

**CITY OF SUNRISE POLICE OFFICERS'
RETIREMENT PLAN**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
City of Sunrise Police Officers' Retirement Plan
Sunrise, Florida

Opinion

We have audited the financial statements of the City of Sunrise Police Officers' Retirement Plan (the "Plan"), which comprise the statements of fiduciary net position as of September 30, 2025 and 2024, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, information regarding the fiduciary net position of the Plan as of September 30, 2025 and 2024, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

The Board of Trustees
City of Sunrise Police Officers' Retirement Plan
Sunrise, Florida

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, these financial statements present only the City of Sunrise Police Officers' Retirement Plan, a pension trust fund of the City of Sunrise, Florida (the "City") and are not intended to present fairly the financial position and changes in financial position of the City in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

The Board of Trustees
City of Sunrise Police Officers' Retirement Plan
Sunrise, Florida

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 22 through 26 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 audits 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.

The Plan has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

The additional information on page 27 is presented for the purpose of additional analysis and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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. In our opinion, the above information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Tampa, Florida
February 23, 2026

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025 AND 2024

	2025	2024
Assets:		
Receivables:		
Plan members	\$ 87,347	\$ 74,515
Interest	347,253	376,521
Other	353	306
Total receivables	434,953	451,342
Prepaid expenses	10,133	10,133
Investments:		
U.S. Government obligations	28,337,767	29,209,517
U.S. Government agency obligations	30,074,339	22,740,164
Corporate bonds	4,739,032	6,516,447
Domestic stocks	22,511,153	72,595,803
Domestic equity investment funds	124,230,256	57,494,601
International equity investment funds	26,715,129	24,470,808
Real estate investment funds	14,841,274	14,628,821
Temporary investment funds	2,364,734	5,197,117
Total investments	253,813,684	232,853,278
Total Assets	254,258,770	233,314,753
Liabilities:		
Accounts payable	86,931	133,665
Accounts payable, broker-dealers	-	5,874
DROP Payable	-	354,245
City's prepaid contribution-deferred revenue	69,713	128,903
Total Liabilities	156,644	622,687
Net Position Restricted for Pensions	\$ 254,102,126	\$ 232,692,066

The accompanying notes are an integral part of these financial statements.

**CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
Additions:		
Contributions:		
Employer	\$ 14,082,214	\$ 11,845,866
Plan members	1,478,373	1,403,370
Buy back	-	85,490
Total contributions	15,560,587	13,334,726
Intergovernmental revenue:		
State excise tax rebate	1,276,509	1,206,796
Investment income:		
Net appreciation in fair value of investments	15,953,950	35,399,779
Interest	2,222,958	2,101,006
Dividends	3,513,095	2,762,467
Class action	30,478	7,568
Other	3,008	2,946
Total investment income	21,723,489	40,273,766
Less investment expenses	732,147	797,349
Net investment income	20,991,342	39,476,417
Total additions	37,828,438	54,017,939
Deductions:		
Benefits:		
Age and service	11,309,124	10,040,377
Disability	640,856	648,241
DROP	3,936,257	6,035,573
Refunds	240,857	195,096
Administrative expenses	291,284	327,885
Total deductions	16,418,378	17,247,172
Net Increase in Net Position	21,410,060	36,770,767
Net Position Restrcted for Pensions:		
Beginning of year	232,692,066	195,921,299
End of year	\$ 254,102,126	\$ 232,692,066

The accompanying notes are an integral
part of these financial statements.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 - DESCRIPTION OF PLAN

The following brief description of the City of Sunrise Police Officers' Retirement Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Ordinance for more complete information.

General - The Plan is a single employer defined benefit pension plan covering all full-time sworn police officers of the city of Sunrise, Florida (the "City"). Participation in the Plan is required as a condition of employment. Originally established in 1972 and subsequently amended, the Plan provides for retirement, death, and disability benefits. The Plan is subject to the provisions of Chapter 185 of the state of Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five-member Board of Trustees (the "Board"). Two are current members of the Plan who are elected by a majority of the members of the Plan, two are members of the Plan who are legal residents of the City appointed by the City Commission, and a fifth member is elected by the other four Board members. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and the Board approves the actuarial assumptions used in the determination of contribution levels.

