Research in Motion	-	-	-	500	7	1.08%
General Dynamics	-	-	-	330	9	1.08%
Publix	-	-	-	300	10	0.71%
Total	9,369		18.11%	7,042		15.62%

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**

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FUNCTION										
General government										
Information Technology	20	19	15	14	13	17	13	14	15	16
Finance and Administrative Services	38	36	37	32	33	21	20	20	20	22
Central Services	-	-	-	-	-	21	21	22	22	19
Community Development-Planning	28	29	26	27	28	29	31	27	29	31
Other ^a	31	30	27	26	27	42	38	40	39	38
Public safety										
Police										
Officers	184	178	184	176	176	176	177	176	171	175
Civilians	70	71	59	66	65	82	82	86	86	89
Fire										
Firefighters and officers	147	148	153	150	149	145	149	145	139	146
Civilians	10	11	9	10	9	9	8	8	6	6
Building	38	37	35	34	29	24	25	26	28	29
Code Enforcement	16	13	15	14	13	13	15	15	15	15
Transportation										
Public Works	-	-	-	-	-	29	34	34	34	33
Culture and recreation	119	112	103	101	100	93	87	94	94	100
Water	122	125	125	119	119	102	102	100	102	100
Wastewater	126	130	131	124	124	106	107	105	94	93
Gas	25	23	21	21	21	20	19	20	21	22
Golf Course	-	-	-	-	-	-	-	-	-	11
Stormwater	20	20	22	22	20	7	7	6	7	7

^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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FUNCTION										
Public safety										
Police										
Physical arrests	1,463	452	1,405	1,498	1,940	2,629	2,115	2,855	2,661	3,066
Parking violations	111	128	169	265	338	761	367	466	532	558
Traffic violations	12,422	12,609	9,430	11,914	14,153	12,714	19,471	12,874	10,845	11,843
Fire										
Number of calls answered	15,218	15,796	15,536	14,127	14,187	13,131	12,015	11,647	11,970	11,776
Inspections	9,525	9,522	10,710	9,860	10,529	10,577	10,578	10,101	9,662	9,613
Transportation										
Street resurfacing (miles)	-	-	8	-	8	8	12	10	15	6
Potholes repaired	227	336	301	253	290	317	295	186	398	351
Culture and recreation										
Participants-youth athletic programs	1,988	2,041	2,452	2,560	3,169	2,880	2,816	2,923	2,702	2,787
Theatre performance attendance	14,026	17,832	11,052	11,232	10,773	12,901	5,287	3,674	3,682	4,182
Senior center memberships	1,163	1,049	1,075	1,185	1,104	1,228	1,676	1,479	1,391	1,385
Athletic club memberships	461	709	915	758	525	461	296	291	193	220
Water										
New connections	165	12	100	102	69	149	62	157	142	35
Water main breaks	36	42	41	44	84	67	56	46	56	38
Average daily consumption (thousands of gallons)	19,070	20,087	19,563	20,562	19,833	19,797	19,746	20,672	20,400	21,469
Wastewater										
Average daily sewage treatment (thousands of gallons)	19,959	20,871	20,691	20,880	20,864	21,423	24,445	21,664	25,851	26,062
Gas										
Average daily usage (CCF's)	14,870	14,450	13,890	13,008	12,413	10,802	10,995	12,180	12,544	11,843
Golf course										
Memberships	180	170	165	170	161	165	192	217	321	55
Rounds of golf played	33,862	33,679	36,745	38,259	38,996	39,649	37,399	36,992	1,054	9,602
Stormwater										
Commercial equivalent residential units (ERU's)	38,023	37,771	37,772	37,553	37,304	37,231	37,062	37,327	37,070	37,070
Residential equivalent residential units (ERU's)	39,569	39,442	39,025	39,024	38,695	38,695	38,386	38,158	37,900	37,787

