



Comprehensive Annual  
Financial Report  
Fiscal Year Ended September 30, 2010

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

**Fiscal Year Ended  
September 30, 2010**



**prepared by the  
Finance Department**

**Laura Toebe, Director of Finance  
Wendy Friedman, Assistant Finance Director**

CITY OF SUNRISE, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

**TABLE OF CONTENTS**

	<u>Page</u>
<b>I. INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
GFOA Certificate of Achievement	7
Organization Chart	8
List of Elected and Principal Officials	9
 <b>II. FINANCIAL SECTION</b>	
Independent Auditors' Report	11
Management's Discussion and Analysis (unaudited)	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	26
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet – Governmental Funds	28
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	32
Statement of Net Assets – Proprietary Funds	34
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	36
Statement of Cash Flows – Proprietary Funds	38
Statement of Fiduciary Net Assets – Fiduciary Funds	40
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	41
Notes to the Financial Statements	42
Required Supplementary Information (unaudited):	
Schedule of Funding Progress – General Employees', Police Officers', and Firefighters' Pension Funds	83
Schedule of Funding Progress – Retirees' Subsidy Plan	83
Schedule of Funding Progress – Other Post-Employment Benefit Plan	84
Schedule of Employer Contributions– Other Post-Employment Benefit Plan	84
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	89
Combining Balance Sheet – Nonmajor Special Revenue Funds	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	92
Combining Balance Sheet – Nonmajor Debt Service Funds	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds	95

	<u>Page</u>
Combining Balance Sheet – Nonmajor Capital Projects Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	97
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Community Development Block Grant Special Revenue Fund	98
Impact Fees Special Revenue Fund	99
Open Space Preservation Special Revenue Fund	100
Economic & Job Growth Special Revenue Fund	101
Emergency Management Special Revenue Fund	102
Urban Area Security Initiative Grant Special Revenue Fund	103
Broward County Home Consortium Grant Special Revenue Fund	104
Broward County Disaster Recovery Initiative Grant Special Revenue Fund	105
Neighborhood Stabilization Program Grant Special Revenue Fund	106
Energy Efficiency Grant Special Revenue Fund	107
Fuel and Roadway Special Revenue Fund	108
State Housing Initiatives Partnership Grant Special Revenue Fund	109
Police Confiscation Special Revenue Fund	110
Public Improvement Debt Service Fund	111
Special Recreation District Phase I Debt Service Fund	112
Special Recreation District Phase II Debt Service Fund	113
Special Tax District No. 1 Debt Service Fund	114
Public Service Tax Debt Service Fund	115
Public Facilities Capital Projects Fund	116
Special Tax District No. 1 Capital Projects Fund	117
Capital Improvements Capital Projects Fund	118
Combining Statement of Net Assets – Nonmajor Enterprise Funds	120
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Enterprise Funds	121
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	122
Combining Statement of Net Assets – Internal Service Funds	126
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	127
Combining Statement of Cash Flows – Internal Service Funds	128
Combining Statement of Fiduciary Net Assets – Fiduciary Funds	132
Combining Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	133

### **III. STATISTICAL SECTION (Unaudited)**

Schedule 1 – Net Assets by Component	136
Schedule 2 – Changes in Net Assets	137
Schedule 3 – Fund Balances, Governmental Funds	139
Schedule 4 – Changes in Fund Balances, Governmental Funds	140
Schedule 5 – Tax Revenues by Source, Governmental Funds	141
Schedule 6 – Assessed Value and Estimated Actual Value of Taxable Property	142
Schedule 7 – Direct and Overlapping Property Tax Rates	143
Schedule 8 – Principal Property Taxpayers	144
Schedule 9 – Property Tax Levies and Collections	145
Schedule 10 – Ratios of Outstanding Debt by Type	146
Schedule 11 – Direct and Overlapping Governmental Activities Debt	147
Schedule 12 – Pledged Revenue Coverage	148

	<u>Page</u>
Schedule 13 – Demographic and Economic Statistics	150
Schedule 14 – Principal Employers	151
Schedule 15 – Full-time Equivalent City Government Employees by Function	152
Schedule 16 – Operating Indicators by Function	153
Schedule 17 – Capital Asset Statistics by Function	154

#### **IV. COMPLIANCE AUDIT 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*

Independent Auditors’ Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal Awards Program and State Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General

Schedule of Expenditures of Federal Awards and State Financial Assistance

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings

#### **V. MANAGEMENT LETTER**

Management Letter in Accordance with the Rules of the Auditor General of the State of Florida

*Section I*  
*City of Sunrise, Florida*  
*Introductory Section*



March 11, 2011

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, 2010. State law requires that all general-purpose local governments publish a complete set of financial statements within twelve months of the close of each fiscal year. The financial statements included in this report conform with generally accepted accounting principles (GAAP) and are audited 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 by a firm of licensed certified public accountants.

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, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit and the reports of other auditors, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2010, 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 and state mandated “Single Audit” designed to meet the special needs of the federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls over financial reporting and compliance and other matters.

GAAP require 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 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. 2011 marks the 50<sup>th</sup> anniversary of Sunrise, a city that encompasses an area of approximately 18 square miles with an approximate population of 90,000 (23rd largest of Florida’s 400+ municipalities). The City is convenient to three international airports and three deep-water ports, and hosts more than 25 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 manager is appointed by the city commission and 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 services, 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 a workers’ compensation fund and vehicle replacement fund. The City is financially accountable for two legally separate special recreation districts and a special tax district, all of which are included as an integral part of the City’s financial statements. Additional information on all three of these legally separate entities can be found in the notes to the financial statement (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 1 of each year. The city commission is required to hold public hearings on the proposed budget and to adopt a final budget by September 30<sup>th</sup> 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. Additionally, program budgeting was implemented for the three largest General Fund departments (Police, Fire Rescue and Leisure Services) for fiscal year 2011 to help the reader understand the true cost of various programs. Program budgeting will be expanded in the future to include other departments.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. In addition, the governmental fund subsection includes project-length budget-to-actual comparisons for each governmental fund for which a project-length 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 specific environment within which the City operates.

#### **Local Economy**

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 following facts reflect Sunrise's economic condition and outlook:

- Sunrise is home to a diversified group of businesses, including corporate offices, financial services and research and development (R & D) companies. 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 City is a job growth leader, consistently ranking at the top of Broward County municipalities in the creation of new employment opportunities. Prior to the economic recession which began in 2006, South Florida's unemployment rate of 3.5% significantly outperformed the national average. However, since then, unemployment rates in South Florida have risen higher than the rest of the country. This year, national unemployment peaked at 10.6%, while South Florida was nearly 12%. Despite a deep national recession, a significant level of corporate business and development activity occurred in the

City during 2010. Some of the more notable activity this year included: *Broadspire*, the largest third-party insurance processor in the United States and a division of the Crawford companies, relocated their headquarters (including 320 employees) to Sunrise utilizing 65,000 square feet of office space; *Nations Health* established a 50,000 square foot regional operation that will house 200 employees; and *Research in Motion (RIM)* expanded their current City location by 35,000 square feet adding 130 new jobs. Other corporations that expanded or relocated to the City this year included *Bureau Veritas* (12,000 sq. ft.), *Global Medical Management* (7,000 sq. ft.), and *Advanced Restaurant Finance Corp* (7,000 sq. ft.). Additionally, Sunrise welcomed the University of Florida, a prestigious university that implemented their first ever MBA program located in the City.

- Sunrise's four major industrial parks consist of Sawgrass International Corporate Park with 612 acres, Sunrise Commerce Center with 550 acres, Broward Lakes Business Center with 120 acres and Sawgrass Technology Park with 100 acres. The Sawgrass International Corporate Park is the most significant of these, ranking as the largest corporate office park in South Florida and the 8<sup>th</sup> largest office park in the State of Florida. A new proposed project in the park called Westerra has been approved for 1.6 million square feet of class A office space, 1,500 luxury high-rise residential units, 400,000 square feet of upscale retail, and a boutique hotel.
- Sawgrass Mills Mall, a 2.7 million square foot shopping mall and entertainment complex located in the City, is second only to Walt Disney World as a tourist attraction in Florida. The mall has plans for a major expansion of its highly successful Colonnades – a promenade of designer retail boutiques. With the most amount of leasable retail space under one roof, Sawgrass Mills is the largest mall in the United States. However, the mall did lose one of its non-retail tenants this year, Wannado City, a children's attraction which closed due to financial difficulties with their parent company. The mall already has several tenants interested in leasing the space. In addition to Sawgrass Mills, another major amenity drawing visitors to the City is the 20,000 seat Bank Atlantic Center. The Bank Atlantic Center is one of the finest arenas in the country and home to the NHL's Florida Panthers. Both of these regional destinations remained significant contributors to the City's economy, with over 28 million visitors a year.

Tax reform legislation, known as Amendment 1, took effect October 2008. Amendment 1 provided for an additional \$25,000 property tax exemption for homesteaded properties, portability of the Save Our Homes benefit, and a \$25,000 exemption on tangible personal property. The impact on the city's property tax revenues are described in more detail in the MD & A on page 19 and in Note H on page 70.

During the past ten years, the City's expenses related to public safety have increased not only in amount, but also as a percentage of total expenses (a ten-year increase of 8 percent). Much of the increase reflects a trend that has seen the salaries and benefits of

police and firefighters growing at a faster rate than those of other categories of public-sector employees.

### **Long-term Financial Planning**

A general fund revenue stabilization account, with a funding level of five percent (5%) of last known audited actual operating expenditures, was created to mitigate impacts of future general fund revenue shortfalls. A contingency reserve account with a funding level of three times that of the revenue stabilization account, was also created to provide funding for disasters, emergencies, or other exigent circumstances.

### **Major Initiatives**

The City has seen moderate and steady growth over the past ten years. Growth in commercial sector construction has slowed as overall demand for office space wanes and access to capital for new development has been difficult due to the national recession. The City's total office space inventory was pegged at 3.2 million square feet in 2010, with an approximate vacancy rate of 24%.

A proposed project is an 11-story Sunrise Residence Inn/Courtyard Hotel, which will be part of the planned Everglades Corporate Park; this project continues to move through the permitting process. It will include 500,000 square feet of office space and some specialty retail.

Additional Sawgrass area development plans include three major projects called "Metropica", "Artesia", and "Flagler Plaza".

Metropica would be a first-class, mixed-use project consisting of approximately 500,000 square feet of class A office buildings with structured parking, several full service restaurants, upscale specialty retail boutiques and nearly 400 luxury high-rise residences.

Ongoing construction continues on Artesia, an upscale, gated community which, upon completion, will be comprised of approximately 1,400 residences. Artesia's multi-family residences are expected to set a new benchmark for luxury, resort-style living in South Florida.

Flagler Plaza will feature nearly 900,000 square feet of class A office space in four 6+ story buildings. The project will include specialty retail and restaurants to support the office development. Flagler Plaza will also include a public courtyard and park-like setting for employees and visitors to enjoy.

A twin tower 26-story residential condominium project, called Tao, features 396 luxury units. Although sales and rental activity at Tao has improved significantly with nearly a third of the units sold or under contract, the overall pace of transactions has been hampered by a fragile U.S. housing industry, an overbuilt South Florida condo market, and increasingly difficult conditions facing buyers seeking mortgage financing.

Multi-family residential investment and development saw a sharp increase in 2010. Several national developers are in various planning stages for new projects in Sunrise. The most significant is a project called Sunrise Village that will include 501 units. The project will feature 4 and 5 story buildings with structured parking.

The City is committed to enhancing the quality of life for its residents. In an effort to expand leisure time activities, the City once again hosted a pro tennis tournament in 2010. The "BMW Tennis Championship" was held at the Sunrise Tennis Center and featured some of the world's top ranked tennis players. This tournament is one of only three major ATP tournaments held in the state of Florida.

Another major initiative was the completion of the sale of \$113,875,000 of Utility System Revenue Bonds as well as \$4,740,000 of Utility System Refunding Bonds. Additionally, the City defeased certain portions of the Utility System's Series 1998 bonds in the principal sum of \$61,045,000.

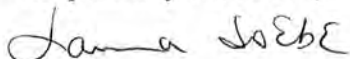
#### **Awards and Acknowledgements**

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, 2009. 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.

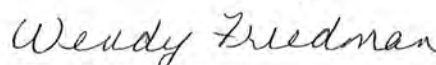
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the efficient and dedicated service of the Finance 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,



Laura Toebe  
Director of Finance



Wendy Friedman  
Assistant Finance Director

# 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, 2009

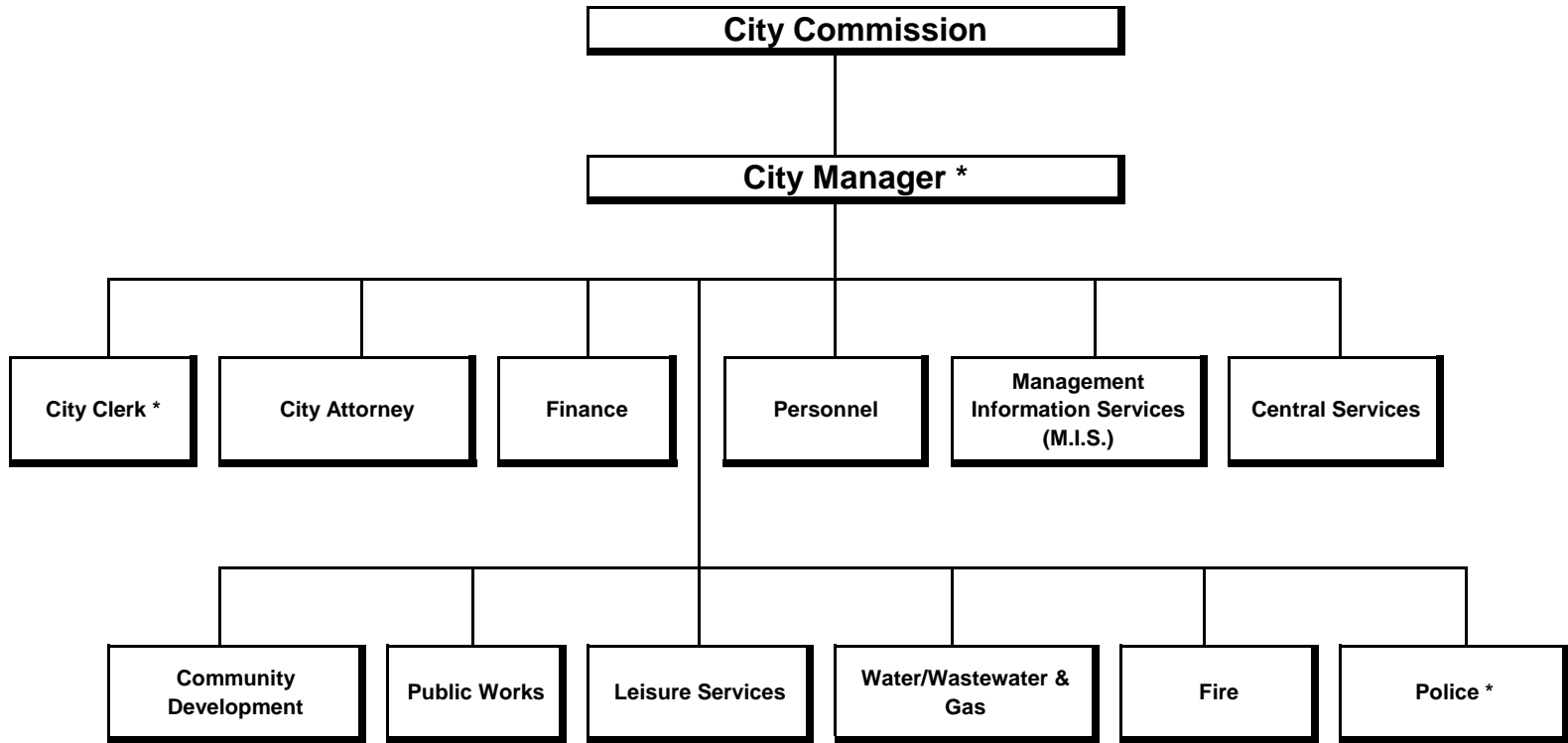
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**City of Sunrise  
Departmental Organizational Chart  
Fiscal Year 2009/2010**



8

\* Charter Officer

**City of Sunrise, Florida  
List of City Officials  
September 30, 2010**

**Elected Officials**

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

**Michael J. Ryan  
Sheila D. Alu  
Joseph A. Scuotto  
Donald K. Rosen  
Roger B. Wishner**

**Principal Officials**

**Manager  
Attorney  
Clerk  
Director of Central Services  
Director of Finance  
Director of Leisure Services  
Director of MIS  
Director of Personnel  
Director of Community Development  
Director of Public Works  
Acting Director of Utilities  
Fire Chief  
Police Chief**

**Bruce Moeller  
Stuart R. Michelson  
Felicia Bravo  
Tariq Riaz  
Laura Toebe  
Caryl Ungerer  
Paul Rowell  
Richard Fischer  
Mark Lubelski  
Chuck Meeks  
Tim Welch  
Norm Rynning  
John E. Brooks**

***(This Page Intentionally Left Blank)***



*Section II*  
*City of Sunrise, Florida*  
*Financial Section*

**INDEPENDENT AUDITORS' REPORT**

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

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, 2010, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represent 81% and 62% of the total assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Pension Trust Funds are based upon 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 of material misstatement. The financial statements of the Pension Trust Funds were not audited in accordance with *Government Auditing Standards* issued by the Comptroller of the United States. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued a report dated March 11, 2011 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 13 through 24 and the Schedules of Funding Progress on pages 83 and 84 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as the Introductory and Statistical Sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and, accordingly, we express no opinion thereon.

*Marcum LLP*

Fort Lauderdale, FL  
March 11, 2011

## **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, 2010. 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**

#### **General Fund**

- At the end of the current fiscal year, undesignated fund balance for the general fund was \$34,942,424 or 40.6% of general fund revenues and 37.6% of general fund expenditures. The undesignated fund balance decreased by \$4,303,018 from fiscal year 2009.
- General fund revenues and other financing sources increased by \$29,617,634, an increase of 30.7% from fiscal year 2009.
- General fund expenditures and other financing uses decreased by \$8,047,651, or 7.7% less than last fiscal year.

#### **Governmental Activities**

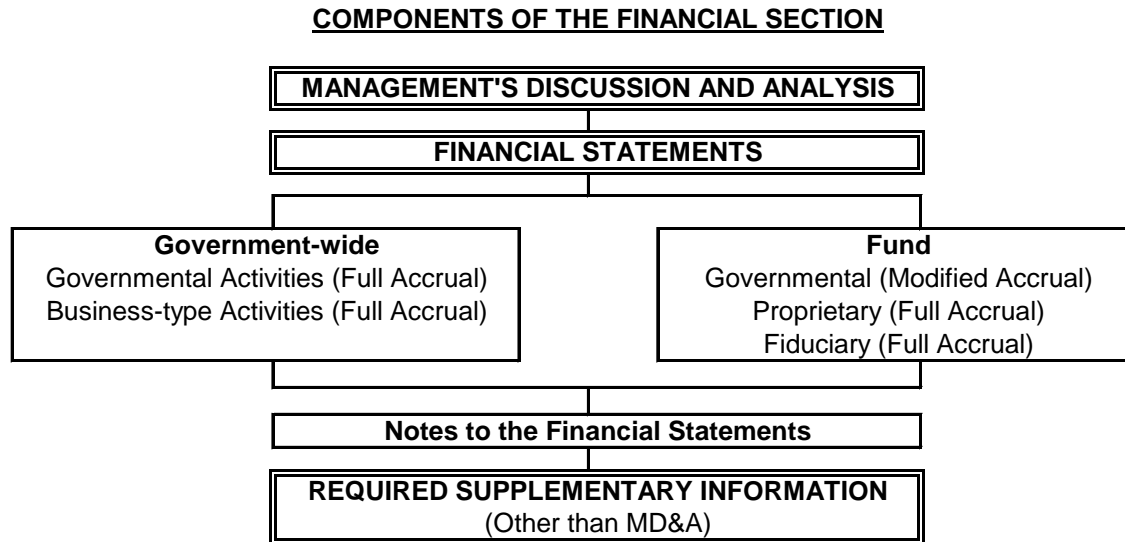
- On a government-wide basis for governmental activities, the City's general revenues of \$73,034,850 were \$8,247,219 less than the \$81,282,069 of expenses net of program revenue.
- As of September 30, 2010, the City's governmental activities reported total ending net asset balances of \$287,965,628. Approximately 45.6% of this total amount, \$131,308,114, is unrestricted and available for use within the City's designation and policies.

#### **Government-wide**

- The City's total net assets, on a government-wide basis, totaled \$579,544,738 at September 30, 2010, a decrease of 1.2% from September 30, 2009. Of this amount, \$165,560,503 is unrestricted.

## 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 Assets 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 Assets includes all of the City's assets and liabilities, 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 assets and changes in them. The City's net assets - the difference between assets and liabilities - is one way to measure the financial health, or financial position, of the City. Over time, increases or decreases in net assets are 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, public works and general administration. Property, utility service and sales taxes, charges for services, franchise fees, and state/federal grants finance most of these activities. Three legal entities for which the City is financially accountable - Special Recreation District Phase I, Special Recreation District Phase II and Special Tax District No. 1 – are reported here as blended component units.

**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 – not the City as a whole. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. The City has three types of funds:

### **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 explains the differences between them.

In fiscal year 2010, the City maintained twenty-two individual governmental funds but during the year, the Open Space Preservation and the Economic and Job Growth special revenue funds and the Public Facilities capital projects fund were closed. The remaining assets of the two special revenue funds were transferred to the general fund, while the remaining assets of the Public Facilities capital projects fund were transferred to the Capital Improvements capital projects fund. 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, Public Service Tax debt service fund and Capital Improvements capital projects fund, all of which are considered to be major funds. Data from the other nineteen 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. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

## **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 and Vehicle Replacement funds are the City's two internal service funds. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities 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. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets. The City excludes these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is similar to accounting used for proprietary funds. Data from the three pension trust funds are combined into a single aggregated presentation. Individual fund data is provided in the form of combining statements elsewhere in this report.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

### Statement of Net Assets

The following table presents the condensed Statement of Net Assets:

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 185,417	\$ 208,545	\$ 217,857	\$ 161,591	\$ 403,274	\$ 370,136
Capital assets	<u>216,715</u>	<u>201,388</u>	<u>336,978</u>	<u>341,851</u>	<u>553,693</u>	<u>543,239</u>
Total assets	<u>402,132</u>	<u>409,933</u>	<u>554,835</u>	<u>503,442</u>	<u>956,967</u>	<u>913,375</u>
Current and other liabilities	21,480	17,662	20,473	28,552	41,953	46,214
Long-term liabilities	<u>92,686</u>	<u>94,390</u>	<u>242,783</u>	<u>186,258</u>	<u>335,469</u>	<u>280,648</u>
Total liabilities	<u>114,166</u>	<u>112,052</u>	<u>263,256</u>	<u>214,810</u>	<u>377,422</u>	<u>326,862</u>
Net assets:						
Invested in capital assets, net of related debt	142,039	123,217	225,850	165,211	367,889	288,428
Restricted	14,619	14,247	31,477	15,108	46,096	29,355
Unrestricted	<u>131,308</u>	<u>160,417</u>	<u>34,252</u>	<u>108,313</u>	<u>165,560</u>	<u>268,730</u>
Total net assets	<u>\$ 287,966</u>	<u>\$ 297,881</u>	<u>\$ 291,579</u>	<u>\$ 288,632</u>	<u>\$ 579,545</u>	<u>\$ 586,513</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of September 30, 2010, assets exceeded liabilities by \$579,545 thousand.

The majority of the City's net assets reflect its investment in capital assets (63.5%), less any related debt used to acquire those assets that is still outstanding. 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 assets (7.9%) 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 assets (28.6%) 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 assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

There was an increase in net assets of \$2,947 thousand for business-type activities and a decrease of \$9,915 thousand for governmental activities for the current fiscal year, resulting in a combined decrease of \$6,968 thousand in net assets. This decrease is primarily due to accretion on the Series 1992 Capital Appreciation Bonds, increases in compensated absences, retiree subsidy, and other post-employment benefits expenditures, and a reduction in operating grants.



## Statement of Activities

The following table provides a condensed comparative summary of the City's operations for the fiscal years ended September 30, 2010 and 2009:

	<b>Changes in Net Assets</b>					
	<b>For the Fiscal Years Ended September 30, 2010 and 2009</b>					
	<b>(in thousands)</b>					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 34,649	\$ 32,800	\$ 107,704	\$ 91,264	\$142,353	\$124,064
Operating grants and contributions	5,718	7,171	-	21	5,718	7,192
Capital grants and contributions	1,731	1,364	999	2,416	2,730	3,780
General revenues:						
Property taxes	36,138	36,392	-	-	36,138	36,392
Insurance premium taxes	1,373	1,439	-	-	1,373	1,439
Utility service tax	7,688	6,956	-	-	7,688	6,956
Communications services tax	4,881	4,746	-	-	4,881	4,746
Local business tax	2,159	2,190	-	-	2,159	2,190
Franchise fees	9,765	9,899	-	-	9,765	9,899
Grants and contributions not restricted to specific programs	7,248	6,914	-	-	7,248	6,914
Unrestricted investment earnings	2,647	1,353	1,812	737	4,459	2,090
Miscellaneous	1,106	533	1,176	2,011	2,282	2,544
Gain on sale of capital assets	30	42	-	-	30	42
<b>Total revenues</b>	<u>115,133</u>	<u>111,799</u>	<u>111,691</u>	<u>96,449</u>	<u>226,824</u>	<u>208,248</u>
<b>Expenses</b>						
General government	20,082	18,173	-	-	20,082	18,173
Public safety	64,438	63,490	-	-	64,438	63,490
Physical environment	-	4,450	-	-	-	4,450
Economic development	4,809	3,344	-	-	4,809	3,344
Human services	31	44	-	-	31	44
Transportation	16,281	14,391	-	-	16,281	14,391
Culture and recreation	13,565	15,215	-	-	13,565	15,215
Interest on long-term debt	4,174	4,394	-	-	4,174	4,394
Water and wastewater	-	-	66,757	60,752	66,757	60,752
Gas	-	-	6,872	6,773	6,872	6,773
Sanitation	-	-	14,509	14,705	14,509	14,705
Recycling	-	-	560	605	560	605
Stormwater	-	-	2,181	1,925	2,181	1,925
Golf Course	-	-	832	1,449	832	1,449
<b>Total expenses</b>	<u>123,380</u>	<u>123,501</u>	<u>91,711</u>	<u>86,209</u>	<u>215,091</u>	<u>209,710</u>
Increase (decrease) in net assets before extraordinary loss and transfers	(8,247)	(11,702)	19,980	10,240	11,733	(1,462)
Extraordinary loss on early extinguishment of debt	-	-	(18,701)	-	(18,701)	-
Transfers	(1,668)	(1,368)	1,668	1,368	-	-
Change in net assets	(9,915)	(13,070)	2,947	11,608	(6,968)	(1,462)
Net assets – beginning	<u>297,881</u>	<u>310,951</u>	<u>288,632</u>	<u>277,024</u>	<u>586,513</u>	<u>587,975</u>
Net assets – ending	<u>\$287,966</u>	<u>\$297,881</u>	<u>\$291,579</u>	<u>\$288,632</u>	<u>\$ 579,545</u>	<u>\$586,513</u>

## Revenues

For the fiscal year ended September 30, 2010, revenues from governmental activities totaled \$115,133 thousand.

General property taxes were \$36,138 thousand, a decrease of \$254 thousand as compared to fiscal year 2009. Assessed property values decreased and the City maintained its previous year's millage rate.

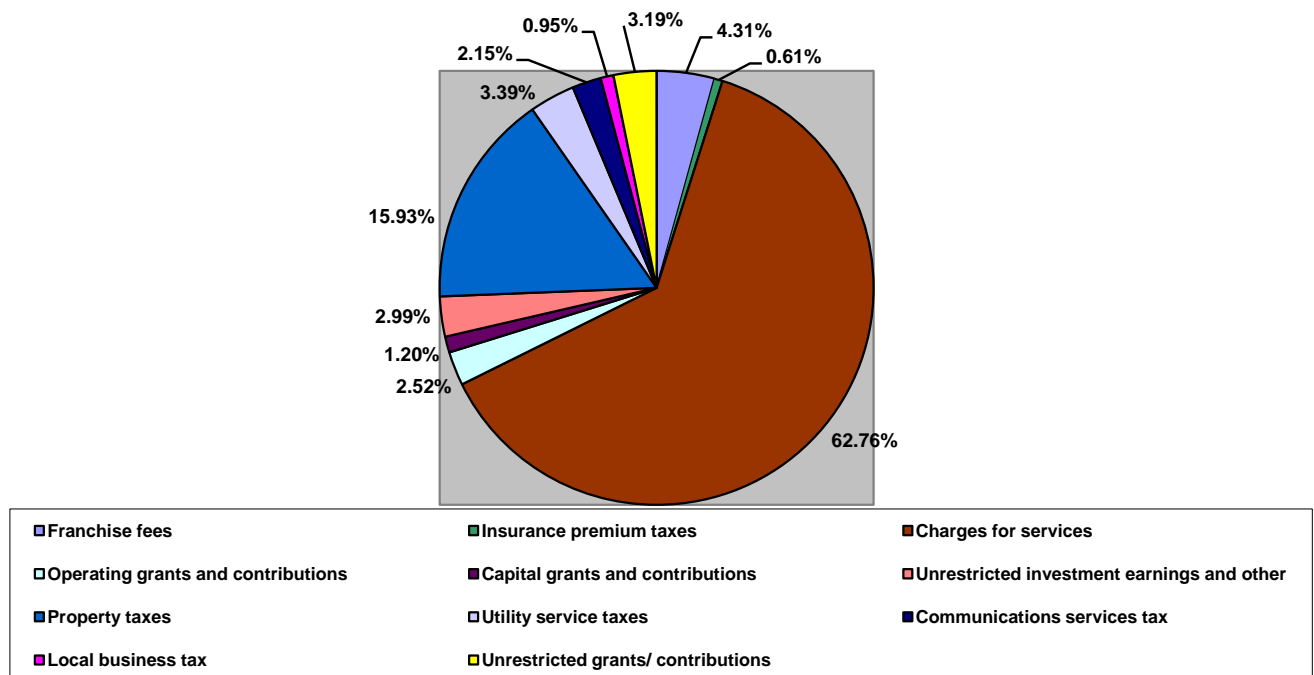
Charges for services increased by \$18,289 thousand primarily due to a 40% increase in user fees for water and sewer rates, effective August 2009. In addition, stormwater fees were increased on October 1, 2009.