As of October 1, 2024, the date of the most recent actuarial valuation, the Plan's membership consisted of:

Retirees and beneficiaries:	
Currently receiving benefits	171
DROP retirees	40
Terminated employees entitled to but not yet receiving benefits	1
Total	212
Current employees:	
Vested	57
Nonvested	78
Total	135
Tier I	64
Tier II	71
Total	135

**CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Pension Benefits - Pension benefits are summarized as follows:

Benefits	Sunrise Police - Tier 1 (Hired Before September 30, 2015)	Sunrise Police - Tier 2 (Hired on or After September 30, 2015)
Benefit Formula	3% of FAE for first 10 years of service 4% of FAE for next 10 years of service 2% of FAE for each year thereafter (80% of FAE maximum)	3% of FAE for first 20 years of service 2% of FAE for each year thereafter (70% of FAE maximum; no less than 2.75% per year of service)
Monthly Supplemental Benefit	\$35 x service (max \$700) until age 65 \$15 x service (max \$300) after age 65	None from pension plan but \$350 for life outside of pension plan
Pensionable Earnings	Regular pay plus overtime (up to 300 hours), holiday and other payroll incentives and general expense allowances, but excluding lump sum payouts of accrued benefits upon termination of employment, auto and uniform allowances, travel reimbursements and special detail pay	Same as current definition but excluding all overtime
Final Average Earnings (FAE)	Highest 3 years of service (does not need to be consecutive)	Highest 5 non-consecutive years of service out of last 10 years
Normal Retirement Date (NRD)	Age 53 with 10 years of service 20 years of service regardless of age	Age 55 with 10 years of service or 25 years of service, regardless of age (age 52 with 25 years of service prior to November 27, 2023)
Early Retirement Date (ERD)	Age 47 with 10 years of service	Age 50 with 10 years of service
Early Retirement Reduction	3% per year early No COLA	3% per year early No COLA
Cost of Living Adjustment ("COLA")	2.5% annual COLA starting 5 years after retirement	None
13 th Check	None	13 th check for years of investment gains if Plan is 100% funded
Normal Form of Benefit	10-year certain and life annuity	10-Year Certain and Life Annuity
Employee Contribution Rate	9.84% of earnings	8.5% of earnings (8% of earnings prior to November 27, 2023)
Vesting Years	10 years of service	10 years of service

**CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Pension Benefits (Continued):

Benefits	Sunrise Police - Tier 1 (Hired Before September 30, 2015)	Sunrise Police - Tier 2 (Hired on or After September 30, 2015)
DROP Maximum Years of Participation	7 years (reduced if DROP entry is delayed more than 5 years after NRD)	4 years (must elect within 6 months of NRD)
DROP Interest Rate	6% per year (or self-directed DROP option)	0% until plan is 100% funded Actual plan return with minimum of 0% and maximum of 4% after plan is 100% funded
Service Connected Disability Benefits	75% of salary in effect on the date of disability, less offsets (42% of FAE minimum)	70% of salary in effect on the date of disability, less offsets (42% of FAE minimum)
Non-Service Connected Disability Benefits	Accrued benefit (25% of FAE minimum) 10-year eligibility requirement	Accrued benefit (25% of FAE minimum and 50% of FAE maximum) 10-Year eligibility requirement
Service Connected Death Benefit	Accrued benefit (75% of FAE minimum)	Accrued benefit Actuarially adjusted for beneficiary's age
Non-Service Connected Death Benefit	Accrued benefit (deferred to NRD or ERD) 10-year eligibility requirement	Accrued benefit (deferred to NRD or ERD) Actuarially adjusted for beneficiary's age 10-year eligibility requirement

Purchase of Credited Service - Members may purchase credited service as provided for in the Ordinance. A member who has not yet vested may be permitted to purchase credited service as a conditional purchase whereby the purchased service will not be credited until the member has vested.

