

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2009

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

**Fiscal Year Ended
September 30, 2009**



**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, 2009

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Section I
City of Sunrise, Florida
Introductory Section



May 18, 2010

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, 2009. 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.

MarcumRachlin, 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, 2009, 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, 2009, 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. The City 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 two 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. 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 30th of each year. The appropriated budget is prepared by fund, function (e.g., Public Safety),

and department (e.g., Police). The city manager is authorized to transfer appropriations within a department, office or agency; however, any other revisions require approval of the city commission.

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 South Florida's 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. Despite a deep national recession, a significant level of corporate business and development activity occurred in the City during the year. Some of the more notable activity this year included: *New York Life* relocated their southeast headquarters to a 28,000 square foot office that will employ 125 executives; *T-Mobile* established a 26,000 square foot regional operation that will house 120 employees; *S & B Industry* relocated their headquarters to the City, utilizing 50,000 square feet of office and hired 150 new positions; and *General Dynamics* expanded their current City location by 45,000 square feet and added

130 new jobs. Other corporations that moved to the City this year included *Nova Engineering*, *AvMed*, *Leo Pharmaceutical* and *Eva Gabor International*.

- 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 6th largest office park in the State of Florida. One component of the Sawgrass International Corporate Park is Lakeshore Office Plaza II, a five-story, 145,000 square foot class A office building completed in 2008. This building is Broward’s first LEED Certified “Green Office Building”. In addition, the Stiles Corporation received approvals to move forward with plans for a major mixed-use development called Westerra. The proposed Westerra project will feature 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. In 2010, the mall will move forward with a 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. In addition to Sawgrass Mills, another major amenity drawing visitors to the City is the 20,000 seat Bank Atlantic Center, in which the Sinatra Theater is housed. 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 69.

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 12 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

Unreserved, undesignated fund balance in the general fund (43.3 percent of the general fund original adopted revenue budget) falls within the policy guidelines set by the city

commission for budgetary and planning purposes (i.e., one-twelfth of the general fund original adopted budget).

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 2009, with an approximate vacancy rate of 16.3%.

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 two major projects called "Metropica" and "Artesia".

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.

A twin tower 26-story residential condominium project, called Tao, features 396 luxury units. Although sales and rental activity at Tao has improved significantly in 2009, the overall pace of transactions has been hampered by a fragile U.S. housing industry and an overbuilt South Florida condo market.

The BankAtlantic Center, located in the heart of the City's Sawgrass area, has been moving through the City's approval process with *OZ*, a massive entertainment development that includes a mixed-use project adjacent to the arena. The project could include retail, restaurants, hotel, office, residential units, meeting facilities and additional entertainment venues. The firm of Beyer Blinder Belle has been hired for the initial planning stage.

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 2009. 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.

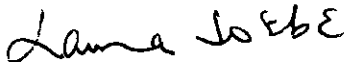
Awards and Acknowledgements

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, 2008. 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.

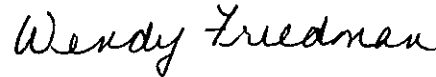
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2008

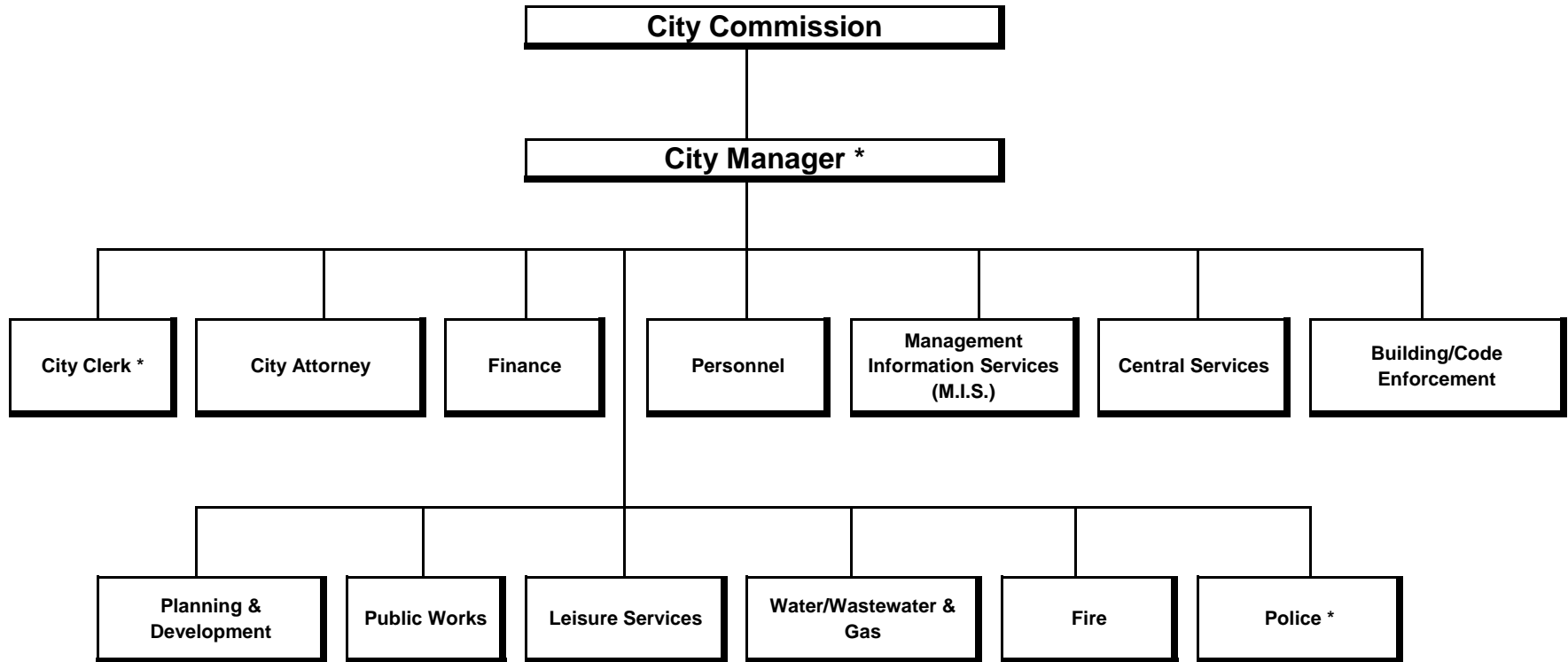
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

**City of Sunrise
Departmental Organizational Chart
Fiscal Year 2008/2009**



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* Charter Officer

**City of Sunrise, Florida
List of City Officials
September 30, 2009**

Elected Officials

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

**Roger B. Wishner
Donald K. Rosen
Sheila D. Alu
Joseph A. Scuotto
Lawrence A. Sofield**

Principal Officials

**Manager
Attorney
Clerk
Acting Director of Building and Code Enforcement
Director of Central Services
Director of Finance
Director of Leisure Services
Director of MIS
Director of Personnel
Director of Planning and Development
Director of Public Works
Director of Utilities
Fire Chief
Police Chief**

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

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Section II
City of Sunrise, Florida
Financial Section

INDEPENDENT AUDITORS' REPORT

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

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, 2009, 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 74% and 48% 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, 2009, 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.

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MarcumRachlin a Division of Marcum LLP ■ marcumrachlin.com

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NEW YORK ■ NEW JERSEY ■ CONNECTICUT ■ PENNSYLVANIA ■ FLORIDA ■ GRAND CAYMAN

In accordance with *Government Auditing Standards*, we have also issued a report dated May 18, 2010 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 read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 13 through 24 and the Schedules of Funding Progress on pages 82 and 83 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 projects 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.



a division of Marcum LLP
Fort Lauderdale, Florida
May 18, 2010

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, 2009. 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 \$39,245,442 or 46.8% of general fund revenues and 44.4% of total general fund expenditures. The undesignated fund balance decreased by \$5,392,410 from fiscal year 2008.
- General fund revenues and other financing sources increased by \$843,997, an increase of .9% from fiscal year 2008.
- General fund expenditures and other financing uses increased by \$12,393,277, or 13% higher than last fiscal year.

Governmental Activities

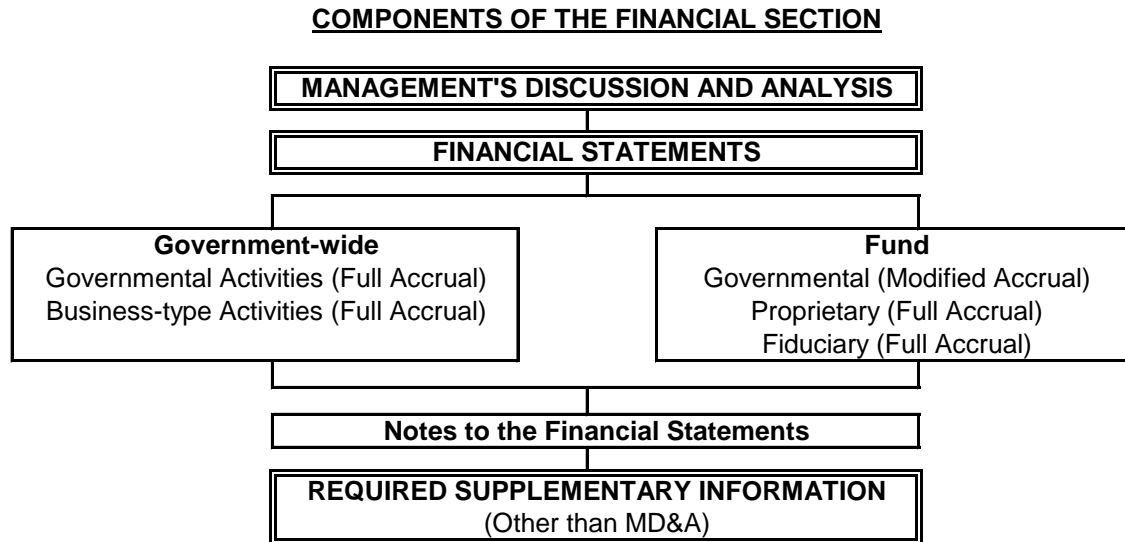
- On a government-wide basis for governmental activities, the City's general revenues of \$70,464,406 were \$11,701,617 less than the \$82,166,023 of expenses net of program revenue.
- As of September 30, 2009, the City's governmental activities reported total ending net asset balances of \$297,880,891. Approximately 53.9% of this total amount, \$160,417,231, 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 \$586,512,942 at September 30, 2009, a decrease of .2% from September 30, 2008. Of this amount, \$268,730,085 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.

The City maintains twenty-two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, 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 an internal service fund (the other type of proprietary fund) to report activities that provide services for the City's other programs and activities. The Workers' Compensation fund is the City's only internal service fund. 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 | |
|--|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Current and other assets | \$ 208,545 | \$ 210,371 | \$ 161,591 | \$ 157,981 | \$ 370,136 | \$ 368,352 |
| Capital assets | <u>201,388</u> | <u>211,191</u> | <u>341,851</u> | <u>337,865</u> | <u>543,239</u> | <u>549,056</u> |
| Total assets | <u>409,933</u> | <u>421,562</u> | <u>503,442</u> | <u>495,846</u> | <u>913,375</u> | <u>917,408</u> |
| Current and other liabilities | 17,662 | 16,597 | 28,552 | 28,557 | 46,214 | 45,154 |
| Long-term liabilities | <u>94,390</u> | <u>94,014</u> | <u>186,258</u> | <u>190,265</u> | <u>280,648</u> | <u>284,279</u> |
| Total liabilities | <u>112,052</u> | <u>110,611</u> | <u>214,810</u> | <u>218,822</u> | <u>326,862</u> | <u>329,433</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 123,217 | 128,420 | 165,211 | 159,866 | 288,428 | 288,286 |
| Restricted | 14,247 | 16,198 | 15,108 | 13,782 | 29,355 | 29,980 |
| Unrestricted | <u>160,417</u> | <u>166,333</u> | <u>108,313</u> | <u>103,376</u> | <u>268,730</u> | <u>269,709</u> |
| Total net assets | <u>\$ 297,881</u> | <u>\$ 310,951</u> | <u>\$ 288,632</u> | <u>\$ 277,024</u> | <u>\$ 586,513</u> | <u>\$ 587,975</u> |

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of September 30, 2009, assets exceeded liabilities by \$586,513 thousand.