Operating grants and contributions decreased by \$1,474 thousand primarily due to a reduction in forfeiture confiscation revenues.

Capital grants and contributions decreased by \$1,050 thousand primarily due to a reduction in developer contributions.

Unrestricted investment earnings increased by \$2,369 thousand due to "mark-to-market" accounting, which resulted in unrealized investment gains of approximately \$3,993 thousand. This gain was offset by a decline in interest revenue in the amount of \$1,624 thousand due to a decrease in the average interest rate from approximately 1.3% in fiscal year 2009 to approximately .7% in fiscal year 2010.

**Sources of Revenue: Government-wide  
for FY 2010**

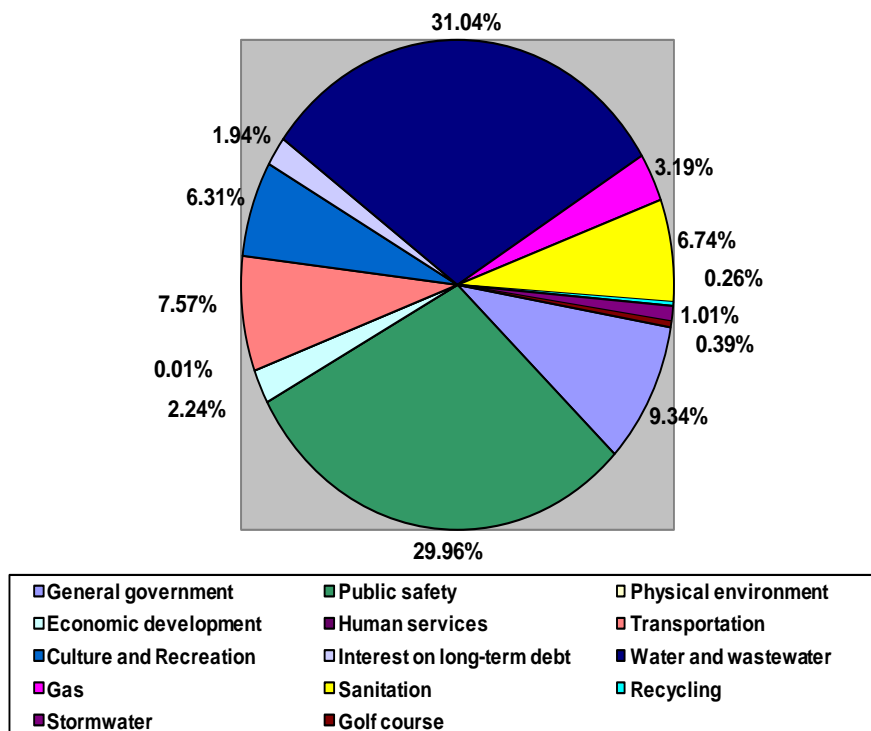


## Expenses

For the fiscal year ended September 30, 2010, expenses for governmental activities totaled \$123,380 thousand, a decrease of \$121. This is primarily due to vacancies.

Expenses for the City's business-type activities, which provide water, wastewater and gas, sanitation, recycling and stormwater services and golf course operations, totaled \$91,711 thousand, an increase of \$5,502 thousand from fiscal year 2009. This increase is due to an increase in employee compensation expenses.

## Functional Expenses: Government-wide for FY 2010



## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

For the fiscal year ended September 30, 2010, the governmental funds reflect a combined fund balance of \$144,922,449, a decrease of \$27,798,280 in comparison with the prior year. Approximately 99 percent of this total amount (\$142,745,686) constitutes unreserved fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for advances (\$698,356) or for a variety of other restricted purposes (\$1,478,407). This year's decrease in fund balance is due to a number of reasons. The construction of the Public Safety Complex primarily contributed to the \$26,999,834 decrease in fund balance in the Capital Improvements capital projects fund. The other governmental funds fund balance decreased by \$31,204,638 primarily due to transfers from Economic and Job Growth and Emergency Management special revenue funds to the general fund in the amounts of \$16,874,624 and \$11,706,624, respectively, in preparation for the implementation of GASB 54 in fiscal year 2011. These transfers were the main impact in the \$29,834,518 increase in the fund balance of the general fund. Other impacts to the general fund were: property tax revenues decreased approximately \$266 thousand due to lower than anticipated ad valorem tax collections; permits and fees decreased approximately \$666 thousand due to less activity in anticipated development; investment earnings increased by \$369 thousand due to the use of fair value accounting for investments; charges for services increased \$954 thousand primarily due to an increase in cost recovery charges (\$576 thousand) and reimbursement for police overtime from various agencies (\$284 thousand); judgments, fines, and forfeitures decreased \$859 thousand due to a delay in the adoption of the red light camera program; miscellaneous revenues increased by approximately \$430 thousand primarily due to higher than anticipated code liens satisfaction (\$138 thousand) and the City's pro-rata share of revenues from resource recovery for solid waste (\$276 thousand). In addition, total expenditures were approximately \$22 million less than final budget due to less than anticipated spending for economic development programs, capital items and contingencies as well as position vacancies. The fund balance of the Public Service Tax debt service fund increased by \$571,674 primarily due to increased receipts of electricity utility services taxes.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference between the original budget and the final amended budget amounted to a \$18,104,748 increase in appropriations. Of this increase, \$760,884 was funded through various grants, \$1,372,490 was funded through insurance premium taxes, \$7,008 was funded from donations, \$2,075 was funded through vendor fees for the cultural festival, \$14,779,428 was funded from operating transfers, and \$1,182,863 was funded from the general fund unreserved fund balance. Highlights of the supplemental appropriation follow:

- \$13,707,962 in increases for general government activities. Included in this amount are budgetary increases for contingencies (\$10,685,158), economic development (\$2,972,804), and a donation to the Sunrise Foundation (\$50,000).
- \$3,008,383 in increases allocated to public safety. Included in this amount was a supplemental appropriation of \$1,372,490 to fund contributions to the Police and Firefighters' Pension Plans, and \$705,753 for salaries, overtime, and operating supplies. In addition, an appropriation of \$930,140 was needed for various capital purchases.

- \$41,937 in increases for culture and recreation.
- \$1,346,466 in increases for transfers out to Capital Improvements capital projects fund for the Public Safety Complex (\$971,466) and various leisure capital projects (\$375,000).

**General Fund  
FY 2010  
(in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues and other financing sources			
Taxes	\$ 36,864	\$ 38,237	\$ 38,036
Permits and fees	3,862	3,862	3,195
Franchise fees	3,818	3,818	3,692
Intergovernmental	7,046	7,807	7,817
Charges for services	16,578	16,580	17,534
Other	15,635	15,642	15,697
Total	<u>83,803</u>	<u>85,946</u>	<u>85,971</u>
Expenditures	<u>98,224</u>	<u>114,983</u>	<u>92,970</u>
Deficiency of revenues under expenditures	<u>(14,421)</u>	<u>(29,037)</u>	<u>(7,001)</u>
Other financing sources (uses)			
Transfers in	11,551	40,212	40,154
Transfers out	(2,022)	(3,368)	(3,368)
Sale of capital assets	-	-	48
Total	<u>9,529</u>	<u>36,844</u>	<u>36,834</u>
Net change in fund balances	<u>\$ (4,892)</u>	<u>\$ 7,807</u>	<u>\$ 29,835</u>

Actual general fund revenues exceeded original budgeted revenues by \$2,168 thousand. This increase is primarily due to receipt of \$576 thousand in cost recovery fees and \$1,372 thousand in insurance premium taxes. The original budget was amended to account for insurance premium tax revenue and additional grant awards. Actual revenue collections exceeded the final budget by \$24 thousand. Actual general fund expenditures were less than the final budget by \$22 million primarily due to less than anticipated expenditures for contingencies as well as position vacancies resulting in salary and related payroll cost savings.

## CAPITAL ASSETS

At the end of fiscal year 2010, the City's governmental activities had invested \$216,714,562 in a variety of capital assets and infrastructure, which represents a net increase of \$15,326,404 from the prior year. The City's investment in capital assets for its business-type activities amounts to \$336,977,682, which represents a net decrease of \$4,872,767 from the prior year. The following table reflects the components of capital assets and their changes:

	<b>Government-wide Change in Capital Assets (in thousands)</b>					
	Governmental Activities			Business-type Activities		
	Balance, 10/1/09	Net Additions/ Deletions	Balance, 9/30/10	Balance, 10/1/09	Net Additions/ Deletions	Balance, 9/30/10
Non-depreciable assets:						
Land	\$ 14,701	\$ -	\$ 14,701	\$ 10,985	\$ -	\$ 10,985
Construction in progress	10,105	30,426	40,531	12,308	1,745	14,053
Other capital assets:						
Intangibles	842	52	894	882	31	913
Buildings and system Improvements other than buildings	87,455	-	87,455	454,684	6,218	460,902
Machinery and equipment	29,252	1,134	30,386	8,064	877	8,941
Vehicles	10,529	844	11,373	7,398	200	7,598
Infrastructure	17,813	1,685	19,498	7,055	20	7,075
Accumulated depreciation on other capital assets	330,981	-	330,981	-	-	-
Totals	<u>\$ 201,388</u>	<u>\$ 15,326</u>	<u>\$ 216,714</u>	<u>\$341,850</u>	<u>\$ (4,873)</u>	<u>\$ 336,977</u>

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

- The City completed \$260,815 in improvements to Welleby Park.
- The City made several public safety purchases including thirty-four new police vehicles for \$911,475 and one fire engine at a cost of \$720,412.
- Various system additions and improvements were completed in the Water, Wastewater, and Gas Utility System at a cost of \$4,405,817.

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

- Park Improvements: Four new parks on almost 25 acres are in process and will increase the City's total park acreage by over 16%.
- Streetscape: Sunset Strip streetscape improvements from NW 68 Avenue to Pine Island Road will be completed in 2011.
- Springtree Golf Course: A complete renovation of the City's golf course is nearing completion.
- Buildings: Construction of a new state-of-the-art Public Safety Headquarters, which will include a new fire station #72, will be completed in 2011. Additionally, construction of a public works facility has begun that will include a City vehicle automotive repair garage.

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 outstanding of \$301,488,015. Of this amount, \$277,178,015 represents bonds secured solely by specified revenue sources, \$2,630,000 comprises public improvement bonds (bank notes), and \$21,680,000 is ad valorem tax bonds. More detailed information about the City's long-term liabilities is presented in Note IV.F and IV.G to the financial statements.

The City's governmental activities revenue bonds have an insured rating of "Aa3" and "Baa1" by Moody's Investors Service while the ad valorem tax bonds have an insured rating of "Aa3". Standard and Poor's has given an insured rating of "AA+" and "BBB" for the governmental activities revenue bonds and an insured rating of "AA+" for the ad valorem tax bonds. The public improvement bonds (bank notes) are not rated.

In August 2010, the City defeased the principal amount of \$61,045,000 of utility revenue and refunding bonds (Series 1998). These bonds were primarily defeased with connection fee revenue.

In September 2010, the City issued \$19,960,000 in utility revenue bonds (Series 2010A), \$93,915,000 in utility revenue Build America Bonds (Series 2010B), and \$4,740,000 in utility revenue refunding bonds (Series 2010C). The bonds were issued to fund capital improvements of the city's utility system and refund certain maturities of outstanding parity bonds. These bonds were given a rating of AA by Fitch and AA- by Standard and Poor's. Other existing utility revenue bonds were also rated AA- by Standard and Poor's.

## **ECONOMIC FACTORS**

In the last five years for which data is available from the U. S. Department of Labor Bureau of Labor Statistics, the City's resident labor force increased over 1,440, with total resident employment of 45,126. As of September 2010, the City's resident unemployment rate was 10.7%, slightly higher than the County's unemployment rate of 10.6% but comparing favorably to the State's unemployment rate of 12.1%.

As of September 2010 (the latest data available from the U. S. Census Bureau), the City's median household income was \$48,083, while the State's median household income was \$44,736.

## **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 Director, 10770 West Oakland Park Blvd., Sunrise, Florida 33351.

## ***BASIC FINANCIAL STATEMENTS***



CITY OF SUNRISE, FLORIDA  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 73,080,931	\$ 12,942,166	\$ 86,023,097
Investments	102,656,397	18,592,671	121,249,068
Receivables, net of allowance for uncollectibles	8,778,398	17,085,310	25,863,708
Internal balances	562,028	(562,028)	-
Inventories	120,931	1,974,242	2,095,173
Prepays	1,853	32,500	34,353
Deferred charges	216,730	2,170,228	2,386,958
Restricted assets:			
Cash and cash equivalents	-	146,302,156	146,302,156
Investments	-	19,319,922	19,319,922
Capital assets not being depreciated:			
Land	14,700,664	10,985,086	25,685,750
Construction in progress	40,531,230	14,053,630	54,584,860
Capital assets (net of accumulated depreciation):			
Intangibles	333,263	313,443	646,706
Buildings and system	65,549,376	299,683,804	365,233,180
Improvements other than buildings	13,327,270	6,936,605	20,263,875
Machinery and equipment	3,310,780	2,897,693	6,208,473
Vehicles	6,934,340	2,107,421	9,041,761
Infrastructure	72,027,639	-	72,027,639
Total assets	<u>402,131,830</u>	<u>554,834,849</u>	<u>956,966,679</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	5,224,668	5,062,266	10,286,934
Bonds issue costs payable	-	316,210	316,210
Retainage payable	1,054,871	22,878	1,077,749
Intergovernmental payable	23,202	3,029,388	3,052,590
Matured bonds and interest payable	7,893,263	-	7,893,263
Accrued liabilities	1,863,384	445,103	2,308,487
Unearned revenue	2,015,519	106,044	2,121,563
Other liabilities	3,405,306	-	3,405,306
Liabilities payable from restricted assets	-	11,491,050	11,491,050
Non-current liabilities:			
Due within one year	9,678,854	7,497,120	17,175,974
Due in more than one year	83,007,135	235,285,680	318,292,815
Total liabilities	<u>114,166,202</u>	<u>263,255,739</u>	<u>377,421,941</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	142,039,078	225,849,507	367,888,585
Restricted:			
Debt service	10,934,054	-	10,934,054
Renewal and replacement	-	22,864,893	22,864,893
Operations and maintenance	-	8,612,321	8,612,321
Capital projects	745,344	-	745,344
Other purposes	2,939,038	-	2,939,038
Unrestricted	131,308,114	34,252,389	165,560,503
Total Net Assets	<u>\$ 287,965,628</u>	<u>\$ 291,579,110</u>	<u>\$ 579,544,738</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, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 20,082,293	\$ 5,752,065	\$ 550	\$ -	\$ (14,329,678)	\$ -	\$ (14,329,678)
Public safety	64,437,920	15,803,017	1,195,060	660,505	(46,779,338)	-	(46,779,338)
Physical environment	-	11,953,369	-	-	11,953,369	-	11,953,369
Economic development	4,809,338	-	3,392,275	-	(1,417,063)	-	(1,417,063)
Human services	30,911	-	30,911	-	-	-	-
Transportation	16,280,932	25,005	1,074,444	1,054,190	(14,127,293)	-	(14,127,293)
Culture and recreation	13,564,626	1,115,163	24,502	16,731	(12,408,230)	-	(12,408,230)
Interest on long-term debt	4,173,836	-	-	-	(4,173,836)	-	(4,173,836)
<b>Total governmental activities</b>	<b>123,379,856</b>	<b>34,648,619</b>	<b>5,717,742</b>	<b>1,731,426</b>	<b>(81,282,069)</b>	<b>-</b>	<b>(81,282,069)</b>
<b>Business-type activities:</b>							
Water and wastewater	66,756,884	81,881,749	-	998,783	-	16,123,648	16,123,648
Gas	6,871,911	7,808,387	-	-	-	936,476	936,476
Sanitation	14,508,602	13,729,802	-	-	-	(778,800)	(778,800)
Recycling	559,919	175,078	-	-	-	(384,841)	(384,841)
Stormwater	2,181,131	4,072,545	-	-	-	1,891,414	1,891,414
Golf course	832,053	36,176	-	-	-	(795,877)	(795,877)
<b>Total business-type activities</b>	<b>91,710,500</b>	<b>107,703,737</b>	<b>-</b>	<b>998,783</b>	<b>-</b>	<b>16,992,020</b>	<b>16,992,020</b>
<b>Total</b>	<b>\$ 215,090,356</b>	<b>\$ 142,352,356</b>	<b>\$ 5,717,742</b>	<b>\$ 2,730,209</b>	<b>(81,282,069)</b>	<b>16,992,020</b>	<b>(64,290,049)</b>
<b>General revenues:</b>							
Property taxes					36,137,516	-	36,137,516
Insurance premium taxes					1,372,490	-	1,372,490
Utility service tax					7,688,446	-	7,688,446
Communications services tax					4,880,665	-	4,880,665
Local business tax					2,158,770	-	2,158,770
Franchise fees based on gross receipts					9,765,447	-	9,765,447
Grants and contributions not restricted to specific programs					7,248,078	-	7,248,078
Unrestricted investment earnings					2,647,362	1,812,363	4,459,725
Miscellaneous					1,105,735	1,176,194	2,281,929
Gain on sale of capital assets					30,341	-	30,341
Extraordinary loss on early extinguishment of debt					-	(18,701,562)	(18,701,562)
Transfers					(1,668,044)	1,668,044	-
<b>Total general revenues, extraordinary loss and transfers</b>					<b>71,366,806</b>	<b>(14,044,961)</b>	<b>57,321,845</b>
<b>Change in net assets</b>					<b>(9,915,263)</b>	<b>2,947,059</b>	<b>(6,968,204)</b>
<b>Net assets - beginning</b>					<b>297,880,891</b>	<b>288,632,051</b>	<b>586,512,942</b>
<b>Net assets - ending</b>					<b>\$ 287,965,628</b>	<b>\$ 291,579,110</b>	<b>\$ 579,544,738</b>

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

CITY OF SUNRISE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Public Service Tax	Capital Improvements		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 28,008,218	\$ 6,786,317	\$ 16,484,008	\$ 14,701,055	\$ 65,979,598
Investments	50,430,264	-	33,278,226	9,468,386	93,176,876
Receivables, net of allowance for uncollectibles:					
Interest	300,547	41	156,014	46,239	502,841
Taxes	-	561,865	-	-	561,865
Franchise fees	-	-	-	1,083,701	1,083,701
Accounts receivable	446,354	-	-	-	446,354
Special assessments	-	-	-	3,083,929	3,083,929
Other	-	-	-	15,661	15,661
Due from other funds	1,633,179	989,640	-	-	2,622,819
Interfund	1,607,859	-	-	-	1,607,859
Intergovernmental	1,763,332	240,315	-	950,564	2,954,211
Prepaid items	1,150	-	-	703	1,853
Inventories	81,572	-	-	39,359	120,931
Advances to other funds	698,356	-	-	-	698,356
Total assets	<u>\$ 84,970,831</u>	<u>\$ 8,578,178</u>	<u>\$ 49,918,248</u>	<u>\$ 29,389,597</u>	<u>\$ 172,856,854</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,293,959	\$ 100	\$ 3,408,009	\$ 305,072	\$ 5,007,140
Accrued liabilities	1,831,178	-	13,932	18,274	1,863,384
Retainage payable	-	-	1,054,871	-	1,054,871
Intergovernmental payable	18,853	-	-	4,349	23,202
Due to other funds	1,182,706	-	1,435	5,436	1,189,577
Interfund payable	-	-	-	1,524,802	1,524,802
Matured bonds payable	-	5,140,000	-	1,930,000	7,070,000
Matured interest payable	-	224,442	-	598,821	823,263
Unearned revenue	2,015,519	-	-	-	2,015,519
Deferred revenue	-	240,315	-	3,617,026	3,857,341
Other	917,516	-	-	2,487,790	3,405,306
Advances from other funds	-	-	-	100,000	100,000
Total liabilities	<u>7,259,731</u>	<u>5,604,857</u>	<u>4,478,247</u>	<u>10,591,570</u>	<u>27,934,405</u>
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Inventories	81,572	-	-	39,359	120,931
Prepaid items	1,150	-	-	-	1,150
Advances	698,356	-	-	-	698,356
Recreation	-	-	-	793,111	793,111
Public safety	-	-	-	67,797	67,797
Fire equipment	-	-	-	376,779	376,779
Median strips	-	-	-	118,639	118,639
<b>Unreserved, designated for, reported in:</b>					
Encumbrances	802,626	-	15,469,239	-	16,271,865
<b>Encumbrances:</b>					
Special revenue funds	-	-	-	261,603	261,603
Subsequent year's expenditures	5,168,788	-	17,313,193	-	22,481,981
Revenue Stabilization	4,309,176	-	-	-	4,309,176
Contingency	12,927,528	-	-	-	12,927,528
Planning Department capital	246,454	-	-	-	246,454
Building Department capital	1,642,687	-	1,690,697	-	3,333,384
Tennis Center capital	10,865	-	-	-	10,865
Economic & job growth	16,824,624	-	-	-	16,824,624
Landscaping improvements	-	-	500,000	-	500,000
Water, wastewater & gas utility system capital	-	-	6,310,000	-	6,310,000
Stormwater capital	-	-	150,000	-	150,000
Reforestation Replacement	54,850	-	-	-	54,850
Special revenue funds	-	-	-	2,913,881	2,913,881
Debt service funds	-	-	-	130,000	130,000
<b>Unreserved, undesignated, reported in:</b>					
General fund	34,942,424	-	-	-	34,942,424
Special revenue funds	-	-	-	1,393,872	1,393,872
Debt service funds	-	2,973,321	-	11,235,195	14,208,516
Capital projects funds	-	-	4,006,872	1,467,791	5,474,663
Total fund balances	<u>77,711,100</u>	<u>2,973,321</u>	<u>45,440,001</u>	<u>18,798,027</u>	<u>144,922,449</u>
Total liabilities and fund balances	<u>\$ 84,970,831</u>	<u>\$ 8,578,178</u>	<u>\$ 49,918,248</u>	<u>\$ 29,389,597</u>	<u>\$ 172,856,854</u>

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

CITY OF SUNRISE, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS -  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010

<b>Fund balances - total governmental funds</b>	<b>\$</b>	<b>144,922,449</b>
 <b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		215,061,783
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		3,857,341
The internal service funds are used by management to charge the costs of workers' compensation and vehicle replacement to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		12,163,034
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(88,038,979)</u>
 <b>Net assets of governmental activities</b>	 <b>\$</b>	 <b><u>287,965,628</u></b>

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, 2010

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Public Service Tax	Capital Improvements		
<b>REVENUES</b>					
Taxes:					
Property	\$ 33,703,570	\$ -	\$ -	\$ 2,433,946	\$ 36,137,516
Local option fuel	-	-	-	1,693,200	1,693,200
Insurance premium	1,372,490	-	-	-	1,372,490
Utility service	-	7,688,446	-	-	7,688,446
Communications services	800,755	4,272,162	-	-	5,072,917
Local business	2,158,770	-	-	-	2,158,770
Permits and fees	3,195,176	-	-	-	3,195,176
Franchise fees	3,691,709	-	-	6,165,104	9,856,813
Intergovernmental	7,817,130	-	531,695	4,135,923	12,484,748
Charges for services	17,534,210	-	-	9,966	17,544,176
Administrative charges	5,103,573	-	-	-	5,103,573
Judgments, fines and forfeitures	520,169	-	-	820,848	1,341,017
Special assessments	7,005,230	-	-	553,671	7,558,901
Impact fees	-	-	-	11,126	11,126
Investment earnings	1,263,711	3,630	1,005,076	272,240	2,544,657
Contributions and donations	12,822	-	5,000	-	17,822
Miscellaneous	1,791,303	-	48,462	205,782	2,045,547
Total revenues	<u>85,970,618</u>	<u>11,964,238</u>	<u>1,590,233</u>	<u>16,301,806</u>	<u>115,826,895</u>
<b>EXPENDITURES</b>					
Current:					
General government	18,160,966	-	-	-	18,160,966
Public safety	61,078,858	-	-	1,773,947	62,852,805
Economic development	-	-	-	4,723,402	4,723,402
Human services	-	-	-	30,911	30,911
Transportation	2,702,477	-	-	970,597	3,673,074
Culture and recreation	9,439,482	-	-	-	9,439,482
Debt service:					
Principal	-	5,140,000	-	1,930,000	7,070,000
Interest	-	448,885	-	1,197,640	1,646,525
Other	-	9,564	-	45,459	55,023
Capital outlay	1,588,518	-	31,405,240	1,365,058	34,358,816
Total expenditures	<u>92,970,301</u>	<u>5,598,449</u>	<u>31,405,240</u>	<u>12,037,014</u>	<u>142,011,004</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,999,683)</u>	<u>6,365,789</u>	<u>(29,815,007)</u>	<u>4,264,792</u>	<u>(26,184,109)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	40,154,092	-	2,815,173	618,464	43,587,729
Transfers out	(3,368,047)	(5,794,115)	-	(36,093,611)	(45,255,773)
Sale of capital assets	48,156	-	-	5,717	53,873
Total other financing sources (uses)	<u>36,834,201</u>	<u>(5,794,115)</u>	<u>2,815,173</u>	<u>(35,469,430)</u>	<u>(1,614,171)</u>
Net change in fund balances	29,834,518	571,674	(26,999,834)	(31,204,638)	(27,798,280)
Fund balances - beginning (restatement-see Note I)	47,876,582	\$ 2,401,647	\$ 72,439,835	\$ 50,002,665	\$ 172,720,729
Fund balances - ending	<u>\$ 77,711,100</u>	<u>\$ 2,973,321</u>	<u>\$ 45,440,001</u>	<u>\$ 18,798,027</u>	<u>\$ 144,922,449</u>

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

CITY OF SUNRISE, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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

Net change in fund balances -- total governmental funds	\$ (27,798,280)
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.	13,699,826
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, write-offs and donations) is to increase/(decrease) net assets.	(26,201)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(404,580)
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 assets. Also, governmental funds report the effect of issuance costs, 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.	4,542,689
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.	(2,892,021)
Revenues reported in the funds that relate to prior periods are not reported in the statement of activities.	(553,617)
Internal service funds are used by management to charge the costs of workers' compensation and vehicle replacement to individual funds. The net revenue of certain activities of the internal service funds are reported with governmental activities.	<u>3,516,921</u>
Change in net assets of governmental activities	<u>\$ (9,915,263)</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>Taxes:</b>				
Property	\$ 33,969,677	\$ 33,969,677	\$ 33,703,570	\$ (266,107)
Insurance premium	-	1,372,490	1,372,490	-
Communications services	795,000	795,000	800,755	5,755
Local business	2,099,650	2,099,650	2,158,770	59,120
Permits and fees	3,861,625	3,861,625	3,195,176	(666,449)
Franchise fees	3,818,384	3,818,384	3,691,709	(126,675)
Intergovernmental	7,046,044	7,806,928	7,817,130	10,202
Charges for services	16,578,270	16,580,345	17,534,210	953,865
Administrative charges	5,103,573	5,103,573	5,103,573	-
Judgments, fines and forfeitures	1,379,200	1,379,200	520,169	(859,031)
Special assessments	6,875,995	6,875,995	7,005,230	129,235
Investment earnings	894,368	894,368	1,263,711	369,343
Contributions and donations	20,500	27,508	12,822	(14,686)
Miscellaneous	1,361,342	1,361,342	1,791,303	429,961
Total revenues	<u>83,803,628</u>	<u>85,946,085</u>	<u>85,970,618</u>	<u>24,533</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General government:</b>				
City Commission	693,283	693,283	613,960	79,323
City Manager	1,121,333	1,121,333	960,830	160,503
City Clerk	501,824	501,824	436,829	64,995
City Attorney	610,573	610,573	549,623	60,950
Finance	2,446,861	2,446,861	2,124,353	322,508
Personnel	995,134	995,134	919,112	76,022
Management Information Services	2,353,930	2,428,930	2,270,141	158,789
Central Services	4,770,538	4,768,038	4,204,214	563,824
Planning and Development	2,504,964	2,495,934	2,236,185	259,749
Non-departmental	4,661,066	18,358,535	3,845,719	14,512,816
Total general government	<u>20,659,506</u>	<u>34,420,445</u>	<u>18,160,966</u>	<u>16,259,479</u>
<b>Public safety:</b>				
Police	36,045,228	37,185,696	34,809,842	2,375,854
Fire	21,785,494	22,723,269	22,197,400	525,869
Building	3,422,837	3,422,837	3,018,252	404,585
Code Enforcement	1,205,818	1,205,818	1,053,364	152,454
Total public safety	<u>62,459,377</u>	<u>64,537,620</u>	<u>61,078,858</u>	<u>3,458,762</u>
<b>Transportation:</b>				
Public Works	2,939,996	2,939,996	2,702,477	237,519
<b>Culture and recreation:</b>				
Leisure Services	10,806,551	10,743,013	9,439,482	1,303,531

(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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital outlay:				
General government:				
City Manager	1,500	1,500	975	525
Finance	1,500	1,500	-	1,500
Personnel	1,500	1,500	1,324	176
Management Information Services	487,260	412,260	286,374	125,886
Central Services	140,051	142,551	120,309	22,242
Planning and Development	13,550	22,580	20,027	2,553
Non-departmental	1,300	11,793	-	11,793
Public safety:				
Police	277,393	1,191,329	751,408	439,921
Fire	99,457	115,661	100,096	15,565
Building	33,974	33,974	2,185	31,789
Transportation:				
Public Works	4,500	4,500	-	4,500
Culture and recreation:				
Leisure Services	297,091	402,566	305,820	96,746
Total capital outlay	<u>1,359,076</u>	<u>2,341,714</u>	<u>1,588,518</u>	<u>753,196</u>
Total expenditures	<u>98,224,506</u>	<u>114,982,788</u>	<u>92,970,301</u>	<u>22,012,487</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,420,878)</u>	<u>(29,036,703)</u>	<u>(6,999,683)</u>	<u>22,037,020</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,550,564	40,211,848	40,154,092	(57,756)
Transfers out	(2,021,581)	(3,368,047)	(3,368,047)	-
Sale of capital assets	-	-	48,156	48,156
Total other financing sources (uses)	<u>9,528,983</u>	<u>36,843,801</u>	<u>36,834,201</u>	<u>(9,600)</u>
Net change in fund balances	(4,891,895)	7,807,098	29,834,518	22,027,420
Fund balances - beginning	<u>47,876,582</u>	<u>47,876,582</u>	<u>47,876,582</u>	<u>-</u>
Fund balances - ending	<u>\$ 42,984,687</u>	<u>\$ 55,683,680</u>	<u>\$ 77,711,100</u>	<u>\$ 22,027,420</u>