Refund of Contributions - If a nonvested member retires, dies, becomes disabled, or terminates employment with the City, the member's accumulated contributions may be refunded to the member or the designated beneficiary, without interest.

Self-Directed DROP Accounts - During the fiscal year ended September 30, 2013, the Board entered into a group annuity contract with ING Life Insurance and Annuity Company ("ILIAC"). The terms of this investment agreement provide for the investment of DROP assets in a self-directed investment program under Section 401(a) of the Internal Revenue Code. These investment alternatives were approved by the Board. There were no self-directed DROP accounts established as of September 30, 2025 and 2024.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of the Plan are prepared on the accrual basis of accounting.

Basis of Presentation:

The accompanying financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Statement 67, *Financial Reporting for Defined Benefit Pension Plans*, and the Codification of Governmental Accounting and Financial Reporting Standards which covers the reporting requirements for defined benefit pensions established by a governmental employer.

Cash and Temporary Investment Funds:

The Plan considers money market and demand account bank and broker-dealer deposits as cash. Temporary investments shown on the statements of fiduciary net position are composed of investments in short-term custodial proprietary money market funds.

Valuation of Investments:

The Plan's investments are stated at fair value. See Note 12 for discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year. The net realized and unrealized investment appreciation (depreciation) for the year is reflected in the statements of changes in fiduciary net position.

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of Plan investments. Realized gains and losses on investments that had been held in more than one reporting period and sold in the current period were included as a change in the fair value reported in the prior period(s) and the current period.

Custody of Assets:

Custodial and certain investment services are provided to the Plan under contracts with a custodian having trust powers in the state of Florida. The Plan's investment policies are governed by Florida State Statutes and ordinances of the City.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Authorized Plan Investments:

The Board recognizes that the obligations of the Plan are long term and that its investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital gains or losses commensurate with the prudent investor rule and Chapter 185 of the Florida Statutes. Permissible investments include obligations of the U.S. Treasury and U.S. Government agencies, high capitalization common or preferred stocks, small capitalization common stocks, pooled equity funds, high quality bonds or notes, and fixed income funds.

Actuarial Cost Method:

Under the Entry Age Normal Actuarial Cost method, the present value of benefits for each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the member between the age of entry into the Plan and expected retirement.

Funding Policy:

Members are required to contribute either 9.84% (Tier 1) and 8.5% (Tier 2) (8% prior to November 27, 2023) of their compensation to the Plan. The City's funding policy is to make actuarially computed contributions to the Plan in amounts, such that when combined with members' contributions and the state insurance excise tax rebate, all members' benefits will be fully provided for by the time that they retire.

Payment of Benefits:

Benefit payments to members are recorded upon distribution.

Administrative Expenses:

Plan expenses, including fees and expenses connected with providing administrative services by external service providers, are paid from Plan assets.

Federal Income Taxes:

The Plan has not applied for a favorable determination letter from the Internal Revenue Service indicating that the Plan is qualified and exempt from federal income taxes. The Board believes that the Plan is designed and continues to operate in compliance with the applicable requirements of the Internal Revenue Code.

**CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications:

Certain amounts in the financial statements for the fiscal year ended September 30, 2024 have been reclassified to conform to the presentation used in the financial statements for the fiscal year ended September 30, 2025.

Subsequent Events:

Management has considered subsequent events through February 23, 2026, which is the date the financial statements were available to be issued.

NOTE 3 - PLAN TERMINATION

Although it has not expressed an intention to do so, the City may terminate the Plan at any time by a written ordinance of the City Commission, duly certified by an official of the City. In the event that the Plan is terminated or contributions to the Plan are permanently discontinued, the benefits of each police officer in the Plan at such termination date would be non-forfeitable.