The majority of the City's net assets reflect its investment in capital assets (49.2%), 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 (5%) 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 (45.8%) 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 \$11,608 thousand for business-type activities and a decrease of \$13,070 thousand for governmental activities for the current fiscal year, resulting in a combined decrease of \$1,462 thousand in net assets. This decrease is primarily due to downward spiraling investment rates, decrease in market value for State Board of Administration (SBA) Fund B investments (described in more detail in Note IV A on page 56), decrease in forfeiture funds collected, and operating expense increases.

Statement of Activities

The following table provides a condensed comparative summary of the City's operations for the fiscal years ended September 30, 2009 and 2008:

Changes in Net Assets
For the Fiscal Years Ended September 30, 2009 and 2008
(in thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 32,800 | \$ 29,743 | \$ 91,264 | \$ 82,834 | \$124,064 | \$112,577 |
| Operating grants and contributions | 7,171 | 10,905 | 21 | 82 | 7,192 | 10,987 |
| Capital grants and contributions | 1,364 | 1,814 | 2,416 | 3,273 | 3,780 | 5,087 |
| General revenues: | | | | | | |
| Property taxes | 36,392 | 35,683 | - | - | 36,392 | 35,683 |
| Insurance premium taxes | 1,439 | 1,509 | - | - | 1,439 | 1,509 |
| Utility service tax | 6,956 | 6,765 | - | - | 6,956 | 6,765 |
| Communications services tax | 4,746 | 5,897 | - | - | 4,746 | 5,897 |
| Local business tax | 2,190 | 2,162 | - | - | 2,190 | 2,162 |
| Franchise fees | 9,899 | 9,916 | - | - | 9,899 | 9,916 |
| Grants and contributions not restricted to specific programs | 6,914 | 7,726 | - | - | 6,914 | 7,726 |
| Unrestricted investment earnings | 1,353 | 3,783 | 737 | 2,921 | 2,090 | 6,704 |
| Miscellaneous | 533 | 1,335 | 2,011 | 721 | 2,544 | 2,056 |
| Gain on sale of capital assets | 42 | 94 | - | - | 42 | 94 |
| Total revenues | 111,799 | 117,332 | 96,449 | 89,831 | 208,248 | 207,163 |
| Expenses | | | | | | |
| General government | 18,173 | 17,448 | - | - | 18,173 | 17,448 |
| Public safety | 63,490 | 60,153 | - | - | 63,490 | 60,153 |
| Physical environment | 4,450 | 5,616 | - | - | 4,450 | 5,616 |
| Economic development | 3,344 | 1,919 | - | - | 3,344 | 1,919 |
| Human services | 44 | 42 | - | - | 44 | 42 |
| Transportation | 14,391 | 14,231 | - | - | 14,391 | 14,231 |
| Culture and recreation | 15,215 | 15,107 | - | - | 15,215 | 15,107 |
| Interest on long-term debt | 4,394 | 4,600 | - | - | 4,394 | 4,600 |
| Water and wastewater | - | - | 60,752 | 68,032 | 60,752 | 68,032 |
| Gas | - | - | 6,773 | 9,249 | 6,773 | 9,249 |
| Sanitation | - | - | 14,705 | 14,889 | 14,705 | 14,889 |
| Recycling | - | - | 605 | 565 | 605 | 565 |
| Stormwater | - | - | 1,925 | 1,843 | 1,925 | 1,843 |
| Golf Course | - | - | 1,449 | 1,537 | 1,449 | 1,537 |
| Total expenses | 123,501 | 119,116 | 86,209 | 96,115 | 209,710 | 215,231 |
| Increase (decrease) in net assets before transfers | (11,702) | (1,784) | 10,240 | (6,284) | (1,462) | (8,068) |
| Transfers | (1,368) | 1,665 | 1,368 | (1,665) | - | - |
| Change in net assets | (13,070) | (119) | 11,608 | (7,949) | (1,462) | (8,068) |
| Net assets – beginning | <u>310,951</u> | <u>311,070</u> | <u>277,024</u> | <u>284,973</u> | <u>587,975</u> | <u>596,043</u> |
| Net assets – ending | <u>\$297,881</u> | <u>\$310,951</u> | <u>\$288,632</u> | <u>\$277,024</u> | <u>\$ 586,513</u> | <u>\$587,975</u> |

Revenues

For the fiscal year ended September 30, 2009, revenues from governmental activities totaled \$111,799 thousand.

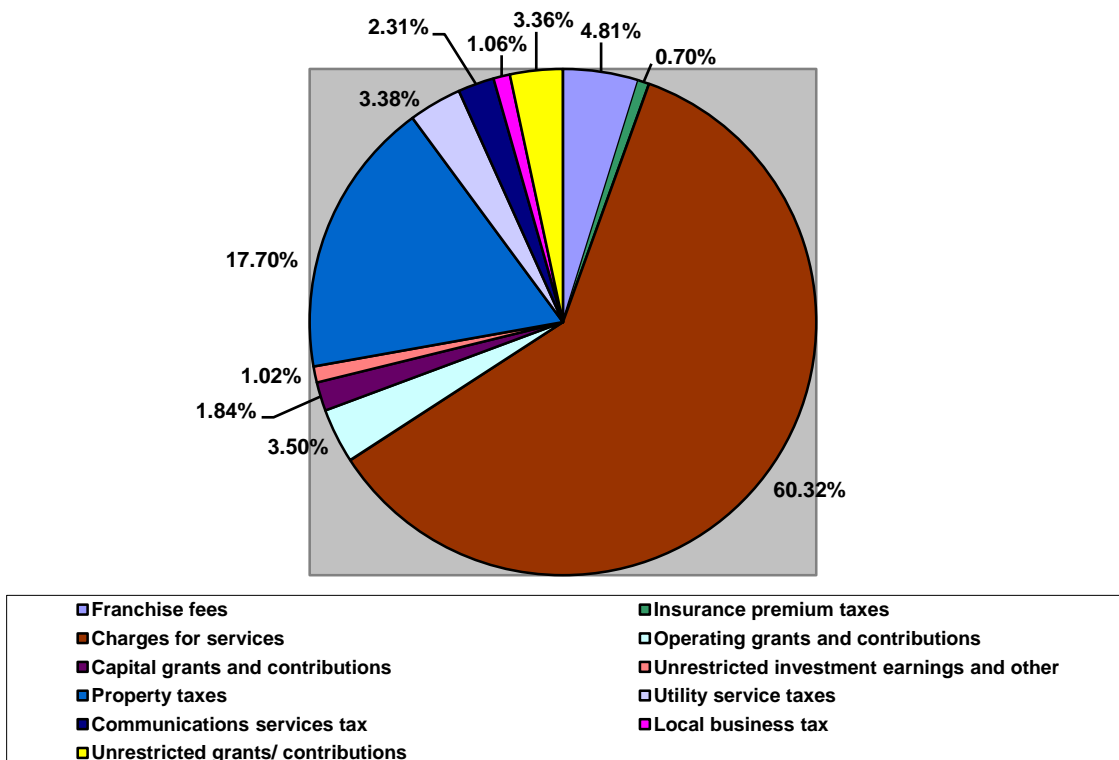
General property taxes were \$36,392 thousand, an increase of \$709 thousand as compared to fiscal year 2008. Although assessed property values decreased and the City incurred some of the impact from Amendment 1, there was a slight increase in property taxes due to the City adopting the roll-back millage rate of 5.4397 mills and additional taxable value due to new construction and additions.

Charges for services increased by \$11,487 thousand primarily due to an increase in user fees for water and sewer rates and stormwater fees.

Operating grants and contributions decreased by \$3,795 thousand primarily due to a reduction in forfeiture confiscation revenues.

Unrestricted investment earnings decreased by \$4,614 thousand due to “mark-to-market” accounting, which resulted in unrealized investment losses of approximately \$1,800 thousand and a decline in the average interest rate from approximately 2.9% in fiscal year 2008 to approximately 1.3% in fiscal year 2009.

**Sources of Revenue: Government-wide
for FY 2009**

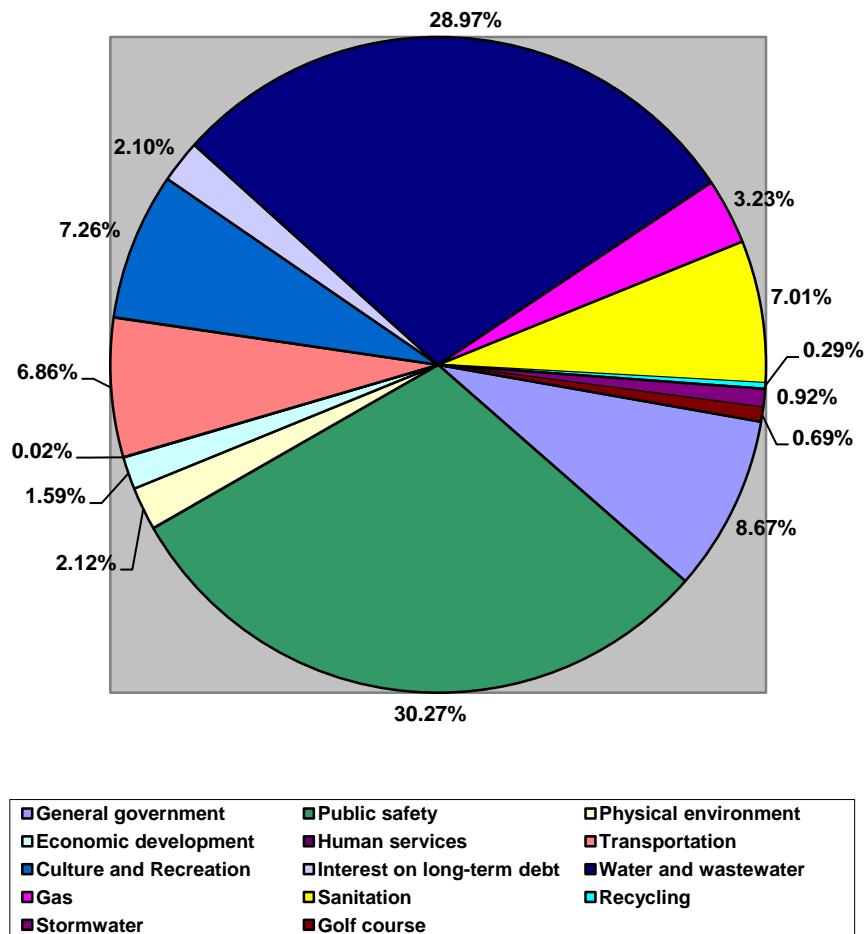


Expenses

For the fiscal year ended September 30, 2009, expenses for governmental activities totaled \$123,501 thousand, which includes increases for employee compensation expenses.

Expenses for the City's business-type activities, which provide water, wastewater and gas, sanitation, recycling and stormwater services and golf course operations, totaled \$86,209 thousand, a decrease of \$9,906 thousand from fiscal year 2008. This decrease is due to a reduction in cost for gas purchases and increased purchases of capital assets.