CITY OF SUNRISE, FLORIDA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 10,446,942	\$ 224,448	\$ 2,270,776	\$ 12,942,166	\$ 7,101,333
Investments	16,145,164	6,427	2,441,080	18,592,671	9,479,521
Interest receivable	157,535	-	9,434	166,969	40,575
Accounts receivable, net of allowance for uncollectibles	14,180,549	2,233,643	399,363	16,813,555	89,261
Assessments receivable, net	47,970	-	-	47,970	-
Other receivables	115	-	58	173	-
Due from other funds	764,432	-	9,015	773,447	-
Intergovernmental receivable	398	-	56,245	56,643	-
Inventories	1,907,934	-	66,308	1,974,242	-
Prepaid items	31,400	-	1,100	32,500	-
Restricted cash and cash equivalents:					
Revenue bond covenant accounts	2,637,130	-	-	2,637,130	-
<b>Total current assets</b>	<b>46,319,569</b>	<b>2,464,518</b>	<b>5,253,379</b>	<b>54,037,466</b>	<b>16,710,690</b>
<b>Noncurrent assets:</b>					
<b>Restricted cash, cash equivalents and investments:</b>					
Customer deposits	7,695,246	760,056	-	8,455,302	-
Revenue bond covenant accounts	154,529,646	-	-	154,529,646	-
Deferred charges	2,170,228	-	-	2,170,228	-
<b>Capital assets:</b>					
Land	9,761,786	-	1,223,300	10,985,086	-
Intangibles	912,779	-	-	912,779	442
Buildings and system	460,146,154	-	756,271	460,902,425	-
Improvements other than buildings	6,040,944	-	2,900,506	8,941,450	-
Machinery and equipment	6,151,822	-	1,445,799	7,597,621	69,481
Vehicles	6,617,586	-	457,002	7,074,588	1,733,889
Construction in progress	13,928,644	-	124,986	14,053,630	-
Less accumulated depreciation	(171,789,953)	-	(1,699,944)	(173,489,897)	(151,033)
<b>Total capital assets, net of accumulated depreciation</b>	<b>331,769,762</b>	<b>-</b>	<b>5,207,920</b>	<b>336,977,682</b>	<b>1,652,779</b>
<b>Total noncurrent assets</b>	<b>496,164,882</b>	<b>760,056</b>	<b>5,207,920</b>	<b>502,132,858</b>	<b>1,652,779</b>
<b>Total assets</b>	<b>542,484,451</b>	<b>3,224,574</b>	<b>10,461,299</b>	<b>556,170,324</b>	<b>18,363,469</b>

**Business-type Activities - Enterprise Funds**

	<b>Water, Wastewater and Gas Utility System</b>	<b>Sanitation</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	2,861,989	1,804,122	363,720	5,029,831	60,045
Bonds issue costs payable	316,210	-	-	316,210	-
Accrued liabilities	422,651	-	22,452	445,103	-
Due to other funds	1,484,367	174,865	2,018	1,661,250	732,592
Interfund payable	-	-	83,057	83,057	-
Compensated absences	298,512	-	13,608	312,120	-
Retainage payable	-	-	22,878	22,878	-
Intergovernmental payable	3,027,167	-	2,221	3,029,388	-
Other	-	-	2,765	2,765	-
<b>Current liabilities payable from restricted assets:</b>					
Accrued interest payable	2,738,083	-	-	2,738,083	-
<b>Total current liabilities</b>	<b>11,148,979</b>	<b>1,978,987</b>	<b>512,719</b>	<b>13,640,685</b>	<b>792,637</b>
<b>Noncurrent liabilities:</b>					
Revenue bonds payable (net of unamortized discounts, premiums and deferred amount on refunding)	234,328,963	-	-	234,328,963	-
Compensated absences	3,261,148	-	167,249	3,428,397	-
Other post employment benefits	2,181,728	-	243,649	2,425,377	-
Retiree subsidy	2,066,606	-	221,337	2,287,943	-
Advances from other funds	-	-	598,356	598,356	-
Claims and judgments	-	-	-	-	4,430,280
Unearned revenue	48,203	57,841	-	106,044	-
<b>Noncurrent liabilities payable from restricted assets:</b>					
Retainage payable	297,665	-	-	297,665	-
Customer deposits payable	7,695,246	760,056	-	8,455,302	-
<b>Total noncurrent liabilities</b>	<b>249,879,559</b>	<b>817,897</b>	<b>1,230,591</b>	<b>251,928,047</b>	<b>4,430,280</b>
<b>Total liabilities</b>	<b>261,028,538</b>	<b>2,796,884</b>	<b>1,743,310</b>	<b>265,568,732</b>	<b>5,222,917</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	220,682,387	-	5,167,120	225,849,507	1,639,338
<b>Restricted for:</b>					
Renewal and replacement	22,864,893	-	-	22,864,893	-
Operations and maintenance	8,612,321	-	-	8,612,321	-
Unrestricted	29,296,312	427,690	3,550,869	33,274,871	11,501,214
<b>Total net assets</b>	<b>\$ 281,455,913</b>	<b>\$ 427,690</b>	<b>\$ 8,717,989</b>	<b>290,601,592</b>	<b>\$ 13,140,552</b>
 				<b>977,518</b>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					
<b>Net assets of business-type activities</b>				<b>\$ 291,579,110</b>	

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

CITY OF SUNRISE, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
<b>Operating revenues:</b>					
<b>Charges for sales and services:</b>					
Water sales	\$ 38,032,639	\$ -	\$ -	\$ 38,032,639	\$ -
Wastewater service	41,307,940	-	-	41,307,940	-
Gas sales	7,750,214	-	-	7,750,214	-
Fees	-	13,729,802	4,283,799	18,013,601	-
Service charges	709,618	-	-	709,618	4,949,852
Guaranteed revenues	691,177	-	-	691,177	-
Administrative charges	648,433	-	-	648,433	-
<b>Total operating revenues</b>	<b>89,140,021</b>	<b>13,729,802</b>	<b>4,283,799</b>	<b>107,153,622</b>	<b>4,949,852</b>
<b>Operating expenses:</b>					
<b>Costs of sales and services:</b>					
Power, water and wastewater purchases	4,031,515	-	82,753	4,114,268	22,845
Natural gas purchases	2,784,191	-	-	2,784,191	-
Chemical purchases	2,578,681	-	95,127	2,673,808	-
Solid waste/sludge removal	1,481,851	13,729,802	-	15,211,653	-
Recycling charges	-	-	531,018	531,018	-
Materials and supplies	763,326	-	72,145	835,471	5,781
Repairs and maintenance	2,037,477	-	293,410	2,330,887	42,767
Salaries, wages and employee benefits	19,773,064	-	1,147,032	20,920,096	-
Insurance and other expenses	9,305,452	18,168	542,800	9,866,420	476,266
Claims expense	-	-	-	-	673,667
Administrative fees	4,457,874	758,136	535,996	5,752,006	-
Depreciation	14,847,995	-	255,761	15,103,756	143,282
<b>Total operating expenses</b>	<b>62,061,426</b>	<b>14,506,106</b>	<b>3,556,042</b>	<b>80,123,574</b>	<b>1,364,608</b>
<b>Operating income (loss)</b>	<b>27,078,595</b>	<b>(776,304)</b>	<b>727,757</b>	<b>27,030,048</b>	<b>3,585,244</b>

**Business-type Activities - Enterprise Funds**

	<b>Water, Wastewater and Gas Utility System</b>	<b>Sanitation</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Non-operating revenues (expenses):</b>					
Investment earnings	1,761,952	6,227	44,184	1,812,363	241,984
Interest expense	(10,689,807)	(2,496)	(39,917)	(10,732,220)	-
Gain (loss) on sale of capital assets	(618,493)	-	(2,471)	(620,964)	1,000
Sale of recyclable materials	-	-	180,875	180,875	-
Other	776,120	90,441	128,758	995,319	1,357
<b>Total non-operating revenues (expenses)</b>	<b>(8,770,228)</b>	<b>94,172</b>	<b>311,429</b>	<b>(8,364,627)</b>	<b>244,341</b>
<b>Income (loss) before contributions and transfers</b>	<b>18,308,367</b>	<b>(682,132)</b>	<b>1,039,186</b>	<b>18,665,421</b>	<b>3,829,585</b>
<b>Capital contributions</b>	<b>998,783</b>	<b>-</b>	<b>-</b>	<b>998,783</b>	<b>3,709</b>
<b>Transfers in</b>	<b>-</b>	<b>782,236</b>	<b>1,239,345</b>	<b>2,021,581</b>	<b>-</b>
<b>Transfers out</b>	<b>(353,537)</b>	<b>-</b>	<b>-</b>	<b>(353,537)</b>	<b>-</b>
<b>Extraordinary loss on early extinguishment of debt</b>	<b>(18,701,562)</b>	<b>-</b>	<b>-</b>	<b>(18,701,562)</b>	<b>-</b>
<b>Change in net assets</b>	<b>252,051</b>	<b>100,104</b>	<b>2,278,531</b>	<b>2,630,686</b>	<b>3,833,294</b>
<b>Total net assets - beginning (restatement-see Note I)</b>	<b>281,203,862</b>	<b>\$ 327,586</b>	<b>\$ 6,439,458</b>		<b>\$ 9,307,258</b>
<b>Total net assets - ending</b>	<b>\$ 281,455,913</b>	<b>\$ 427,690</b>	<b>\$ 8,717,989</b>		<b>\$ 13,140,552</b>
<b>Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.</b>				<b>316,373</b>	
<b>Change in net assets of business-type activities</b>				<b>\$ 2,947,059</b>	

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, 2010

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 89,601,278	\$ 13,685,147	\$ 4,290,861	\$ 107,577,286	\$ 5,682,429
Receipts from interfund services provided	648,433	-	-	648,433	-
Payments to suppliers	(23,663,160)	(13,808,548)	(1,345,388)	(38,817,096)	(1,337,972)
Payments to and for employees	(17,872,483)	-	(1,021,840)	(18,894,323)	-
Payments for interfund services used	(5,015,317)	(758,136)	(584,506)	(6,357,959)	-
Net cash provided (used) by operating activities	<u>43,698,751</u>	<u>(881,537)</u>	<u>1,339,127</u>	<u>44,156,341</u>	<u>4,344,457</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfer from other funds	-	782,236	1,239,345	2,021,581	-
Transfer to other funds	(353,537)	-	-	(353,537)	-
Net cash provided (used) by noncapital financing activities	<u>(353,537)</u>	<u>782,236</u>	<u>1,239,345</u>	<u>1,668,044</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from capital debt	116,331,642	-	-	116,331,642	-
Proceeds from refunding debt	5,015,666	-	-	5,015,666	-
Payment to refunding bond agent: defeasance & refunding int only	(87,535,201)	-	-	(87,535,201)	-
Payment of bond issuance costs	(1,182,177)	-	-	(1,182,177)	-
Capital contributions	836,156	-	-	836,156	-
Acquisition and construction of capital assets	(10,659,449)	-	(337,038)	(10,996,487)	(1,791,352)
Principal paid on capital debt	(7,490,000)	-	-	(7,490,000)	-
Interest paid on capital debt	(9,216,280)	-	(39,917)	(9,256,197)	-
Proceeds from sales of capital assets	46,255	-	1,733	47,988	-
Advances from other funds	-	-	(78,914)	(78,914)	-
Net cash provided (used) by capital and related financing activities	<u>6,146,612</u>	<u>-</u>	<u>(454,136)</u>	<u>5,692,476</u>	<u>(1,791,352)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	106,107,218	727,661	2,182,011	109,016,890	10,020,994
Purchase of investments	(84,118,891)	(752,221)	(3,822,671)	(88,693,783)	(13,844,960)
Interest and dividends received	896,226	4,795	15,814	916,835	88,713
Net cash provided (used) by investing activities	<u>22,884,553</u>	<u>(19,765)</u>	<u>(1,624,846)</u>	<u>21,239,942</u>	<u>(3,735,253)</u>
<b>Net increase in cash and cash equivalents</b>	<b>72,376,379</b>	<b>(119,066)</b>	<b>499,490</b>	<b>72,756,803</b>	<b>(1,182,148)</b>
<b>Cash and cash equivalents, October 1 (restatement)</b> (including \$30,797,455 and \$36,132 for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>84,338,935</u>	<u>348,723</u>	<u>1,771,286</u>	<u>86,458,944</u>	<u>8,283,481</u>
<b>Cash and cash equivalents, September 30</b> (including \$146,268,372 and \$5,209 for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>\$ 156,715,314</u>	<u>\$ 229,657</u>	<u>\$ 2,270,776</u>	<u>\$ 159,215,747</u>	<u>\$ 7,101,333</u>

**Business-type Activities - Enterprise Funds**

	<b>Water, Wastewater and Gas Utility System</b>	<b>Sanitation</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 27,078,595	\$ (776,304)	\$ 727,757	\$ 27,030,048	\$ 3,585,244
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>					
Miscellaneous operating income from re-evaluation of capital assets	246,038	-	-	246,038	-
Miscellaneous non-operating income from by-products of recycling activities	-	-	180,875	180,875	-
Miscellaneous non-operating income	775,217	87,945	128,758	991,920	1,357
Depreciation expense	14,847,995	-	255,761	15,103,756	143,282
(Increase) in accounts receivable	(1,013,820)	(129,039)	(168,851)	(1,311,710)	(89,261)
Decrease in other receivables	250	-	316	566	-
(Increase) in due from other funds	(697,127)	-	(9,015)	(706,142)	-
(Increase) decrease in intergovernmental receivables	302,381	-	(13,492)	288,889	-
(Increase) in inventories	(80,459)	-	(25,099)	(105,558)	-
Decrease in prepaid items	4,800	-	550	5,350	-
Increase (decrease) in customer deposits	179,362	(4,905)	-	174,457	-
Increase (decrease) in accounts payable	(418,399)	(55,045)	157,207	(316,237)	5,310
Increase (decrease) in accrued liabilities	49,703	-	(7,202)	42,501	-
Increase (decrease) in due to other funds	33,885	(8,634)	(183)	25,068	732,592
Increase in intergovernmental payables	960,293	-	1,984	962,277	-
Increase in other liabilities, current	-	-	2,765	2,765	-
Increase in unearned revenue	-	4,445	-	4,445	-
Increase in retainage payable	139,510	-	22,878	162,388	-
Increase (decrease) in compensated absences payable	164,501	-	(10,616)	153,885	-
Increase in other post employment benefits payable	546,804	-	52,641	599,445	-
Increase in retiree subsidy payable	579,222	-	42,093	621,315	-
(Decrease) in claims and judgments	-	-	-	-	(34,067)
Total adjustments	16,620,156	(105,233)	611,370	17,126,293	759,213
Net cash provided by (used in) operating activities	\$ 43,698,751	\$ (881,537)	\$ 1,339,127	\$ 44,156,341	\$ 4,344,457
<b>Noncash investing, capital and financing activities:</b>					
Contributions of capital assets	\$ 162,627	\$ -	\$ -	\$ 162,627	\$ -
Capital asset trade-ins	1,700	-	-	1,700	-
Net increase in fair value of investments	858,860	2,635	20,980	882,475	131,138

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

**CITY OF SUNRISE, FLORIDA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2010**

	<u>Pension Trust Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 11,277,331
Receivable from sale of securities	1,175,562
Interest and dividends receivable	692,844
Due from other funds	187,153
Other receivables	156,151
Investments, at fair value:	
U.S. government and agency securities	21,243,014
Corporate bonds	27,132,441
Mutual funds	56,933,163
Common stocks	110,036,899
International equity funds	19,786,616
Total investments	<u>235,132,133</u>
Prepaid items	9,866
Equipment, net of accumulated depreciation of \$26,947	535
Total assets	<u>248,631,575</u>
<b>LIABILITIES</b>	
Accounts payable	311,402
Payable for securities purchased	<u>2,149,919</u>
Total liabilities	<u>2,461,321</u>
<b>NET ASSETS</b>	
Held in trust for pension benefits	<u>\$ 246,170,254</u>

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

**CITY OF SUNRISE, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
<b>Contributions:</b>	
Employer	\$ 14,191,343
Plan members	5,024,944
Other sources	1,372,490
Total contributions	<u>20,588,777</u>
<b>Investment earnings:</b>	
Interest	2,192,769
Dividends	2,961,898
Net decrease in fair value of investments	17,297,929
Other	147,547
Total investment earnings	<u>22,600,143</u>
Less investment expense	<u>1,209,069</u>
Net investment earnings	<u>21,391,074</u>
Total additions	<u>41,979,851</u>
<b>DEDUCTIONS</b>	
Benefits	15,677,576
Refunds of contributions	178,373
Administrative expenses	553,339
Total deductions	<u>16,409,288</u>
Change in net assets	25,570,563
Net assets - beginning	<u>220,599,691</u>
Net assets - ending	<u>\$ 246,170,254</u>

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



**CITY OF SUNRISE, FLORIDA**  
**INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

<b>Note</b>	<b>Topic</b>	<b>Page</b>
<b>I. Summary of Significant Accounting Policies</b>		
A.	Reporting entity.....	44
B.	Government-wide and fund financial statements.....	45
C.	Measurement focus, basis of accounting and financial statement presentation .....	46
D.	Assets, liabilities and net assets or equity	
1.	Cash and cash equivalents .....	48
2.	Investments .....	49
3.	Receivables and payables .....	50
4.	Inventories and prepaid items .....	50
5.	Restricted assets .....	50
6.	Capital assets.....	51
7.	Compensated absences.....	51
8.	Long-term obligations.....	52
9.	Net assets or fund equity.....	52
10.	Use of Estimates .....	52
E.	Deficit fund balances .....	52
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>		
A.	Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets .....	53
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.....	53
<b>III. Stewardship, Compliance and Accountability</b>		
A.	Budgetary information .....	55
<b>IV. Detailed Notes on all Funds</b>		
A.	Deposits and investments.....	56
B.	Receivables.....	58
C.	Capital assets .....	60
D.	Construction commitments .....	62
E.	Interfund receivables, payables and transfers.....	62
F.	Leases .....	64
G.	Long-term debt.....	64
H.	Property taxes.....	70
I.	Restatement of fund balances .....	71

**CITY OF SUNRISE, FLORIDA**  
**INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS-(Continued)**  
**SEPTEMBER 30, 2010**

<b>Note</b>	<b>Topic</b>	<b>Page</b>
<b>V. Other Information</b>		
	A. Risk management.....	72
	B. Contingent liabilities .....	72
	C. Employee retirement systems and pension plans .....	73
	D. Other post-employment benefits .....	79
	E. Subsequent events .....	82

# CITY OF SUNRISE, FLORIDA

## I. Summary of Significant Accounting Policies

### A. Reporting entity

The City of Sunrise, Florida (the City) was incorporated in 1961 and has a population of approximately 90,000 living within an area of approximately 18 square miles. The City was established under Charter 61-2902, which was adopted in 1961 with a mayor/commission form of government. By referendum, the city commission/city manager form of government replaced the mayor/commission form of government in 1989. Five elected city commission members comprised of the mayor, deputy mayor, assistant deputy mayor and two commissioners govern the City.

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. If the component unit's governing body is substantively the same as the City's, the component unit is blended (reported as if it was part of the City's operations).

#### Blended component units

**Special Recreation District Phase I** was created by Ordinance 183. It was established to provide recreational facilities. The governing body of the City is the governing body of the Special Recreation District.

**Special Recreation District Phase II** was created by Ordinance 185. It was established to provide recreational facilities. The governing body of the City is the governing body of the Special Recreation District.

**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.

The City Commission establishes rates for special assessments and ad valorem taxes for the special districts described above.

Separate financial statements are not required or prepared for the special districts. The special districts' financial statements are included in the debt service funds, as well as the capital projects fund for the Special Tax District No. 1, of the City.

## CITY OF SUNRISE, FLORIDA

### **B. Government-wide and fund financial statements**

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board (FASB) issued prior to December 1, 1989 are followed in both the government-wide and proprietary fund financial statements to the extent that these standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent FASB pronouncements for their business-type activities and enterprise funds subject to this same limitation. The City has elected not to follow subsequent FASB guidance.

In June 2008, the GASB issued *Accounting and Financial Reporting for Derivative Instruments* (Statement No. 53). In December 2009, the GASB issued *Accounting and Financial Reporting for Chapter 9 Bankruptcies* (Statement No. 58). The City has applied the requirements, if applicable, of Statement No. 53 and Statement No. 58 effective October 1, 2009.

The City has already adopted Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* effective October 1, 2008.

The government-wide financial statements (i.e., the statement of net assets 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 assets. Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net assets as receivable from and payable to external parties, rather than as internal balances.

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 fees and charges for support.

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 properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial

## CITY OF SUNRISE, FLORIDA

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 the measurement made, 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 and liabilities, current and non-current, are accounted for in the fund. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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.

## **CITY OF SUNRISE, FLORIDA**

The Public Service Tax debt service fund was created to accumulate public service tax monies for Public Facilities Revenue Bonds, Series 1992A, 1992B and Series 1999. Currently, only components of Series 1992B and Series 1999 are outstanding.

The Capital Improvements capital projects fund accounts for general capital projects and the acquisition and construction in the Neighborhood Renaissance Program.

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

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 residents inside and outside the City.

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 enterprise 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 two internal service funds for the purpose of worker compensation services and vehicle replacement.

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.

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. General revenues include all taxes.

Certain indirect costs are included in the program expense reported for business-type activities.

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 fund 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 on capital assets. Operating expenses for the internal service fund include claims and general expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

## **CITY OF SUNRISE, FLORIDA**

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.

### **D. Assets, liabilities and net assets or equity**

#### **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 time of purchase of three months or less, Florida State Board of Administration's (SBA) Florida PRIME Investment Pool, 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, the Water, Wastewater and Gas Utility System enterprise fund, all debt service funds and the Special Tax District No. 1 capital projects 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 effectively withdraw cash at any time without prior notice or penalty.

The City invests surplus funds in a variety of investment vehicles. One such vehicle is the Florida PRIME, an external investment pool, formally known as LGIP. The City owns shares of the pool, not the underlying securities. This fund is administered by the SBA, who provides regulatory oversight, and 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, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in Florida PRIME is equal to the value of the pool shares. The investments in Florida PRIME are not insured by FDIC or any other governmental agency.

The City also invests in the Florida Surplus Asset Fund Trust (FLSAFE). The City owns shares of the pool, not the underlying securities. FLSAFE operates under Section 218.415, Florida Statutes. Additionally, the City invests in Goldman Sachs Financial Square Government Fund, and PFM Government Fund, two mutual funds that invest strictly in U.S. Government obligations. The City also maintains a position in PFM's Prime Fund, a money market mutual fund.

## CITY OF SUNRISE, FLORIDA

### 2. Investments

The City's investments, including restricted investments, consist of U.S. government securities, certificates of deposit with original maturities at time of purchase greater than three months, corporate bonds, common stocks, mutual funds, obligations of U.S. government sponsored enterprises implicitly or explicitly guaranteed by the U.S. government, the SBA Fund B, and international equity funds.

Investments are stated at fair value (quoted market price or the best available estimate thereof). However, money market investments, including short-term, highly liquid investments with a remaining maturity at time of purchase of one year or less, 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 (amounted to 10% of portfolios) 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 past reported bid and asked 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 cost that approximates market.

SBA's Fund B 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 the administration of Fund B. The fund is accounted for as a fluctuating NAV pool. Fund B principally consists of segregated securities, which are securities originally purchased for the Florida PRIME, formally the LGIP, that (1) defaulted in the payment of principal and interest; (2) were extended; (3) were restructured or otherwise subject to workout; (4) experienced elevated market illiquidity; or (5) did not meet the criteria of the nationally recognized statistical rating organization (NRSRO). Fund B is not subject to participant withdrawal requests. Fund B's primary objective is to maximize the present value of distributions from Fund B. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME. The investments in Fund B are not insured by FDIC or any other governmental agency. As of September 30, 2010, the fair value factor for Fund B was \$ .707058094 per share.



## CITY OF SUNRISE, FLORIDA

### **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 between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

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 reserve that indicates that they do not constitute available spendable resources. Inventories held by the general fund consist of fuel and tires. Inventories included in the special revenue funds consist of irrigation parts and road materials. Inventories included in the enterprise funds consist of chemicals, meters, fuel and parts and supplies. Governmental fund inventories are stated at cost, using the first-in/first-out (FIFO) method. The chemicals and fuel inventories in the enterprise funds are stated at lower of cost or market, using the FIFO method; the meters and parts and supplies inventories are stated at lower of cost or market, 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.

### **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 balance sheet 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 construction” account is used to report those proceeds of revenue bond issuances that are restricted for capital 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.

# CITY OF SUNRISE, FLORIDA

## 6. Capital assets

Capital assets, which include property, plant, equipment, vehicles 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 estimated fair market value as of the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities, net of related interest revenue, is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated 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 fund net assets.

## 7. 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 for governmental funds represents a reconciling item between the fund and the government-wide presentations.

## **CITY OF SUNRISE, FLORIDA**

### **8. 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 assets. Bond premiums/discounts, issuance costs and future appreciated principal (on capital appreciation bonds) are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method except that the premium on the newly issued Series 2010 bonds in the Water, Wastewater and Gas Utility System enterprise fund is amortized using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the government-wide financial statements and proprietary fund types in the fund financial statements, the difference between the re-acquisition price (new debt) and the net carrying value of the old debt is deferred and amortized as a component of interest expense using the proportionate to stated interest method.

### **9. Net assets or fund equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt represent the City's investment in capital assets. Net assets are 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.

### **10. 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.

### **E. Deficit fund balances**

At September 30, 2010, the City had deficit fund balances in various nonmajor special revenue funds as follows: Community Development Block Grant \$17,918; Urban Area Security Initiative Grant \$280,366; Broward County Home Consortium Grant \$655,669; Broward County Disaster Recovery Initiative Grant \$253,849; and Neighborhood Stabilization Program Grant \$371,877. These deficits are expected to be eliminated by reimbursements from granting agencies in future years.

**CITY OF SUNRISE, FLORIDA**

**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 assets**

The governmental fund balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net assets of governmental activities* as reported in the government-wide statement of net assets. 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 \$88,038,979 are as follows:

Bonds payable	\$ 67,981,974
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(216,730)
Compensated absences	10,673,577
Other post employment benefits	6,516,612
Retiree subsidy	<u>3,083,546</u>
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net assets of governmental activities</i>	<u>\$ 88,038,979</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 a reconciliation between *net change in fund balances – total governmental funds* and *change in net assets 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 \$13,699,826 difference are as follows:

Capital outlay	\$ 34,358,816
Depreciation expense	(19,680,975)
Capitalized operating expenditures	71,136
Non-capitalized capital outlay expenditures	<u>(1,049,151)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ 13,699,826</u>

**CITY OF SUNRISE, FLORIDA**

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 assets”. The details of this \$(26,201) difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	\$ (28,911)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	20,413
Trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	112
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>(17,815)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u><u>\$ (26,201)</u></u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets”. The details of this \$4,542,689 difference are as follows:

Amortization of bond issuance costs	\$ (19,703)
Capital appreciation bonds accretion	(2,507,608)
Bond principal repayments	<u>7,070,000</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u><u>\$ 4,542,689</u></u>

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds". This \$(2,892,021) represents the increase in compensated absences (\$448,334), other post employment benefits (\$1,640,634) and retiree subsidy (\$803,053).

**CITY OF SUNRISE, FLORIDA**

Another element of that reconciliation states that “revenues reported in the funds that relate to prior periods are not reported in the statement of activities”. The details of this \$(553,617) are as follows:

Special Recreation District Phase I special assessment	\$ (270,025)
Special Recreation District Phase II special assessment	<u>(283,592)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	 <u><u>\$ (553,617)</u></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 reappropriated 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 \$16,758,282 for the general fund and \$2,804,980 for the capital projects funds were approved during the year and are included in the final budget. The City follows these procedures in establishing the legally adopted budgetary data:

1. Prior to August 1, the city manager submits to the city commission a proposed annual budget, budget message and capital program for the fiscal year commencing on October 1. 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 1, the budget is legally enacted through the passage of an ordinance as required by City charter.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders) outstanding at year-end are reported as designations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**CITY OF SUNRISE, FLORIDA**

**IV. Detailed Notes on all Funds**

**A. Deposits and investments**

As of September 30, 2010, the fair value of the City’s deposits and investments, exclusive of the Pension trust funds, was \$13,186,225 in U.S. Treasuries, \$101,843,626 in U.S. Government sponsored enterprises; \$20,000,000 in certificates of deposit, \$128,887,108 in the SBA Florida PRIME, \$10,001,350 in the Florida Surplus Asset Fund Trust (FLSAFE), \$5,539,139 in the SBA Fund B investment pool, \$45,751,973 in four money market mutual funds (PFM Prime Fund, PFM Government Series Fund, Goldman Sachs Financial Square Government Fund and Fidelity Institutional Money Market fund with Bank of New York Mellon). The investments in the Florida PRIME, the FLSAFE and four mutual funds have a maturity of less than one year and are classified as cash and cash equivalents. Additionally, cash and cash equivalents are comprised of \$66,925 on hand, \$44,980,645 with qualified public depositors and \$2,637,252 with authorized depositories pursuant to fiduciary agreements related to its utility bonds. Total investments, including restricted and unrestricted, amount to \$372,894,243.

The SBA’s Fund B has a maturity of greater than one year. The original investment of \$7,834,065 was adjusted to a fair value of \$5,539,139, resulting in a total unrealized loss of \$2,294,926. As the City recognized an unrealized loss of \$4,566,040 in prior years, an unrealized gain of \$2,271,114 was recognized in this current fiscal year. The actual realized loss cannot be determined until full maturity, liquidation, or sales of the investments occur.

