

March 13, 2019

To the Honorable Mayor, Members of the City Commission, and City Manager  
**City of Sunrise, Florida**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sunrise, Florida (the City) for the fiscal year ended September 30, 2018. We were not engaged to audit the financial statements of the Pension Trust Funds. Those statements were audited by other auditors whose reports will be furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds will be based upon the reports of the other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Uniform Guidance, and Chapter 10.550, Rules of the Auditor General of Florida, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 19, 2018. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note I to the financial statements. As described in Note I to the financial statements, the City adopted several Governmental Accounting Standards Board (GASB) Statements. The most significant standard implemented is GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is presented in Note J to the financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the City's financial statements was:

Management's estimate of the net pension liability in accordance with GASB Statement No. 68 and the total OPEB liability in accordance with GASB Statement 75 are based on actuarial methods and assumptions used by the actuaries for the development of the funding valuations as well as the accounting valuations. The key factors impacting the assumptions, such as change in market conditions, are subject to change on an annual basis therefore and can have a significant impact on this estimate. We evaluated the key factors and assumptions used to develop the estimate described above, in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive financial statements disclosures.

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated March XX, 2019.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Restriction on Use**

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

Very truly yours,

*Marcum LLP*

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