Functional Expenses: Government-wide for FY 2009



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended September 30, 2009, the governmental funds reflect a combined fund balance of \$179,335,134, a decrease of \$3,042,445 in comparison with the prior year. Approximately 99 percent of this total amount (\$177,685,952) 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 (\$781,413) or for a variety of other restricted purposes (\$867,769). This year's decrease in fund balance is due to a number of reasons. The general fund's expenditures and other financing uses were \$7,830,767 in excess of its revenues and other financing sources mainly due to increased transfers to other funds. Differences between actual revenues and the final budget occurred in various revenue sources: tax revenues increased approximately \$204 thousand due to increased ad valorem and business license tax collections; intergovernmental revenues decreased approximately \$897 thousand due to anticipated grant funds from Florida Department of Health not being received (\$343 thousand) and less than anticipated revenue sharing (\$236 thousand) and half-cent sales tax (\$562 thousand) revenues; investment earnings decreased by \$567 thousand due to a declining interest rate environment and the use of fair value accounting for investments; charges for services increased \$1.8 million primarily due to an increase in cost recovery charges; franchise fees decreased \$191 thousand due to reduced solid waste franchise fees; miscellaneous revenues increased by approximately \$524 thousand primarily due to higher than anticipated code liens satisfaction (\$295 thousand) and an insurance premium refund (\$201 thousand). In addition, total expenditures were approximately \$6.5 million less than final budget, mainly due to position vacancies and less than anticipated capital spending. The fund balance of the Public Service Tax debt service fund increased by \$1,163,539 primarily due to increased receipts of communications services taxes. The fund balance of the Capital Improvements capital projects fund increased by \$9,012,446 due to operating transfers. The other governmental funds fund balance decreased by \$5,387,663. This was due primarily to expenditures and other financing uses exceeding revenues and other financing sources in the Economic & Job Growth (\$5,897,420), Police Confiscation (\$2,567,044) and Vehicle Replacement (\$1,282,156) special revenue funds and revenues and other financing sources exceeding expenditures and other financing uses in the Emergency Management special revenue fund (\$4,949,512).

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget amounted to a \$14,652,569 increase in appropriations. Of this increase, \$448,289 was funded through various grants, \$1,438,573 was funded through insurance premium taxes, \$3,925 was funded from police donations, and \$12,761,782 was funded from the general fund unreserved fund balance. Highlights of the supplemental appropriation follow:

- \$187,000 in decreases for general government activities. The decrease was comprised of budget reductions for appropriations to the fire department and facility management division in the amounts of \$67,000 and \$120,000, respectively.
- \$1,994,034 in increases allocated to public safety. Included in this amount was a supplemental appropriation of \$1,438,573 to fund contributions to the Police and Firefighters' Pension Plans, and \$447,851 for salaries, overtime, and related benefits. In addition, an appropriation of \$100,525 was needed for various capital purchases.

- \$7,497 in increases for culture and recreation.
- \$120,000 in increases for physical environment for various capital improvements.
- \$12,718,038 in increases for transfers out: \$5,000,000 to Emergency Management fund for additional reserve for disasters and emergencies, \$664,000 to Fuel and Roadway fund for purchase of vehicles, \$2,500,000 to Vehicle Replacement fund for purchase of vehicles, and \$4,554,038 to Capital Improvements capital projects fund for various facility improvements (\$1,025,625) and capital projects (\$3,528,413).

**General Fund
FY 2009
(in thousands)**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts</u> |
|--|------------------------|---------------------|-----------------------|
| Revenues and other financing sources | | | |
| Taxes | \$ 36,810 | \$ 38,249 | \$ 38,453 |
| Permits and fees | 4,139 | 4,139 | 4,016 |
| Franchise fees | 3,912 | 3,912 | 3,721 |
| Intergovernmental | 8,011 | 8,459 | 7,562 |
| Charges for services | 13,270 | 13,270 | 15,096 |
| Other | <u>14,631</u> | <u>14,715</u> | <u>15,034</u> |
| Total | <u>80,773</u> | <u>82,744</u> | <u>83,882</u> |
| Expenditures | <u>93,012</u> | <u>94,947</u> | <u>88,405</u> |
| Deficiency of revenues under expenditures | <u>(12,239)</u> | <u>(12,203)</u> | <u>(4,523)</u> |
| Other financing sources (uses) | | | |
| Transfers in | 9,763 | 12,627 | 12,626 |
| Transfers out | (3,263) | (15,981) | (15,981) |
| Sale of capital assets | - | - | 47 |
| Total | <u>6,500</u> | <u>(3,354)</u> | <u>(3,308)</u> |
| Net change in fund balances | <u>\$ (5,739)</u> | <u>\$ (15,557)</u> | <u>\$ (7,831)</u> |

Actual general fund revenues exceeded original budgeted revenues by \$3,109 thousand. This increase is primarily due to receipt of \$1,569 thousand in cost recovery fees and \$1,438 thousand in insurance premium taxes. The original budget was amended to account for insurance premium tax revenue, cable access channel fees, and additional grant awards. Revenue collections exceeded the final budget by \$1,138 thousand primarily due to increased cost recovery fees. Actual general fund expenditures were less than the final budget by \$6,542 thousand primarily due to position vacancies resulting in salary and related payroll cost savings and a concerted effort to curtail operating expenses.

CAPITAL ASSETS

At the end of fiscal year 2009, the City's governmental activities had invested \$201,388,158 in a variety of capital assets and infrastructure, which represents a net decrease of \$9,803,113. The City's investment in capital assets for its business-type activities amounts to \$341,850,449, which represents a net increase of \$3,984,916. The following table reflects the components of capital assets and their changes:

| | Government-wide Change in Capital Assets (in thousands) | | | | | |
|--|--|-----------------------------|---------------------|--------------------------|-----------------------------|---------------------|
| | Governmental Activities | | | Business-type Activities | | |
| | Balance, 10/1/08 | Net Additions/ Deletions | Balance, 9/30/09 | Balance, 10/1/08 | Net Additions/ Deletions | Balance, 9/30/09 |
| Non-depreciable assets: | | | | | | |
| Land | \$ 14,201 | \$ 500 | \$ 14,701 | \$ 10,985 | \$ - | \$ 10,985 |
| Construction in progress | 20,183 | (10,078) | 10,105 | 9,347 | 2,961 | 12,308 |
| Other capital assets: | | | | | | |
| Intangibles | 667 | 175 | 842 | 790 | 92 | 882 |
| Buildings and system Improvements other than buildings | 76,265 | 11,190 | 87,455 | 446,004 | 8,680 | 454,684 |
| Machinery and equipment | 27,555 | 1,697 | 29,252 | 4,294 | 3,770 | 8,064 |
| Vehicles | 9,924 | 605 | 10,529 | 6,828 | 570 | 7,398 |
| Infrastructure | 16,182 | 1,631 | 17,813 | 6,364 | 691 | 7,055 |
| Accumulated depreciation on other capital assets | 327,579 | 3,402 | 330,981 | - | - | - |
| | <u>(281,365)</u> | <u>(18,925)</u> | <u>(300,290)</u> | <u>(146,747)</u> | <u>(12,779)</u> | <u>(159,526)</u> |
| Totals | <u>\$ 211,191</u> | <u>\$ (9,803)</u> | <u>\$ 201,388</u> | <u>\$337,865</u> | <u>\$ 3,985</u> | <u>\$ 341,850</u> |

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

- The City completed more than \$3.2 million in Sunrise Lakes Blvd. roadway improvements and upgrades. These projects included milling and resurfacing of asphalt, replacing portions of sidewalks/curbs/gutters, drainage improvements, landscape/irrigation upgrades, signage, and installation of decorative concrete at intersections.
- The City recently completed various streetscape improvements totaling over \$1.7 million along sections of NW 44th Street and Pine Island Road.
- The City made several public safety purchases including twenty-four new police vehicles for \$652,109, two new ambulances for \$457,462, and one fire engine for \$520,898. Additionally, a new police command vehicle was purchased through the Urban Area Security Initiative grant for \$389,325. The City also purchased a new bus for senior transportation and youth activities, a street sweeper truck, and a sewer cleaning truck.
- Various system additions and improvements were completed in the Water, Wastewater, and Gas Utility System at a cost of \$3,233,725.

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%.

- Springtree Golf Course: A complete renovation of the City’s golf course is underway.
- Buildings: Construction of a new state-of-the-art Public Safety Headquarters, which will include a new fire station #72, as well as a public works facility that will include a City vehicle automotive repair garage has begun.

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 \$260,295,134. Of this amount, \$234,055,134 represents bonds secured solely by specified revenue sources, \$3,050,000 comprises public improvement bonds (bank notes), and \$23,190,000 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 “AAA” and “A” for the governmental activities revenue bonds and an insured rating of “AAA” for the ad valorem tax bonds. The public improvement bonds (bank notes) are not rated.

The City did not obtain underlying ratings for its utility revenue bonds; instead, each series of utility revenue bonds was rated based on the municipal bond insurance provided by Ambac Assurance Corporation. As a result of the downgrade of Ambac Assurance Corporation by Moody’s Investors Service and Standard and Poor’s to “Caa2” and “CC”, respectively, the insured ratings on the utility revenue bonds have been withdrawn and such bonds are not currently rated.

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 2,380, with total resident employment of 46,358. As of September 2009, the City’s resident unemployment rate was 9.4%, comparing favorably to the County and State’s resident unemployment rate of 9.8% and 11.3%, respectively.

As of September 2009 (the latest data available from the U. S. Census Bureau), the City’s median household income was \$44,376, while the State’s median household income was \$47,778.

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, 2009

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 114,965,384 | \$ 55,625,357 | \$ 170,590,741 |
| Investments | 82,588,858 | 43,620,232 | 126,209,090 |
| Receivables, net of allowance for uncollectibles | 8,931,535 | 16,042,035 | 24,973,570 |
| Internal balances | 1,652,049 | (1,652,049) | - |
| Inventories | 96,705 | 1,868,684 | 1,965,389 |
| Prepays | 74,259 | 37,850 | 112,109 |
| Deferred charges | 236,433 | 1,439,217 | 1,675,650 |
| Restricted assets: | | | |
| Cash and cash equivalents | - | 30,876,605 | 30,876,605 |
| Investments | - | 13,732,993 | 13,732,993 |
| Capital assets not being depreciated: | | | |
| Land | 14,700,664 | 10,985,086 | 25,685,750 |
| Construction in progress | 10,105,265 | 12,308,521 | 22,413,786 |
| Capital assets (net of accumulated depreciation): | | | |
| Intangibles | 333,845 | 412,648 | 746,493 |
| Buildings and system | 67,992,090 | 306,303,957 | 374,296,047 |
| Improvements other than buildings | 14,902,366 | 6,631,073 | 21,533,439 |
| Machinery and equipment | 2,940,939 | 3,079,408 | 6,020,347 |
| Vehicles | 6,469,817 | 2,129,756 | 8,599,573 |
| Infrastructure | 83,943,172 | - | 83,943,172 |
| Total assets | <u>409,933,381</u> | <u>503,441,373</u> | <u>913,374,754</u> |
| LIABILITIES | | | |
| Accounts payable and other current liabilities | 2,984,462 | 5,373,315 | 8,357,777 |
| Retainage payable | 250,401 | - | 250,401 |
| Intergovernmental payable | 66,723 | 2,067,111 | 2,133,834 |
| Matured bonds and interest payable | 7,850,481 | - | 7,850,481 |
| Accrued liabilities | 2,142,502 | 402,602 | 2,545,104 |
| Unearned revenue | 2,214,667 | 110,876 | 2,325,543 |
| Other liabilities | 2,152,827 | - | 2,152,827 |
| Liabilities payable from restricted assets | - | 20,598,086 | 20,598,086 |
| Non-current liabilities: | | | |
| Due within one year | 9,579,892 | 8,061,879 | 17,641,771 |
| Due in more than one year | 84,810,535 | 178,195,453 | 263,005,988 |
| Total liabilities | <u>112,052,490</u> | <u>214,809,322</u> | <u>326,861,812</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 123,216,601 | 165,211,690 | 288,428,291 |
| Restricted: | | | |
| Debt service | 11,014,724 | - | 11,014,724 |
| Renewal and replacement | - | 8,532,941 | 8,532,941 |
| Operations and maintenance | - | 6,574,566 | 6,574,566 |
| Capital projects | 1,132,433 | - | 1,132,433 |
| Community development projects | 706,057 | - | 706,057 |
| Other purposes | 1,393,845 | - | 1,393,845 |
| Unrestricted | 160,417,231 | 108,312,854 | 268,730,085 |
| Total Net Assets | <u>\$ 297,880,891</u> | <u>\$ 288,632,051</u> | <u>\$ 586,512,942</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, 2009