As of September 30, 2010, the City had the following investments in the General Employees’ Pension trust fund:

<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	\$41,544,114	\$2,277,898	\$21,128,648	\$11,886,334	\$6,251,234

The City’s Police Officers’ Pension trust fund contained the following investments as of September 30, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>Lehman Aggregate Bond Rating</u>
U.S. Treasuries	\$ 510,389	3.10	AAA
U.S. agencies	11,393,099	2.90	AAA
Corporate bonds	12,863,188	3.70	A-AAA
Total fair value	\$ 24,766,676		
Portfolio weighted average duration		4.31	

At September 30, 2010, the City’s Firefighters’ Pension trust fund had the following 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	\$ 2,523,898	\$ 301,815	\$ 452,415	\$ 976,292	\$ 793,376
U.S. agencies	6,815,628	-	2,105,579	1,206,825	3,503,224
Corporate bonds	14,269,253	-	6,476,717	6,529,058	1,263,478
	\$ 23,608,779	\$ 301,815	\$ 9,034,711	\$ 8,712,175	\$ 5,560,078

## CITY OF SUNRISE, FLORIDA

Interest rate risk. The City, exclusive of the Pension trust funds, manages its exposure to declines in fair value by limiting the weighted average duration of its investment portfolio to less than 18 months. . The weighted average days to maturity of the U.S. Treasuries at September 30, 2010 was 82 days The weighted average days to maturity of the SBA Florida PRIME at September 30, 2010 was 52 days. The weighted average maturity of the FLSAFE was 57 days at September 30, 2010. The weighted average life of SBA Fund B at September 30, 2010 is 7.49 years. The weighted average maturity for PFM Prime and PFM Government Series is not to exceed 60 days. The weighted average maturity for Goldman Sachs Financial Square Government Fund is 50 days. The weighted average maturity for Fidelity Institutional Money Market is 53 days. To limit exposure to interest rate risk, the City and its three Pension Plans: the General Employees', Firefighters' and Police Officers' diversify investments by security type and institution, and limit holdings in any one type of investment with any one issuer with various durations of maturity. In addition, the Police Officers' Pension Plan manages its exposure to declines in fair values by limiting the effective duration of its investment portfolio through the adoption of the Lehman Brothers Government/Credit Intermediate Index.

Credit risk. The City's investments, exclusive of the Pension trust 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, PFM Prime Series Fund, and FLSAFE are rated AAAM by Standard and Poor's; Fund B is not rated by a nationally recognized statistical rating agency. PFM Government Series Fund, Goldman Sachs Financial Square Government Fund and the Fidelity Institutional Money Market Fund (money market mutual funds) are rated AAAM by Standard and Poor's and Aaa by Moodys. Of the General Employees' Pension Plan's investments at September 30, 2010, \$30,144,539 were rated AAA, \$2,457,385 were rated AA, \$5,420,352 were rated A, \$3,286,678 were rated Baa and \$235,160 were rated BB. The credit ratings of investments in the Firefighters' Pension Plan at September 30, 2010 were: \$999,751 rated AAA, \$532,631 rated AA+, \$1,321,276 rated AA, \$1,047,484 rated AA-, \$3,409,585 rated A+, \$5,634,819 rated A, and \$874,784 rated A- (investments of \$448,923 were not rated); U. S. Government guaranteed obligations of \$9,339,526 are considered to have no credit risk.

Concentration of credit risk. The City's investment policy limits the investment in any single issuer to no more than 10% of the value of the portfolio, except for U.S. Government and Agency instruments, Government Sponsored Enterprise (GSE) securities or fully insured certificates of deposit. As of September 30, 2010, the City's investment in Federal National Mortgage Association (FNMA) amounted to \$36,120,313, which represents 10% of the total portfolio. The investment policy limits the investment in Florida PRIME (formally LGIP) fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Florida Statute 163.01(FLSAFE), to no more than 60% of the value of the portfolio. 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. 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 assets available for benefits.



## CITY OF SUNRISE, FLORIDA

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.

Custodial credit risk – investments. For an investment, 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.

### B. Receivables

Receivables at September 30, 2010, are as follows:

	Interest	Taxes/Franchise Fees	Accounts	Special Assessments	Other	Intergov- ernmental	Total Receivables
Governmental activities:							
General	\$ 300,547	\$ -	\$ 446,354	\$ -	\$ -	\$ 1,763,332	\$ 2,510,233
Public Service Tax	41	561,865	-	-	-	240,315	802,221
Capital Improvements	156,014	-	-	-	-	-	156,014
Internal Service	40,575	-	89,261	-	-	-	129,836
Other governmental	<u>46,239</u>	<u>1,083,701</u>	<u>-</u>	<u>3,083,929</u>	<u>15,661</u>	<u>950,564</u>	<u>5,180,094</u>
Total – governmental Activities	<u>\$ 543,416</u>	<u>\$ 1,645,566</u>	<u>\$ 535,615</u>	<u>\$ 3,083,929</u>	<u>\$ 15,661</u>	<u>\$ 2,954,211</u>	<u>\$ 8,778,398</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,533,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,533,593</u>
Business-type activities:							
Water, Wastewater & Gas Utility System	\$ 157,535	\$ -	\$ 14,330,549	\$ 47,970	\$ 115	\$ 398	\$ 14,536,567
Sanitation	-	-	2,233,643	-	-	-	2,233,643
Other proprietary	<u>9,434</u>	<u>-</u>	<u>399,363</u>	<u>-</u>	<u>58</u>	<u>56,245</u>	<u>465,100</u>
Gross receivables	166,969	-	16,963,555	47,970	173	56,643	17,235,310
Less:							
Uncollectibles	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
	<u>\$ 166,969</u>	<u>\$ -</u>	<u>\$ 16,813,555</u>	<u>\$ 47,970</u>	<u>\$ 173</u>	<u>\$ 56,643</u>	<u>\$ 17,085,310</u>

**CITY OF SUNRISE, FLORIDA**

Revenues of the Water, Wastewater & Gas Utility System enterprise fund are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water and wastewater sales	\$ 95,796
Uncollectibles related to gas sales	11,122
Uncollectibles related to recycling services	232
Uncollectibles related to stormwater services	<u>3,890</u>
Total uncollectibles for the current fiscal year	<u>\$111,040</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Special assessments not yet due (Special Recreation District Phase I)	\$2,246,579	\$ -
Special assessments not yet due (Special Recreation District Phase II)	837,329	-
Communications Services Tax (Public Service Tax debt service fund)	240,315	-
Prepaid license fees (general fund)	-	1,468,228
Prepaid inspection fees (general fund)	-	441,735
Prepaid arena special detail (general fund)	-	52,500
Prepaid communications lease (general fund)	-	31,390
Grant meeting all eligibility requirements (Community Development Block grant special revenue fund)	17,918	-
Grant meeting all eligibility requirements (Broward County Home Consortium grant special revenue fund)	48,225	-
Grant meeting all eligibility requirements (Broward County Disaster Recovery Initiative grant special revenue fund)	95,098	-
Grant meeting all eligibility requirements (Neighborhood Stabilization Program grant special revenue fund)	371,877	-
Grant proceeds prior to meeting all eligibility requirements (general fund)	-	<u>21,666</u>
Total deferred/unearned revenue for governmental funds	<u>\$3,857,341</u>	<u>\$2,015,519</u>

**CITY OF SUNRISE, FLORIDA**

**C. Capital assets**

Capital asset activity for the year ended September 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 14,700,664	\$ -	\$ -	\$ 14,700,664
Construction in progress	10,105,265	31,406,856	(980,891)	40,531,230
Total capital assets, not being depreciated	<u>24,805,929</u>	<u>31,406,856</u>	<u>(980,891)</u>	<u>55,231,894</u>
Capital assets, being depreciated:				
Intangibles	841,926	104,409	(52,692)	893,643
Buildings and system	87,455,797	-	-	87,455,797
Improvements other than buildings	29,252,166	1,134,320	-	30,386,486
Machinery and equipment	10,528,543	1,403,981	(559,225)	11,373,299
Vehicles	17,813,180	2,137,149	(452,212)	19,498,117
Infrastructure	330,980,615	-	-	330,980,615
Total capital assets, being depreciated	<u>476,872,227</u>	<u>4,779,859</u>	<u>(1,064,129)</u>	<u>480,587,957</u>
Less accumulated depreciation for:				
Intangibles	(508,081)	(104,549)	52,250	(560,380)
Buildings and system	(19,463,707)	(2,442,714)	-	(21,906,421)
Improvements other than buildings	(14,349,800)	(2,709,416)	-	(17,059,216)
Machinery and equipment	(7,587,604)	(979,420)	504,505	(8,062,519)
Vehicles	(11,343,363)	(1,672,625)	452,211	(12,563,777)
Infrastructure	(247,037,443)	(11,915,533)	-	(258,952,976)
Total accumulated depreciation	<u>(300,289,998)</u>	<u>(19,824,257)</u>	<u>1,008,966</u>	<u>(319,105,289)</u>
Total capital assets, being depreciated, net	<u>176,582,229</u>	<u>(15,044,398)</u>	<u>(55,163)</u>	<u>161,482,668</u>
Governmental activities capital assets, net	<u>\$ 201,388,158</u>	<u>\$ 16,362,458</u>	<u>\$ (1,036,054)</u>	<u>\$216,714,562</u>

**CITY OF SUNRISE, FLORIDA**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 10,985,086	\$ -	\$ -	\$ 10,985,086
Construction in progress	12,308,521	6,257,454	(4,512,345)	14,053,630
Total capital assets, not being depreciated	<u>23,293,607</u>	<u>6,257,454</u>	<u>(4,512,345)</u>	<u>25,038,716</u>
Capital assets, being depreciated:				
Intangibles	881,703	41,846	(10,770)	912,779
Buildings and system	454,684,460	7,258,581	(1,040,616)	460,902,425
Improvements other than buildings	8,063,848	878,673	(1,071)	8,941,450
Machinery and equipment	7,397,790	456,105	(256,274)	7,597,621
Vehicles	7,054,664	534,461	(514,537)	7,074,588
Total capital assets, being depreciated	<u>478,082,465</u>	<u>9,169,666</u>	<u>(1,823,268)</u>	<u>485,428,863</u>
Less accumulated depreciation for:				
Intangibles	(469,055)	(141,051)	10,770	(599,336)
Buildings and system	(148,380,503)	(13,226,774)	388,656	(161,218,621)
Improvements other than buildings	(1,432,775)	(572,311)	241	(2,004,845)
Machinery and equipment	(4,318,382)	(608,313)	226,767	(4,699,928)
Vehicles	(4,924,908)	(555,307)	513,048	(4,967,167)
Total accumulated depreciation	<u>(159,525,623)</u>	<u>(15,103,756)</u>	<u>1,139,482</u>	<u>(173,489,897)</u>
Total capital assets, being depreciated, net	<u>318,556,842</u>	<u>(5,934,090)</u>	<u>(683,786)</u>	<u>311,938,966</u>
Business-type activities capital assets, net	<u>\$ 341,850,449</u>	<u>\$ 323,364</u>	<u>\$ (5,196,131)</u>	<u>\$ 336,977,682</u>

At September 30, 2010, amounts included in governmental activities recorded under capital leases include original amounts of \$22,393 of improvements other than buildings, \$990,983 of machinery and equipment and \$2,507,000 of vehicles; those included in business-type activities include \$207,082 of machinery and equipment and \$214,432 of vehicles.

At September 30, 2010, the capital assets of the pension trust funds consist of machinery, equipment, furniture and fixtures of \$27,482 less accumulated depreciation of \$26,947. Depreciation expense for the year ended September 30, 2010 is \$355.

## CITY OF SUNRISE, FLORIDA

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

Governmental activities:	
General government	\$ 1,398,315
Public safety	2,436,054
Transportation, including depreciation of general infrastructure assets	12,027,357
Culture and recreation	3,962,531
Total depreciation expense - governmental activities	<u>\$ 19,824,257</u>
Business-type activities:	
Water, wastewater, and gas	\$ 14,847,995
Recycling	1,163
Stormwater	220,997
Golf course	33,601
Total depreciation expense - business-type activities	<u>\$ 15,103,756</u>

### **D. Construction commitments**

At September 30, 2010, the City had in process various uncompleted construction projects with remaining balances totaling \$21,510,328. Funding of these projects is to be made primarily through the proceeds of the related bond issues and future taxes.

### **E. Interfund receivables, payables and transfers**

The general fund advanced \$1,450,000 to the Stormwater Utility enterprise fund in the 1996-1997 fiscal year. This advance was made to enable capital purchases at the inception of the Stormwater Utility enterprise fund. This advance bears interest at the annual rate of 5.25% and is payable over 20 years. The general fund reserves fund balance for \$598,356, the non-current portion of the loan. The current portion of the loan in the amount of \$83,057 is recorded as an interfund receivable/payable.

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 reserves fund balance for \$100,000.

The general fund advanced \$280,366 to the Urban Area Security Initiative grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$686,397 to the Broward County Home Consortium grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$197,555 to the Broward County Disaster Recovery Initiative grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$360,484 to the Neighborhood Stabilization Program grant special revenue fund as a short-term loan to fund operations.

**CITY OF SUNRISE, FLORIDA**

The composition of interfund balances as of September 30, 2010, is as follows.

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 1,607,859	\$ -
Non-major governmental funds:		
Special revenue funds:		
Urban Area Security Initiative Grant	-	280,366
Broward County Home Consortium Grant	-	686,397
Broward County Disaster Recovery Initiative Grant	-	197,555
Neighborhood Stabilization Program Grant	-	360,484
Total non-major governmental funds	-	1,524,802
Non-major enterprise fund:		
Stormwater	-	83,057
Total interfund receivables/payables	<u>\$ 1,607,859</u>	<u>\$ 1,607,859</u>

<u>Fund</u>	<u>Advance from</u>	<u>Advance to</u>
General fund	\$ 698,356	\$ -
Non-major governmental fund:		
Special revenue fund: CDBG Grant	-	100,000
Non-major enterprise fund:		
Stormwater	-	598,356
Total advances	<u>\$ 698,356</u>	<u>\$ 698,356</u>

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Purpose</u>
General fund	\$ 1,633,179	\$ 1,182,706	1,2,3,4,5
Debt service fund:			
Public Service Tax	989,640	-	2
Capital projects fund:			
Capital Improvements	-	1,435	3
Non-major governmental funds:			
Special revenue funds:			
Community Development Block Grant	-	533	3
Emergency Management	-	370	1,3
Broward County Home Consortium Grant	-	193	3
Broward County Disaster Recovery Init. Grant	-	193	3
Neighborhood Stabilization Program Grant	-	202	3
Fuel and Roadway	-	78	3
Police Confiscation	-	127	3
Debt service fund:			
Special Tax District No. 1	-	3,740	5
Total non-major governmental funds	-	5,436	
Enterprise funds:			
Water, Wastewater, and Gas Utility System	764,432	1,484,367	1,2,3
Sanitation	-	174,865	4
Non-major enterprise funds:			
Stormwater	9,015	2,018	1,3
Internal service funds:			
Vehicle Replacement	-	732,592	1
Pension trust funds:			
General Employees' Pension	76,696	-	3
Police Officers' Pension	57,958	-	3
Firefighters' Pension	52,499	-	3
Total pension trust funds	187,153	-	
Total due to/due from	<u>\$ 3,583,419</u>	<u>\$ 3,583,419</u>	

## CITY OF SUNRISE, FLORIDA

The reasons for the due to/due from other funds are:

- 1) Salary, fringe benefit, operating expense reimbursements
- 2) Utility service taxes
- 3) Pension plan funding
- 4) Franchise fee receivable/payable
- 5) Property taxes

### Interfund transfers:

	Transfer out:				Total
	General fund	Public Service Tax debt service fund	Non-major governmental fund	Water, Waste-water and Gas Utility System enterprise fund	
Transfer in:					
General fund	\$ -	\$ 5,794,115 a	\$ 34,006,440 a	\$ 353,537 a	\$ 40,154,092
Capital Improvements					
capital projects fund	1,346,466 b	-	1,468,707 b	-	2,815,173
Non-major governmental funds	-	-	618,464 a	-	618,464
Sanitation enterprise fund	782,236 c	-	-	-	782,236
Non-major enterprise funds	1,239,345 c	-	-	-	1,239,345
<b>Total</b>	<b>\$ 3,368,047</b>	<b>\$ 5,794,115</b>	<b>\$ 36,093,611</b>	<b>\$ 353,537</b>	<b>\$ 45,609,310</b>

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

### F. Leases

The City leases office equipment and other items. There are no material operating leases with noncancellable terms in excess of one year.

### G. Long-term debt

Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds are included in the accounts of such funds. Utility system revenue bonds are collateralized by a lien on the revenues earned by the utility system.

On September 23 2010, the City issued Utility System Revenue bonds, Series 2010A, totaling \$19,960,000 and Series 2010B totaling \$93,915,000. The bonds were issued to finance construction, acquisition or equipment of a portion of certain capital improvements to the City's water and wastewater utility facilities. The Series 2010A have a true interest cost of 2.378% and an average coupon rate of 4.000% with the bonds maturing in 2020. The Series 2010B bonds (Build America Bonds-Direct payment) have a true interest cost of 3.866% and an average coupon rate of 5.879% with the bonds maturing in 2035. The Series 2010B bonds are federally taxable and entitle the City to receive direct subsidy payments, 35% of the interest payable, from the United States Department of the Treasury upon meeting certain requirements. If the federal direct subsidy payments from the Department of the Treasury are reduced or eliminated, the City is still responsible for meeting all principal and interest obligations. The issuance provided project proceeds of

## **CITY OF SUNRISE, FLORIDA**

\$116,331,642, which is inclusive of underwriter's discounts and costs of issuance totaling of \$1,452,860 and a bond premium of \$2,456,642.

General Long-Term Debt Bonds are collateralized by multiple sources. The Public Facilities refunding revenue bonds are collateralized by a lien on and a pledge of a tax upon purchases within the city of electricity, metered and bottled gas, water service and telegraph and telecommunications service. The Sunrise Lakes Phase I and Phase II Special Recreation Districts' public improvement refunding bonds are collateralized by a general obligation pledge by the Districts of their full faith and credit; if the payments to the City as paying agent are insufficient to meet the bond requirements, the bonds will be paid from taxes to be levied and collected on all property in the respective Districts. 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 of the three 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.



**CITY OF SUNRISE, FLORIDA**

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

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest*
2011	\$ 5,175,000	\$ 415,285	\$ 7,185,000	\$ 11,747,889
2012	5,210,000	379,380	5,850,000	11,652,339
2013	5,250,000	341,100	5,850,000	11,648,764
2014	5,290,000	300,150	5,860,000	11,387,789
2015	5,330,000	257,400	6,070,000	11,126,264
2016-2020	26,155,000	541,025	23,770,000	52,503,195
2021-2025	8,680,000	-	68,850,000	42,776,055
2026-2030	-	-	54,610,000	25,615,840
2031-2035	-	-	57,100,000	10,377,611
	<u>61,090,000</u>	<u>2,234,340</u>	<u>235,145,000</u>	<u>188,835,746</u>
Plus/(less):				
Unappreciated accretion	(17,418,026)	-	(1,638,959)	-
Sub-total	43,671,974	2,234,340	233,506,041	188,835,746
Bond premium	-	-	3,010,287	-
Bond discount	-	-	(45,504)	-
Deferred amount on refunding	-	-	(2,141,861)	-
	<u>\$ 43,671,974</u>	<u>\$ 2,234,340</u>	<u>\$ 234,328,963</u>	<u>\$ 188,835,746</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:

Year Ending September 30	Principal	Interest
2011	\$ 2,005,000	\$ 1,120,067
2012	2,090,000	1,036,509
2013	2,175,000	947,226
2014	1,995,000	852,330
2015	2,085,000	763,272
2016-2020	11,505,000	2,262,116
2021-2022	2,455,000	120,690
Total	<u>\$ 24,310,000</u>	<u>\$ 7,102,210</u>

**CITY OF SUNRISE, FLORIDA**

Description of Individual Bond Issues Outstanding – Summarized below are the bonds outstanding for the City’s governmental activities:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>
<b>Governmental activities</b>				
Public Facilities refunding revenue bonds, Series 1992A and 1992B	Refunding and fund certain municipal capital improvements			
Serial bonds		\$ 21,865,000	\$ -	3.30-6.20%
Term bonds		11,490,000	-	6.55%
Capital appreciation serial bonds		14,184,465	34,661,974	6.70-6.80%
Series 1999				
Serial bonds		25,485,000	4,555,000	3.00-4.625%
Term bonds		4,455,000	4,455,000	4.75%
Sunrise Lakes Phase I Special Recreation District public improvement refunding bonds, Series 1998	Refunding			
Bank Note		3,635,000	1,860,000	4.413%
Sunrise Lakes Phase II Special Recreation District public improvement refunding bonds, Series 1998	Refunding			
Bank note		3,125,000	770,000	4.316%
Special Tax District No. 1 ad valorem tax refunding bonds, Series 2001	Refunding			
Serial bonds		26,660,000	17,060,000	2.70%-5.00%
ad valorem tax bonds, Series 2003	Fund certain District capital improvements			
Serial bonds		<u>6,770,000</u>	<u>4,620,000</u>	1.25-4.60%
Total governmental activities bonds		<u>\$117,669,465</u>	<u>\$ 67,981,974</u>	

The City has pledged future utility taxes revenues and communications services tax revenues to repay \$77,479,465 in revenue refunding bonds issued in 1992 and 1999. Proceeds from the 1992A bonds were used to refund the City’s Public Service Tax Revenue Bonds, Series 1987 and proceeds from the 1992B bonds were used to fund public capital improvements. Proceeds from the 1999 bonds were used to refund a portion of the Series 1992B bonds and Series 1995 Revenue Note as well as fund public capital improvements. The bonds are payable solely from utility service taxes and communications services taxes. The Series 1992B bonds are payable through 2022 and the Series 1999 bonds are payable through 2019. Total principal and interest remaining to be paid on the bonds is \$45,906,314. For the current year, principal and interest of \$5,588,885 was paid. Utility service tax revenues and communications services tax revenues were \$7,688,446 and \$4,272,162, respectively. The pledged revenues are expected to continue through maturity of the debt.

## CITY OF SUNRISE, FLORIDA

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

	Purpose of Issue	Amount Issued	Principal Outstanding	Interest Rate
<b>Business-type activities</b>				
Utility revenue bonds:				
Series 1993	Refunding			
Serial bonds		\$ 11,100,000	\$ -	3.25-5.20%
Term bonds		1,855,000	-	5.60%
Capital appreciation bonds		7,194,299	10,544,124	5.55-5.80%
Series 1996A	Fund utility system			
Term bonds	improvements	130,840,000	-	5.75-5.90%
Capital appreciation bonds		10,643,069	1,411,917	4.80-5.80%
Series 1998	Refunding and fund			
Serial bonds	utility system	13,935,000	-	3.60-5.50%
Term bonds	improvements	143,650,000	88,295,000	5.06-5.20%
Series 1998A	Refunding and fund			
Term bonds	utility system			
	improvements	15,195,000	14,640,000	5.50%
Series 2010A	Fund utility system			
Serial bonds	improvements	19,960,000	19,960,000	4.00%
Series 2010B	Fund utility system			
Term bonds	improvements	93,915,000	93,915,000	5.813-5.913%
Series 2010C	Refunding			
Term bonds		<u>4,740,000</u>	<u>4,740,000</u>	3.00%-4.00%
Total business-type activities bonds		<u>\$ 453,027,368</u>	<u>\$ 233,506,041</u>	

The City has pledged future net water, wastewater, and gas revenues to repay \$453,027,368 of utility bonds issued in 1993, 1996, 1998 and 2010. Proceeds from the 1993 bonds were used to refund the City’s Public Improvement Revenue Bonds Series 1989; proceeds from the 1996A bonds were used to fund extension, rehabilitation, and replacement of various components of the City’s water, sewer, and gas utility system; 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, sewer and gas utility system; proceeds from the 1998A bonds were used to refund a portion of the Series 1986A and fund capital improvements to the 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, Utility System Revenue Refunding Bonds, Series 1996, and other outstanding utility bonds which matured on October 1, 2010. The Series 1993 bonds are payable through 2016; the Series 1996A bonds are payable through 2011; the Series 1998 bonds are payable through 2028; the Series 1998A bonds are payable through 2015; the Series 2010A bonds are payable through 2020; the Series 2010B bonds are payable through 2035; and the Series 2010C bonds are payable through 2019. Total principal and interest remaining to be paid on the utility bonds is \$422,341,787. Principal and interest paid for the current year and total customer net revenue were \$16,445,373 and \$41,926,590, respectively. The pledged revenues are expected to continue through maturity of the debt.

**CITY OF SUNRISE, FLORIDA**

**Defeased and refunded debt**

The City has a number of bond issues that have been refunded. 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 August 18, 2010, the City cash defeased a portion of the City's outstanding Utility System Revenue and Revenue Refunding Bonds, Series 1998, which mature in the years 2011 through and including 2018 and a portion of the Series 1998 that matures in the year 2022. These bonds were defeased to effectuate changes to the bond covenants. As a result of the defeasance, an accounting loss of \$18,701,562 was recognized for the statement of activities as well as the proprietary funds statement of revenues, expenses, and changes in fund net assets. However, the present value of the debt defeased was \$74,833,793, resulting in an economic gain of \$216,837.

On September 23, 2010, the City issued Utility System Revenue Refunding Bonds, Series 2010C, thereby refunding a portion of the City's outstanding Utility System Refunding Revenue Bonds, Series 1993, refunding Utility System Revenue Refunding Bonds, Series 1996, and refunding that portion of all of the City's other outstanding bonds which mature on October 1, 2010. The refunding was an advance refunding; an irrevocable trust with an escrow agent was established to provide for future debt service payments until the bonds are called. The refunding met the requirements of an in-substance defeasance and resulted in an economic gain of approximately \$438,500. The reacquisition price exceeded the net carrying amount of the old debt by \$142,832, which is deferred and amortized as a component of interest expense using the straight line method through the year 2019. As of September 30, 2010, \$4,457,938 was held in escrow related to this refunding, scheduled to be released from escrow on October 1, 2010. Summarized below are the refunded bonds of the City's business-type activities:

<u>Type</u>	<u>Series</u>	<u>Year Refunded</u>	<u>Outstanding as of 9/30/10</u>
Utility System revenue bonds	1976	1983	\$ 2,760,000
	1976A	1983	500,000
	1976B	1983	2,145,000
	1976C	1983	495,000
	1976D	1983	530,000
	1976E	1983	1,035,000
	1976F	1983	665,000
	1983A	1985	680,000
	1983C	1985	980,000
	1993	2010	1,855,000
	1996	2010	3,050,000
	1998	2010	61,045,000
	Total outstanding defeased debt		

**CITY OF SUNRISE, FLORIDA**

**Change in long-term liabilities**

Long-term liability activity for the year ended September 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable	\$ 72,544,366	\$ 2,507,608 *	\$ (7,070,000)	\$ 67,981,974	\$ 7,180,000
Compensated absences	10,225,243	6,588,804	(6,140,470)	10,673,577	670,992
Other post employment benefits	4,875,978	1,640,634	-	6,516,612	-
Retiree subsidy	2,280,493	803,053	-	3,083,546	-
Claims and judgments	4,464,347	-	(34,067)	4,430,280	1,827,862
<b>Governmental activity long-term liabilities</b>	<b><u>\$ 94,390,427</u></b>	<b><u>\$ 11,540,099</u></b>	<b><u>\$(13,244,537)</u></b>	<b><u>\$ 92,685,989</u></b>	<b><u>\$ 9,678,854</u></b>
<b>Business-type activities:</b>					
<b>Bonds payable:</b>					
Revenue bonds	\$ 187,750,768	\$ 119,435,273 *	\$ (73,680,000)	\$ 233,506,041	\$ 7,185,000
<b>Less deferred amounts:</b>					
For issuance discounts	(129,218)	83,714	-	(45,504)	-
For issuance premiums	452,613	2,732,308	(174,634)	3,010,287	-
On refunding	(8,896,023)	6,896,994	(142,832)	(2,141,861)	-
<b>Total bonds payable</b>	<b><u>179,178,140</u></b>	<b><u>129,148,289</u></b>	<b><u>(73,997,466)</u></b>	<b><u>234,328,963</u></b>	<b><u>7,185,000</u></b>
Compensated absences	3,586,632	1,902,374	(1,748,489)	3,740,517	312,120
Other post employment benefits	1,825,932	599,445	-	2,425,377	-
Retiree subsidy	1,666,628	621,315	-	2,287,943	-
<b>Business-type activity long-term liabilities</b>	<b><u>\$ 186,257,332</u></b>	<b><u>\$132,271,423</u></b>	<b><u>\$(75,745,955)</u></b>	<b><u>\$ 242,782,800</u></b>	<b><u>\$ 7,497,120</u></b>

\* includes future appreciated principal accretion and issuance of revenue bonds

For governmental activities, compensated absences, other post-employment benefits, and retiree subsidy are generally liquidated by the general fund. Claims and judgments are liquidated by the Workers' Compensation internal service fund.

**H. 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 2010-2011 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 - \$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

## CITY OF SUNRISE, FLORIDA

(caps) the annual increase in assessed value for homesteaded property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less. Amendment 1 also provided a \$25,000 exemption for tangible personal property. Current tax collections for the year ended September 30, 2010 were approximately 97% 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.

Property tax revenue is recorded when it becomes available. Available means due and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. No accrual for the property tax levy becoming due in November 2010 is included in the financial statements since such taxes are collected to finance expenditures of the subsequent period.

The City Commission establishes the tax levy of the City. The adoption of the final millage rate occurred September 21, 2009. Under Florida law, the assessment of all properties and the collection of all county, municipal, special district and school board property taxes are provided by Broward County's Property Appraiser and Tax Collector, who are elected County officials.

The property tax calendar for revenues billed and received for the fiscal year ended September 30, 2010 is shown as follows:

Lien date	January 1, 2009
Levy date, tax bills mailed	November 1, 2009
Last date for 4% discount on taxes paid	November 30, 2009
Last date for 3% discount on taxes paid	December 31, 2009
Last date for 2% discount on taxes paid	January 31, 2010
Last date for 1% discount on taxes paid	February 28, 2010
Final due date of payment of taxes	March 31, 2010
First date for auctioning tax certificates on delinquent accounts	June 1, 2010

### **I. Restatement of fund balances**

The City has restated beginning fund balance for the Vehicle Replacement Fund, as well as the total nonmajor governmental funds. Beginning in fiscal year 2010, the Vehicle Replacement Fund was classified as an internal service fund; it was previously reported as a special revenue fund. The amount of this restatement of fund balance is \$6,614,405. It did not impact the government-wide statements.