NOTE 4 - NET REALIZED AND UNREALIZED APPRECIATION OF INVESTMENTS

The Plan's investments appreciated in value during the years ended September 30, 2025 and 2024, as follows:

	2025	2024	
Realized appreciation	\$ 8,487,424	\$ 13,540,241	
Unrealized appreciation	7,466,526	21,859,538	
	\$ 15,953,950	\$ 35,399,779	

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Deposits:

Fiduciary Trust Company International of the South (“FTIOS”) periodically holds uninvested cash in its capacity as custodian for the Plan. These funds exist temporarily as cash in the process of collection from the sale of securities.

Asset Allocation:

The Plan’s adopted asset allocation as of September 30, 2025 is as follows:

<u>Asset Class</u>	<u>Target</u>
Domestic equity	56%
International equity	9%
Real estate	8%
Fixed income	27%
	<u>100%</u>

The Plan’s investments are segregated into separate accounts and managed under separate investment agreements. These accounts give FTIOS custodianship but give the individual investment managers the authority to manage the investments.

The investment managers are monitored by the Board and an investment consultant.

Concentrations:

The Plan held the following investments in individual organizations that represented 5% or more of the Plan’s fiduciary net position as of September 30, 2025 and 2024:

<u>Investment Organization</u>	<u>2025</u>		<u>2024</u>	
	<u>Fair Value</u>	<u>% of Fiduciary Net Position</u>	<u>Fair Value</u>	<u>% of Fiduciary Net Position</u>
RhumbLine Russell 1000 Growth Pooled Index Fund	\$ 14,466,513	5.7%	\$ 11,525,810	5.0%
RhumbLine S&P 500 Pooled Index Fund	25,337,377	10.0%	11,894,205	5.1%
RhumbLine S&P Mid Cap 400 Pooled Index Fund	24,567,974	9.7%	*	*
BNYM Newton NSL U.S. Dynamic Large Cap Value Fund UCS	32,934,399	13.0%	*	*

*Investment was not held at the date indicated.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Foreign Tax Withholdings and Reclaims:

Withholding taxes on dividends from foreign securities are provided for based on rates established via treaty between the United States of America and the applicable foreign jurisdiction, or where no treaty exists at the prevailing rate established by the foreign country. Foreign tax withholdings are reflected as a reduction of dividend income in the statements of changes in fiduciary net position. Where treaties allow for a reclaim of taxes, the Plan will make a formal application for refund. Such reclaims are included as an addition to dividend income when received.

Rate of Return:

The annual money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended September 30, 2025 and 2024, the annual money-weighted rate of return was 9.03% and 19.7% respectively.

NOTE 6 - INVESTMENTS

The Plan's investments at both fair value and cost or adjusted cost as of September 30, 2025 and 2024 are summarized as follows:

Investment Type	2025		2024	
	Cost	Fair Value	Cost	Fair Value
U.S. Government obligations	\$ 28,069,965	\$ 28,337,767	\$ 28,197,306	\$ 29,209,517
U.S. Government agency obligations	29,546,886	30,074,339	22,796,281	22,740,164
Corporate bonds	4,795,210	4,739,032	6,620,041	6,516,447
Domestic stocks	18,817,101	22,511,153	60,089,216	72,595,803
Domestic equity investment funds	101,391,219	124,230,256	47,445,521	57,494,601
International equity investment funds	17,051,933	26,715,129	18,210,430	24,470,808
Real estate investment funds	16,867,338	14,841,274	16,959,845	14,628,821
Temporary investment funds	2,364,734	2,364,734	5,197,117	5,197,117
Total investments	\$ 218,904,386	\$ 253,813,684	\$ 205,515,757	\$ 232,853,278

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 6 – INVESTMENTS (Continued)

The Plan held the following fixed income investments as of September 30, 2025 and 2024:

Investment Type	Fair Value		Standard & Poor's Credit Rating	Maturity Range (Years)
	2025	2024		
U.S. Government obligations	\$ 28,337,767	\$ 29,209,517	AA+	2-18
U.S. Government agency obligations	30,074,339	22,740,164	AA+	11-16
Corporate bonds	4,739,032	6,516,447	A+ - BBB	1-8
Temporary investment funds	2,364,734	5,197,117	N/A	N/A
Total	<u>\$ 65,515,872</u>	<u>\$ 63,663,245</u>		