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | |
|--|-----------------------|-----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 18,173,477 | \$ 5,941,060 | \$ - | \$ 108,000 | \$ (12,124,417) | \$ - | \$ (12,124,417) |
| Public safety | 63,489,700 | 16,015,292 | 3,113,736 | 463,229 | (43,897,443) | - | (43,897,443) |
| Physical environment | 4,449,634 | 9,638,883 | - | 17,298 | 5,206,547 | - | 5,206,547 |
| Economic development | 3,344,301 | - | 2,821,270 | - | (523,031) | - | (523,031) |
| Human services | 43,625 | - | 43,625 | - | - | - | - |
| Transportation | 14,391,264 | 17,025 | 1,144,046 | 579,139 | (12,651,054) | - | (12,651,054) |
| Culture and recreation | 15,215,151 | 1,187,904 | 48,286 | 196,101 | (13,782,860) | - | (13,782,860) |
| Interest on long-term debt | 4,393,765 | - | - | - | (4,393,765) | - | (4,393,765) |
| Total governmental activities | 123,500,917 | 32,800,164 | 7,170,963 | 1,363,767 | (82,166,023) | - | (82,166,023) |
| Business-type activities: | | | | | | | |
| Water and wastewater | 60,752,251 | 65,397,327 | 20,911 | 2,416,271 | - | 7,082,258 | 7,082,258 |
| Gas | 6,772,874 | 8,290,006 | - | - | - | 1,517,132 | 1,517,132 |
| Sanitation | 14,705,325 | 13,977,607 | - | - | - | (727,718) | (727,718) |
| Recycling | 604,604 | 178,433 | - | - | - | (426,171) | (426,171) |
| Stormwater | 1,924,842 | 2,927,086 | - | - | - | 1,002,244 | 1,002,244 |
| Golf course | 1,449,494 | 493,963 | - | - | - | (955,531) | (955,531) |
| Total business-type activities | 86,209,390 | 91,264,422 | 20,911 | 2,416,271 | - | 7,492,214 | 7,492,214 |
| Total | \$ 209,710,307 | \$ 124,064,586 | \$ 7,191,874 | \$ 3,780,038 | (82,166,023) | 7,492,214 | (74,673,809) |
| General revenues: | | | | | | | |
| Property taxes | | | | | 36,391,545 | - | 36,391,545 |
| Insurance premium taxes | | | | | 1,438,573 | - | 1,438,573 |
| Utility service tax | | | | | 6,956,486 | - | 6,956,486 |
| Communications services tax | | | | | 4,746,093 | - | 4,746,093 |
| Local business tax | | | | | 2,190,433 | - | 2,190,433 |
| Franchise fees based on gross receipts | | | | | 9,898,820 | - | 9,898,820 |
| Grants and contributions not restricted to specific programs | | | | | 6,914,110 | - | 6,914,110 |
| Unrestricted investment earnings | | | | | 1,353,077 | 736,911 | 2,089,988 |
| Miscellaneous | | | | | 532,834 | 2,010,497 | 2,543,331 |
| Gain on sale of capital assets | | | | | 42,435 | - | 42,435 |
| Transfers | | | | | (1,368,079) | 1,368,079 | - |
| Total general revenues and transfers | | | | | 69,096,327 | 4,115,487 | 73,211,814 |
| Change in net assets | | | | | (13,069,696) | 11,607,701 | (1,461,995) |
| Net assets - beginning | | | | | 310,950,587 | 277,024,350 | 587,974,937 |
| Net assets - ending | | | | | \$ 297,880,891 | \$ 288,632,051 | \$ 586,512,942 |

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

CITY OF SUNRISE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

| | General | Debt Service | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------|-------------------------|--------------------------------|--------------------------------|
| | | Public Service Tax | Capital Improvements | | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 19,770,607 | \$ 6,235,230 | \$ 46,426,924 | \$ 38,062,348 | \$ 110,495,109 |
| Investments | 29,726,452 | - | 26,748,508 | 23,410,075 | 79,885,035 |
| Receivables, net of allowance for uncollectibles: | | | | | |
| Interest | 146,079 | 40 | 146,846 | 98,602 | 391,567 |
| Taxes | - | 547,235 | - | - | 547,235 |
| Franchise fees | - | - | - | 605,642 | 605,642 |
| Accounts receivable | 497,279 | - | - | - | 497,279 |
| Special assessments | - | - | - | 3,637,675 | 3,637,675 |
| Other | - | - | 74 | 14,426 | 14,500 |
| Due from other funds | 1,999,404 | 1,029,451 | 664,050 | - | 3,692,905 |
| Interfund | 1,382,219 | - | - | - | 1,382,219 |
| Intergovernmental | 1,667,760 | 432,567 | - | 1,128,714 | 3,229,041 |
| Prepaid items | 73,784 | - | - | 475 | 74,259 |
| Inventories | 51,554 | - | - | 45,151 | 96,705 |
| Advances to other funds | 781,413 | - | - | - | 781,413 |
| Total assets | <u>\$ 56,096,551</u> | <u>\$ 8,244,523</u> | <u>\$ 73,986,402</u> | <u>\$ 67,003,108</u> | <u>\$ 205,330,584</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 1,006,053 | \$ 82 | \$ 1,197,840 | \$ 534,706 | \$ 2,738,681 |
| Accrued liabilities | 2,118,082 | - | 17,022 | 7,398 | 2,142,502 |
| Retainage payable | - | - | 250,401 | - | 250,401 |
| Intergovernmental payable | 2,098 | 60,000 | - | 4,625 | 66,723 |
| Due to other funds | 1,961,907 | - | 81,304 | 317,114 | 2,360,325 |
| Interfund payable | - | - | - | 1,303,305 | 1,303,305 |
| Matured bonds payable | - | 5,110,000 | - | 1,865,000 | 6,975,000 |
| Matured interest payable | - | 240,227 | - | 635,254 | 875,481 |
| Unearned revenue | 2,214,667 | - | - | - | 2,214,667 |
| Deferred revenue | - | 432,567 | - | 4,382,971 | 4,815,538 |
| Other | 917,162 | - | - | 1,235,665 | 2,152,827 |
| Advances from other funds | - | - | - | 100,000 | 100,000 |
| Total liabilities | <u>8,219,969</u> | <u>5,842,876</u> | <u>1,546,567</u> | <u>10,386,038</u> | <u>25,995,450</u> |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Inventories | 51,554 | - | - | 45,151 | 96,705 |
| Prepaid items | 73,784 | - | - | - | 73,784 |
| Advances | 781,413 | - | - | - | 781,413 |
| Recreation | - | - | - | 160,091 | 160,091 |
| Public safety | - | - | - | 65,880 | 65,880 |
| Fire equipment | - | - | - | 362,360 | 362,360 |
| Median strips | - | - | - | 108,949 | 108,949 |
| Unreserved, designated for, reported in: | | | | | |
| Encumbrances | 657,261 | 2,785 | 9,815,650 | - | 10,475,696 |
| Encumbrances: | | | | | |
| Special revenue funds | - | - | - | 339,833 | 339,833 |
| Subsequent year's expenditures | 4,234,635 | - | 53,990,479 | - | 58,225,114 |
| Building Department capital | 2,771,700 | - | - | - | 2,771,700 |
| Tennis Center capital | 5,943 | - | - | - | 5,943 |
| Reforestation Replacement | 54,850 | - | - | - | 54,850 |
| Special revenue funds | - | - | - | 16,054,361 | 16,054,361 |
| Debt service funds | - | - | - | 138,000 | 138,000 |
| Unreserved, undesignated, reported in: | | | | | |
| General fund | 39,245,442 | - | - | - | 39,245,442 |
| Special revenue funds | - | - | - | 27,334,233 | 27,334,233 |
| Debt service funds | - | 2,398,862 | - | 10,531,817 | 12,930,679 |
| Capital projects funds | - | - | 8,633,706 | 1,476,395 | 10,110,101 |
| Total fund balances | <u>47,876,582</u> | <u>2,401,647</u> | <u>72,439,835</u> | <u>56,617,070</u> | <u>179,335,134</u> |
| Total liabilities and fund balances | <u>\$ 56,096,551</u> | <u>\$ 8,244,523</u> | <u>\$ 73,986,402</u> | <u>\$ 67,003,108</u> | <u>\$ 205,330,584</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, 2009

| | | |
|---|---------------|-------------------------------|
| Fund balances - total governmental funds | \$ | 179,335,134 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 201,388,158 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | 4,815,538 |
| The internal service fund is used by management to charge the costs of workers' compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | | 2,031,708 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | | <u>(89,689,647)</u> |
| Net assets of governmental activities | \$ | <u>297,880,891</u> |

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

CITY OF SUNRISE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

| | General | Debt Service | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------|-------------------------|--------------------------------|--------------------------------|
| | | Public Service Tax | Capital Improvements | | |
| REVENUES | | | | | |
| Taxes: | | | | | |
| Property | \$ 34,023,013 | \$ - | \$ - | \$ 2,368,532 | \$ 36,391,545 |
| Local option fuel | - | - | - | 1,580,403 | 1,580,403 |
| Insurance premium | 1,438,573 | - | - | - | 1,438,573 |
| Utility service | - | 6,956,486 | - | - | 6,956,486 |
| Communications services | 800,561 | 4,733,175 | - | - | 5,533,736 |
| Local business | 2,190,433 | - | - | - | 2,190,433 |
| Permits and fees | 4,015,896 | - | - | - | 4,015,896 |
| Franchise fees | 3,721,417 | - | - | 6,234,903 | 9,956,320 |
| Intergovernmental | 7,561,982 | - | 200,000 | 2,522,243 | 10,284,225 |
| Charges for services | 15,096,127 | - | - | - | 15,096,127 |
| Administrative charges | 4,965,668 | - | - | - | 4,965,668 |
| Judgments, fines and forfeitures | 531,508 | - | - | 2,467,745 | 2,999,253 |
| Special assessments | 6,950,004 | - | - | 551,905 | 7,501,909 |
| Impact fees | - | - | - | 38,128 | 38,128 |
| Investment earnings | 576,702 | 3,749 | 385,907 | 475,326 | 1,441,684 |
| Contributions and donations | 38,038 | - | 40,000 | 6,851 | 84,889 |
| Miscellaneous | 1,972,363 | - | 28,650 | 147,032 | 2,148,045 |
| Total revenues | <u>83,882,285</u> | <u>11,693,410</u> | <u>654,557</u> | <u>16,393,068</u> | <u>112,623,320</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 15,505,418 | - | - | 38,666 | 15,544,084 |
| Public safety | 56,593,648 | - | - | 1,695,459 | 58,289,107 |
| Physical environment | 3,486,746 | - | - | - | 3,486,746 |
| Economic development | - | - | - | 3,313,051 | 3,313,051 |
| Human services | - | - | - | 43,625 | 43,625 |
| Transportation | - | - | - | 958,354 | 958,354 |
| Culture and recreation | 10,597,706 | - | - | - | 10,597,706 |
| Debt service: | | | | | |
| Principal | - | 5,110,000 | - | 1,865,000 | 6,975,000 |
| Interest | - | 480,455 | - | 1,270,510 | 1,750,965 |
| Other | - | 7,371 | - | 54,686 | 62,057 |
| Capital outlay | 2,221,217 | - | 7,331,786 | 3,777,722 | 13,330,725 |
| Total expenditures | <u>88,404,735</u> | <u>5,597,826</u> | <u>7,331,786</u> | <u>13,017,073</u> | <u>114,351,420</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(4,522,450)</u> | <u>6,095,584</u> | <u>(6,677,229)</u> | <u>3,375,995</u> | <u>(1,728,100)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 12,625,711 | - | 18,554,038 | 8,164,000 | 39,343,749 |
| Transfers out | (15,981,264) | (4,932,045) | (2,864,363) | (16,934,156) | (40,711,828) |
| Sale of capital assets | 47,236 | - | - | 6,498 | 53,734 |
| Total other financing sources (uses) | <u>(3,308,317)</u> | <u>(4,932,045)</u> | <u>15,689,675</u> | <u>(8,763,658)</u> | <u>(1,314,345)</u> |
| Net change in fund balances | <u>(7,830,767)</u> | <u>1,163,539</u> | <u>9,012,446</u> | <u>(5,387,663)</u> | <u>(3,042,445)</u> |
| Fund balances - beginning | <u>55,707,349</u> | <u>\$ 1,238,108</u> | <u>\$ 63,427,389</u> | <u>\$ 62,004,733</u> | <u>182,377,579</u> |
| Fund balances - ending | <u>\$ 47,876,582</u> | <u>\$ 2,401,647</u> | <u>\$ 72,439,835</u> | <u>\$ 56,617,070</u> | <u>\$ 179,335,134</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, 2009