**CITY OF SUNRISE, FLORIDA**

**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). The claims liability of \$4,430,280, which is discounted at 4%, is reported in the fund at September 30, 2010 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>9/30/09</u>	Year ended <u>9/30/10</u>
Unpaid claims, beginning of fiscal year	\$ 3,916	\$ 4,464
Incurred claims (and estimate changes)	1,561	763
Claim payments	<u>(1,013)</u>	<u>(797)</u>
Unpaid claims, end of fiscal year	<u>\$ 4,464</u>	<u>\$ 4,430</u>

**B. Contingent liabilities**

Amounts received or receivable from grant agencies are subject to audits and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

## CITY OF SUNRISE, FLORIDA

### 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 retiree subsidy for general employees 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 plan (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. There were twenty-eight members in the DROP as of September 30, 2010. 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. 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 13<sup>th</sup> 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 13<sup>th</sup> check and the City's required contributions to the Plan, a 14<sup>th</sup> check will be distributed to eligible participants – those eligible for a 13<sup>th</sup> check, except for DROP participants.

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 now participate in the DROP for a maximum period of 72 months. As of September 30, 2010, thirty-two firefighters were participating in this program.



## CITY OF SUNRISE, FLORIDA

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, 2010, there were 102 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 13<sup>th</sup> check, based on the cumulative net actuarial gain is available; effective January 1, 2004, a minimum of one-half of the 13<sup>th</sup> 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 and 6% of earnings each plan year on behalf of each senior management employee and each city commissioner; 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 \$305,000 for the fiscal year ended September 30, 2010 for the seventy-eight employees covered under the plan. City ordinance provides the authority to establish and amend benefit provisions and contribution requirements for the Governmental Money Purchase Plan and Trust. The Purchase Plan was amended with Ordinance No. 715-X-09-A, effective May 1, 2009, which eliminated the benefit for employees newly hired, rehired, or promoted from a general employee position into a management position

The City, under Ordinance No. 715-X-98-C and amended by Ordinance No. 715-X-00-C and Ordinance No. 715-X-03-A, established a retiree subsidy of \$200 per month for all general executive management and supervisory/professional employees who retired 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' Retirement 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 May 1, 2009, under Ordinance No. 715-X-09-A, all management

## CITY OF SUNRISE, FLORIDA

and supervisory/professional employees who separate and retire will receive a retiree subsidy equal to general employees under the collective bargaining agreement in effect at the time of separation. There were 138 participants during the fiscal year ended September 30, 2010.

Effective September 28, 1999, under Ordinance No. 715-X-99-A, the City established a preservation of benefits plan as a deferred compensation plan for managers and senior managers who are members of the General Employees' Pension Plan. This plan, which is administered by the City, was established as a qualified governmental excess benefits arrangement pursuant to section 415(m) of the U. S. Internal Revenue Code. For each eligible payee, the City will provide a supplemental retirement benefit equal to the reduction of retirement benefits due to the application of section 401(a)(17) or section 415(b) of the U. S. Internal Revenue Code. There were three eligible payees covered during the fiscal year ended September 30, 2010.

All three defined benefit pension plans are included as part of the City's reporting entity as pension trust funds. Copies of separately issued financial reports that include financial statements and required supplementary information for each plan is available at the following locations:

General Employees' Pension Plan	Pension Resource Centers, LLC 4360 Northlake Boulevard Suite 206 Palm Beach Gardens, FL 33410 Attn: Margie Adcock	Telephone No. (561) 624-3277
Police Officers' Pension Plan	City of Sunrise, Florida Police Officers' Retirement Plan 13790 N. W. Fourth St., Suite 105 Sunrise, FL 33325 Attn: Dave Williams	Telephone No. (954) 845-0298
Firefighters' Pension Plan	Benefits USA, Inc. 3810 Inverrary Blvd., Suite 303 Lauderhill, FL 33319 Attn: Livia Nixon	Telephone No. (954) 730-2068

**Funding policy and annual pension cost:** 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

**CITY OF SUNRISE, FLORIDA**

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% and the maximum contribution for management and senior management hired prior to October 1, 2009 is capped at 11.75% through the conclusion of the bargaining unit contract, September 30, 2011. Effective October 1, 2009, general employees, including management and senior management, hired on or after October 1, 2009 contribute 8%. The following schedule summarizes the required 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	25.92%	36.73%	17.10%
Plan members		9.84%	10.63%
General employees	9.51%		
Management, senior management	11.75%		
Employees hired after 10/1/09	8.00%		
Annual pension costs	\$ 9,750,051	\$ 7,009,595	\$ 3,829,131
Contributions made:			
City	\$ 7,141,640	\$ 5,152,639	\$ 1,897,064
Plan members	2,608,411	1,304,234	1,112,299
Other	-	552,722 <sup>1</sup>	819,768 <sup>1</sup>

<sup>1</sup>The 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. This amount totaled \$1,372,490 for the year ended September 30, 2010: \$819,768 for property insurance contracts for firefighters under Chapter 175 and \$552,722 for casualty insurance contracts for police officers under Chapter 185. These amounts are recognized as insurance premium revenues and public safety expenditures in the General Fund.

The City has traditionally contributed the annual required contribution (ARC) and thus has never had, or had need to report, a net pension obligation (NPO) for the City’s three single-employer defined benefit pension plans. To date the City has followed a pay-as-you-go funding policy for the retirees’ subsidy plan, contributing only those amounts necessary to provide current year benefits.

## CITY OF SUNRISE, FLORIDA

**Actuarial methods and assumptions:** The annual required contributions for the current year were determined as part of the October 1, 2008 actuarial valuation for the Firefighters', General Employees', and Police Officers' Pension Plans. Additional information as of the latest actuarial valuation date of October 1, 2009 for the Firefighters' and General Employees' Pension Plans, and October 1, 2010 for the Police Officers' Pension Plan 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
Amortization method	Level percent, closed	Level percent, closed	Level percent, closed
Remaining amortization period	26 years	28 years	30 years
Actuarial assumptions:			
Investment rate of return	8.25%	8.3%	8.125%
Inflation rate	3.5%	4%	4.25%
Projected salary increases *	5.9%	5.2%-8.5%	6%-13%
Cost of living adjustments	2% for eligible management employees and commissioners, 2.5% for eligible senior management employees	2.5% for eligible employees	2% for eligible employees
Asset valuation:			
Reporting	Fair value	Fair value	Fair value
Actuarial valuation	5 year smoothed market without phase-in	5 year smoothed market	5 year smoothing
Non-government investment in excess of 5%	None	None	None

\*Projected salary increases include inflation.

The actuarial accrued liability (AAL) for the retirees' subsidy plan was projected to September 30, 2010 based on the assumptions presented below. The results are not based on the assumption that all members terminate service as of the valuation date but rather on the assumptions about future disablement, future mortality, future termination of employment, and future retirement continuing to be operative. Benefits are assumed to be unfunded.

Actuarial valuation date	October 1, 2009
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	28 years
Actuarial assumptions:	
Investment rate of return	4.5%
Inflation rate	3.0%
Projected salary increases	7.0%-7.5%
Asset valuation method	n/a

**CITY OF SUNRISE, FLORIDA**

**Funded status and funding progress:** The funded status of the three defined benefit pension plans as of September 30, 2010 was as follows (dollar amounts in thousands):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
<b>General Employees' Pension Fund</b>						
10/1/09	\$ 113,739	\$ 163,887	\$ 50,148	69.4%	\$ 25,457	197.0%
<b>Police Officers' Pension Fund</b>						
10/1/09	\$ 50,806	\$ 97,673	\$ 46,867	52.0%	\$ 13,936	336.3%
<b>Firefighters' Pension Fund</b>						
10/1/09	\$ 74,486	\$ 106,708	\$ 32,222	69.8%	\$ 10,646	302.7%

The funded status of the retirees' subsidy plan as of September 30, 2010 was as follows (dollar amounts in thousands):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
09/30/10	-	\$ 16,253	\$ 16,253	0.0%	\$ 29,136	55.8%

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

For the fiscal year ended September 30, 2010, the annual cost of the retirees' subsidy plan of \$1,905,331 is not equal to the annual required contribution, which is \$1,877,996 due to interest and an adjustment to the annual required contribution. The contributions made by the City were \$480,963 resulting in an increase in the net pension obligation of \$1,424,368.

**CITY OF SUNRISE, FLORIDA**

Three-year trend information follows for the defined benefit pension plans:

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
General Employees' Pension Plan:	9/30/08	\$ 8,679,525	100%	\$0
	9/30/09	9,016,477	100	0
	9/30/10	9,750,051	100	0
Police Officers' Pension Plan:	9/30/08	\$ 5,282,004	100%	\$0
	9/30/09	5,879,538	100	0
	9/30/10	7,009,595	100	0
Firefighters' Pension Plan:	9/30/08	\$ 3,339,040	100%	\$0
	9/30/09	3,615,750	100	0
	9/30/10	3,829,131	100	0
	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Retiree Pension Obligation</u>
Retirees' subsidy plan	9/30/08	\$ 2,611,203	10.2%	\$ 2,344,149
	9/30/09	1,945,812	17.6	3,947,121
	9/30/10	1,905,331	25.2	5,371,489

**D. Other post-employment benefits**

The cost of post-employment healthcare, life insurance, and long-term care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45, the City recognizes the cost of these post-employment benefits in the year when the employee services are received.

**Plan description:** The City has previously established and maintains an employee group medical insurance plan, an employee group life insurance plan, and an 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 medical and life insurance plans are single-employer, experience-rated insurance plans that provide benefits to eligible retirees and their eligible dependents. The 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.

**CITY OF SUNRISE, FLORIDA**

**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 full expected retiree obligation recognized in this disclosure.

**Annual OPEB cost and net OPEB obligation:** The City’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation.

Annual required contribution	\$ 2,788,257
Interest on net OPEB obligation	301,586
Adjustment to annual required contribution	(255,173)
Annual OPEB cost (expense)	<u>2,834,670</u>
Contributions made	<u>(594,591)</u>
Increase in net OPEB obligation	2,240,079
Net OPEB obligation – beginning of year	<u>6,701,910</u>
Net OPEB obligation – ending of year	<u>\$ 8,941,989</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2010 is listed below.

Fiscal Year	Annual	Percentage of OPEB	Net OPEB
<u>Ending</u>	<u>OPEB Cost</u>	<u>Cost Contributed</u>	<u>Obligation</u>
09/30/08	\$3,640,248	8.0%	\$3,347,277
09/30/09	3,652,657	8.2	6,701,910
09/30/10	2,834,670	21.0	8,941,989

**CITY OF SUNRISE, FLORIDA**

**Funded status and funding progress:** The funded status of the plan as of September 30, 2010 was as follows:

Actuarial accrued liability (AAL)	\$ 25,051,313
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	25,051,313
Funded ratio	0.00%
Annual covered payroll*	51,716,066
Unfunded actuarial accrued liability as a percentage of covered payroll	48.44%

\*Annual assumed payroll growth of 4%.

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 disablement, future mortality, future termination of employment, future retirement, and 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial methods and assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 trend rate was assumed to decline gradually over the next several years from 7% at October 1, 2009, to an ultimate rate of 6% on and after 2012. These trend rates have been revised effective January 1, 2011 to be 9%, followed by a .5% decrease in the rate each successive year until reaching an annual trend rate of 5% per year. Benefits are assumed to be unfunded.

Actuarial valuation date	October 1, 2009
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	28 years
Actuarial assumptions:	
Investment rate of return	4.5%
Inflation rate	3.0%
Projected salary increases	5.2%-13.0%
Asset valuation method	n/a



## CITY OF SUNRISE, FLORIDA

### **E. Subsequent events**

#### **Future Pronouncements**

Effective October 1, 2010, the City will implement GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and GASB Statement No. 59, *Financial Instruments Omnibus*, if applicable.

**CITY OF SUNRISE, FLORIDA**

**Required Supplementary Information  
(unaudited)**

**SCHEDULE OF FUNDING PROGRESS**  
(in thousands of dollars)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age*</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
<b>General Employees' Pension Fund</b>						
10/1/07	\$100,966	\$ 136,198	\$ 35,232	74.1%	\$ 26,316	133.9%
10/1/08	109,410	150,915	41,505	72.5	27,552	150.6
10/1/09	113,739	163,887	50,148	69.4	25,457	197.0
<b>Police Officers' Pension Fund</b>						
10/1/07	\$ 50,977	\$ 75,421	\$ 24,444	67.6%	\$ 12,497	195.6%
10/1/08	54,724	87,216	32,492	62.7	13,476	241.1
10/1/09	50,806	97,673	46,867	52.0	13,936	336.3
<b>Firefighters' Pension Fund</b>						
10/1/07	\$ 63,807	\$ 81,055	\$ 17,248	78.7%	\$ 9,758	176.7%
10/1/08	69,908	90,217	20,309	77.5	9,973	203.6
10/1/09	74,486	106,708	32,222	69.8	10,646	302.7

\*Actuarial accrued liability (AAL) entry age normal for General Employees' Pension fund, entry age for Firefighters' Pension fund, and entry age normal for Police Officers' Pension fund.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
<b>Retirees' Subsidy Plan</b>						
10/1/07	-	\$ 16,678	\$ 16,678	0.0%	\$ 51,288	32.5%
10/1/08	-	18,766	18,766	0.0	53,339	35.2
10/1/09	-	16,253	16,253	0.0	29,136	55.8

The first actuarial valuation for the Retirees' Subsidy Plan was performed October 1, 2007.

**CITY OF SUNRISE, FLORIDA**

**(unaudited)**

**SCHEDULE OF FUNDING PROGRESS  
Other Post-Employment Benefit Plan**  
(in thousands of dollars)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
10/1/07	-	\$ 41,073	\$ 41,073	0.0%	\$ 51,288	80.1%
10/1/08	-	43,112	43,112	0.0	53,339	80.8
10/1/09	-	25,051	25,051	0.0	51,716	48.4

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Other Post-Employment Benefit Plan**

<u>Fiscal Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
09/30/08	\$ 292,971	\$ 3,640,248	8.0%
09/30/09	298,024	3,712,339	8.0
09/30/10	594,591	2,788,257	21.3

# *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>Community Development Block Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Community Development Block Grant funds.</i>
<i>Impact Fees Fund</i>	<i>Accounts for the receipts and disbursements of impact fees received from developers.</i>
<i>Open Space Preservation Fund</i>	<i>Accounts for funding for park land in order to provide open space to the City.</i>
<i>Economic &amp; Job Growth Fund</i>	<i>Accounts for economic and job growth funding within the City.</i>
<i>Emergency Management Fund</i>	<i>Accounts for emergency/disaster mitigation, planning, response and recovery efforts.</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>Broward County Disaster Recovery Initiative Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Broward County Disaster Recovery Initiative 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>Energy Efficiency Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Energy Efficiency and Conservation Grant funds.</i>
<i>Fuel &amp; 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>State Housing Initiative Partnership Grant Fund</i>	<i>Accounts for the receipts and disbursements of the State Housing Initiative Partnership Grant funds.</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.*

***Public Improvement Fund***                      ***Accumulates electric franchise fee monies for Public Improvement Revenue Bonds.***

***Special Recreation  
District Phase I Fund***                      ***Accumulates special district assessment revenue for Sunrise Lakes Phase I Special Recreation District Public Improvement Bonds, maturing on October 1, 2017.***

***Special Recreation  
District Phase II Fund***                      ***Accumulates special district assessment revenue for Sunrise Lakes Phase II Special Recreation District Public Improvement Bonds, maturing on October 1, 2013.***

***Special Tax District No. 1 Fund***                      ***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.***

## ***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.*

***Public Facilities Fund***                      ***Accounts for the acquisition and construction in the Community Enrichment Plan.***

***Special Tax District No. 1 Fund***                      ***Accounts for the construction of a parking garage and additional public works improvements for Special Tax District No. 1.***

***(This Page Intentionally Left Blank)***

CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2010

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,934,095	\$ 9,299,131	\$ 1,467,829	\$ 14,701,055
Investments	5,922,399	3,545,987	-	9,468,386
Interest receivable	27,189	19,050	-	46,239
Franchise fees receivable	-	1,083,701	-	1,083,701
Special assessments receivable	-	3,083,929	-	3,083,929
Other receivables	15,661	-	-	15,661
Intergovernmental receivable	950,564	-	-	950,564
Prepaid items	703	-	-	703
Inventories	39,359	-	-	39,359
<b>Total assets</b>	<b>\$ 10,889,970</b>	<b>\$ 17,031,798</b>	<b>\$ 1,467,829</b>	<b>\$ 29,389,597</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 254,900	\$ 50,134	\$ 38	\$ 305,072
Accrued liabilities	18,274	-	-	18,274
Intergovernmental payable	4,349	-	-	4,349
Due to other funds	1,696	3,740	-	5,436
Interfund payable	1,524,802	-	-	1,524,802
Matured bonds payable	-	1,930,000	-	1,930,000
Matured interest payable	-	598,821	-	598,821
Deferred revenue	533,118	3,083,908	-	3,617,026
Other	2,487,790	-	-	2,487,790
Advances from other funds	100,000	-	-	100,000
<b>Total liabilities</b>	<b>4,924,929</b>	<b>5,666,603</b>	<b>38</b>	<b>10,591,570</b>
<b>FUND BALANCES</b>				
Reserved for inventories	39,359	-	-	39,359
Reserved for recreation	793,111	-	-	793,111
Reserved for public safety	67,797	-	-	67,797
Reserved for fire equipment	376,779	-	-	376,779
Reserved for median strips	118,639	-	-	118,639
Unreserved, designated for encumbrances	261,603	-	-	261,603
Unreserved, designated for subsequent year's expenditures	2,913,881	130,000	-	3,043,881
Unreserved, undesignated	1,393,872	11,235,195	1,467,791	14,096,858
<b>Total fund balances</b>	<b>5,965,041</b>	<b>11,365,195</b>	<b>1,467,791</b>	<b>18,798,027</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,889,970</b>	<b>\$ 17,031,798</b>	<b>\$ 1,467,829</b>	<b>\$ 29,389,597</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ 2,433,946	\$ -	\$ 2,433,946
Local option fuel	1,693,200	-	-	1,693,200
Franchise fees	-	6,165,104	-	6,165,104
Intergovernmental	4,135,923	-	-	4,135,923
Charges for services	9,966	-	-	9,966
Judgments, fines and forfeitures	820,848	-	-	820,848
Special assessments	-	553,671	-	553,671
Impact fees	11,126	-	-	11,126
Investment earnings	209,739	60,912	1,589	272,240
Miscellaneous	205,782	-	-	205,782
Total revenues	<u>7,086,584</u>	<u>9,213,633</u>	<u>1,589</u>	<u>16,301,806</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	1,773,947	-	-	1,773,947
Economic development	4,723,402	-	-	4,723,402
Human services	30,911	-	-	30,911
Transportation	970,597	-	-	970,597
Debt service:				
Principal	-	1,930,000	-	1,930,000
Interest	-	1,197,640	-	1,197,640
Other	-	45,459	-	45,459
Capital outlay	1,365,058	-	-	1,365,058
Total expenditures	<u>8,863,915</u>	<u>3,173,099</u>	<u>-</u>	<u>12,037,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,777,331)</u>	<u>6,040,534</u>	<u>1,589</u>	<u>4,264,792</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Open Space Preservation	618,464	-	-	618,464
Transfers out:				
General fund	(28,661,284)	(5,345,156)	-	(34,006,440)
Special revenue fund:				
Impact Fees	(618,464)	-	-	(618,464)
Capital projects fund:				
Capital Improvement	(1,458,514)	-	(10,193)	(1,468,707)
Sale of capital assets	5,717	-	-	5,717
Total other financing sources and (uses)	<u>(30,114,081)</u>	<u>(5,345,156)</u>	<u>(10,193)</u>	<u>(35,469,430)</u>
Net change in fund balances	(31,891,412)	695,378	(8,604)	(31,204,638)
Fund balances - beginning (restatement-see Note I)	37,856,453	10,669,817	1,476,395	50,002,665
Fund balances - ending	<u>\$ 5,965,041</u>	<u>\$ 11,365,195</u>	<u>\$ 1,467,791</u>	<u>\$ 18,798,027</u>



CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2010

	Community Development Block Grant	Impact Fees	Open Space Preservation	Economic & Job Growth	Emergency Management	Urban Area Security Initiative Grant
<b>ASSETS</b>						
Cash and cash equivalents	\$ 43,543	\$ 454,388	\$ -	\$ -	\$ 25,085	\$ -
Investments	-	897,538	-	-	-	-
Interest receivable	-	4,400	-	-	-	-
Other receivables	-	-	-	-	-	-
Intergovernmental receivable	78,505	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 122,048</u>	<u>\$ 1,356,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,085</u>	<u>\$ -</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 9,458	\$ -	\$ -	\$ -	\$ 457	\$ -
Accrued liabilities	7,708	-	-	-	2,309	-
Intergovernmental payable	4,349	-	-	-	-	-
Due to other funds	533	-	-	-	370	-
Interfund payable	-	-	-	-	-	280,366
Deferred revenue	17,918	-	-	-	-	-
Other	-	-	-	-	-	-
Advances from other funds	100,000	-	-	-	-	-
Total liabilities	<u>139,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,136</u>	<u>280,366</u>
<b>FUND BALANCES</b>						
Reserved for inventories	-	-	-	-	-	-
Reserved for recreation	-	793,111	-	-	-	-
Reserved for public safety	-	67,797	-	-	-	-
Reserved for fire equipment	-	376,779	-	-	-	-
Reserved for median strips	-	118,639	-	-	-	-
Unreserved, designated for encumbrances	-	-	-	-	-	-
Unreserved, designated for subsequent year's expenditures	-	-	-	-	-	-
Unreserved, undesignated	(17,918)	-	-	-	21,949	(280,366)
Total fund balances	<u>(17,918)</u>	<u>1,356,326</u>	<u>-</u>	<u>-</u>	<u>21,949</u>	<u>(280,366)</u>
Total liabilities and fund balances	<u>\$ 122,048</u>	<u>\$ 1,356,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,085</u>	<u>\$ -</u>

Broward County Home Consortium Grant	Broward County Disaster Recovery Initiative Grant	Neighborhood Stabilization Program Grant	Energy Efficiency Grant	Fuel and Roadway	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 693,713	\$ 136,518	\$ 2,580,848	\$ 3,934,095
-	-	-	-	890,475	425,533	3,708,853	5,922,399
-	-	-	-	3,940	2,085	16,764	27,189
-	-	-	-	15,661	-	-	15,661
106,872	95,098	371,877	-	288,338	-	9,874	950,564
-	-	-	-	-	-	703	703
-	-	-	-	39,359	-	-	39,359
<u>\$ 106,872</u>	<u>\$ 95,098</u>	<u>\$ 371,877</u>	<u>\$ -</u>	<u>\$ 1,931,486</u>	<u>\$ 564,136</u>	<u>\$ 6,317,042</u>	<u>\$ 10,889,970</u>
\$ 25,920	\$ 54,295	\$ 9,081	\$ -	\$ 67,581	\$ 18,632	\$ 69,476	\$ 254,900
1,806	1,806	2,110	-	749	-	1,786	18,274
-	-	-	-	-	-	-	4,349
193	193	202	-	78	-	127	1,696
686,397	197,555	360,484	-	-	-	-	1,524,802
48,225	95,098	371,877	-	-	-	-	533,118
-	-	-	-	-	-	2,487,790	2,487,790
-	-	-	-	-	-	-	100,000
<u>762,541</u>	<u>348,947</u>	<u>743,754</u>	<u>-</u>	<u>68,408</u>	<u>18,632</u>	<u>2,559,179</u>	<u>4,924,929</u>
-	-	-	-	39,359	-	-	39,359
-	-	-	-	-	-	-	793,111
-	-	-	-	-	-	-	67,797
-	-	-	-	-	-	-	376,779
-	-	-	-	-	-	-	118,639
-	-	-	-	-	-	261,603	261,603
-	-	-	-	623,698	155,000	2,135,183	2,913,881
(655,669)	(253,849)	(371,877)	-	1,200,021	390,504	1,361,077	1,393,872
<u>(655,669)</u>	<u>(253,849)</u>	<u>(371,877)</u>	<u>-</u>	<u>1,863,078</u>	<u>545,504</u>	<u>3,757,863</u>	<u>5,965,041</u>
<u>\$ 106,872</u>	<u>\$ 95,098</u>	<u>\$ 371,877</u>	<u>\$ -</u>	<u>\$ 1,931,486</u>	<u>\$ 564,136</u>	<u>\$ 6,317,042</u>	<u>\$ 10,889,970</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Community Development Block Grant	Impact Fees	Open Space Preservation	Economic & Job Growth	Emergency Management	Urban Area Security Initiative Grant
<b>REVENUES</b>						
Local option fuel tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	652,758	-	-	-	14,285	828,034
Charges for services	-	-	-	-	-	-
Judgments, fines and forfeitures	-	-	-	-	-	-
Impact fees	-	11,126	-	-	-	-
Investment earnings	-	29,456	4,101	35,305	27,957	-
Miscellaneous	13,650	-	-	-	24	-
Total revenues	<u>666,408</u>	<u>40,582</u>	<u>4,101</u>	<u>35,305</u>	<u>42,266</u>	<u>828,034</u>
<b>EXPENDITURES</b>						
Current:						
Public safety	64,654	-	-	-	143,779	52,717
Economic development	537,475	-	-	74,267	-	-
Human services	30,911	-	-	-	-	-
Transportation	51,286	-	-	-	-	-
Capital outlay	-	-	-	-	-	223,462
Total expenditures	<u>684,326</u>	<u>-</u>	<u>-</u>	<u>74,267</u>	<u>143,779</u>	<u>276,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,918)</u>	<u>40,582</u>	<u>4,101</u>	<u>(38,962)</u>	<u>(101,513)</u>	<u>551,855</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in:						
Special revenue fund:						
Open Space Preservation	-	618,464	-	-	-	-
Transfers out:						
General fund:						
General fund	-	-	(80,036)	(16,874,624)	(11,706,624)	-
Special revenue fund:						
Impact Fees	-	-	(618,464)	-	-	-
Capital projects fund:						
Capital Improvement	-	-	(500,000)	(850,000)	-	-
Sale of capital assets						
Total other financing sources and (uses)	<u>-</u>	<u>618,464</u>	<u>(1,198,500)</u>	<u>(17,724,624)</u>	<u>(11,706,624)</u>	<u>-</u>
Net change in fund balances	<u>(17,918)</u>	<u>659,046</u>	<u>(1,194,399)</u>	<u>(17,763,586)</u>	<u>(11,808,137)</u>	<u>551,855</u>
Fund balances - beginning (restatement-see Note I)	<u>-</u>	<u>\$ 697,280</u>	<u>\$ 1,194,399</u>	<u>\$ 17,763,586</u>	<u>\$ 11,830,086</u>	<u>\$ (832,221)</u>
Fund balances - ending	<u>\$ (17,918)</u>	<u>\$ 1,356,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,949</u>	<u>\$ (280,366)</u>

Broward County Home Consortium Grant	Broward County Disaster Recovery Initiative Grant	Neighborhood Stabilization Program	Energy Efficiency Grant	Fuel and Roadway	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,693,200	\$ -	\$ -	\$ 1,693,200
310,051	367,475	1,963,320	-	-	-	-	4,135,923
-	-	-	-	9,966	-	-	9,966
-	-	-	-	-	-	820,848	820,848
-	-	-	-	-	-	-	11,126
-	-	-	-	21,882	22,491	68,547	209,739
-	-	-	-	185,683	6,375	50	205,782
<u>310,051</u>	<u>367,475</u>	<u>1,963,320</u>	<u>-</u>	<u>1,910,731</u>	<u>28,866</u>	<u>889,445</u>	<u>7,086,584</u>
-	-	-	-	-	-	1,512,797	1,773,947
892,162	304,724	2,319,996	-	-	594,778	-	4,723,402
-	-	-	-	-	-	-	30,911
-	-	-	-	919,311	-	-	970,597
-	-	-	-	657,128	-	484,468	1,365,058
<u>892,162</u>	<u>304,724</u>	<u>2,319,996</u>	<u>-</u>	<u>1,576,439</u>	<u>594,778</u>	<u>1,997,265</u>	<u>8,863,915</u>
<u>(582,111)</u>	<u>62,751</u>	<u>(356,676)</u>	<u>-</u>	<u>334,292</u>	<u>(565,912)</u>	<u>(1,107,820)</u>	<u>(1,777,331)</u>
-	-	-	-	-	-	-	618,464
-	-	-	-	-	-	-	(28,661,284)
-	-	-	-	-	-	-	(618,464)
-	-	-	-	-	-	(108,514)	(1,458,514)
-	-	-	-	-	-	5,717	5,717
-	-	-	-	-	-	(102,797)	(30,114,081)
(582,111)	62,751	(356,676)	-	334,292	(565,912)	(1,210,617)	(31,891,412)
\$ (73,558)	\$ (316,600)	\$ (15,201)	\$ -	\$ 1,528,786	\$ 1,111,416	\$ 4,968,480	37,856,453
<u>\$ (655,669)</u>	<u>\$ (253,849)</u>	<u>\$ (371,877)</u>	<u>\$ -</u>	<u>\$ 1,863,078</u>	<u>\$ 545,504</u>	<u>\$ 3,757,863</u>	<u>\$ 5,965,041</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 SEPTEMBER 30, 2010

