

March 18, 2026

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 the City of Sunrise, Florida (the “City”) for the fiscal year ended September 30, 2025. We did not audit the financial statements of the City of Sunrise Police Officers’ Retirement Plan and the City of Sunrise General Employees’ Retirement Plan (the “Pension Plans”), component units of the City, which represent 77%, 79% and 60%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of September 30, 2025. 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 Plans, is based solely on 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*, the OMB Uniform Guidance and Chapter 10.550 Rules of the Auditor General of the State of Florida (“Chapter 10.550”), 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 October 20, 2025. 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 1 – Summary of Significant Accounting Policies to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year ended September 30, 2025, except for the implementation of Governmental Accounting Standards Board (“GASB”) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. We noted no transactions entered into by the City during the fiscal 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 estimates affecting the City’s financial statements were:

Management’s estimate of the net pension liability and related deferred inflows/outflows in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, is based on actuarial methods and assumptions used by the actuary for the development of funding valuations as well as the accounting valuation for the

General Employees Retirement Plan, the Police Officers' Retirement Plan, and the Firefighters Retirement Plan. The key factors impacting the assumptions, such as inflation, salary changes, market trends, ad hoc postemployment benefit changes (including ad hoc cost-of-living adjustments [COLAs]), and inputs to the discount rate, as well as certain information about mortality assumptions and the dates of experience studies, are subject to change on an annual basis and therefore can have a significant impact on this estimate. We evaluated the key factors and assumptions used to develop the estimate described in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the total pension liability and related deferred inflows/outflows in accordance with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, is based on actuarial methods and assumptions used by the actuary for the development of the actuarially determined liability for the Retiree Subsidy Plan and the Excess Benefits Plan. The key factors impacting the assumptions, such as changes in market conditions, discount rate, projected salary increases, and projected inflation, are subject to change on an annual basis and therefore can have a significant impact on this estimate. We evaluated the key factors and assumptions used to develop the estimate described in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the Total Other Postemployment Benefits ("OPEB") Liability in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is based on actuarial methods and assumptions used by the actuary for the development of the actuarially determined liability. The key factors impacting the assumptions, such as the discount rate and health cost rate assumptions, are subject to change on an annual basis and therefore can have a significant impact on the estimate. We evaluated the key factors and assumptions used to develop the estimate described above, in determining that it is reasonable.

Management's estimate of the allowance for uncollectible receivables for Utility Billings is based on aging of receivables, historic loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance 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. The most sensitive disclosures affecting the financial statements were :

The disclosures related to the City's pension plans and OPEB plan in Note V - Other Information to the financial statements.

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

Independence

For the fiscal year ended September 30, 2025, we were engaged to provide assistance with the preparation of the data collection form. We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance.

Difficulties Encountered in Performing the Audit

We encountered no significant 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. There were no such misstatements noted during the audit.

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 18, 2026.

Significant Unusual Transactions

For purposes of this letter, professional standards define *significant unusual transactions* as transactions that are outside the normal course of business for the City or that otherwise appear to be unusual due to their timing, size or nature. We did not identify any significant unusual transactions during our audit.

Related Party Relationships and Transactions

As part of our audit, we evaluated the City's identification of, accounting for, and disclosures of the City's relationships and transactions with related parties as required by professional standards. We did not identify any related parties or related party relationships or transactions that were previously undisclosed to us; significant related party transactions that have not been approved in accordance with the City's policies or procedures or for which exceptions to the City's policies or procedures were granted; or significant related party transactions that appeared to lack a business purpose.

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 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 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.

Other Matters

We applied certain limited procedures to the management discussion and analysis, the schedule of changes in the net pension liability and related ratios, the schedules of employer contributions, and the schedule of the changes in total OPEB liability and related ratios, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules, as listed in the table of contents, and the schedule of expenditures of federal awards and state financial assistance, which accompany the basic financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the introductory section, the other information section and the statistical section, as listed in the table of contents, which accompany the basic financial statements but are not RSI. Such information has 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. We did read the other information and considered whether a material inconsistency exists between the other information and the basic financial statements. We did not note any material inconsistencies.

Restriction on Use

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

Very truly yours,

CBIZ CPAs P.C.

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Fort Lauderdale, Florida