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

| | |
|---|------------------------|
| Net change in fund balances -- total governmental funds | \$ (3,042,445) |
| 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 depreciation exceeded capital outlays in the current period. | (9,500,627) |
| 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. | (302,486) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (42,197) |
| 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. | 4,332,200 |
| 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. | (4,179,552) |
| Revenues reported in the funds that relate to prior periods are not reported in the statement of activities. | (561,487) |
| Internal service funds are used by management to charge the costs of workers' compensation to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities. | 226,898 |
| Change in net assets of governmental activities | <u>\$ (13,069,696)</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, 2009

| REVENUES | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Taxes: | | | | |
| Property | \$ 33,878,882 | \$ 33,878,882 | \$ 34,023,013 | \$ 144,131 |
| Insurance premium | - | 1,438,573 | 1,438,573 | - |
| Communications services | 789,000 | 789,000 | 800,561 | 11,561 |
| Local business | 2,142,500 | 2,142,500 | 2,190,433 | 47,933 |
| Permits and fees | 4,138,825 | 4,138,825 | 4,015,896 | (122,929) |
| Franchise fees | 3,912,057 | 3,912,057 | 3,721,417 | (190,640) |
| Intergovernmental | 8,010,763 | 8,459,052 | 7,561,982 | (897,070) |
| Charges for services | 13,269,697 | 13,269,697 | 15,096,127 | 1,826,430 |
| Administrative charges | 4,965,668 | 4,965,668 | 4,965,668 | - |
| Judgments, fines and forfeitures | 360,000 | 360,000 | 531,508 | 171,508 |
| Special assessments | 6,793,509 | 6,793,509 | 6,950,004 | 156,495 |
| Investment earnings | 1,143,853 | 1,143,853 | 576,702 | (567,151) |
| Contributions and donations | - | 3,925 | 38,038 | 34,113 |
| Miscellaneous | 1,368,511 | 1,448,261 | 1,972,363 | 524,102 |
| Total revenues | 80,773,265 | 82,743,802 | 83,882,285 | 1,138,483 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| City Commission | 668,104 | 668,104 | 606,695 | 61,409 |
| City Manager | 920,073 | 919,561 | 772,874 | 146,687 |
| City Clerk | 463,602 | 462,116 | 422,119 | 39,997 |
| City Attorney | 707,233 | 707,233 | 690,152 | 17,081 |
| Finance | 2,532,504 | 2,532,504 | 2,317,411 | 215,093 |
| Personnel | 1,035,442 | 1,035,442 | 971,408 | 64,034 |
| Management Information Services | 2,476,095 | 2,530,995 | 2,306,445 | 224,550 |
| Central Services | 2,356,058 | 2,353,270 | 1,999,285 | 353,985 |
| Planning and Development | 2,519,369 | 2,515,319 | 2,218,614 | 296,705 |
| Non-departmental | 4,641,341 | 4,398,141 | 3,200,415 | 1,197,726 |
| Total general government | 18,319,821 | 18,122,685 | 15,505,418 | 2,617,267 |
| Public safety: | | | | |
| Police | 32,699,837 | 33,271,848 | 31,886,808 | 1,385,040 |
| Fire | 19,374,101 | 20,681,599 | 20,681,599 | - |
| Building | 3,359,838 | 3,367,338 | 2,926,515 | 440,823 |
| Code Enforcement | 1,153,543 | 1,163,493 | 1,098,726 | 64,767 |
| Total public safety | 56,587,319 | 58,484,278 | 56,593,648 | 1,890,630 |
| Physical environment: | | | | |
| Central Services - Facility Management | 1,709,956 | 1,569,156 | 1,257,020 | 312,136 |
| Public Works | 2,491,995 | 2,491,995 | 2,229,726 | 262,269 |
| Total physical environment | 4,201,951 | 4,061,151 | 3,486,746 | 574,405 |
| Culture and recreation: | | | | |
| Leisure Services | 11,886,175 | 11,624,875 | 10,597,706 | 1,027,169 |

(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, 2009

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Capital outlay: | | | | |
| General government: | | | | |
| City Manager | - | 512 | 512 | - |
| City Clerk | - | 1,486 | 1,486 | - |
| Management Information Services | 380,011 | 380,011 | 280,747 | 99,264 |
| Central Services | - | 2,788 | 1,448 | 1,340 |
| Planning and Development | - | 4,050 | - | 4,050 |
| Non-departmental | 200 | 1,500 | - | 1,500 |
| Public safety: | | | | |
| Police | 273,413 | 287,413 | 274,479 | 12,934 |
| Fire | 966,360 | 1,066,885 | 998,551 | 68,334 |
| Building | 36,002 | 28,502 | 19,934 | 8,568 |
| Code Enforcement | 30,879 | 20,929 | 20,148 | 781 |
| Physical environment: | | | | |
| Central Services - Facility Management | 68,375 | 329,175 | 235,144 | 94,031 |
| Culture and recreation: | | | | |
| Leisure Services | 261,482 | 530,279 | 388,768 | 141,511 |
| Total capital outlay | <u>2,016,722</u> | <u>2,653,530</u> | <u>2,221,217</u> | <u>432,313</u> |
| Total expenditures | <u>93,011,988</u> | <u>94,946,519</u> | <u>88,404,735</u> | <u>6,541,784</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(12,238,723)</u> | <u>(12,202,717)</u> | <u>(4,522,450)</u> | <u>7,680,267</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 9,762,790 | 12,627,153 | 12,625,711 | (1,442) |
| Transfers out | (3,263,226) | (15,981,264) | (15,981,264) | - |
| Sale of capital assets | - | - | 47,236 | 47,236 |
| Total other financing sources (uses) | <u>6,499,564</u> | <u>(3,354,111)</u> | <u>(3,308,317)</u> | <u>45,794</u> |
| Net change in fund balances | (5,739,159) | (15,556,828) | (7,830,767) | 7,726,061 |
| Fund balances - beginning | <u>55,707,349</u> | <u>55,707,349</u> | <u>55,707,349</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 49,968,190</u> | <u>\$ 40,150,521</u> | <u>\$ 47,876,582</u> | <u>\$ 7,726,061</u> |

CITY OF SUNRISE, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Fund |
|---|---|------------------|------------------------------|--------------------|--|
| | Water, Wastewater and Gas Utility System | Sanitation | Other Enterprise Funds | Total | Workers' Compensation |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 53,541,480 | \$ 312,591 | \$ 1,771,286 | \$ 55,625,357 | \$ 4,470,275 |
| Investments | 42,834,339 | 6,453 | 779,440 | 43,620,232 | 2,703,823 |
| Interest receivable | 137,909 | - | 2,044 | 139,953 | 8,596 |
| Accounts receivable, net of allowance for uncollectibles | 13,166,729 | 2,104,604 | 230,512 | 15,501,845 | - |
| Assessments receivable, net | 53,966 | - | - | 53,966 | - |
| Other receivables | 365 | - | 374 | 739 | - |
| Due from other funds | 56,068 | - | - | 56,068 | - |
| Intergovernmental receivable | 302,779 | - | 42,753 | 345,532 | - |
| Inventories | 1,827,475 | - | 41,209 | 1,868,684 | - |
| Prepaid items | 36,200 | - | 1,650 | 37,850 | - |
| Restricted cash and cash equivalents: | | | | | |
| Revenue bond covenant accounts | 12,159,086 | - | - | 12,159,086 | - |
| Total current assets | 124,116,396 | 2,423,648 | 2,869,268 | 129,409,312 | 7,182,694 |
| Noncurrent assets: | | | | | |
| Restricted cash, cash equivalents and investments: | | | | | |
| Customer deposits | 7,515,884 | 764,961 | - | 8,280,845 | - |
| Revenue bond covenant accounts | 24,169,667 | - | - | 24,169,667 | - |
| Deferred charges | 1,439,217 | - | - | 1,439,217 | - |
| Capital assets: | | | | | |
| Land | 9,761,786 | - | 1,223,300 | 10,985,086 | - |
| Intangibles | 881,703 | - | - | 881,703 | - |
| Buildings and system | 453,928,189 | - | 756,271 | 454,684,460 | - |
| Improvements other than buildings | 5,186,512 | - | 2,877,336 | 8,063,848 | - |
| Machinery and equipment | 6,147,178 | - | 1,250,612 | 7,397,790 | - |
| Vehicles | 6,539,801 | - | 514,863 | 7,054,664 | - |
| Construction in progress | 12,277,966 | - | 30,555 | 12,308,521 | - |
| Less accumulated depreciation | (158,003,533) | - | (1,522,090) | (159,525,623) | - |
| Total capital assets, net of accumulated depreciation | 336,719,602 | - | 5,130,847 | 341,850,449 | - |
| Total noncurrent assets | 369,844,370 | 764,961 | 5,130,847 | 375,740,178 | - |
| Total assets | 493,960,766 | 3,188,609 | 8,000,115 | 505,149,490 | 7,182,694 |

Business-type Activities - Enterprise Funds

**Governmental
Activities -
Internal Service
Fund**

| | Water, Wastewater and Gas Utility System | Sanitation | Other Enterprise Funds | Total | Workers' Compensation |
|--|---|-------------------|---------------------------------------|-----------------------|----------------------------------|
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 3,280,388 | 1,859,167 | 206,513 | 5,346,068 | 25,494 |
| Accrued liabilities | 372,948 | - | 29,654 | 402,602 | - |
| Due to other funds | 1,450,482 | 183,499 | 2,201 | 1,636,182 | - |
| Interfund payable | - | - | 78,914 | 78,914 | - |
| Compensated absences | 297,108 | - | 34,771 | 331,879 | - |
| Intergovernmental payable | 2,066,874 | - | 237 | 2,067,111 | - |
| Current liabilities payable from restricted assets: | | | | | |
| Revenue bonds payable | 7,490,000 | - | - | 7,490,000 | - |
| Accrued interest payable | 4,669,086 | - | - | 4,669,086 | - |
| Total current liabilities | 19,626,886 | 2,042,666 | 352,290 | 22,021,842 | 25,494 |
| Noncurrent liabilities: | | | | | |
| Revenue bonds payable (net of unamortized discounts, premiums and deferred amount on refunding) | 179,178,140 | - | - | 179,178,140 | - |
| Compensated absences | 3,098,051 | - | 156,702 | 3,254,753 | - |
| Other post employment benefits | 1,634,924 | - | 191,008 | 1,825,932 | - |
| Retiree subsidy | 1,487,384 | - | 179,244 | 1,666,628 | - |
| Advances from other funds | - | - | 681,413 | 681,413 | - |
| Claims and judgments | - | - | - | - | 4,464,347 |
| Unearned revenue | 57,480 | 53,396 | - | 110,876 | - |
| Noncurrent liabilities payable from restricted assets: | | | | | |
| Retainage payable | 158,155 | - | - | 158,155 | - |
| Customer deposits payable | 7,515,884 | 764,961 | - | 8,280,845 | - |
| Total noncurrent liabilities | 193,130,018 | 818,357 | 1,208,367 | 195,156,742 | 4,464,347 |
| Total liabilities | 212,756,904 | 2,861,023 | 1,560,657 | 217,178,584 | 4,489,841 |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 160,082,461 | - | 5,129,229 | 165,211,690 | - |
| Restricted for: | | | | | |
| Renewal and replacement | 8,532,941 | - | - | 8,532,941 | - |
| Operations and maintenance | 6,574,566 | - | - | 6,574,566 | - |
| Unrestricted | 106,013,894 | 327,586 | 1,310,229 | 107,651,709 | 2,692,853 |
| Total net assets | \$ 281,203,862 | \$ 327,586 | \$ 6,439,458 | 287,970,906 | \$ 2,692,853 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | | | 661,145 | |
| Net assets of business-type activities | | | | \$ 288,632,051 | |