NOTE 7 - RESTRICTIONS

A portion of the Plan's net position restricted for pensions is designated for benefits that accrue in relation to the DROP accounts. Allocations to the DROP accounts as of September 30, 2025 and 2024, are as follows:

	2025	2024
Restricted for DROP accounts (fully funded)	\$ 15,725,651	\$ 15,160,237
Restricted for defined benefits	238,376,475	217,531,829
Total net position restricted for pensions	<u>\$ 254,102,126</u>	<u>\$ 232,692,066</u>

NOTE 8 - PLAN AMENDMENTS

There were no amendments to the Plan during the year ended September 30, 2025.

The Plan was amended during the year ended September 30, 2024. Effective November 27, 2023, the following changes were made:

For members hired or rehired on or after September 30, 2015, the normal retirement eligibility was changed to the earlier of age 55 with 10 years of service or 25 years of service, regardless of age. In addition, the employee contribution rate for members hired or rehired on or after September 30, 2015 was increased from 8% to 8.5% of salary. These changes increased the required contribution by approximately \$19,000 or 0.13% of payroll.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 9 - ACTUARIAL ASSUMPTION CHANGES

The actuarial assumptions were changed for the year ended September 30, 2025, as follows:

The investment return assumption has been lowered from 6.72% to 6.55% in the current valuation. The investment return assumption will be lowered to 6.5% as of October 1, 2025. These changes increased the City's required contribution by approximately \$711,000 or 4.54% of payroll.

The actuarial assumptions were changed for the year ended September 30, 2024, as follows:

The investment return assumption was lowered from 7% to 6.72% effective October 1, 2023. The rate will be lowered to 6.55% as of October 1, 2024, and to 6.5% as of October 1, 2025. Retirement rates were updated based on a recent experience study. The amortization of the unfunded actuarial accrued liability was changed to use a level dollar method from the previous percentage of payroll method (which would have been a 0.44% payroll growth assumption for the October 1, 2023 actuarial valuation). These changes increased the City's required contribution by approximately \$1,501,000 or 10.49% of payroll.

NOTE 10 - ACTUARIAL METHOD CHANGES

There were no actuarial method changes for the fiscal years ended September 30, 2025 and 2024.

NOTE 11 - RISKS AND UNCERTAINTIES

The Plan invests in a variety of investment funds. Investments in general are exposed to various risks such as interest rate, market, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position.

Plan contributions are made and the actuarial present value of the net pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE

Fair Value Hierarchy:

GASB Statement 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is 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. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in inactive markets, and other inputs that are observable or corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Plan has the following recurring fair value measurements as of September 30, 2025 and 2024:

- *Domestic stocks, domestic equity investment funds, international equity investment funds, temporary investment funds* - Valued at the quoted net asset value ("NAV") of shares held by the Plan at year end.
- *U.S. Government obligations, U.S. Government agency obligations, corporate bonds, domestic equity investment funds* - Valued using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.
- *Domestic equity investment fund and real estate investment funds* - Valued at the NAV per unit of the Plan's ownership interest. The NAV is used as a practical expedient to estimate fair value. These funds are excluded from the fair value hierarchy.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued):

Investment Type	Level 1	Level 2	Level 3	2025
U.S. Government obligations	\$ -	\$ 28,337,767	\$ -	\$ 28,337,767
U.S. Government agency obligations	-	30,074,339	-	30,074,339
Corporate bonds	-	4,739,032	-	4,739,032
Domestic stocks	22,511,153	-	-	22,511,153
Domestic equity investment funds	26,923,993	64,371,864	-	91,295,857
International equity investment funds	26,715,129	-	-	26,715,129
Temporary investment funds	2,364,734	-	-	2,364,734
Total investments by fair value level	<u>\$ 78,515,009</u>	<u>\$ 127,523,002</u>	<u>\$ -</u>	<u>206,038,011</u>

Investments Measured at NAV:

Domestic equity investment fund	32,934,399
Real estate investment funds	14,841,274
Total investments measured at NAV	<u>47,775,673</u>
Total, September 30, 2025	<u>\$ 253,813,684</u>

Investments Measured at NAV	2025 Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Domestic equity investment fund:				
BNYM Newton NSL U.S. Dynamic Large Cap Value Fund UCS	<u>\$ 32,934,399</u>	<u>\$ -</u>	Daily	N/A
Real estate investment funds:				
ASB Allegiance Real Estate Fund	6,972,134	-	Quarterly	60 days
Barings Core Property Fund L.P.	7,869,140	-	Quarterly	60 days
	<u>14,841,274</u>	<u>-</u>		
Total investments measured at NAV	<u>\$ 47,775,673</u>	<u>\$ -</u>		

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued):

Investment Type	Level 1	Level 2	Level 3	2024
U.S. Government obligations	\$ -	\$ 29,209,517	\$ -	\$ 29,209,517
U.S. Government agency obligations	-	22,740,164	-	22,740,164
Corporate bonds	-	6,516,447	-	6,516,447
Domestic stocks	72,595,803	-	-	72,595,803
Domestic equity investment funds	34,074,586	23,420,015	-	57,494,601
International equity investment funds	24,470,808	-	-	24,470,808
Temporary investment funds	5,197,117	-	-	5,197,117
Total investments by fair value level	<u>\$ 136,338,314</u>	<u>\$ 81,886,143</u>	<u>\$ -</u>	<u>218,224,457</u>

Investments Measured at NAV:

Real estate investment funds	<u>14,628,821</u>
Total, September 30, 2024	<u>\$ 232,853,278</u>

Investments Measured at NAV	2024 Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate investment funds:				
ASB Allegiance Real Estate Fund	\$ 7,110,786	\$ -	Quarterly	60 days
Barings Core Property Fund L.P.	<u>7,518,035</u>	<u>-</u>	Quarterly	60 days
Total investments measured at NAV	<u>\$ 14,628,821</u>	<u>\$ -</u>		

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 13 - NET PENSION LIABILITY OF THE CITY

The components of net position liability of the City as of September 30, 2025 and 2024 are as follows:

	2025	2024
Total pension liability	\$ 338,592,926	\$ 319,425,993
Plan fiduciary net position	(254,102,126)	(232,692,066)
City's net pension liability	\$ 84,490,800	\$ 86,733,927
Plan fiduciary net position as a percentage of total pension liability	75.05%	72.85%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2024, updated to September 30, 2025, using the following actuarial assumptions applied to all measurement periods.

Inflation	2.5%
Salary increases	4.2% to 7.5% depending on age, including inflation
Investment rate of return	6.55%

Mortality Rates - PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (preretirement), PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement) and PUB-2010 Safety Healthy Retiree Female Table (post-retirement).

These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of assumptions used in either of the two most recent valuations of the Florida Retirement System ("FRS"). The above rates are outlined in July 1, 2023, FRS valuation report for special risk employees, with appropriate adjustments made based on Plan demographics.

The most recent actuarial experience study used to review the Plan's significant assumptions was dated November 7, 2023.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 13 - NET PENSION LIABILITY OF THE CITY (Continued)

The long-term expected rate of return on 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 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 weighing 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 asset class included in the Plan's target asset allocation as of September 30, 2025 are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	56%	7.5%
Fixed income	27%	2.5%
International equity	9%	8.5%
Real estate	8%	4.5%

Discount Rate:

The discount rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability of the City, calculated using the discount rate of 6.55%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.55%) or 1-percentage-point higher (7.55%) than the current rate.

	1% Decrease 5.55%	Current Single Discount Rate 6.55%	1% Increase 7.55%
City's net pension liability	<u>\$ 130,101,592</u>	<u>\$ 84,490,800</u>	<u>\$ 47,644,527</u>

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Certain members of the Plan are entitled to refunds of their accumulated contributions, without interest, upon termination of employment with the City prior to being eligible for pension benefits. The portion of these contributions which are refundable to members who may terminate with less than 10 years of service has not been determined.