	Public Improvement	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,722,491	\$ 225,015	\$ 261,911	\$ 6,089,714	\$ 9,299,131
Investments	3,545,987	-	-	-	3,545,987
Interest receivable	19,000	-	-	50	19,050
Franchise fees receivable	1,083,701	-	-	-	1,083,701
Special assessments receivable	-	2,246,600	837,329	-	3,083,929
<b>Total assets</b>	<b>\$ 7,371,179</b>	<b>\$ 2,471,615</b>	<b>\$ 1,099,240</b>	<b>\$ 6,089,764</b>	<b>\$ 17,031,798</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 38	\$ 23	\$ 23	\$ 50,050	\$ 50,134
Due to other funds	-	-	-	3,740	3,740
Matured bonds payable	-	180,000	240,000	1,510,000	1,930,000
Matured interest payable	-	45,013	21,796	532,012	598,821
Deferred revenue	-	2,246,579	837,329	-	3,083,908
<b>Total liabilities</b>	<b>38</b>	<b>2,471,615</b>	<b>1,099,148</b>	<b>2,095,802</b>	<b>5,666,603</b>
<b>FUND BALANCES</b>					
Unreserved, designated for subsequent year's expenditures	-	-	-	130,000	130,000
Unreserved, undesignated	7,371,141	-	92	3,863,962	11,235,195
<b>Total fund balances</b>	<b>7,371,141</b>	<b>-</b>	<b>92</b>	<b>3,993,962</b>	<b>11,365,195</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,371,179</b>	<b>\$ 2,471,615</b>	<b>\$ 1,099,240</b>	<b>\$ 6,089,764</b>	<b>\$ 17,031,798</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Public Improvement	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 2,433,946	\$ 2,433,946
Franchise fees	6,165,104	-	-	-	6,165,104
Special assessments	-	270,171	283,500	-	553,671
Investment earnings	59,652	274	337	649	60,912
<b>Total revenues</b>	<b>6,224,756</b>	<b>270,445</b>	<b>283,837</b>	<b>2,434,595</b>	<b>9,213,633</b>
<b>EXPENDITURES</b>					
<b>Debt service:</b>					
Principal	-	180,000	240,000	1,510,000	1,930,000
Interest	-	90,025	43,592	1,064,023	1,197,640
Other	552	457	280	44,170	45,459
<b>Total expenditures</b>	<b>552</b>	<b>270,482</b>	<b>283,872</b>	<b>2,618,193</b>	<b>3,173,099</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>6,224,204</b>	<b>(37)</b>	<b>(35)</b>	<b>(183,598)</b>	<b>6,040,534</b>
<b>OTHER FINANCING USES</b>					
<b>Transfers out:</b>					
General fund	(5,345,156)	-	-	-	(5,345,156)
<b>Net change in fund balances</b>	<b>879,048</b>	<b>(37)</b>	<b>(35)</b>	<b>(183,598)</b>	<b>695,378</b>
Fund balances - beginning	6,492,093	\$ 37	\$ 127	\$ 4,177,560	10,669,817
Fund balances - ending	<b>\$ 7,371,141</b>	<b>\$ -</b>	<b>\$ 92</b>	<b>\$ 3,993,962</b>	<b>\$ 11,365,195</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 SEPTEMBER 30, 2010

	<u>Public Facilities</u>	<u>Special Tax District No. 1 Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 1,467,829	\$ 1,467,829
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 38	\$ 38
<b>FUND BALANCES</b>			
Unreserved, undesignated	-	1,467,791	1,467,791
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 1,467,829</b>	<b>\$ 1,467,829</b>

**CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Public Facilities</u>	<u>Special Tax District No. 1 Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 1,589	\$ 1,589
Excess of revenues over expenditures	-	1,589	1,589
<b>OTHER FINANCING USES</b>			
Transfers out:			
Capital projects funds:			
Capital Improvements	(10,193)	-	(10,193)
Net change in fund balances	(10,193)	1,589	(8,604)
Fund balances - beginning	10,193	\$ 1,466,202	1,476,395
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,467,791</u>	<u>\$ 1,467,791</u>



CITY OF SUNRISE, FLORIDA  
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 1,542,819	\$ 652,758	\$ (890,061)
Miscellaneous	-	13,650	13,650
Total revenues	<u>1,542,819</u>	<u>666,408</u>	<u>(876,411)</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	66,114	64,654	1,460
Economic development	1,377,162	537,475	839,687
Human services	48,000	30,911	17,089
Transportation	51,543	51,286	257
Total expenditures	<u>1,542,819</u>	<u>684,326</u>	<u>858,493</u>
Deficiency of revenues under expenditures	-	(17,918)	(17,918)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (17,918)</u>	<u>\$ (17,918)</u>

CITY OF SUNRISE, FLORIDA  
 IMPACT FEES SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Impact fees	\$ 21,600	\$ 11,126	\$ (10,474)
Investment earnings	6,000	29,456	23,456
<b>Total revenues</b>	<u>27,600</u>	<u>40,582</u>	<u>12,982</u>
<b>Excess of revenues over expenditures</b>	27,600	40,582	12,982
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>618,464</u>	<u>618,464</u>	-
<b>Net change in fund balances</b>	646,064	659,046	12,982
Fund balances - beginning	<u>697,280</u>	<u>697,280</u>	-
Fund balances - ending	<u>\$ 1,343,344</u>	<u>\$ 1,356,326</u>	<u>\$ 12,982</u>

**CITY OF SUNRISE, FLORIDA**  
**OPEN SPACE PRESERVATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 4,101	\$ 4,101
<b>OTHER FINANCING USES</b>			
Transfers out	(1,198,500)	(1,198,500)	-
Net change in fund balances	(1,198,500)	(1,194,399)	4,101
Fund balances - beginning	1,194,399	1,194,399	-
Fund balances - ending	\$ (4,101)	\$ -	\$ 4,101

CITY OF SUNRISE, FLORIDA  
ECONOMIC & JOB GROWTH SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 35,305	\$ 35,305
<b>EXPENDITURES</b>			
Current:			
Economic development	74,267	74,267	-
Excess (deficiency) of revenues over (under) expenditures	(74,267)	(38,962)	35,305
<b>OTHER FINANCING USES</b>			
Transfers out	(17,724,624)	(17,724,624)	-
Net change in fund balances	(17,798,891)	(17,763,586)	35,305
Fund balances - beginning	17,763,586	17,763,586	-
Fund balances - ending	<u>\$ (35,305)</u>	<u>\$ -</u>	<u>\$ 35,305</u>

CITY OF SUNRISE, FLORIDA  
 EMERGENCY MANAGEMENT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 14,285	\$ 14,285
Investment earnings	-	27,957	27,957
Miscellaneous	-	24	24
<b>Total revenues</b>	<b>-</b>	<b>42,266</b>	<b>42,266</b>
<b>EXPENDITURES</b>			
Current:			
Public safety	165,724	143,779	21,945
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(165,724)</b>	<b>(101,513)</b>	<b>64,211</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers out	(11,706,624)	(11,706,624)	-
<b>Net change in fund balances</b>	<b>(11,872,348)</b>	<b>(11,808,137)</b>	<b>64,211</b>
Fund balances - beginning	11,830,086	11,830,086	-
Fund balances - ending	<b>\$ (42,262)</b>	<b>\$ 21,949</b>	<b>\$ 64,211</b>

CITY OF SUNRISE, FLORIDA  
 URBAN AREA SECURITY INITIATIVE GRANT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 550,659	\$ 828,034	\$ 277,375
<b>EXPENDITURES</b>			
Current:			
Public safety	105,460	52,717	52,743
Capital outlay	445,199	223,462	221,737
Total expenditures	550,659	276,179	274,480
Excess of revenues over expenditures	-	551,855	551,855
Fund balances - beginning	(832,221)	(832,221)	-
Fund balances - ending	\$ (832,221)	\$ (280,366)	\$ 551,855

**CITY OF SUNRISE, FLORIDA**  
**BROWARD COUNTY HOME CONSORTIUM GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 1,206,031	\$ 310,051	\$ (895,980)
<b>EXPENDITURES</b>			
Current:			
Economic development	1,206,031	892,162	313,869
Deficiency of revenues under expenditures	-	(582,111)	(582,111)
Fund balances - beginning	(73,558)	(73,558)	-
Fund balances - ending	\$ (73,558)	\$ (655,669)	\$ (582,111)

CITY OF SUNRISE, FLORIDA  
 BROWARD COUNTY DISASTER RECOVERY INITIATIVE GRANT SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 3,022,671	\$ 367,475	\$ (2,655,196)
<b>EXPENDITURES</b>			
Current:			
Economic development	3,022,671	304,724	2,717,947
Excess of revenues over expenditures	-	62,751	62,751
Fund balances - beginning	(316,600)	(316,600)	-
Fund balances - ending	\$ (316,600)	\$ (253,849)	\$ 62,751



**CITY OF SUNRISE, FLORIDA**  
**NEIGHBORHOOD STABILIZATION PROGRAM GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 3,479,785	\$ 1,963,320	\$ (1,516,465)
<b>EXPENDITURES</b>			
Current:			
Economic development	3,479,785	2,319,996	1,159,789
Deficiency of revenues under expenditures	-	(356,676)	(356,676)
Fund balances - beginning	(15,201)	(15,201)	-
Fund balances - ending	\$ (15,201)	\$ (371,877)	\$ (356,676)

**CITY OF SUNRISE, FLORIDA**  
**ENERGY EFFICIENCY GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 840,700	\$ -	\$ (840,700)
<b>EXPENDITURES</b>			
Current:			
Physical environment	100,800	-	100,800
Capital outlay	739,900	-	739,900
Total expenditures	840,700	-	840,700
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -

CITY OF SUNRISE, FLORIDA  
 FUEL AND ROADWAY SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Local option fuel tax	\$ 1,560,000	\$ 1,693,200	\$ 133,200
Charges for services	-	9,966	9,966
Investment earnings	10,500	21,882	11,382
Miscellaneous	105,000	185,683	80,683
<b>Total revenues</b>	<b>1,675,500</b>	<b>1,910,731</b>	<b>235,231</b>
<b>EXPENDITURES</b>			
Current:			
Transportation	1,171,985	919,311	252,674
Capital outlay	1,453,500	657,128	796,372
<b>Total expenditures</b>	<b>2,625,485</b>	<b>1,576,439</b>	<b>1,049,046</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(949,985)</b>	<b>334,292</b>	<b>1,284,277</b>
Fund balances - beginning	1,528,786	1,528,786	-
Fund balances - ending	<b>\$ 578,801</b>	<b>\$ 1,863,078</b>	<b>\$ 1,284,277</b>

CITY OF SUNRISE, FLORIDA  
STATE HOUSING INITIATIVES PARTNERSHIP GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 69,925	\$ -	\$ (69,925)
Investment earnings	16,000	22,491	6,491
Miscellaneous	16,000	6,375	(9,625)
Total revenues	<u>101,925</u>	<u>28,866</u>	<u>(73,059)</u>
<b>EXPENDITURES</b>			
Current:			
Economic development	<u>1,213,341</u>	<u>594,778</u>	<u>618,563</u>
Excess (deficiency) of revenues over (under) expenditures	(1,111,416)	(565,912)	545,504
Fund balances - beginning	<u>1,111,416</u>	<u>1,111,416</u>	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 545,504</u>	<u>\$ 545,504</u>

CITY OF SUNRISE, FLORIDA  
POLICE CONFISCATION SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Judgments, fines and forfeitures	\$ -	\$ 820,848	\$ 820,848
Investment earnings	-	68,547	68,547
Miscellaneous	-	50	50
<b>Total revenues</b>	<u>-</u>	<u>889,445</u>	<u>889,445</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	1,797,182	1,512,797	284,385
Capital outlay	1,077,749	484,468	593,281
<b>Total expenditures</b>	<u>2,874,931</u>	<u>1,997,265</u>	<u>877,666</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,874,931)</u>	<u>(1,107,820)</u>	<u>1,767,111</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(108,514)	(108,514)	-
Sale of capital assets	-	5,717	5,717
<b>Total other financing sources (uses)</b>	<u>(108,514)</u>	<u>(102,797)</u>	<u>5,717</u>
<b>Net change in fund balances</b>	<u>(2,983,445)</u>	<u>(1,210,617)</u>	<u>1,772,828</u>
Fund balances - beginning	4,968,480	4,968,480	-
Fund balances - ending	<u>\$ 1,985,035</u>	<u>\$ 3,757,863</u>	<u>\$ 1,772,828</u>

CITY OF SUNRISE, FLORIDA  
PUBLIC IMPROVEMENT DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Franchise fees	\$ 6,200,000	\$ 6,165,104	\$ (34,896)
Investment earnings	35,000	59,652	24,652
<b>Total revenues</b>	<b>6,235,000</b>	<b>6,224,756</b>	<b>(10,244)</b>
<b>EXPENDITURES</b>			
Debt service:			
Principal	700,000	-	700,000
Interest	935,344	-	935,344
Bond issuance costs	582,825	-	582,825
Other	4,500	552	3,948
<b>Total expenditures</b>	<b>2,222,669</b>	<b>552</b>	<b>2,222,117</b>
<b>Excess of revenues over expenditures</b>	<b>4,012,331</b>	<b>6,224,204</b>	<b>2,211,873</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Revenue bonds issued	582,825	-	(582,825)
Transfers out	(5,345,156)	(5,345,156)	-
<b>Total other financing sources (uses)</b>	<b>(4,762,331)</b>	<b>(5,345,156)</b>	<b>(582,825)</b>
<b>Net change in fund balances</b>	<b>(750,000)</b>	<b>879,048</b>	<b>1,629,048</b>
Fund balances - beginning	6,492,093	6,492,093	-
Fund balances - ending	<b>\$ 5,742,093</b>	<b>\$ 7,371,141</b>	<b>\$ 1,629,048</b>

CITY OF SUNRISE, FLORIDA  
SPECIAL RECREATION DISTRICT PHASE I DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Special assessments	\$ 270,171	\$ 270,171	\$ -
Investment earnings	274	274	-
<b>Total revenues</b>	<u>270,445</u>	<u>270,445</u>	<u>-</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	180,000	180,000	-
Interest	90,025	90,025	-
Other	457	457	-
<b>Total expenditures</b>	<u>270,482</u>	<u>270,482</u>	<u>-</u>
Deficiency of revenues under expenditures	(37)	(37)	-
Fund balances - beginning	<u>37</u>	<u>37</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SUNRISE, FLORIDA  
SPECIAL RECREATION DISTRICT PHASE II DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Special assessments	\$ 283,500	\$ 283,500	\$ -
Investment earnings	337	337	-
<b>Total revenues</b>	<u>283,837</u>	<u>283,837</u>	<u>-</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	240,000	240,000	-
Interest	43,592	43,592	-
Other	280	280	-
<b>Total expenditures</b>	<u>283,872</u>	<u>283,872</u>	<u>-</u>
Deficiency of revenues under expenditures	(35)	(35)	-
Fund balances - beginning	<u>127</u>	<u>127</u>	<u>-</u>
Fund balances - ending	<u>\$ 92</u>	<u>\$ 92</u>	<u>\$ -</u>



CITY OF SUNRISE, FLORIDA  
SPECIAL TAX DISTRICT NO. 1 DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Property taxes	\$ 2,486,018	\$ 2,433,946	\$ (52,072)
Investment earnings	-	649	649
<b>Total revenues</b>	<u>2,486,018</u>	<u>2,434,595</u>	<u>(51,423)</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	1,510,000	1,510,000	-
Interest	1,064,023	1,064,023	-
Other	49,995	44,170	5,825
<b>Total expenditures</b>	<u>2,624,018</u>	<u>2,618,193</u>	<u>5,825</u>
<b>Deficiency of revenues under expenditures</b>	<b>(138,000)</b>	<b>(183,598)</b>	<b>(45,598)</b>
Fund balances - beginning	<u>4,177,560</u>	<u>4,177,560</u>	-
Fund balances - ending	<u><u>\$ 4,039,560</u></u>	<u><u>\$ 3,993,962</u></u>	<u><u>\$ (45,598)</u></u>

CITY OF SUNRISE, FLORIDA  
PUBLIC SERVICE TAX DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Utility service taxes	\$ 6,895,000	\$ 7,688,446	\$ 793,446
Communications services taxes	4,500,000	4,272,162	(227,838)
Investment earnings	5,000	3,630	(1,370)
Total revenues	<u>11,400,000</u>	<u>11,964,238</u>	<u>564,238</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	5,140,000	5,140,000	-
Interest	448,885	448,885	-
Other	19,785	9,564	10,221
Total expenditures	<u>5,608,670</u>	<u>5,598,449</u>	<u>10,221</u>
Excess of revenues over expenditures	5,791,330	6,365,789	574,459
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(5,794,115)</u>	<u>(5,794,115)</u>	-
Net change in fund balances	(2,785)	571,674	574,459
Fund balances - beginning	<u>2,401,647</u>	<u>2,401,647</u>	-
Fund balances - ending	<u>\$ 2,398,862</u>	<u>\$ 2,973,321</u>	<u>\$ 574,459</u>

**CITY OF SUNRISE, FLORIDA**  
**PUBLIC FACILITIES CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>OTHER FINANCING USES</b>			
Transfers out	\$ (10,193)	\$ (10,193)	\$ -
<b>Net change in fund balances</b>	<b>(10,193)</b>	<b>(10,193)</b>	<b>-</b>
Fund balances - beginning	<u>10,193</u>	<u>10,193</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SUNRISE, FLORIDA**  
**SPECIAL TAX DISTRICT NO. 1 CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 1,589	\$ 1,589
Excess of revenues over expenditures	-	1,589	1,589
Fund balances - beginning	1,466,202	1,466,202	-
Fund balances - ending	<u>\$ 1,466,202</u>	<u>\$ 1,467,791</u>	<u>\$ 1,589</u>

CITY OF SUNRISE, FLORIDA  
 CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 1,602,043	\$ 531,695	\$ (1,070,348)
Investment earnings	615,060	1,005,076	390,016
Contributions and donations	-	5,000	5,000
Miscellaneous	-	48,462	48,462
<b>Total revenues</b>	<u>2,217,103</u>	<u>1,590,233</u>	<u>(626,870)</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>68,720,212</u>	<u>31,405,240</u>	<u>37,314,972</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(66,503,109)</b>	<b>(29,815,007)</b>	<b>36,688,102</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>2,815,173</u>	<u>2,815,173</u>	<u>-</u>
<b>Net change in fund balances</b>	<b>(63,687,936)</b>	<b>(26,999,834)</b>	<b>36,688,102</b>
Fund balances - beginning	<u>72,439,835</u>	<u>72,439,835</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,751,899</u>	<u>\$ 45,440,001</u>	<u>\$ 36,688,102</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.*

### *Recycling Fund*

*Accounts for the provision of recycling services to City residents.*

### *Stormwater Fund*

*Accounts for the operations of a City stormwater utility.*

### *Golf Course Fund*

*Accounts for the operations of a City owned golf course.*

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 SEPTEMBER 30, 2010

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 120,223	\$ 1,711,293	\$ 439,260	\$ 2,270,776
Investments	154,182	1,779,176	507,722	2,441,080
Interest receivable	818	6,546	2,070	9,434
Accounts receivable, net of allowance for uncollectibles	11,889	387,474	-	399,363
Other receivables	-	-	58	58
Due from other funds	-	9,015	-	9,015
Intergovernmental receivable	45,685	-	10,560	56,245
Inventories	-	65,154	1,154	66,308
Prepaid items	-	-	1,100	1,100
<b>Total current assets</b>	<b>332,797</b>	<b>3,958,658</b>	<b>961,924</b>	<b>5,253,379</b>
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Land	-	-	1,223,300	1,223,300
Buildings and system	-	756,271	-	756,271
Improvements other than buildings	-	2,864,151	36,355	2,900,506
Machinery and equipment	12,109	904,340	529,350	1,445,799
Vehicles	18,223	438,779	-	457,002
Construction in progress	-	109,298	15,688	124,986
Less accumulated depreciation	(29,751)	(1,442,603)	(227,590)	(1,699,944)
<b>Total capital assets, net of accumulated depreciation</b>	<b>581</b>	<b>3,630,236</b>	<b>1,577,103</b>	<b>5,207,920</b>
<b>Total assets</b>	<b>333,378</b>	<b>7,588,894</b>	<b>2,539,027</b>	<b>10,461,299</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	134,540	29,691	199,489	363,720
Accrued liabilities	-	22,452	-	22,452
Due to other funds	-	2,018	-	2,018
Interfund payable	-	83,057	-	83,057
Compensated absences	-	13,608	-	13,608
Retainage payable	-	21,878	1,000	22,878
Intergovernmental payable	-	-	2,221	2,221
Other	-	-	2,765	2,765
<b>Total current liabilities</b>	<b>134,540</b>	<b>172,704</b>	<b>205,475</b>	<b>512,719</b>
<b>Noncurrent liabilities:</b>				
Compensated absences	-	167,249	-	167,249
Other post employment benefits	-	155,145	88,504	243,649
Retiree subsidy	-	156,474	64,863	221,337
Advances from other funds	-	598,356	-	598,356
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>1,077,224</b>	<b>153,367</b>	<b>1,230,591</b>
<b>Total liabilities</b>	<b>134,540</b>	<b>1,249,928</b>	<b>358,842</b>	<b>1,743,310</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	581	3,608,106	1,558,433	5,167,120
Unrestricted	198,257	2,730,860	621,752	3,550,869
<b>Total net assets</b>	<b>\$ 198,838</b>	<b>\$ 6,338,966</b>	<b>\$ 2,180,185</b>	<b>\$ 8,717,989</b>

**CITY OF SUNRISE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Recycling</u>	<u>Stormwater</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Operating revenues:</b>				
<b>Charges for sales and services:</b>				
<b>Fees</b>	<b>\$ 175,078</b>	<b>\$ 4,072,545</b>	<b>\$ 36,176</b>	<b>\$ 4,283,799</b>
<b>Operating expenses:</b>				
<b>Costs of sales and services:</b>				
Power, water and wastewater purchases	-	5,737	77,016	82,753
Chemical purchases	-	24,425	70,702	95,127
Recycling charges	531,018	-	-	531,018
Materials and supplies	-	28,146	43,999	72,145
Repairs and maintenance	-	261,909	31,501	293,410
Salaries, wages and employee benefits	-	1,132,896	14,136	1,147,032
Insurance and other expenses	232	152,112	390,456	542,800
Administrative fees	27,506	339,489	169,001	535,996
Depreciation	1,163	220,997	33,601	255,761
<b>Total operating expenses</b>	<b>559,919</b>	<b>2,165,711</b>	<b>830,412</b>	<b>3,556,042</b>
<b>Operating income (loss)</b>	<b>(384,841)</b>	<b>1,906,834</b>	<b>(794,236)</b>	<b>727,757</b>
<b>Non-operating revenues (expenses):</b>				
Investment earnings	8,177	27,111	8,896	44,184
Interest expense	-	(39,917)	-	(39,917)
Gain (loss) on sale of capital assets	-	(830)	(1,641)	(2,471)
Sale of recyclable materials	180,875	-	-	180,875
Other	-	115,014	13,744	128,758
<b>Total non-operating revenues (expenses)</b>	<b>189,052</b>	<b>101,378</b>	<b>20,999</b>	<b>311,429</b>
<b>Income (loss) before transfers</b>	<b>(195,789)</b>	<b>2,008,212</b>	<b>(773,237)</b>	<b>1,039,186</b>
<b>Transfers in</b>	<b>-</b>	<b>-</b>	<b>1,239,345</b>	<b>1,239,345</b>
<b>Change in net assets</b>	<b>(195,789)</b>	<b>2,008,212</b>	<b>466,108</b>	<b>2,278,531</b>
<b>Total net assets - beginning</b>	<b>394,627</b>	<b>\$ 4,330,754</b>	<b>\$ 1,714,077</b>	<b>6,439,458</b>
<b>Total net assets - ending</b>	<b>\$ 198,838</b>	<b>\$ 6,338,966</b>	<b>\$ 2,180,185</b>	<b>\$ 8,717,989</b>



CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 350,796	\$ 3,901,797	\$ 38,268	\$ 4,290,861
Payments to suppliers	(536,761)	(351,934)	(456,693)	(1,345,388)
Payments to and for employees	-	(985,897)	(35,943)	(1,021,840)
Payments for interfund services used	(27,506)	(387,999)	(169,001)	(584,506)
Net cash provided (used) by operating activities	<u>(213,471)</u>	<u>2,175,967</u>	<u>(623,369)</u>	<u>1,339,127</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	1,239,345	1,239,345
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(83,555)	(253,483)	(337,038)
Interest paid on capital debt	-	(39,917)	-	(39,917)
Proceeds from sales of capital assets	-	-	1,733	1,733
Advances from other funds	-	(78,914)	-	(78,914)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(202,386)</u>	<u>(251,750)</u>	<u>(454,136)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	241,306	1,469,345	471,360	2,182,011
Purchase of investments	(150,865)	(2,820,513)	(851,293)	(3,822,671)
Interest and dividends received	2,817	9,524	3,473	15,814
Net cash provided (used) by investing activities	<u>93,258</u>	<u>(1,341,644)</u>	<u>(376,460)</u>	<u>(1,624,846)</u>
Net increase (decrease) in cash and cash equivalents	(120,213)	631,937	(12,234)	499,490
Cash and cash equivalents, October 1	<u>240,436</u>	<u>1,079,356</u>	<u>451,494</u>	<u>1,771,286</u>
Cash and cash equivalents, September 30	<u>\$ 120,223</u>	<u>\$ 1,711,293</u>	<u>\$ 439,260</u>	<u>\$ 2,270,776</u>

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (384,841)	\$ 1,906,834	\$ (794,236)	\$ 727,757
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Miscellaneous non-operating income from by-products of recycling activities	180,875	-	-	180,875
Miscellaneous non-operating income	-	115,014	13,744	128,758
Depreciation expense	1,163	220,997	33,601	255,761
(Increase) in accounts receivable	(1,993)	(166,858)	-	(168,851)
(Increase) decrease in other receivables	-	374	(58)	316
(Increase) in due from other funds	-	(9,015)	-	(9,015)
(Increase) in intergovernmental receivables	(2,932)	-	(10,560)	(13,492)
(Increase) in inventories	-	(24,510)	(589)	(25,099)
Decrease in prepaid items	-	-	550	550
Increase (decrease) in accounts payable	(5,743)	12,713	150,237	157,207
Increase (decrease) in accrued liabilities	-	2,972	(10,174)	(7,202)
Increase (decrease) in due to other funds	-	387	(570)	(183)
Increase in intergovernmental payables	-	-	1,984	1,984
Increase in other liabilities, current	-	-	2,765	2,765
Increase in retainage payable	-	21,878	1,000	22,878
Increase (decrease) in compensated absences payable	-	10,490	(21,106)	(10,616)
Increase in other post employment benefits payable	-	38,529	14,112	52,641
Increase (decrease) in retiree subsidy payable	-	46,162	(4,069)	42,093
Total adjustments	<u>171,370</u>	<u>269,133</u>	<u>170,867</u>	<u>611,370</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (213,471)</u>	<u>\$ 2,175,967</u>	<u>\$ (623,369)</u>	<u>\$ 1,339,127</u>
<b>Noncash investing activities:</b>				
Net increase in fair value of investments	\$ 5,206	\$ 11,889	\$ 3,885	\$ 20,980

***(This Page Intentionally Left Blank)***

## *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.*

*Vehicle Replacement Fund*      *Accounts for funding for vehicle replacement.*

**CITY OF SUNRISE, FLORIDA  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2010**

	Workers' Compensation	Vehicle Replacement	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 3,650,618	\$ 3,450,715	\$ 7,101,333
Investments	4,753,591	4,725,930	9,479,521
Interest receivable	20,237	20,338	40,575
Accounts receivable, net of allowance for uncollectibles	89,261	-	89,261
<b>Total current assets</b>	<b>8,513,707</b>	<b>8,196,983</b>	<b>16,710,690</b>
<b>Noncurrent assets:</b>			
<b>Capital assets:</b>			
Intangibles	-	442	442
Machinery and equipment	-	69,481	69,481
Vehicles	-	1,733,889	1,733,889
Less accumulated depreciation	-	(151,033)	(151,033)
<b>Total capital assets, net of accumulated depreciation</b>	<b>-</b>	<b>1,652,779</b>	<b>1,652,779</b>
<b>Total assets</b>	<b>8,513,707</b>	<b>9,849,762</b>	<b>18,363,469</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	39,000	21,045	60,045
Due to other funds	-	732,592	732,592
<b>Total current liabilities</b>	<b>39,000</b>	<b>753,637</b>	<b>792,637</b>
<b>Noncurrent liabilities:</b>			
Claims and judgments	4,430,280	-	4,430,280
<b>Total liabilities</b>	<b>4,469,280</b>	<b>753,637</b>	<b>5,222,917</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	-	1,639,338	1,639,338
Unrestricted	4,044,427	7,456,787	11,501,214
<b>Total net assets</b>	<b>\$ 4,044,427</b>	<b>\$ 9,096,125</b>	<b>\$ 13,140,552</b>

**CITY OF SUNRISE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Workers'</u> <u>Compensation</u>	<u>Vehicle</u> <u>Replacement</u>	<u>Total</u>
<b>Operating revenues:</b>			
<b>Charges for sales and services:</b>			
Service charges	\$ 2,370,896	\$ 2,578,956	\$ 4,949,852
<b>Operating expenses:</b>			
<b>Costs of sales and services:</b>			
Power, water and wastewater purchases	-	22,845	22,845
Materials and supplies	-	5,781	5,781
Repairs and maintenance	-	42,767	42,767
Insurance and other expenses	459,366	16,900	476,266
Claims expense	673,667	-	673,667
Depreciation	-	143,282	143,282
<b>Total operating expenses</b>	<u>1,133,033</u>	<u>231,575</u>	<u>1,364,608</u>
<b>Operating income (loss)</b>	<u>1,237,863</u>	<u>2,347,381</u>	<u>3,585,244</u>
<b>Non-operating revenues (expenses):</b>			
Investment earnings	113,711	128,273	241,984
Gain on sale of capital assets	-	1,000	1,000
Other	-	1,357	1,357
<b>Total non-operating revenues (expenses)</b>	<u>113,711</u>	<u>130,630</u>	<u>244,341</u>
<b>Income (loss) before contributions</b>	<u>1,351,574</u>	<u>2,478,011</u>	<u>3,829,585</u>
<b>Capital contributions</b>	<u>-</u>	<u>3,709</u>	<u>3,709</u>
<b>Change in net assets</b>	<u>1,351,574</u>	<u>2,481,720</u>	<u>3,833,294</u>
<b>Total net assets - beginning (restatement-see Note I)</b>	<u>2,692,853</u>	<u>\$ 6,614,405</u>	<u>9,307,258</u>
<b>Total net assets - ending</b>	<u>\$ 4,044,427</u>	<u>\$ 9,096,125</u>	<u>\$ 13,140,552</u>

**CITY OF SUNRISE, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Workers' Compensation</u>	<u>Vehicle Replacement</u>	<u>Total Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,370,896	\$ 3,311,533	\$ 5,682,429
Payments to suppliers	(1,242,855)	(95,117)	(1,337,972)
Net cash provided by operating activities	<u>1,128,041</u>	<u>3,216,416</u>	<u>4,344,457</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(1,791,352)	(1,791,352)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(1,791,352)</u>	<u>(1,791,352)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investments	4,984,720	5,036,274	10,020,994
Purchase of investments	(6,975,847)	(6,869,113)	(13,844,960)
Interest and dividends received	43,429	45,284	88,713
Net cash (used) by investing activities	<u>(1,947,698)</u>	<u>(1,787,555)</u>	<u>(3,735,253)</u>
Net (decrease) in cash and cash equivalents	(819,657)	(362,491)	(1,182,148)
Cash and cash equivalents, October 1 (restatement)	<u>4,470,275</u>	<u>3,813,206</u>	<u>8,283,481</u>
Cash and cash equivalents, September 30	<u>\$ 3,650,618</u>	<u>\$ 3,450,715</u>	<u>\$ 7,101,333</u>