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, 2009

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Fund |
|---------------------------------------|---|-------------------|------------------------------|-------------------|--|
| | Water, Wastewater and Gas Utility System | Sanitation | Other Enterprise Funds | Total | Workers' Compensation |
| Operating revenues: | | | | | |
| Charges for sales and services: | | | | | |
| Water sales | \$ 30,569,098 | \$ - | \$ - | \$ 30,569,098 | \$ - |
| Wastewater service | 32,777,060 | - | - | 32,777,060 | - |
| Gas sales | 8,224,499 | - | - | 8,224,499 | - |
| Fees | - | 13,977,607 | 3,599,482 | 17,577,089 | - |
| Service charges | 651,501 | - | - | 651,501 | 2,303,284 |
| Guaranteed revenues | 411,491 | - | - | 411,491 | - |
| Administrative charges | 576,984 | - | - | 576,984 | - |
| Total operating revenues | 73,210,633 | 13,977,607 | 3,599,482 | 90,787,722 | 2,303,284 |
| Operating expenses: | | | | | |
| Costs of sales and services: | | | | | |
| Power, water and wastewater purchases | 5,206,521 | - | 81,797 | 5,288,318 | - |
| Natural gas purchases | 2,687,660 | - | - | 2,687,660 | - |
| Chemical purchases | 2,535,116 | - | 123,528 | 2,658,644 | - |
| Solid waste/sludge removal | 1,672,928 | 13,977,607 | - | 15,650,535 | - |
| Recycling charges | - | - | 552,005 | 552,005 | - |
| Materials and supplies | 806,780 | - | 105,086 | 911,866 | - |
| Repairs and maintenance | 471,928 | - | 92,200 | 564,128 | - |
| Salaries, wages and employee benefits | 15,454,478 | - | 1,927,603 | 17,382,081 | - |
| Insurance and other expenses | 7,762,720 | 30,000 | 331,937 | 8,124,657 | 489,331 |
| Claims expense | - | - | - | - | 1,561,187 |
| Administrative fees | 4,334,014 | 691,363 | 517,275 | 5,542,652 | - |
| Depreciation | 13,925,617 | - | 224,590 | 14,150,207 | - |
| Total operating expenses | 54,857,762 | 14,698,970 | 3,956,021 | 73,512,753 | 2,050,518 |
| Operating income (loss) | 18,352,871 | (721,363) | (356,539) | 17,274,969 | 252,766 |

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Fund |
|---|---|-------------------|---------------------------------------|----------------------|--|
| | Water, Wastewater and Gas Utility System | Sanitation | Other Enterprise Funds | Total | Workers' Compensation |
| Non-operating revenues (expenses): | | | | | |
| Investment earnings | 725,338 | 1,710 | 8,388 | 735,436 | 34,914 |
| Interest expense | (11,372,765) | (6,355) | (43,853) | (11,422,973) | - |
| Loss on sale of capital assets | (869,711) | - | 13,440 | (856,271) | - |
| Sale of recyclable materials | - | - | 146,478 | 146,478 | - |
| Other | 1,789,275 | 31,037 | 64,618 | 1,884,930 | - |
| Total non-operating revenues (expenses) | (9,727,863) | 26,392 | 189,071 | (9,512,400) | 34,914 |
| Income (loss) before contributions and transfers | 8,625,008 | (694,971) | (167,468) | 7,762,569 | 287,680 |
| Capital contributions | 2,416,271 | - | - | 2,416,271 | - |
| Transfers in | - | 715,463 | 1,047,763 | 1,763,226 | - |
| Transfers out | (395,147) | - | - | (395,147) | - |
| Change in net assets | 10,646,132 | 20,492 | 880,295 | 11,546,919 | 287,680 |
| Total net assets - beginning | 270,557,730 | 307,094 | 5,559,163 | | 2,405,173 |
| Total net assets - ending | \$ 281,203,862 | \$ 327,586 | \$ 6,439,458 | | \$ 2,692,853 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | | | 60,782 | |
| Change in net assets of business-type activities | | | | \$ 11,607,701 | |

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, 2009

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Fund |
|---|---|-------------------|------------------------------|----------------------|--|
| | Water, Wastewater and Gas Utility System | Sanitation | Other Enterprise Funds | Total | Workers' Compensation |
| | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers and users | \$ 71,313,533 | \$ 14,296,091 | \$ 3,754,738 | \$ 89,364,362 | \$ 2,303,284 |
| Receipts from interfund services provided | 576,984 | - | - | 576,984 | - |
| Payments to suppliers | (20,837,796) | (14,045,857) | (1,174,476) | (36,058,129) | (1,504,210) |
| Payments to and for employees | (13,450,284) | - | (1,773,666) | (15,223,950) | - |
| Payments for interfund services used | (4,817,695) | (691,363) | (585,564) | (6,094,622) | - |
| Net cash provided (used) by operating activities | <u>32,784,742</u> | <u>(441,129)</u> | <u>221,032</u> | <u>32,564,645</u> | <u>799,074</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfer from other funds | - | 715,463 | 1,047,763 | 1,763,226 | - |
| Transfer to other funds | (395,147) | - | - | (395,147) | - |
| Net cash provided (used) by noncapital financing activities | <u>(395,147)</u> | <u>715,463</u> | <u>1,047,763</u> | <u>1,368,079</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Capital contributions | 392,223 | - | - | 392,223 | - |
| Acquisition and construction of capital assets | (16,790,740) | - | (205,303) | (16,996,043) | - |
| Principal paid on capital debt | (7,260,000) | - | - | (7,260,000) | - |
| Interest paid on capital debt | (9,451,836) | - | (43,853) | (9,495,689) | - |
| Proceeds from sales of capital assets | 13,855 | - | 13,440 | 27,295 | - |
| Advances from other funds | - | - | (74,977) | (74,977) | - |
| Net cash (used) by capital and related financing activities | <u>(33,096,498)</u> | <u>-</u> | <u>(310,693)</u> | <u>(33,407,191)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Proceeds from sales and maturities of investments | 70,248,164 | 717,465 | 748,983 | 71,714,612 | 2,966,303 |
| Purchase of investments | (67,450,653) | (725,000) | (881,295) | (69,056,948) | (3,119,442) |
| Interest and dividends received | 1,631,241 | 7,325 | 24,375 | 1,662,941 | 81,710 |
| Net cash provided (used) by investing activities | <u>4,428,752</u> | <u>(210)</u> | <u>(107,937)</u> | <u>4,320,605</u> | <u>(71,429)</u> |
| Net increase in cash and cash equivalents | 3,721,849 | 274,124 | 850,165 | 4,846,138 | 727,645 |
| Cash and cash equivalents, October 1 (including \$32,880,050 and \$20,353 for the utility system and sanitation funds, respectively, reported in restricted accounts) | <u>80,617,086</u> | <u>74,599</u> | <u>921,121</u> | <u>81,612,806</u> | <u>3,742,630</u> |
| Cash and cash equivalents, September 30 (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>\$ 4,470,275</u> |

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Fund |
|---|---|--------------|------------------------------|---------------|--|
| | Water, Wastewater and Gas Utility System | Sanitation | Other Enterprise Funds | Total | Workers' Compensation |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$ 18,352,871 | \$ (721,363) | \$ (356,539) | \$ 17,274,969 | \$ 252,766 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Miscellaneous operating income from re-evaluation of capital assets | 1,045 | - | - | 1,045 | - |
| Miscellaneous non-operating income from by-products of recycling activities | - | - | 146,478 | 146,478 | - |
| Miscellaneous non-operating income | 1,791,874 | 24,682 | 64,618 | 1,881,174 | - |
| Depreciation expense | 13,925,617 | - | 224,590 | 14,150,207 | - |
| (Increase) decrease in accounts receivable | (3,425,499) | 219,202 | (49,847) | (3,256,144) | - |
| (Increase) decrease in other receivables | (365) | - | 1,391 | 1,026 | - |
| Decrease in due from other funds | 17,923 | - | - | 17,923 | - |
| (Increase) decrease in intergovernmental receivables | (258,109) | - | 40,571 | (217,538) | - |
| (Increase) decrease in inventories | (19,727) | - | 23,834 | 4,107 | - |
| (Increase) decrease in prepaid items | (24,200) | - | 100 | (24,100) | - |
| Increase in customer deposits | 107,598 | 22,596 | - | 130,194 | - |
| Increase (decrease) in accounts payable | (380,660) | (43,783) | 54,998 | (369,445) | (2,065) |
| Increase (decrease) in accrued liabilities | 51,522 | - | (3,607) | 47,915 | - |
| Increase (decrease) in due to other funds | 1,028,111 | 4,141 | (6,440) | 1,025,812 | - |
| (Decrease) in intergovernmental payables | (64,128) | - | (1,067) | (65,195) | - |
| Increase in unearned revenue | - | 53,396 | - | 53,396 | - |
| Increase in retainage payable | 151,555 | - | - | 151,555 | - |
| Increase (decrease) in compensated absences payable | 99,539 | - | (85,158) | 14,381 | - |
| Increase in other post employment benefits payable | 815,511 | - | 95,276 | 910,787 | - |
| Increase in retiree subsidy payable | 614,264 | - | 71,834 | 686,098 | - |
| Increase in claims and judgments | - | - | - | - | 548,373 |
| Total adjustments | 14,431,871 | 280,234 | 577,571 | 15,289,676 | 546,308 |
| Net cash provided by (used in) operating activities | \$ 32,784,742 | \$ (441,129) | \$ 221,032 | \$ 32,564,645 | \$ 799,074 |
| Noncash investing, capital and financing activities: | | | | | |
| Contributions of capital assets | \$ 2,024,048 | \$ - | \$ - | \$ 2,024,048 | \$ - |
| Capital asset trade-ins | 1,946 | - | - | 1,946 | - |
| Net decrease in fair value of investments | 789,724 | 2,432 | 15,499 | 807,655 | 46,649 |

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, 2009

| | <u>Pension Trust Funds</u> |
|--|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 9,926,243 |
| Receivable from sale of securities | 224,902 |
| Interest and dividends receivable | 742,693 |
| Due from other funds | 247,534 |
| Other receivables | 5,463 |
| Investments, at fair value: | |
| U.S. government and agency securities | 21,735,838 |
| Corporate bonds | 24,895,228 |
| Mutual funds | 50,939,705 |
| Common stocks | 97,972,370 |
| International equity funds | 14,523,735 |
| Total investments | <u>210,066,876</u> |
| Prepaid items | 10,234 |
| Equipment, net of accumulated depreciation of \$26,592 | 890 |
| Total assets | <u>221,224,835</u> |
| LIABILITIES | |
| Accounts payable | 286,442 |
| Prepaid contribution | 72,734 |
| Total liabilities | <u>625,144</u> |
| NET ASSETS | |
| Held in trust for pension benefits | <u>\$ 220,599,691</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, 2009**

| | Pension Trust Funds |
|---|------------------------------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 11,921,612 |
| Plan members | 5,151,580 |
| Other sources | 1,438,573 |
| Total contributions | <u>18,511,765</u> |
| Investment earnings: | |
| Interest | 2,378,222 |
| Dividends | 3,507,185 |
| Net decrease in fair value of investments | (2,732,306) |
| Other | 89,813 |
| Total investment earnings | <u>3,242,914</u> |
| Less investment expense | <u>1,066,365</u> |
| Net investment earnings | <u>2,176,549</u> |
| Total additions | <u>20,688,314</u> |
| DEDUCTIONS | |
| Benefits | 11,158,944 |
| Refunds of contributions | 123,175 |
| Administrative expenses | 630,922 |
| Total deductions | <u>11,913,041</u> |
| Change in net assets | 8,775,273 |
| Net assets - beginning | <u>211,824,418</u> |
| Net assets - ending | <u>\$ 220,599,691</u> |

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

CITY OF SUNRISE, FLORIDA
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SEPTEMBER 30, 2009

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CITY OF SUNRISE, FLORIDA

I. Summary of Significant Accounting Policies

A. Reporting entity

The City of Sunrise, Florida (the City) was incorporated 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 November 2006, the GASB issued *Accounting and Financial Reporting for Pollution Remediation Obligations* (Statement No. 49). In June 2007, the GASB issued *Accounting and Financial Reporting for Intangible Assets* (Statement No. 51). In November 2007, the GASB issued *Land and Other Real Estate Held as Investments by Endowments* (Statement No. 52). The City has applied the requirements of Statement No. 49 and Statement No. 52 effective October 1, 2008. Also, the City has early implemented the requirements of Statement No. 51. In addition, the GASB issued *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (Statement No. 55) and *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* (Statement No. 56) in March 2009. These Statements do not result in a change in current practice.