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

FUNCTION	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	1	1	1	1	1	1	1	1	3	3
Patrol units	236	228	244	243	246	246	252	258	249	226
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)	3,925	3,925	3,925	3,925	3,925	3,917	3,868	3,863	3,797	3,797
Culture and recreation										
Parks	15	15	15	15	13	13	13	13	13	13
Park acreage	265	198	198	198	181	177	177	177	177	177
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	11	9	9	9	9	9	9	8	8	8
Water										
Water mains (miles)	637	637	637	637	637	637	637	637	636	636
Maximum daily capacity (thousands of gallons)	51,500	51,500	51,500	50,000	50,000	50,000	44,000	44,000	44,000	44,000
Wastewater										
Sanitary sewers (miles)	536	536	536	536	536	536	536	536	536	536
Maximum daily treatment capacity (thousands of gallons)	30,990	30,990	30,990	30,450	30,450	30,450	30,450	30,450	30,450	30,450
Gas mains (miles)	194	190	188	188	188	185	184	181	181	180
Golf Course	1	1	1	1	1	1	1	1	1	1
Stormwater										
Pump stations	8	8	8	8	8	8	8	8	7	7
Storm sewers (miles)	392	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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 13, 2019. 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 13, 2019

**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, 2018. 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, 2018.

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 13, 2019

CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2018

	Federal Agency, Pass-through Entity Federal Program Project	CFDA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<u>United States Department of Homeland Security</u>					
Direct Programs:					
Assistance to Firefighters Grant		97.044	EMW-2016-FR-00316	722,273	563,182
Indirect Programs:					
Passed through City of Miami - Homeland Security Grant Program (2016 UASI)		97.067	17-DS-V9-11-23-02-346	128,889	
Total United States Department of Homeland Security				851,162	563,182
<u>United States Department of Housing and Urban Development</u>					
Direct Programs:					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants		14.218	B-14-MC-12-0035	234,566	
Community Development Block Grants/Entitlement Grants		14.218	B-15-MC-12-0035	4,083	
Community Development Block Grants/Entitlement Grants		14.218	B-16-MC-12-0035	91,688	
Community Development Block Grants/Entitlement Grants		14.218	B-17-MC-12-0035	317,518	
				647,855	-
Indirect Programs:					
Passed through Broward County - Home Investment Partnerships Program		14.239	15-HFCD-159-HOME	5,721	5,721
Passed through Broward County - Home Investment Partnerships Program		14.239	16-HFCD-177-HOME	6,811	6,811
				12,532	12,532
Total United States Department of Housing and Urban Development				660,387	12,532
<u>United States Department of Justice</u>					
Direct Programs:					
Federal Equitable Sharing		16.922		322,871	-
Bulletproof Vest Partnership Program		16.607	2017	1,690	
Bulletproof Vest Partnership Program		16.607	2018	3,691	
Missing Persons with Alzheimer's Disease		16.015	2015-SJ-BX-0005	59,125	
Body Worn Camera Implementation Program		16.835	2016-BC-BX-K057	62,927	
				450,304	-
Indirect Programs:					
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant (JAG2016)		16.738	2016-DJ-BX-0574	18,460	
Passed through Florida Department of Law Enforcement - Edward Byrne Memorial Justice Assistance Grant - Agency Response to MSDHS		16.751	2018-JAGE-BROW-9-E9-010 (2018-DG-BX-0002)	37,156	
				55,616	-
Total United States Department of Justice				505,920	-
<u>United States Department of Transportation</u>					
Indirect Programs:					
Highway Planning and Construction Cluster:					
Passed through University of South Florida - High Visibility Enforcement		20.205	G0023	14,074	
Passed through Florida Department of Transportation - NW 44th Street from 11500 Block to Pine Island Road		20.205	G0937	151,156	
Passed through Florida Department of Transportation - NW 64th Avenue from Sunset Strip to Oakland Park Boulevard		20.205	436997-1-58/68-01 (G0M18)	622,800	
Total United States Department of Transportation				788,030	-
<u>United States Department of Treasury</u>					
Direct Program:					
Federal Equitable Sharing		21.016		441,790	-
Total United States Department of Treasury				441,790	-
Total Expenditures of Federal Awards				\$ 3,247,289	\$ 575,714

CITY OF SUNRISE, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

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 (the City) under programs of the federal government and the State of Florida for the year ended September 30, 2018. 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, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

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*.

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, 2018

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 the 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 the
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 the major federal program:

Federal Program or Cluster

CFDA No.

United States Department of Homeland
Security - Assistance to Firefighter Grant

97.044

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, 2018

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, 2018

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, 2018, and have issued our report thereon dated March 13, 2019. We did not audit the financial statements of the Pension Trust Funds, which represent 79%, 81% and 60%, 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 13, 2019, 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 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.b. 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.

Special District Component Units

Section 10.554(1)(i)5.c., 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 13, 2019

**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, 2018. 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, 2018.

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 13, 2019