	<u>Workers' Compensation</u>	<u>Vehicle Replacement</u>	<u>Total Internal Service Funds</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	<u>\$ 1,237,863</u>	<u>\$ 2,347,381</u>	<u>\$ 3,585,244</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>			
Miscellaneous non-operating income	-	1,357	1,357
Depreciation expense	-	143,282	143,282
(Increase) in accounts receivable	(89,261)	-	(89,261)
Increase (decrease) in accounts payable	13,506	(8,196)	5,310
Increase in due to other funds	-	732,592	732,592
(Decrease) in claims and judgments	(34,067)	-	(34,067)
Total adjustments	<u>(109,822)</u>	<u>869,035</u>	<u>759,213</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 1,128,041</u></u>	<u><u>\$ 3,216,416</u></u>	<u><u>\$ 4,344,457</u></u>
<b>Noncash investing activities:</b>			
Contributions of capital assets	\$ -	\$ 3,709	\$ 3,709
Capital asset trade-ins	-	1,000	1,000
Net increase in fair value of investments	58,641	72,497	131,138



*(This Page Intentionally Left Blank)*

# *Fiduciary Funds*

## *Pension Trust 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.*

*General Employees',  
Police Officers' and  
Firefighters' Pension  
Trust Funds*

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

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 SEPTEMBER 30, 2010

	<u>Employee Retirement Funds</u>			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,071,579	\$ 2,240,025	\$ 3,965,727	\$ 11,277,331
Receivable from sale of securities	-	771,265	404,297	1,175,562
Interest and dividends receivable	144,860	290,404	257,580	692,844
Due from other funds	76,696	57,958	52,499	187,153
Other receivables	152,468	3,683	-	156,151
Investments, at fair value:				
U.S. government and agency securities	-	11,903,488	9,339,526	21,243,014
Corporate bonds	-	12,863,188	14,269,253	27,132,441
Mutual funds	41,544,114	-	15,389,049	56,933,163
Common stocks	57,533,429	30,076,209	22,427,261	110,036,899
International equity funds	9,724,611	4,920,501	5,141,504	19,786,616
Total investments	<u>108,802,154</u>	<u>59,763,386</u>	<u>66,566,593</u>	<u>235,132,133</u>
Prepaid items	-	9,866	-	9,866
Equipment, net of accumulated depreciation of \$26,947	-	535	-	535
Total assets	<u>114,247,757</u>	<u>63,137,122</u>	<u>71,246,696</u>	<u>248,631,575</u>
<b>LIABILITIES</b>				
Accounts payable	157,106	98,349	55,947	311,402
Payable for purchase of securities	-	895,479	1,254,440	2,149,919
Total liabilities	<u>157,106</u>	<u>993,828</u>	<u>1,310,387</u>	<u>2,461,321</u>
<b>NET ASSETS</b>				
Held in trust for pension benefits	<u>\$ 114,090,651</u>	<u>\$ 62,143,294</u>	<u>\$ 69,936,309</u>	<u>\$ 246,170,254</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
<b>ADDITIONS</b>				
<b>Contributions:</b>				
Employer	\$ 7,141,640	\$ 5,152,639	\$ 1,897,064	\$ 14,191,343
Plan members	2,608,411	1,304,234	1,112,299	5,024,944
Other sources	-	552,722	819,768	1,372,490
<b>Total contributions</b>	<b>9,750,051</b>	<b>7,009,595</b>	<b>3,829,131</b>	<b>20,588,777</b>
<b>Investment earnings:</b>				
Interest	463	1,170,330	1,021,976	2,192,769
Dividends	1,974,737	621,627	365,534	2,961,898
Net increase (decrease) in fair value of investments	8,625,576	3,984,639	4,687,714	17,297,929
Other	126,406	18,792	2,349	147,547
<b>Total investment earnings</b>	<b>10,727,182</b>	<b>5,795,388</b>	<b>6,077,573</b>	<b>22,600,143</b>
Less investment expense	595,916	342,861	270,292	1,209,069
<b>Net investment earnings</b>	<b>10,131,266</b>	<b>5,452,527</b>	<b>5,807,281</b>	<b>21,391,074</b>
<b>Total additions</b>	<b>19,881,317</b>	<b>12,462,122</b>	<b>9,636,412</b>	<b>41,979,851</b>
<b>DEDUCTIONS</b>				
Benefits	8,461,864	2,971,478	4,244,234	15,677,576
Refunds of contributions	109,973	68,400	-	178,373
Administrative expenses	150,872	230,559	171,908	553,339
<b>Total deductions</b>	<b>8,722,709</b>	<b>3,270,437</b>	<b>4,416,142</b>	<b>16,409,288</b>
<b>Change in net assets</b>	<b>11,158,608</b>	<b>9,191,685</b>	<b>5,220,270</b>	<b>25,570,563</b>
<b>Net assets - beginning</b>	<b>102,932,043</b>	<b>\$ 52,951,609</b>	<b>\$ 64,716,039</b>	<b>220,599,691</b>
<b>Net assets - ending</b>	<b>\$ 114,090,651</b>	<b>\$ 62,143,294</b>	<b>\$ 69,936,309</b>	<b>\$ 246,170,254</b>

*(This Page Intentionally Left Blank)*

*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

	<u>Page</u>
<b>Financial Trends</b>	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>	
<b>Revenue Capacity</b>	142
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b>	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>	
<b>Demographic and Economic Information</b>	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>	
<b>Operating Information</b>	152
<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. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

SCHEDULE 1  
CITY OF SUNRISE, FLORIDA  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS  
(accrual basis of accounting)

	FISCAL YEAR								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities:</b>									
Invested in capital assets, net of related debt	\$ 162,976,540	\$ 164,268,482	\$ 165,271,477	\$ 151,152,286	\$ 142,898,601	\$ 140,513,904	\$ 128,420,363	\$ 123,216,601	\$ 142,039,078
Restricted	15,238,693	9,689,016	9,598,418	12,064,472	13,272,982	11,935,865	16,197,224	14,247,059	14,618,436
Unrestricted	87,060,179	106,482,615	112,476,433	126,209,452	146,486,034	158,620,682	166,333,000	160,417,231	131,308,114
<b>Total governmental activities net assets</b>	<b>\$ 265,275,412</b>	<b>\$ 280,440,113</b>	<b>\$ 287,346,328</b>	<b>\$ 289,426,210</b>	<b>\$ 302,657,617</b>	<b>\$ 311,070,451</b>	<b>\$ 310,950,587</b>	<b>\$ 297,880,891</b>	<b>\$ 287,965,628</b>
<b>Business-type activities:</b>									
Invested in capital assets, net of related debt	\$ 152,873,729	\$ 155,695,678	\$ 157,063,189	\$ 156,539,235	\$ 157,516,304	\$ 159,819,328	\$ 159,866,417	\$ 165,211,690	\$ 225,849,507
Restricted	22,184,305	22,469,209	24,746,175	24,745,436	24,017,536	16,824,604	13,782,270	15,107,507	31,477,214
Unrestricted	98,566,646	92,708,563	94,262,479	99,351,532	102,097,084	108,328,663	103,375,663	108,312,854	34,252,389
<b>Total business-type activities net assets</b>	<b>\$ 273,624,680</b>	<b>\$ 270,873,450</b>	<b>\$ 276,071,843</b>	<b>\$ 280,636,203</b>	<b>\$ 283,630,924</b>	<b>\$ 284,972,595</b>	<b>\$ 277,024,350</b>	<b>\$ 288,632,051</b>	<b>\$ 291,579,110</b>
<b>Total:</b>									
Invested in capital assets, net of related debt	\$ 315,850,269	\$ 319,964,160	\$ 322,334,666	\$ 307,691,521	\$ 300,414,905	\$ 300,333,232	\$ 288,286,780	\$ 288,428,291	\$ 367,888,585
Restricted	37,422,998	32,158,225	34,344,593	36,809,908	37,290,518	28,760,469	29,979,494	29,354,566	46,095,650
Unrestricted	185,626,825	199,191,178	206,738,912	225,560,984	248,583,118	266,949,345	269,708,663	268,730,085	165,560,503
<b>Total net assets</b>	<b>\$ 538,900,092</b>	<b>\$ 551,313,563</b>	<b>\$ 563,418,171</b>	<b>\$ 570,062,413</b>	<b>\$ 586,288,541</b>	<b>\$ 596,043,046</b>	<b>\$ 587,974,937</b>	<b>\$ 586,512,942</b>	<b>\$ 579,544,738</b>



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

	FISCAL YEAR								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>EXPENSES</b>									
<b>Governmental activities:</b>									
General government	\$ 11,396,263	\$ 14,229,369	\$ 12,728,139	\$ 20,725,080	\$ 22,398,846	\$ 17,106,530	\$ 17,448,298	\$ 18,173,477	\$ 20,082,293
Public safety	34,541,724	38,025,336	40,380,723	43,259,422	48,553,871	55,627,059	60,152,949	63,489,700	64,437,920
Physical environment	2,814,202	3,085,732	4,032,579	4,038,713	3,894,066	3,825,714	5,616,096	4,449,634	-
Economic development	1,642,634	1,334,180	1,356,125	1,599,428	1,220,839	1,309,622	1,918,783	3,344,301	4,809,338
Human services	53,049	52,064	53,100	53,309	50,112	5,212	42,441	43,625	30,911
Transportation	11,461,887	11,588,816	11,890,181	12,997,637	13,860,838	13,339,526	14,231,150	14,391,264	16,280,932
Culture and recreation	9,206,968	10,472,065	10,803,739	11,786,699	12,736,376	14,079,998	15,106,718	15,215,151	13,564,626
Interest on long-term debt	3,660,203	5,268,949	5,240,076	4,989,173	4,834,649	4,683,165	4,599,747	4,393,765	4,173,836
<b>Total governmental activities expenses</b>	<b>74,776,930</b>	<b>84,056,511</b>	<b>86,484,662</b>	<b>99,449,461</b>	<b>107,549,597</b>	<b>109,976,826</b>	<b>119,116,182</b>	<b>123,500,917</b>	<b>123,379,856</b>
<b>Business-type activities:</b>									
Water and wastewater	51,741,868	55,269,517	55,057,974	57,507,387	61,235,920	63,377,515	68,032,116	60,752,251	66,756,884
Gas	5,105,765	6,080,350	6,789,424	8,018,044	8,373,066	8,023,304	9,248,540	6,772,874	6,871,911
Sanitation	10,918,700	11,076,177	11,503,114	12,863,087	15,954,628	15,821,262	14,889,338	14,705,325	14,508,602
Recycling	292,845	294,905	275,659	367,695	430,064	519,441	564,707	604,604	559,919
Stormwater	1,182,701	1,453,683	1,470,516	1,439,906	2,028,070	1,634,407	1,842,738	1,924,842	2,181,131
Golf course	827,609	874,593	1,106,687	1,301,732	1,283,287	1,449,282	1,537,059	1,449,494	832,053
<b>Total business-type activities expenses</b>	<b>70,069,488</b>	<b>75,049,225</b>	<b>76,203,374</b>	<b>81,497,851</b>	<b>89,305,035</b>	<b>90,825,211</b>	<b>96,114,498</b>	<b>86,209,390</b>	<b>91,710,500</b>
<b>Total expenses</b>	<b>\$ 144,846,418</b>	<b>\$ 159,105,736</b>	<b>\$ 162,688,036</b>	<b>\$ 180,947,312</b>	<b>\$ 196,854,632</b>	<b>\$ 200,802,037</b>	<b>\$ 215,230,680</b>	<b>\$ 209,710,307</b>	<b>\$ 215,090,356</b>
<b>PROGRAM REVENUES</b>									
<b>Governmental activities:</b>									
<b>Charges for services:</b>									
General government	\$ 5,569,332	\$ 5,942,012	\$ 6,414,067	\$ 6,726,315	\$ 6,211,713	\$ 6,687,788	\$ 6,221,654	\$ 5,941,060	\$ 5,752,065
Public safety	9,395,510	9,952,259	11,157,111	13,211,164	15,739,691	14,982,473	13,886,094	16,015,292	15,803,017
Physical environment	7,037,802	7,289,397	7,505,414	7,554,593	7,988,216	7,995,686	8,316,019	9,638,883	11,953,369
Transportation	22,757	22,780	22,333	22,526	17,456	17,796	18,997	17,025	25,005
Culture and recreation	1,001,572	1,028,431	1,167,287	1,202,142	1,154,083	1,231,116	1,300,725	1,187,904	1,115,163
Operating grants and contributions	3,741,364	4,270,507	4,623,175	4,435,546	12,861,054	5,142,577	10,904,960	7,170,963	5,717,742
Capital grants and contributions	1,280,167	9,003,291	2,586,429	1,503,241	1,313,595	1,835,698	1,813,574	1,363,767	1,731,426
<b>Total governmental activities program revenues</b>	<b>28,048,504</b>	<b>37,508,677</b>	<b>33,475,816</b>	<b>34,655,527</b>	<b>45,285,808</b>	<b>37,893,134</b>	<b>42,462,023</b>	<b>41,334,894</b>	<b>42,097,787</b>
<b>Business-type activities:</b>									
<b>Charges for services:</b>									
Water and wastewater	49,968,998	51,216,884	52,027,790	52,462,626	52,853,098	52,454,892	56,115,889	65,397,327	81,881,749
Gas	5,686,691	6,658,908	7,013,495	7,900,934	9,591,125	8,832,133	9,779,418	8,290,006	7,808,387
Sanitation	10,571,840	10,719,375	11,153,684	12,545,084	15,433,205	14,997,289	14,189,961	13,977,607	13,729,802
Recycling	151,318	144,211	152,392	153,154	153,142	161,604	170,265	178,433	175,078
Stormwater	1,061,246	1,231,066	1,671,287	1,717,023	2,010,632	2,021,492	2,013,498	2,927,086	4,072,545
Golf course	400,796	328,475	364,268	552,802	508,397	595,702	565,554	493,963	36,176
Operating grants and contributions	-	41,906	105,917	143,486	821,187	240,685	82,488	20,911	-
Capital grants and contributions	6,932,935	5,703,599	7,288,180	6,860,165	3,457,391	2,534,123	3,272,683	2,416,271	998,783
<b>Total business-type activities program revenues</b>	<b>74,773,824</b>	<b>76,044,424</b>	<b>79,777,013</b>	<b>82,335,274</b>	<b>84,828,177</b>	<b>81,837,920</b>	<b>86,189,756</b>	<b>93,701,604</b>	<b>108,702,520</b>
<b>Total program revenues</b>	<b>\$ 102,822,328</b>	<b>\$ 113,553,101</b>	<b>\$ 113,252,829</b>	<b>\$ 116,990,801</b>	<b>\$ 130,113,985</b>	<b>\$ 119,731,054</b>	<b>\$ 128,651,779</b>	<b>\$ 135,036,498</b>	<b>\$ 150,800,307</b>
<b>NET (EXPENSE)/REVENUE</b>									
Governmental activities	\$ (46,728,426)	\$ (46,547,834)	\$ (53,008,846)	\$ (64,793,934)	\$ (62,263,789)	\$ (72,083,692)	\$ (76,654,159)	\$ (82,166,023)	\$ (81,282,069)
Business-type activities	4,704,336	995,199	3,573,639	837,423	(4,476,858)	(8,987,291)	(9,924,742)	7,492,214	16,992,020
<b>Total (expense)/revenue</b>	<b>\$ (42,024,090)</b>	<b>\$ (45,552,635)</b>	<b>\$ (49,435,207)</b>	<b>\$ (63,956,511)</b>	<b>\$ (66,740,647)</b>	<b>\$ (81,070,983)</b>	<b>\$ (86,578,901)</b>	<b>\$ (74,673,809)</b>	<b>\$ (64,290,049)</b>

(continued)

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

	2002	2003	2004	2005	FISCAL YEAR 2006	2007	2008	2009	2010
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>									
Governmental activities:									
Taxes:									
Property taxes	\$ 23,987,933	\$ 25,746,842	\$ 27,977,882	\$ 30,235,087	\$ 33,661,644	\$ 38,094,551	\$ 35,683,030	\$ 36,391,545	\$ 36,137,516
Insurance premium taxes	654,089	789,625	982,897	1,025,038	1,088,921	1,374,674	1,508,690	1,438,573	1,372,490
Utility service tax	6,382,415	6,426,592	6,405,548	6,543,281	6,616,716	6,588,897	6,764,876	6,956,486	7,688,446
Communications services tax	4,486,487	3,954,630	4,048,653	4,219,407	4,490,037	4,381,503	5,896,566	4,746,093	4,880,665
Local business tax	1,648,575	1,760,897	1,807,780	1,934,455	1,998,601	2,116,164	2,161,515	2,190,433	2,158,770
Franchise fees	7,436,246	7,493,198	8,036,229	8,870,918	9,930,871	9,949,711	9,916,270	9,898,820	9,765,447
Grants and contributions not restricted to specific programs	6,741,054	7,115,228	7,356,386	8,143,618	8,595,154	8,289,334	7,726,461	6,914,110	7,248,078
Unrestricted investment earnings	2,128,012	1,821,562	1,715,265	3,858,495	7,463,841	9,541,466	3,782,898	1,353,077	2,647,362
Surplus earnings on escrow fund	826,640	-	-	-	-	-	-	-	-
Miscellaneous	488,594	105,341	1,048,071	1,229,848	1,360,116	1,674,423	1,334,886	532,834	1,105,735
Gain on sale of capital assets	796,403	-	-	-	22,929	69,974	94,230	42,435	30,341
Transfers	1,179,000	6,498,620	536,350	813,669	266,366	(1,584,171)	1,664,873	(1,368,079)	(1,668,044)
<b>Total governmental activities</b>	<b>56,755,448</b>	<b>61,712,535</b>	<b>59,915,061</b>	<b>66,873,816</b>	<b>75,495,196</b>	<b>80,496,526</b>	<b>76,534,295</b>	<b>69,096,327</b>	<b>71,366,806</b>
Business-type activities:									
Unrestricted investment earnings	3,169,461	2,258,665	1,928,288	4,163,362	7,322,643	8,165,982	2,920,620	736,911	1,812,363
Miscellaneous	338,112	493,526	232,816	377,244	415,302	578,809	720,750	2,010,497	1,176,194
Extraordinary loss on early extinguishment of debt	-	-	-	-	-	-	-	-	(18,701,562)
Transfers	(1,179,000)	(6,498,620)	(536,350)	(813,669)	(266,366)	1,584,171	(1,664,873)	1,368,079	1,668,044
<b>Total business-type activities</b>	<b>2,328,573</b>	<b>(3,746,429)</b>	<b>1,624,754</b>	<b>3,726,937</b>	<b>7,471,579</b>	<b>10,328,962</b>	<b>1,976,497</b>	<b>4,115,487</b>	<b>(14,044,961)</b>
<b>Total</b>	<b>\$ 59,084,021</b>	<b>\$ 57,966,106</b>	<b>\$ 61,539,815</b>	<b>\$ 70,600,753</b>	<b>\$ 82,966,775</b>	<b>\$ 90,825,488</b>	<b>\$ 78,510,792</b>	<b>\$ 73,211,814</b>	<b>\$ 57,321,845</b>
<b>CHANGE IN NET ASSETS</b>									
Governmental activities	\$ 10,027,022	\$ 15,164,701	\$ 6,906,215	\$ 2,079,882	\$ 13,231,407	\$ 8,412,834	\$ (119,864)	\$ (13,069,696)	\$ (9,915,263)
Business-type activities	7,032,909	(2,751,230)	5,198,393	4,564,360	2,994,721	1,341,671	(7,948,245)	11,607,701	2,947,059
<b>Total</b>	<b>\$ 17,059,931</b>	<b>\$ 12,413,471</b>	<b>\$ 12,104,608</b>	<b>\$ 6,644,242</b>	<b>\$ 16,226,128</b>	<b>\$ 9,754,505</b>	<b>\$ (8,068,109)</b>	<b>\$ (1,461,995)</b>	<b>\$ (6,968,204)</b>

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

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General fund</b>										
Reserved	\$ 2,455,407	\$ 1,296,851	\$ 1,247,921	\$ 1,566,180	\$ 1,543,783	\$ 1,075,367	\$ 1,223,176	\$ 1,126,038	\$ 906,751	\$ 781,078
Unreserved	38,246,077	38,853,721	47,495,863	52,984,220	62,965,388	66,826,236	74,017,655	54,581,311	46,969,831	76,930,022
<b>Total general fund</b>	<b>\$ 40,701,484</b>	<b>\$ 40,150,572</b>	<b>\$ 48,743,784</b>	<b>\$ 54,550,400</b>	<b>\$ 64,509,171</b>	<b>\$ 67,901,603</b>	<b>\$ 75,240,831</b>	<b>\$ 55,707,349</b>	<b>\$ 47,876,582</b>	<b>\$ 77,711,100</b>
<b>All other governmental funds</b>										
Reserved	\$ 4,299,431	\$ 5,047,982	\$ 6,433,516	\$ 5,780,628	\$ 6,066,066	\$ 6,061,626	\$ 6,439,674	\$ 691,999	\$ 742,431	\$ 1,395,685
Unreserved, reported in:										
Special revenue funds	13,571,830	18,827,090	19,214,304	20,080,788	20,762,692	20,880,009	16,213,389	50,690,054	43,728,427	4,569,356
Debt service funds	2,079,747	3,251,854	2,807,170	3,650,096	4,957,563	6,937,339	6,592,050	10,284,203	13,071,464	14,338,516
Capital projects funds	37,563,065	34,212,750	44,903,895	40,581,913	42,174,762	58,018,378	65,347,922	65,003,974	73,916,230	46,907,792
<b>Total all other governmental funds</b>	<b>\$ 57,514,073</b>	<b>\$ 61,339,676</b>	<b>\$ 73,358,885</b>	<b>\$ 70,093,425</b>	<b>\$ 73,961,083</b>	<b>\$ 91,897,352</b>	<b>\$ 94,593,035</b>	<b>\$ 126,670,230</b>	<b>\$ 131,458,552</b>	<b>\$ 67,211,349</b>

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

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>REVENUES</b>										
Taxes	\$ 36,174,441	\$ 38,784,060	\$ 40,324,133	\$ 42,893,805	\$ 45,631,850	\$ 49,542,416	\$ 54,209,097	\$ 52,418,963	54,091,176	\$ 54,123,339
Permits and fees	3,405,961	3,679,296	4,023,318	4,096,212	6,148,918	7,882,904	6,374,505	5,051,122	4,015,896	3,195,176
Franchise fees	7,161,812	7,436,246	7,493,198	8,036,229	8,870,918	9,930,871	9,949,711	9,916,270	9,956,320	9,856,813
Intergovernmental	8,774,293	8,999,772	9,757,317	11,375,915	11,100,519	19,316,393	11,527,526	11,184,237	10,284,225	12,484,748
Charges for services	10,754,112	10,971,032	11,414,114	12,135,714	12,635,252	13,224,635	13,529,185	13,654,942	15,096,127	17,544,176
Administrative charges	3,261,939	4,047,448	4,381,711	4,476,018	4,320,031	4,552,456	5,000,000	4,692,231	4,965,668	5,103,573
Judgments, fines and forfeitures	395,039	794,834	1,205,272	1,167,604	968,624	953,751	927,842	7,592,902	2,999,253	1,341,017
Special assessments	3,049,269	4,890,609	4,671,832	5,656,950	5,636,307	4,903,789	5,350,078	5,366,421	7,501,909	7,558,901
Impact fees	393,140	433,952	268,215	51,351	204,408	346,571	184,880	138,514	38,128	11,126
Investment earnings	5,294,511	2,249,217	1,783,009	1,762,267	3,963,045	7,641,401	9,683,248	3,877,039	1,441,684	2,544,657
Surplus earnings on escrow fund	-	826,640	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-	-	84,889	17,822
Miscellaneous	1,248,176	1,028,544	1,241,880	1,886,830	2,057,288	2,610,919	3,467,993	2,616,691	2,148,045	2,045,547
<b>Total revenues</b>	<b>79,912,693</b>	<b>84,141,650</b>	<b>86,563,999</b>	<b>93,538,895</b>	<b>101,537,160</b>	<b>120,906,106</b>	<b>120,204,065</b>	<b>116,509,332</b>	<b>112,623,320</b>	<b>115,826,895</b>
<b>EXPENDITURES</b>										
General government	9,688,589	10,919,336	11,185,998	12,127,408	13,479,575	21,641,863	16,599,655	16,003,721	15,544,084	18,160,966
Public safety	28,742,670	32,337,503	35,458,207	38,043,714	41,130,920	46,056,731	53,965,850	55,089,106	58,289,107	62,852,805
Physical environment	2,223,088	2,392,809	2,440,773	2,555,451	2,897,245	2,873,367	3,407,318	3,748,891	3,486,746	-
Economic development	1,178,040	1,642,271	1,262,414	1,351,080	1,597,849	1,159,943	1,307,126	1,881,096	3,313,051	4,723,402
Human services	-	52,468	51,951	53,100	53,309	50,112	5,212	42,441	43,625	30,911
Transportation	820,006	826,680	844,718	850,358	866,615	834,399	916,432	876,030	958,354	3,673,074
Culture and recreation	7,079,285	7,429,318	7,975,533	8,178,149	8,852,681	9,301,665	10,291,099	10,342,798	10,597,706	9,439,482
Capital outlay	17,028,754	16,081,426	10,801,736	17,663,643	9,111,365	7,566,421	13,333,051	11,203,292	13,330,725	34,358,816
Debt service:										
Interest	3,657,185	3,660,203	3,244,866	3,101,227	2,731,027	2,422,956	2,107,375	1,848,578	1,750,965	1,646,525
Principal	5,790,445	7,466,887	7,060,958	7,565,000	7,796,191	7,943,085	6,658,084	6,875,000	6,975,000	7,070,000
Refunding bond issuance costs	841,706	-	-	-	-	-	-	-	-	-
Current refunding sinking fund	1,823,164	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	379,053	-	-	-	-	-	-	-
Other	75,370	95,837	94,651	92,179	78,765	80,756	84,497	88,471	62,057	55,023
<b>Total expenditures</b>	<b>78,948,302</b>	<b>82,904,738</b>	<b>80,800,858</b>	<b>91,581,309</b>	<b>88,595,542</b>	<b>99,931,298</b>	<b>108,675,699</b>	<b>107,999,424</b>	<b>114,351,420</b>	<b>142,011,004</b>
Excess (deficiency) of revenues over (under) expenditures	964,391	1,236,912	5,763,141	1,957,586	12,941,618	20,974,808	11,528,366	8,509,908	(1,728,100)	(26,184,109)
<b>OTHER FINANCING SOURCES (USES)</b>										
Refunding bonds issued	26,357,846	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(24,867,846)	-	-	-	-	-	-	-	-	-
Ad valorem tax bonds issued	-	-	6,770,000	-	-	-	-	-	-	-
Discount on ad valorem tax bonds	-	-	(63,749)	-	-	-	-	-	-	-
Capital leases	-	93,469	-	-	-	-	-	-	-	-
Sale of capital assets	661,409	771,936	1,627,145	47,220	71,142	87,527	90,716	168,932	53,734	53,873
Transfers in	19,794,562	25,807,602	22,447,491	15,723,309	14,657,202	33,214,851	20,430,298	27,533,964	39,343,749	43,587,729
Transfers out	(16,122,085)	(24,635,228)	(15,931,607)	(15,186,959)	(13,843,533)	(32,948,485)	(22,014,469)	(23,669,091)	(40,711,828)	(45,255,773)
<b>Total other financing sources (uses)</b>	<b>5,823,886</b>	<b>2,037,779</b>	<b>14,849,280</b>	<b>583,570</b>	<b>884,811</b>	<b>353,893</b>	<b>(1,493,455)</b>	<b>4,033,805</b>	<b>(1,314,345)</b>	<b>(1,614,171)</b>
<b>Net change in fund balances</b>	<b>\$ 6,788,277</b>	<b>\$ 3,274,691</b>	<b>\$ 20,612,421</b>	<b>\$ 2,541,156</b>	<b>\$ 13,826,429</b>	<b>\$ 21,328,701</b>	<b>\$ 10,034,911</b>	<b>\$ 12,543,713</b>	<b>\$ (3,042,445)</b>	<b>\$ (27,798,280)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>18.6%</b>	<b>16.7%</b>	<b>15.2%</b>	<b>14.2%</b>	<b>13.0%</b>	<b>11.0%</b>	<b>9.2%</b>	<b>8.8%</b>	<b>8.5%</b>	<b>8.1%</b>

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 <sup>a</sup>	LOCAL BUSINESS TAX	INSURANCE PREMIUM TAX	COMMUNICATIONS SERVICES TAX	LOCAL OPTION FUEL TAX	UTILITY SERVICE TAX	TOTAL
2001	\$ 22,375,613	\$ 1,702,420	\$ 548,688	\$ 3,634,731	\$ 1,570,350	\$ 6,342,639	\$ 36,174,441
2002	23,987,933	1,648,575	654,089	4,486,487	1,624,561	6,382,415	38,784,060
2003	25,746,842	1,760,897	789,625	3,954,630	1,645,547	6,426,592	40,324,133
2004	27,977,882	1,807,780	982,897	4,048,653	1,671,045	6,405,548	42,893,805
2005	30,235,087	1,934,455	1,025,038	4,219,407	1,674,582	6,543,281	45,631,850
2006	33,661,644	1,998,601	1,088,921	4,490,037	1,686,497	6,616,716	49,542,416
2007	38,094,551	2,116,164	1,374,674	4,381,503	1,653,308	6,588,897	54,209,097
2008	35,683,030	2,161,515	1,508,690	4,676,356	1,624,496	6,764,876	52,418,963
2009	36,391,545	2,190,433	1,438,573	5,533,736	1,580,403	6,956,486	54,091,176
2010	36,137,516	2,158,770	1,372,490	5,072,917	1,693,200	7,688,446	54,123,339
<b>Change 2001-2010</b>	<b>61.5%</b>	<b>26.8%</b>	<b>150.1%</b>	<b>39.6%</b>	<b>7.8%</b>	<b>21.2%</b>	<b>49.6%</b>

<sup>a</sup>The City was able to decrease its property tax rates every year during the last ten years because of growth in property tax values (See Schedule of ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY).