REQUIRED SUPPLEMENTAL SCHEDULES

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CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability:				
Service cost	\$ 4,726,059	\$ 4,107,829	\$ 4,082,591	\$ 4,387,274
Interest	21,241,148	20,619,033	19,940,898	19,044,653
Benefit changes	-	158,089	-	-
Difference between actual and expected experience	2,509,625	601,316	2,212,267	1,578,327
Assumption changes	6,817,195	11,949,571	5,177,651	3,252,600
Benefit payments	(15,886,237)	(16,724,191)	(14,599,675)	(8,857,041)
Refunds	(240,857)	(195,096)	(30,427)	(11,591)
Net change in total pension liability	<u>19,166,933</u>	<u>20,516,551</u>	<u>16,783,305</u>	<u>19,394,222</u>
Total pension liability, beginning	<u>319,425,993</u>	<u>298,909,442</u>	<u>282,126,137</u>	<u>262,731,915</u>
Total pension liability, ending (a)	<u><u>\$ 338,592,926</u></u>	<u><u>\$ 319,425,993</u></u>	<u><u>\$ 298,909,442</u></u>	<u><u>\$ 282,126,137</u></u>
Plan fiduciary net position:				
Contributions - employer	\$ 14,082,214	\$ 11,845,866	\$ 10,661,348	\$ 10,479,815
Contributions - state	1,276,509	1,206,796	1,077,893	919,969
Contributions - members	1,478,373	1,488,860	1,315,568	1,372,686
Net investment income (loss)	20,991,342	39,476,417	14,768,149	(35,941,170)
Benefit payments	(15,886,237)	(16,724,191)	(14,599,675)	(8,857,041)
Refunds	(240,857)	(195,096)	(30,427)	(11,591)
Administrative expense	(291,284)	(327,885)	(309,862)	(292,540)
Net change in plan fiduciary net position	<u>21,410,060</u>	<u>36,770,767</u>	<u>12,882,994</u>	<u>(32,329,872)</u>
Plan fiduciary net position - beginning	<u>232,692,066</u>	<u>195,921,299</u>	<u>183,038,305</u>	<u>215,368,177</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 254,102,126</u></u>	<u><u>\$ 232,692,066</u></u>	<u><u>\$ 195,921,299</u></u>	<u><u>\$ 183,038,305</u></u>
Net pension liability (a) - (b)	<u><u>\$ 84,490,800</u></u>	<u><u>\$ 86,733,927</u></u>	<u><u>\$ 102,988,143</u></u>	<u><u>\$ 99,087,832</u></u>

2021	2020	2019	2018	2017	2016
\$ 4,623,944	\$ 5,139,970	\$ 4,985,444	\$ 4,857,819	\$ 4,599,186	\$ 4,415,243
17,986,706	17,500,417	16,247,834	15,162,272	14,481,168	13,727,142
78,534	-	1,620,550	-	-	-
1,285,718	(151,036)	3,218,834	4,093,499	2,023,747	560,558
3,049,207	3,065,310	1,367,814	1,265,641	(1,393,066)	-
(8,758,540)	(9,291,479)	(10,271,348)	(9,924,857)	(9,946,162)	(8,399,112)
(12,135)	(108,173)	(13,426)	(66,853)	(29,030)	(65,487)
18,253,434	16,155,009	17,155,702	15,387,521	9,735,843	10,238,344
244,478,481	228,323,472	211,167,770	195,780,249	186,044,406	175,806,062
<u>\$ 262,731,915</u>	<u>\$ 244,478,481</u>	<u>\$ 228,323,472</u>	<u>\$ 211,167,770</u>	<u>\$ 195,780,249</u>	<u>\$ 186,044,406</u>
\$ 10,397,058	\$ 11,187,132	\$ 10,207,194	\$ 9,431,736	\$ 9,199,456	\$ 8,834,348
838,995	856,666	858,107	785,047	724,891	693,248
1,422,792	1,583,622	1,679,931	1,698,916	1,664,869	1,510,667
36,565,656	12,608,583	5,221,593	11,384,925	14,258,027	10,187,217
(8,758,540)	(9,291,479)	(10,271,348)	(9,924,857)	(9,946,162)	(8,399,112)
(12,135)	(108,173)	(13,426)	(66,853)	(29,030)	(65,487)
(271,711)	(285,704)	(292,849)	(279,917)	(316,694)	(338,086)
40,182,115	16,550,647	7,389,202	13,028,997	15,555,357	12,422,795
175,186,062	158,635,415	151,246,213	138,217,216	122,661,859	110,239,064
<u>\$ 215,368,177</u>	<u>\$ 175,186,062</u>	<u>\$ 158,635,415</u>	<u>\$ 151,246,213</u>	<u>\$ 138,217,216</u>	<u>\$ 122,661,859</u>
<u>\$ 47,363,738</u>	<u>\$ 69,292,419</u>	<u>\$ 69,688,057</u>	<u>\$ 59,921,557</u>	<u>\$ 57,563,033</u>	<u>\$ 63,382,547</u>