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

CITY OF SUNRISE, FLORIDA

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 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.

CITY OF SUNRISE, FLORIDA

Governmental funds are used to account for the City's general government activities. The City reports the following major governmental funds.

The general fund is the operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The 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 fund accounts for worker compensation services provided by one department to other departments of the City on a cost-reimbursement basis.

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

CITY OF SUNRISE, FLORIDA

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.

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. Additionally, the City invests in Goldman Sachs Financial Square Government Fund, Alliance Bernstein Government Obligations Tax Managed Fund, Fidelity Institutional, and PFM Government Fund, four 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.

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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 government agencies unconditionally guaranteed by the U.S. government, the SBA Fund B, and international equity funds.

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 Standard and Poor's rating organization. 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, 2009, the fair value factor for Fund B was \$.54915069 per share.

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.

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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.

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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 expense related to borrowings used for construction projects is expensed as incurred in the Water, Wastewater, and Gas Utility System enterprise fund. Rate regulation precludes recovery of such costs in future periods and therefore, capitalization of interest is inappropriate in accordance with the accounting standard for accounting for the effects of certain types of regulation.

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

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following fiscal year. The compensated absences for governmental funds represents a reconciling item between the fund and the government-wide presentations.

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. 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, 2009, the City had deficit fund balances in various nonmajor special revenue funds as follows: Urban Area Security Initiative Grant \$832,221; Broward County Home Consortium Grant \$73,558; Broward County Disaster Recovery Initiative Grant \$316,600; and Neighborhood Stabilization Program Grant \$15,201. These deficits are expected to be eliminated by reimbursements from granting agencies in future years.

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II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net 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 \$89,689,647 are as follows:

| | |
|--|----------------------|
| Bonds payable | \$ 72,544,366 |
| Less: Deferred charge for issuance costs (to be amortized over life of debt) | (236,433) |
| Compensated absences | 10,225,243 |
| Other post employment benefits | 4,875,978 |
| Retiree subsidy | <u>2,280,493</u> |
| Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net assets of governmental activities</i> | <u>\$ 89,689,647</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 \$(9,500,627) difference are as follows:

| | |
|--|-----------------------|
| Capital outlay | \$ 13,330,725 |
| Depreciation expense | (20,395,018) |
| Capitalized operating expenditures | 30,742 |
| Non-capitalized capital outlay expenditures | <u>(2,467,076)</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>\$ (9,500,627)</u> |

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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 \$(302,486) 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. | \$ (360,402) |
| 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. | 50,717 |
| 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. | 12,000 |
| 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>(4,801)</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>\$ (302,486)</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 \$4,332,200 difference are as follows:

| | |
|--|----------------------------|
| Amortization of bond issuance costs | \$ (19,703) |
| Capital appreciation bonds accretion | (2,623,097) |
| Principal repayments: | |
| Bond repayments | <u>6,975,000</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>\$ 4,332,200</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 \$(4,179,552) represents the increase in compensated absences (\$818,832), other post employment benefits (\$2,443,846) and retiree subsidy (\$916,874).

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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 \$(561,487) are as follows:

| | |
|--|----------------------------|
| Special Recreation District Phase I special assessment | \$ (277,969) |
| Special Recreation District Phase II special assessment | <u>(283,518)</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>\$ (561,487)</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 \$1,934,531 for the general fund, \$10,197,734 for the special revenue funds and \$3,058,250 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.

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IV. Detailed Notes on all Funds

A. Deposits and investments

As of September 30, 2009, the fair value of the City’s deposits and investments, exclusive of the Pension trust funds, was \$18,164,733 in U.S. Treasuries, \$96,215,750 in U.S. Government sponsored enterprises; \$20,000,000 in certificates of deposit, \$58,100,135 in the SBA Florida PRIME, \$5,561,600 in the SBA Fund B investment pool, \$89,563,039 in five money market mutual funds (PFM Prime Fund, PFM Government Series Fund, Federated Government Obligations Tax-Managed Fund with Alliance Bernstein, Goldman Sachs Financial Square Government Fund and Fidelity Institutional Money Market fund with Bank of New York Mellon). The investments in the Florida PRIME and five 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 \$62,416 on hand, \$41,582,670 with qualified public depositors and \$12,159,086 with authorized depositories pursuant to fiduciary agreements related to its utility bonds. Total investments, including restricted and unrestricted, amount to \$341,409,429.

The SBA’s Fund B has a maturity of greater than one year. The original investment of \$10,127,640 was adjusted to a fair value of \$5,561,600, resulting in a total unrealized loss of \$4,566,040. Of this amount, \$2,095,730 was recognized as an unrealized loss for fiscal year ending September 30, 2009. The actual realized loss cannot be determined until full maturity of investments, liquidation, or sales of the investments occur.

As of September 30, 2009, 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>1-5</u> | <u>6-10</u> | <u>More than 10</u> |
| Bond mutual funds | \$40,030,427 | - | \$40,030,427 | - |

The City’s Police Officers’ Pension trust fund contained the following investments as of September 30, 2009:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Effective Duration (Years)</u> | <u>Lehman Aggregate Bond Rating</u> |
|---------------------------------------|---------------------|-----------------------------------|-------------------------------------|
| U.S. Treasuries | \$ 1,235,825 | 3.70 | AAA |
| U.S. agencies | 9,223,966 | 3.70 | AAA |
| Corporate bonds | <u>11,820,819</u> | 4.30 | A-AAA |
| Total fair value | <u>\$22,280,610</u> | | |
| Portfolio weighted effective duration | | 4.02 | |

At September 30, 2009, 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 | \$ 2,637,753 | \$ - | \$ 207,231 | \$ 1,383,927 | \$1,046,595 |
| U.S. agencies | 8,638,294 | - | 2,904,652 | 1,803,224 | 3,930,418 |
| Corporate bonds | <u>13,074,409</u> | <u>250,915</u> | <u>5,620,519</u> | <u>4,634,421</u> | <u>2,568,554</u> |
| | <u>\$24,350,456</u> | <u>\$ 250,915</u> | <u>\$ 8,732,402</u> | <u>\$ 7,821,572</u> | <u>\$ 7,545,567</u> |

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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, 2009 was 78 days The weighted average days to maturity of the SBA Florida PRIME at September 30, 2009 was 33 days. The weighted average life of SBA Fund B at September 30, 2009 is 6.69 years. The weighted average maturity for PFM Prime and PFM Government Series is not to exceed 60 days. The weighted average maturity for Federated Government Obligations Tax-Managed Fund is 48.59 days. The weighted average maturity for Goldman Sachs Financial Square Government Fund is 30 days. The weighted average maturity for Fidelity Institutional Money Market is 37 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 is rated AAAM by Standard and Poor's; Fund B is not rated by a nationally recognized statistical rating agency. PFM Prime Series Fund, PFM Government Series Fund, Federated Government Obligations Tax-Managed 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, 2009, \$29,607,224 were rated AAA, \$3,041,317 were rated AA, \$5,015,693 were rated A, and \$2,366,193 were rated BBB. The credit ratings of investments in the Firefighters' Pension Plan at September 30, 2009 were: \$1,672,516 rated AAA, \$718,313 rated AA+, \$711,269 rated AA, \$450,521 rated AA-, \$3,744,651 rated A+, \$4,260,176 rated A, \$1,239,070 rated A- and \$120,021 rated BBB+; U. S. Government guaranteed obligations of \$11,276,047 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, 2009, the City's investment in Federal National Mortgage Association (FNMA) amounted to \$40,409,380, which represents 12% of the total portfolio. The Florida PRIME (formally LGIP) 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.

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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, 2009, are as follows:

| | <u>Interest</u> | <u>Taxes/ Franchise Fees</u> | <u>Accounts</u> | <u>Special Assess- ments</u> | <u>Other</u> | <u>Intergov- ernmental</u> | <u>Total Receivables</u> |
|---|-------------------|--------------------------------------|---------------------|--------------------------------------|------------------|--------------------------------|------------------------------|
| Governmental activities: | | | | | | | |
| General | \$ 146,079 | \$ - | \$ 497,279 | \$ - | \$ - | \$1,667,760 | \$ 2,311,118 |
| Public Service Tax | 40 | 547,235 | - | - | - | 432,567 | 979,842 |
| Capital Improvements | 146,846 | - | - | - | 74 | - | 146,920 |
| Workers’ Compensation | 8,596 | - | - | - | - | - | 8,596 |
| Other governmental | <u>98,602</u> | <u>605,642</u> | <u>-</u> | <u>3,637,675</u> | <u>14,426</u> | <u>1,128,714</u> | <u>5,485,059</u> |
| Total – governmental Activities | <u>\$ 400,163</u> | <u>\$1,152,877</u> | <u>\$ 497,279</u> | <u>\$3,637,675</u> | <u>\$ 14,500</u> | <u>\$3,229,041</u> | <u>\$ 8,931,535</u> |
| Amounts not scheduled for collection during the subsequent year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$3,083,908</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,083,908</u> |
| Business-type activities: | | | | | | | |
| Water, Wastewater & Gas Utility System | \$ 137,909 | \$ - | \$13,316,729 | \$ 53,966 | \$ 365 | \$ 302,779 | \$ 13,811,748 |
| Sanitation | - | - | 2,104,604 | - | - | - | 2,104,604 |
| Other proprietary | <u>2,044</u> | <u>-</u> | <u>230,512</u> | <u>-</u> | <u>374</u> | <u>42,753</u> | <u>275,683</u> |
| Gross receivables | 139,953 | - | 15,651,845 | 53,966 | 739 | 345,532 | 16,192,035 |
| Less: | | | | | | | |
| Uncollectibles | <u>-</u> | <u>-</u> | <u>(150,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(150,000)</u> |
| | <u>\$ 139,953</u> | <u>\$ -</u> | <u>\$15,501,845</u> | <u>\$ 53,966</u> | <u>\$ 739</u> | <u>\$ 345,532</u> | <u>\$ 16,042,035</u> |

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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 | \$ 58,779 |
| Uncollectibles related to gas sales | 18,897 |
| Uncollectibles related to recycling services | 205 |
| Uncollectibles related to stormwater services | <u>2,911</u> |
| Total uncollectibles for the current fiscal year | <u>\$ 80,792</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) | \$2,516,604 | \$ - |
| Special assessments not yet due (Special Recreation District Phase II) | 1,120,921 | - |
| Communications Services Tax (public service tax fund) | 432,567 | - |
| Prepaid license fees (general fund) | - | 1,701,896 |
| Prepaid inspection fees (general fund) | - | 473,871 |
| Grant meeting all eligibility requirements (urban area security initiative grant fund) | 415,334 | - |
| Grant meeting all eligibility requirements (Broward County home consortium grant fund) | 13,611 | - |
| Grant meeting all eligibility requirements (Broward County disaster recovery initiative grant fund) | 301,300 | - |
| Grant meeting all eligibility requirements (neighborhood stabilization program grant fund) | 15,201 | - |
| Grant proceeds prior to meeting all eligibility requirements (general fund) | <u>-</u> | <u>38,900</u> |
| Total deferred/unearned revenue for governmental funds | <u>\$4,815,538</u> | <u>\$2,214,667</u> |