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				
2001	\$ 2,346,842	\$ 1,407,852	\$ 205,088	\$ 351,325	\$ 1,025,498	\$ 499	\$ 3,285,110	6.3000	\$ 4,311,107	76.20%
2002	2,502,198	1,568,304	227,344	370,117	1,119,999	477	3,547,487	6.2750	4,667,963	76.00%
2003	2,884,455	1,699,896	262,818	379,161	1,358,074	337	3,867,919	6.2500	5,226,330	74.01%
2004	3,360,001	1,824,965	272,795	426,984	1,580,825	273	4,303,647	6.2370	5,884,745	73.13%
2005	3,876,930	2,122,925	305,828	432,174	2,084,960	457	4,652,440	6.2240	6,737,857	69.05%
2006	4,706,346	2,288,922	338,339	427,150	2,557,520	925	5,202,312	6.2100	7,760,757	67.03%
2007	6,079,698	2,557,213	372,884	428,874	3,338,191	1,067	6,099,411	6.1100	9,438,669	64.62%
2008	6,789,546	2,888,822	425,349	397,691	3,767,781	738	6,732,889	5.1232	10,501,408	64.11%
2009	6,104,566	2,994,643	465,670	424,880	3,494,777	38,961	6,456,021	5.4397	9,989,759	64.63%
2010	4,495,068	3,135,996	500,958	431,049	2,676,154	40,800	5,846,117	6.0543	8,563,071	68.27%

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	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
2001	2000	\$ 6.3000	\$ 8.0250	\$ 7.5250	\$ 8.9553	\$ -	\$ 0.6970	\$ 0.0410	\$ 2.4803
2002	2001	6.2750	8.4350	7.4005	8.7541	0.3055	0.6970	0.0385	2.4803
2003	2002	6.2500	8.2000	7.3650	8.8825	0.3316	0.6970	0.0385	2.4803
2004	2003	6.2370	6.4869	7.1880	8.4176	0.3920	0.6970	0.0385	2.5000
2005	2004	6.2240	5.6525	7.0230	8.2695	0.4231	0.6970	0.0385	2.4803
2006	2005	6.2100	5.5069	6.7830	8.0623	0.4231	0.6970	0.0385	2.1746
2007	2006	6.1100	5.1572	6.0661	7.8687	0.4073	0.6970	0.0385	1.8317
2008	2007	5.1232	4.7113	5.2868	7.6484	0.3572	0.6240	0.0345	1.6255
2009	2008	5.4397	4.6137	5.3145	7.4170	0.3754	0.6240	0.0345	1.7059
2010	2009	6.0543	4.7426	5.3889	7.4310	0.4243	0.6240	0.0345	1.7059

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	2010			2001		
	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	\$ 306,585,160	1	5.62%	\$ 196,168,700	1	5.93%
Sawgrass Mills Phase III LP	83,923,770	2	1.54%	48,011,950	3	1.45%
N/S Sawgrass Office Associates LLC	66,831,650	3	1.22%	-	-	-
W/K Sawgrass LLP	65,045,590	4	1.19%	-	-	-
Florida Power & Light Co.	51,390,140	5	0.94%	-	-	-
Liberty Property LTD Partnership	46,136,850	6	0.85%	-	-	-
TMW Weltfonds 1500 Concord Terrance LP	41,351,910	7	0.76%	-	-	-
MGI Flamingo Palms LTD Partner	41,175,413	8	0.75%	26,441,280	5	0.80%
Sawgrass Lakes Center LLC	38,402,430	9	0.70%	-	-	-
IKEA Property Inc.	30,420,460	10	0.56%	-	-	-
Teachers Ins & Annuity Assn of America	-	-	-	50,037,510	2	1.51%
ACP Office I LLC	-	-	-	32,683,600	4	0.99%
MNYX Sawgrass Corporation	-	-	-	26,332,680	6	0.80%
Sunrise Lake LLC	-	-	-	25,310,530	7	0.77%
California State Teachers' Retirement	-	-	-	21,654,130	8	0.66%
NTC Realty Incorporation	-	-	-	20,073,220	9	0.61%
Lakes at Welleby Investors LLC	-	-	-	17,264,750	10	0.52%
<b>Totals</b>	<b>\$ 771,263,373</b>		<b>14.13%</b>	<b>\$ 463,978,350</b>		<b>14.04%</b>

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
2001	2000	\$ 20,543,256	\$ 20,391,026	99.3%	\$ 86,872	\$ 20,477,898	99.7%
2002	2001	21,851,913	21,650,071	99.1%	7,309	21,657,380	99.1%
2003	2002	23,683,909	23,509,371	99.3%	57,515	23,566,886	99.5%
2004	2003	26,226,056	26,063,547	99.4%	48,438	26,111,985	99.6%
2005	2004	28,601,183	28,398,767	99.3%	15,547	28,414,314	99.4%
2006	2005	32,173,202	31,962,583	99.3%	62,001	32,024,584	99.5%
2007	2006	36,867,170	36,667,960	99.5%	102,545	36,770,505	99.7%
2008	2007	34,357,047	34,021,196	99.0%	112,211	34,133,407	99.3%
2009	2008	34,980,436	34,507,051	98.6%	132,462	34,639,513	99.0%
2010	2009	35,498,126	34,468,708	97.1%	-	34,468,708	97.1%

\*Amounts are for general fund operations only and are exclusive of discounts, interest and penalties

Source: Broward County Property Appraiser

SCHEDULE 10  
CITY OF SUNRISE, FLORIDA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES		TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF REAL PROPERTY <sup>a</sup>	PER CAPITA <sup>b</sup>
	PUBLIC IMPROVEMENT REVENUE BONDS	PUBLIC FACILITIES REVENUE BONDS	PUBLIC IMPROVEMENT BONDS	AD VALOREM TAX BONDS	SPECIAL ASSESSMENT BONDS	CAPITAL LEASES	UTILITY SYSTEM REVENUE BONDS	CAPITAL LEASES			
2001	\$ 6,440,000	\$ 63,358,775	\$ 5,890,000	\$ 26,660,000	\$ 300,000	\$ 2,941,736	\$ 231,951,280	\$ 2,079,878	\$ 339,621,669	8.58%	3,919
2002	5,345,000	61,863,206	5,585,000	25,405,000	-	1,853,318	227,311,765	1,656,766	329,020,055	7.66%	3,784
2003	4,150,000	60,108,540	5,275,000	31,250,000	-	937,360	222,452,843	1,218,397	325,392,140	6.71%	3,719
2004	2,850,000	58,078,284	4,940,000	30,005,000	-	377,360	217,363,501	803,651	314,417,796	5.76%	3,534
2005	1,470,000	55,791,727	4,595,000	28,725,000	-	111,169	212,021,998	410,000	303,124,894	4.81%	3,378
2006	-	53,473,717	4,230,000	27,410,000	-	28,084	206,416,408	-	291,558,209	3.98%	3,251
2007	-	51,139,803	3,850,000	26,050,000	-	-	200,515,523	-	281,555,326	3.12%	3,141
2008	-	48,791,269	3,460,000	24,645,000	-	-	194,302,948	-	271,199,217	2.68%	3,011
2009	-	46,304,366	3,050,000	23,190,000	-	-	187,750,768	-	260,295,134	2.72%	2,917
2010	-	43,671,974	2,630,000	21,680,000	-	-	233,506,041	-	301,488,015	3.71%	3,380

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup>See Schedule 6 for estimated actual taxable value of real property.

<sup>b</sup>See Schedule 13 for population data.

**SCHEDULE 11  
CITY OF SUNRISE, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2010**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE*</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
<b>Debt repaid with property taxes</b>			
Broward County School Board	\$ 1,921,583,000	3.91%	\$ 75,133,895
Broward County	393,274,000	3.91%	<u>15,377,013</u>
<b>Subtotal, overlapping debt</b>			<b>90,510,908</b>
<b>City direct debt</b>			<u><b>67,981,974</b></u>
<b>Total direct and overlapping debt</b>			<u><b>\$ 158,492,882</b></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 gross taxable property values after Value Adjustment Board changes.

**SCHEDULE 12  
CITY OF SUNRISE, FLORIDA  
PLEGDED 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	NET	COVERAGE AFTER R & R
				PRINCIPAL	INTEREST			AVAILABLE AFTER R & R TRANSFER	
2001	\$ 57,082,184	\$ 29,383,696	\$ 27,698,488	\$ 5,720,000	\$ 11,109,663	1.65	\$ 2,691,498	\$ 25,006,990	1.49
2002	56,513,990	30,899,897	25,614,093	5,910,000	10,916,703	1.52	2,775,455	22,838,638	1.36
2003	58,393,801	33,355,809	25,037,992	6,125,000	10,703,908	1.49	2,843,436	22,194,556	1.32
2004	59,418,209	34,856,640	24,561,569	6,350,000	10,477,269	1.46	3,008,642	21,552,927	1.28
2005	61,512,753	37,224,030	24,288,723	6,595,000	10,235,038	1.44	3,019,429	21,269,294	1.26
2006	64,491,864	40,671,062	23,820,802	6,850,000	9,975,723	1.42	3,203,700	20,617,102	1.23
2007	63,629,661	38,947,095	24,682,566	7,050,000	9,777,567	1.47	3,219,289	21,463,277	1.28
2008	66,955,767	42,025,822	24,929,945	7,260,000	9,565,498	1.48	4,869,537	20,060,408	1.19
2009	73,825,926	40,932,145	32,893,781	7,490,000	9,338,173	1.95	3,573,243	29,320,538	1.74
2010	89,140,021	47,213,431	41,926,590	7,726,190	8,719,183	2.55	4,747,986	37,178,604	2.26

**PUBLIC IMPROVEMENT REVENUE BONDS<sup>a</sup>**

**FRANCHISE FEES**

2001	\$ 3,956,870	\$1,010,000	\$ 370,405	2.87
2002	4,104,164	1,095,000	322,935	2.89
2003	4,257,169	1,195,000	270,375	2.91
2004	4,639,444	1,300,000	211,820	3.07
2005	5,292,515	1,380,000	146,820	3.47
2006	5,928,168	1,470,000	76,440	3.83
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-

**PUBLIC FACILITIES REVENUE BONDS<sup>b</sup>**

**UTILITY SERVICE TAXES**

2001	\$ 9,129,938	\$2,975,000	\$ 1,833,780	1.90
2002	10,104,066	3,330,000	1,677,420	2.02
2003	9,745,647	3,715,000	1,498,745	1.87
2004	9,685,829	4,125,000	1,294,005	1.79
2005	9,996,948	4,525,000	1,060,880	1.79
2006	10,368,556	4,710,000	884,635	1.85
2007	10,188,206	4,890,000	705,655	1.82
2008	10,636,509	5,080,000	510,055	1.90
2009	11,689,661	5,110,000	480,455	2.09
2010	11,960,608	5,140,000	448,885	2.14

**PUBLIC IMPROVEMENT BONDS**

**SPECIAL ASSESSMENT  
COLLECTIONS**

2001	\$ 550,080	\$ 295,000	\$ 270,237	0.97
2002	558,600	305,000	257,384	0.99
2003	550,440	310,000	244,094	0.99
2004	563,040	335,000	230,584	1.00
2005	559,680	345,000	215,985	1.00
2006	560,280	365,000	200,949	0.99
2007	555,300	380,000	185,045	0.98
2008	549,000	390,000	168,485	0.98
2009	551,905	410,000	151,487	0.98
2010	553,671	420,000	133,617	1.00

SCHEDULE 12  
CITY OF SUNRISE, FLORIDA  
PLEGDED REVENUE COVERAGE, continued  
LAST TEN FISCAL YEARS

SPECIAL ASSESSMENT BONDS

FISCAL YEAR	SPECIAL ASSESSMENT COLLECTIONS	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
2001	\$ 223,538	\$ 130,000	\$ 35,475	1.35
2002	207,963	300,000	24,750	0.64
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-

AD VALOREM TAX BONDS<sup>c</sup>

SPECIAL TAX DISTRICT NO. 1  
PROPERTY TAX  
COLLECTIONS

2001	\$ 2,513,608	\$ 48,750	\$ 948,492	2.52
2002	2,864,139	1,255,000	1,245,551	1.15
2003	2,969,782	925,000	1,154,298	1.43
2004	2,727,033	1,245,000	1,329,398	1.06
2005	2,542,561	1,280,000	1,295,214	0.99
2006	2,493,444	1,315,000	1,257,840	0.97
2007	2,444,361	1,360,000	1,216,240	0.95
2008	2,397,365	1,405,000	1,170,038	0.93
2009	2,368,532	1,455,000	1,119,023	0.92
2010	2,433,946	1,510,000	1,064,023	0.95

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.

<sup>a</sup>Public Improvement revenue bonds are collateralized by a lien on and pledge of electric franchise fees.

<sup>b</sup>Public Facilities revenue bonds are 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.

<sup>c</sup>Ad valorem tax bonds are collateralized by voted debt service ad valorem taxes levied upon all taxable property within the Special Tax District No. 1.

**SCHEDULE 13  
CITY OF SUNRISE, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>YEAR</b>	<b>POPULATION</b>	<b>TOTAL POPULATION INCOME (AMOUNTS IN THOUSANDS)</b>	<b>PER CAPITA INCOME</b>	<b>UNEMPLOYMENT RATE</b>
2001	86,664	\$ 1,807,377	\$ 20,855	4.4%
2002	86,941	1,771,249	20,373	5.8%
2003	87,489	1,699,299	19,423	5.6%
2004	88,976	1,772,580	19,922	4.8%
2005	89,736	1,922,055	21,419	3.5%
2006	89,669	2,094,040	23,353	3.1%
2007	89,633	2,094,096	23,363	3.6%
2008	90,081	2,223,469	24,683	6.0%
2009	89,242	2,202,760	24,683	9.7%
2010	89,201	Not available	Not available	10.7%

**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 14  
CITY OF SUNRISE, FLORIDA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND FIVE YEARS AGO**

<b>EMPLOYER</b>	<b>2010</b>			<b>2005</b>		
	<b>EMPLOYEES</b>	<b>RANK</b>	<b>PERCENTAGE OF TOTAL CITY EMPLOYMENT</b>	<b>EMPLOYEES</b>	<b>RANK</b>	<b>PERCENTAGE OF TOTAL CITY EMPLOYMENT</b>
Broward County School Board	1,674	1	3.71%	-	-	-
City of Sunrise	981	2	2.17%			
Coventry Healthcare of Florida	900	3	1.99%	-	-	-
United Healthcare	750	4	1.66%	750	2	1.57%
AT & T	700	5	1.55%	500	3	1.05%
Pediatrix	500	6	1.11%	325	7	0.68%
Research in Motion	500	7	1.11%	-	-	-
Comcast	350	8	0.78%			
General Dynamics	330	9	0.73%	-	-	-
Publix	300	10	0.66%	-	-	-
ABN Amro Financial	-	-	-	824	1	1.73%
Nortel				400	4	0.84%
Foundation Healthcare	-	-	-	400	5	0.84%
BHA Engineering	-	-	-	325	6	0.68%
Precision Response	-	-	-	300	8	0.63%
Metro One Communications	-	-	-	300	9	0.63%
Sunrise Auto Mall	-	-	-	250	10	0.52%
<b>Total</b>	<b>6,985</b>		<b>15.47%</b>	<b>4,374</b>		<b>9.17%</b>

Source: City Economic Development Office and Broward County Schools.

Note: Information prior to 2005 is not available.

**SCHEDULE 15  
CITY OF SUNRISE, FLORIDA  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

FUNCTION	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General government</b>										
Management Information Services	*	*	14	14	15	14	12	16	16	15
Finance	*	*	26	28	27	26	27	25	22	20
Central Services	*	*	18	16	18	18	17	17	19	22
Planning	*	*	29	28	30	29	31	31	31	29
Other <sup>a</sup>	*	*	29	30	29	30	29	28	28	26
<b>Public safety</b>										
Police										
Officers	181	163	167	174	171	170	167	175	175	171
Civilians	117	118	81	75	72	78	79	83	89	86
Fire										
Firefighters and officers	126	135	134	130	137	139	139	146	146	139
Civilians	12	12	12	13	12	14	15	15	6	6
Building	*	*	24	24	26	26	27	31	29	28
Code Enforcement	*	*	11	11	13	16	15	15	15	15
<b>Physical environment</b>										
Public Works	*	*	29	31	33	29	32	34	33	34
Other	*	*	7	9	10	8	10	10	10	13
<b>Culture and recreation</b>										
Water	*	*	96	97	94	99	99	101	100	102
Wastewater	*	*	88	90	87	91	92	94	93	94
Gas	*	*	25	24	25	23	24	25	22	21
Golf Course	*	*	10	16	17	16	16	15	11	0
Recycling	*	*	1	1	1	1	1	1	0	0
Stormwater	*	*	9	8	7	6	6	7	7	7

<sup>a</sup>Other includes City Commission, City Manager, City Clerk, City Attorney, Personnel

\*Not available

Source: City Finance Department



**SCHEDULE 16  
CITY OF SUNRISE, FLORIDA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

FUNCTION	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Public safety</b>										
<b>Police</b>										
Physical arrests	2,744	2,483	3,974	2,460	2,305	2,269	3,196	3,044	3,066	2,661
Parking violations	*	2,153	1,852	1,841	1,039	1,299	1,084	742	558	532
Traffic violations	18,639	23,043	24,241	21,459	16,636	15,867	11,293	13,490	11,843	10,845
<b>Fire</b>										
Number of calls answered	12,361	12,000	11,501	11,649	12,013	12,274	11,766	11,807	11,776	11,970
Inspections	*	7,899	7,964	7,774	7,654	5,916	8,297	9,057	9,613	9,662
<b>Transportation</b>										
Street resurfacing (miles)	55	14	12	30	15	13	18	15	6	15
Potholes repaired	312	260	156	104	26	20	51	61	351	398
<b>Culture and recreation</b>										
Athletic field permits issued	2,100	1,900	1,750	1,600	2,931	2,540	2,490	2,490	2,500	2,000
Athletic club memberships	972	815	797	1,071	981	1,243	1,110	1,050	1,039	739
<b>Water</b>										
New connections	1,608	1,029	634	908	620	222	189	143	35	142
Water main breaks	49	23	42	19	59	52	66	34	38	56
Average daily consumption (thousands of gallons)	23,401	22,895	23,810	21,593	24,121	24,527	22,775	21,546	21,469	20,400
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	21,194	21,400	21,573	21,302	22,420	22,011	22,489	24,265	26,062	25,851
<b>Gas</b>										
Average daily usage (CCF's)	13,146	12,705	12,481	12,758	12,456	12,313	12,459	12,499	11,843	12,544
<b>Golf course</b>										
Memberships	120	136	91	114	80	154	101	95	55	321
<b>Stormwater</b>										
Commercial equivalent residential units (ERU's)	29,610	30,476	31,328	32,147	34,683	34,830	35,206	34,994	37,070	27,070
Residential equivalent residential units (ERU's)	35,206	36,100	36,191	36,385	36,626	36,686	37,113	37,619	37,787	37,900

\*Not available

**SCHEDULE 17  
CITY OF SUNRISE, FLORIDA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

FUNCTION	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Public safety</b>										
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	3	3	3	3	3	3	3	3	3	3
Patrol units	205	211	211	211	215	215	215	216	226	249
Fire stations	5	5	5	5	5	5	5	5	5	5
<b>Transportation</b>										
Streets (miles)	186	186	186	186	186	186	186	186	186	186
Street lights (FPL and City owned)	3,745	3,790	3,790	3,790	3,790	3,790	3,792	3,792	3,797	3,797
<b>Culture and recreation</b>										
Parks	5	10	10	12	12	13	13	13	13	13
Park acreage	111	145	145	145	169	177	177	177	177	177
Swimming pools	4	4	4	4	5	5	5	5	5	5
Tennis courts	21	21	21	21	21	21	21	21	21	21
Community centers	7	7	7	7	7	7	7	8	8	8
<b>Water</b>										
Water mains (miles)	523	547	592	624	631	636	700	706	710	711
Maximum daily capacity (thousands of gallons)	31,000	41,500	41,500	47,500	47,500	44,000	44,000	44,000	44,000	44,000
<b>Wastewater</b>										
Sanitary sewers (miles)	629	629	629	677	692	695	723	725	727	727
Maximum daily treatment capacity (thousands of gallons)	30,990	30,990	30,990	30,990	30,990	30,450	30,450	30,450	30,450	30,450
Gas mains (miles)	172	172	174	175	175	176	177	178	180	181
Golf Course	1	1	1	1	1	1	1	1	1	1
<b>Stormwater</b>										
Pump stations	7	7	7	7	7	7	7	7	7	7
Storm sewers (miles)	390	390	390	390	390	390	390	390	392	392

Sources: Various city departments.

Note: No capital asset indicators are available for the general government function.

*Section IV*

*City of Sunrise, Florida*

*Compliance Audit 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 the financial statements of the governmental activities, the business-type activities and 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, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 11, 2011. Our report was modified to include a reference to the reports of other auditors as it relates to the Pension Trust Funds. 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 of America. Other auditors audited the financial statements of the Pension Trust Funds as described in our report on the City's financial statements. The financial statements of the Pension Trust Funds were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

*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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



MARCUMGROUP  
MEMBER

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Sunrise's financial statements are free of 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*.

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

*Marcum LLP*

Fort Lauderdale, FL  
March 11, 2011

**Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Federal Awards Program and State Project and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General**

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

## Compliance

We have audited the City of Sunrise, Florida (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of its major federal awards programs and state financial assistance projects for the fiscal year ended September 30, 2010. The City's major federal awards programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state financial assistance projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, 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 or a state project 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material aspects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs and its state financial assistance projects for the fiscal year ended September 30, 2010.



MARCUMGROUP  
MEMBER

## Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state financial assistance projects. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on major federal programs and state financial assistance projects in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 or State financial assistance project 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor, City Commission, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

Fort Lauderdale, FL  
March 11, 2011

**CITY OF SUNRISE, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended September 30, 2010**

Federal/State Agency, Pass-through Entity Federal Program/State Project	ARRA	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
United States Department of Homeland Security					
Indirect Programs:					
Passed through Broward County - State Domestic Preparedness Equipment Support Program	No	97.004	05DS-11-16-01	2,371	-
Passed through City of Miami - Urban Search and Rescue Response System	No	97.025	FIRE-GA-DP-11186-USAR-HAITI	52,184	-
Passed through State of Florida Division of Emergency Management - Hazard Mitigation Grant	No	97.039	07HM-0;-11-16-02-002	25,217	-
Passed through State of Florida Division of Emergency Management - Hazard Mitigation Grant	No	97.039	07HM-0;-11-16-02-009	1,694	-
Passed through State of Florida Division of Emergency Management - Hazard Mitigation Grant	No	97.039	07HM-0;-11-16-02-012	222	-
Passed through State of Florida Division of Emergency Management - Homeland Security Grant Program	No	97.067	09-CI-49-11-16-02-403	4,565	-
Passed through State of Florida Division of Emergency Management - Homeland Security Grant Program	No	97.067	10-CI-43-11-16-02-353	5,000	-
Passed through City of Miramar - Homeland Security Grant Program	No	97.067	08DS-62-11-16-02-296	116,995	-
Passed through City of Miramar - Homeland Security Grant Program	No	97.067	09DS-48-11-16-02-448	159,184	-
Total United States Department of Homeland Security				367,432	-
United States Department of Health and Human Services					
Indirect Program:					
Passed through State of Florida Department of Health and Broward County Health Department Public Health Emergency Preparedness	No	93.069		14,285	-
Total United States Department of Treasury				14,285	-
United States Department of Housing and Urban Development					
Direct Programs:					
Community Development Block Grants/Entitlement Grants	No	14.218	B-07-MC-120035	608,604	-
Community Development Block Grants/Entitlement Grants	No	14.218	B-08-MC-120035	75,722	23,634
Neighborhood Stabilization Program	No	14.218	B-08-MN-12-0027	2,319,996	-
Indirect Programs:					
Passed through State of Florida Department of Community Affairs and Broward County - Community Development Block Grants State's Program and Non-Entitlement Grants in Hawaii	No	14.228	07DB-3V-11-16-01-Z08	304,724	-
Passed through Broward County - Home Investment Partnerships Program	No	14.239	2005 - 2006	194,532	-
Passed through Broward County - Home Investment Partnerships Program	No	14.239	2006 - 2007	262,734	-
Passed through Broward County - Home Investment Partnerships Program	No	14.239	2007 - 2008	43,556	-
Passed through Broward County - Home Investment Partnerships Program	No	14.239	2008 - 2009	42,273	-
Passed through Broward County - Home Investment Partnerships Program	No	14.239	2009 - 2010	42,623	-
Passed through Broward County - Home Investment Partnerships Program	No	14.239	2007 - 2008 Minor Home Repair	144,223	-
Passed through Broward County - Home Investment Partnerships Program	No	14.239	2008 - 2009 Minor Home Repair	162,222	-
Total United States Department of Housing and Urban Development				4,201,209	23,634
United States Department of Justice					
Direct Programs:					
Federal Equitable Sharing	No	16.000		1,288,028	-
Bulletproof Vest Partnership Program	No	16.607		23,055	-
Indirect Programs:					
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	No	16.738	2007-DJ-BX-1390	19,246	-
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	No	16.738	2008-DJ-BX-0534	12,474	-
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	Yes	16.804	2009-SB-B9-3324	28,586	-
Total United States Department of Justice				1,371,389	-

See notes to schedule

(Continued)



**CITY OF SUNRISE, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended September 30, 2010**

Federal/State Agency, Pass-through Entity Federal Program/State Project	ARRA	CFDA/ CSFA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
United States Department of Transportation					
Indirect Programs:					
Passed through Florida Department of Transportation - Highway Planning and Construction	No	20.205	AOJ90	465,000	-
Passed through Florida Department of Transportation - Highway Planning and Construction	No	20.205	AOJ93	455,000	-
Passed through Florida Department of Health - State Traffic Safety System Improvement Grants	No	20.610	59-0944587	2,800	-
Passed through Florida Department of Transportation - Florida Child Safety Seat Distribution Program	No			6,900	-
				<u>929,700</u>	<u>-</u>
Total United States Department of Transportation					
United States Department of Treasury					
Direct Program:					
Federal Equitable Sharing	No	16.000		104,945	-
				<u>104,945</u>	<u>-</u>
Total United States Department of Treasury					
				<u>104,945</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>6,988,960</u>	<u>23,634</u>
Florida Department of Community Affairs					
Indirect Project:					
Passed through Florida Housing Finance Corporation - State Housing Initiatives Partnership Program		52.901	52-202250001-52980100-00-10504500	594,779	-
				<u>594,779</u>	<u>-</u>
Total Florida Department of Community Affairs					
				<u>594,779</u>	<u>-</u>
Florida Department of Health					
Indirect Projects:					
Passed through Broward County - County Grant Awards		64.005	07-HSD-EMS-8151-02	18,681	-
Passed through Broward County - County Grant Awards		64.005	08-HSD-EMS-8151-01	4,216	-
Passed through Broward County - County Grant Awards		64.005	09-HSD-EMS-8151-01	53,210	-
				<u>76,107</u>	<u>-</u>
Total Florida Department of Health					
				<u>76,107</u>	<u>-</u>
Total Expenditures of State Financial Assistance				<u>670,886</u>	<u>-</u>
Total Expenditures of Federal Awards and State Financial Assistance				<u>\$ 7,659,846</u>	<u>\$ 23,634</u>

See notes to schedule

# CITY OF SUNRISE, FLORIDA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FISCAL YEAR ENDED SEPTEMBER 30, 2010

---

### NOTE 1 – GENERAL

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) presents the activities of all federal programs and state projects of the City of Sunrise, Florida (the City) for the year ended September 30, 2010. The City's reporting entity is described in Note 1 of the financial statements. All federal awards and state financial assistance received directly or from pass-through entities from federal and state agencies are included in the Schedule.

### NOTE 2 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance of the City of Sunrise is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF SUNRISE, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED SEPTEMBER 30, 2010

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

*Unqualified Opinion*

Type of auditor’s report issued:

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified not considered to be material weakness?  Yes  None reported

Non-compliance material to financial statements noted?  Yes  No

Federal Awards Programs and State Financial Assistance Projects

Internal control over major federal awards programs and state financial assistance projects:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified not considered to be material weakness?  Yes  None reported

Type of auditor’s report issued on compliance for major federal awards programs and state financial assistance projects: *Unqualified Opinion*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) or Chapter 10.550, Rules of the Auditor General?

Yes  No

Identification of major federal awards programs and state financial assistance projects:

<u>Federal Awards Programs</u>	<u>CFDA No.</u>
Community Development Block Grants/ Home Investment Partnership Program	14.239
Department of Justice and Department of the Treasury/Federal Equitable Sharing Program	N/A
Highway Planning and Construction	20.205

<u>State Assistance Projects</u>	<u>CSFA No.</u>
State Housing Initiative Partnership Program	52.901

Dollar threshold used to distinguish between Type A and Type B programs: Federal \$300,000  
State \$201,266

Auditee qualified as low-risk auditee for Federal awards?  Yes  No

**CITY OF SUNRISE, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

---

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

**SECTION IV – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

None.

**CITY OF SUNRISE, FLORIDA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FISCAL YEAR ENDED SEPTEMBER 30, 2010**

---

**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

2009-01 Project Based Costing System. This comment will not be repeated as the City has addressed this matter and is in the process of setting up a project based costing system.

**II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

**III. PRIOR YEAR STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

None.

*Section V*  
*City of Sunrise, Florida*  
*Management Letter*

**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**

We have audited the financial statements of the City of Sunrise, Florida, as of and for the fiscal year ended September 30, 2010, and have issued our report thereon dated March 11, 2011.

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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditors' Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and a Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 11, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

- 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. The one finding reported in the preceding annual financial audit report has been addressed by the City.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.



MARCUMGROUP  
MEMBER

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuses that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., 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. The City was established under Chapter 61-2902 in 1961. The City included the following blended component units: (Special Recreation District Phase I, Special Recreation District Phase II, and Special Tax District No. 1).
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement to be included as to whether or not the local governmental entity 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.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2010, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial report for the fiscal year ended September 30, 2010. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. 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 the review of financial information provided by same. This assessment was done as of the fiscal year end.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Mayor, City Commission, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

Fort Lauderdale, FL  
March 11, 2011