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
SCHEDULE OF RATIOS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2016	65.93%	\$ 15,886,876	398.96%
2017	70.60%	16,985,178	338.90%
2018	71.62%	17,508,583	342.24%
2019	69.48%	17,491,218	398.42%
2020	71.66%	16,444,446	421.37%
2021	81.97%	15,095,331	313.76%
2022	64.88%	14,144,667	700.53%
2023	65.55%	13,587,759	757.95%
2024	72.85%	15,586,846	556.46%
2025	75.05%	15,619,118	540.94%

**CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution*	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2016	\$ 9,527,596	\$ 9,527,596	\$ 15,886,876	59.97%
2017	9,924,347	9,924,347	16,985,178	58.43%
2018	10,216,783	10,216,783	17,508,583	58.35%
2019	11,062,301	11,065,301	17,491,218	63.26%
2020	12,043,798	12,043,798	16,444,446	73.24%
2021	11,236,053	11,236,053	15,095,331	74.43%
2022	11,399,784	11,399,784	14,144,667	80.59%
2023	11,739,241	11,739,241	13,587,759	86.40%
2024	13,052,662	13,052,662	15,586,846	83.74%
2025	15,358,723	15,358,723	15,619,118	98.33%

*Actual contributions as shown in the actuarial report.

CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
NOTES TO SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2025

Valuation Date: October 1, 2023

Actuarially determined contribution rates are calculated as October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2023 actuarial valuation prepared by Gabriel, Roeder, Smith & Company.

**CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
 SCHEDULE OF INVESTMENT RETURNS
 LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense
2016	8.45%
2017	11.04%
2018	7.78%
2019	3.21%
2020	7.46%
2021	19.98%
2022	-16.31%
2023	7.56%
2024	19.70%
2025	9.03%

ADDITIONAL INFORMATION

**CITY OF SUNRISE POLICE OFFICERS' RETIREMENT PLAN
SCHEDULE OF INVESTMENT AND ADMINISTRATIVE EXPENSES
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025		2024	
	Administrative	Investment*	Administrative	Investment*
Actuary fees	\$ 60,896	\$ -	\$ 80,958	\$ -
Administrative expenses	1,000	-	1,050	-
Administrator fees	84,787	-	93,446	-
Audit fees	24,500	-	23,400	-
Education and dues	1,275	-	254	-
Fiduciary insurance	17,724	-	11,524	-
Investment expenses	-	732,147	-	797,349
Legal fees	38,779	-	51,058	-
Occupancy	33,923	-	33,438	-
Office expenses	28,400	-	32,644	-
Utilities	-	-	113	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total investment and administrative expenses	<u>\$ 291,284</u>	<u>\$ 732,147</u>	<u>\$ 327,885</u>	<u>\$ 797,349</u>
Percentage of Plan net position	<u>0.11%</u>	<u>0.29%</u>	<u>0.14%</u>	<u>0.34%</u>

*Investment expenses do not include management fees withheld from investment fund revenues.