CITY OF SUNRISE, FLORIDA

C. Capital assets

Capital asset activity for the year ended September 30, 2009 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-----------------------|---------------------|-----------------------|-----------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 14,200,664 | \$ 500,000 | \$ - | \$ 14,700,664 |
| Construction in progress | 20,182,906 | 6,654,225 | (16,731,866) | 10,105,265 |
| Total capital assets, not being depreciated | <u>34,383,570</u> | <u>7,154,225</u> | <u>(16,731,866)</u> | <u>24,805,929</u> |
| Capital assets, being depreciated: | | | | |
| Intangibles | 667,349 | 184,174 | (9,597) | 841,926 |
| Buildings and system | 76,265,406 | 11,190,391 | - | 87,455,797 |
| Improvements other than buildings | 27,554,982 | 1,698,156 | (972) | 29,252,166 |
| Machinery and equipment | 9,923,740 | 1,342,016 | (737,213) | 10,528,543 |
| Vehicles | 16,181,986 | 2,661,173 | (1,029,979) | 17,813,180 |
| Infrastructure | 327,578,552 | 3,402,063 | - | 330,980,615 |
| Total capital assets, being depreciated | <u>458,172,015</u> | <u>20,477,973</u> | <u>(1,777,761)</u> | <u>476,872,227</u> |
| Less accumulated depreciation for: | | | | |
| Intangibles | (421,880) | (95,555) | 9,354 | (508,081) |
| Buildings and system | (16,642,774) | (2,820,933) | - | (19,463,707) |
| Improvements other than buildings | (11,581,505) | (2,769,267) | 972 | (14,349,800) |
| Machinery and equipment | (7,051,186) | (965,447) | 429,029 | (7,587,604) |
| Vehicles | (10,771,722) | (1,601,620) | 1,029,979 | (11,343,363) |
| Infrastructure | (234,895,247) | (12,142,196) | - | (247,037,443) |
| Total accumulated depreciation | <u>(281,364,314)</u> | <u>(20,395,018)</u> | <u>1,469,334</u> | <u>(300,289,998)</u> |
| Total capital assets, being depreciated, net | <u>176,807,701</u> | <u>82,955</u> | <u>(308,427)</u> | <u>176,582,229</u> |
| Governmental activities capital assets, net | <u>\$ 211,191,271</u> | <u>\$ 7,237,180</u> | <u>\$(17,040,293)</u> | <u>\$ 201,388,158</u> |

CITY OF SUNRISE, FLORIDA

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-----------------------|----------------------|-----------------------|-----------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 10,985,086 | \$ - | \$ - | \$ 10,985,086 |
| Construction in progress | 9,346,808 | 8,586,420 | (5,624,707) | 12,308,521 |
| Total capital assets, not being depreciated | <u>20,331,894</u> | <u>8,586,420</u> | <u>(5,624,707)</u> | <u>23,293,607</u> |
| Capital assets, being depreciated: | | | | |
| Intangibles | 789,886 | 91,817 | - | 881,703 |
| Buildings and system | 446,004,741 | 9,958,603 | (1,278,884) | 454,684,460 |
| Improvements other than buildings | 4,293,963 | 3,774,485 | (4,600) | 8,063,848 |
| Machinery and equipment | 6,827,791 | 1,213,066 | (643,067) | 7,397,790 |
| Vehicles | 6,363,871 | 1,021,308 | (330,515) | 7,054,664 |
| Total capital assets, being depreciated | <u>464,280,252</u> | <u>16,059,279</u> | <u>(2,257,066)</u> | <u>478,082,465</u> |
| Less accumulated depreciation for: | | | | |
| Intangibles | (322,617) | (146,438) | - | (469,055) |
| Buildings and system | (136,364,653) | (12,485,033) | 469,183 | (148,380,503) |
| Improvements other than buildings | (1,032,060) | (404,958) | 4,243 | (1,432,775) |
| Machinery and equipment | (4,269,462) | (616,176) | 567,256 | (4,318,382) |
| Vehicles | (4,757,821) | (497,602) | 330,515 | (4,924,908) |
| Total accumulated depreciation | <u>(146,746,613)</u> | <u>(14,150,207)</u> | <u>1,371,197</u> | <u>(159,525,623)</u> |
| Total capital assets, being depreciated, net | <u>317,533,639</u> | <u>1,909,072</u> | <u>(885,869)</u> | <u>318,556,842</u> |
| Business-type activities capital assets, net | <u>\$ 337,865,533</u> | <u>\$ 10,495,492</u> | <u>\$ (6,510,576)</u> | <u>\$ 341,850,449</u> |

At September 30, 2009, amounts included in governmental activities recorded under capital leases include original amounts of \$22,393 of improvements other than buildings, \$1,016,782 of machinery and equipment and \$2,630,806 of vehicles; those included in business-type activities include \$207,836 of machinery and equipment and \$232,026 of vehicles.

At September 30, 2009, the capital assets of the pension trust funds consist of machinery, equipment, furniture and fixtures of \$27,482 less accumulated depreciation of \$26,592. Depreciation expense for the year ended September 30, 2009 is \$721.

CITY OF SUNRISE, FLORIDA

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

| | |
|--|----------------------|
| Governmental activities: | |
| General government | \$ 1,636,113 |
| Public safety | 2,445,625 |
| Physical environment | 123,396 |
| Transportation, including depreciation of general infrastructure assets | 12,142,196 |
| Culture and recreation | 4,047,688 |
| Total depreciation expense - governmental activities | <u>\$ 20,395,018</u> |
| Business-type activities: | |
| Water, wastewater, and gas | \$ 13,925,617 |
| Recycling | 1,162 |
| Stormwater | 195,202 |
| Golf course | 28,226 |
| Total depreciation expense - business-type activities | <u>\$ 14,150,207</u> |

D. Construction commitments

At September 30, 2009, the City had in process various uncompleted construction projects with remaining balances totaling \$12,388,062. 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 \$681,413, the non-current portion of the loan. The current portion of the loan 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. Additionally, the general fund advanced \$90,946 as a short-term loan to fund operations.

The general fund advanced \$832,221 to the Urban Area Security Initiative grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$51,219 to the Broward County Home Consortium grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$316,600 to the Broward County Disaster Recovery Initiative grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$12,319 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, 2009, is as follows.

| <u>Fund</u> | <u>Interfund receivables</u> | <u>Interfund payables</u> | |
|---|----------------------------------|-------------------------------|----------------|
| General fund | \$ 1,382,219 | \$ - | |
| Non-major governmental funds: | | | |
| Special revenue funds: | | | |
| Community Development Block Grant | - | 90,946 | |
| Urban Area Security Initiative Grant | - | 832,221 | |
| Broward County Home Consortium Grant | - | 51,219 | |
| Broward County Disaster Recovery Initiative Grant | - | 316,600 | |
| Neighborhood Stabilization Program Grant | - | 12,319 | |
| Total non-major governmental funds | - | 1,303,305 | |
| Non-major enterprise fund: | | | |
| Stormwater | - | 78,914 | |
| Total interfund receivables/payables | \$ 1,382,219 | \$ 1,382,219 | |
| | | | |
| <u>Fund</u> | <u>Advance from</u> | <u>Advance to</u> | |
| General fund | \$ 781,413 | \$ - | |
| Non-major governmental fund: | | | |
| Special revenue fund: CDBG Grant | - | 100,000 | |
| Non-major enterprise fund: | | | |
| Stormwater | - | 681,413 | |
| Total advances | \$ 781,413 | \$ 781,413 | |
| | | | |
| <u>Fund</u> | <u>Due from other funds</u> | <u>Due to other funds</u> | <u>Purpose</u> |
| General fund | \$ 1,999,404 | \$ 1,961,907 | 1,2,3,4,5 |
| Debt service fund: | | | |
| Public Service Tax | 1,029,451 | - | 2 |
| Capital projects fund: | | | |
| Capital Improvements | 664,050 | 81,304 | 2,3 |
| Non-major governmental funds: | | | |
| Special revenue funds: | | | |
| Community Development Block Grant | - | 127 | 3 |
| Emergency Management | - | 232 | 1,3 |
| Broward County Home Consortium Grant | - | 84 | 1,3 |
| Neighborhood Stabilization Program Grant | - | 132 | 1,3 |
| Fuel and Roadway | - | 69 | 3 |
| State Housing Initiatives Partnership Grant | - | 127 | 3 |
| Debt service fund: | | | |
| Special Recreation District Phase I | - | 150 | 1 |
| Capital projects fund: | | | |
| Special Tax District No. 1 | - | 316,193 | 1 |
| Total non-major governmental funds | - | 317,114 | |
| Enterprise funds: | | | |
| Water, Wastewater, and Gas Utility System | 56,068 | 1,450,482 | 1,2,3 |
| Sanitation | - | 183,499 | 4 |
| Non-major enterprise funds: | | | |
| Stormwater | - | 1,631 | 1,3 |
| Golf Course | - | 570 | 1,3 |
| Total non-major enterprise funds | - | 2,201 | |
| Pension trust funds: | | | |
| General Employees' Pension | 69,869 | - | 3 |
| Police Officers' Pension | 57,008 | - | 3 |
| Firefighters' Pension | 120,657 | - | 3 |
| Total pension trust funds | 247,534 | - | |
| Total due to/due from | \$ 3,996,507 | \$ 3,996,507 | |

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 | Capital Improvements capital projects funds | Non-major governmental funds | Water,Waste-water and Gas Utility System enterprise fund | |
| Transfer in: | | | | | | |
| General fund | \$ - | \$ 4,932,045 ^a | \$ 2,864,363 ^d | \$ 4,434,156 ^a | \$ 395,147 ^a | \$ 12,625,711 |
| Capital Improvements capital projects fund | 6,054,038 ^b | - | - | 12,500,000 ^b | - | 18,554,038 |
| Non-major governmental funds | 8,164,000 ^a | - | - | - | - | 8,164,000 |
| Sanitation enterprise fund | 715,463 ^c | - | - | - | - | 715,463 |
| Non-major enterprise funds | 1,047,763 ^c | - | - | - | - | 1,047,763 |
| Total | <u>\$15,981,264</u> | <u>\$ 4,932,945</u> | <u>\$ 2,864,363</u> | <u>\$16,934,156</u> | <u>\$ 395,147</u> | <u>\$ 41,106,975</u> |

The reasons for these transfers are set forth below:

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

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.

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.

CITY OF SUNRISE, FLORIDA

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.

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 |
| 2010 | \$ 5,140,000 | \$ 448,885 | \$ 7,730,000 | \$ 9,094,388 |
| 2011 | 5,175,000 | 415,285 | 7,990,000 | 8,837,462 |
| 2012 | 5,210,000 | 379,380 | 8,215,000 | 8,618,253 |
| 2013 | 5,250,000 | 341,100 | 8,345,000 | 8,484,602 |
| 2014 | 5,290,000 | 300,150 | 8,735,000 | 8,086,403 |
| 2015-2019 | 27,145,000 | 798,425 | 50,730,000 | 33,357,388 |
| 2020-2022 | 13,020,000 | - | 65,515,000 | 18,544,560 |
| 2025-2028 | - | - | 32,950,000 | 2,679,500 |
| | <u>66,230,000</u> | <u>2,683,225</u> | <u>190,210,000</u> | <u>97,702,556</u> |
| Plus/(less): | | | | |
| Unappreciated accretion | <u>(19,925,634)</u> | <u>-</u> | <u>(2,459,232)</u> | <u>-</u> |
| Sub-total | 46,304,366 | 2,683,225 | 187,750,768 | 97,702,556 |
| Bond premium | - | - | 452,613 | - |
| Bond discount | - | - | (129,218) | - |
| Deferred amount on refunding | <u>-</u> | <u>-</u> | <u>(8,896,023)</u> | <u>-</u> |
| Total | <u>\$ 46,304,366</u> | <u>\$ 2,683,225</u> | <u>\$ 179,178,140</u> | <u>\$ 97,702,556</u> |

Annual debt service requirements for public improvement and ad valorem tax bonds are as follows:

| Year Ending September 30 | Principal | Interest |
|-----------------------------|----------------------|---------------------|
| 2010 | \$ 1,930,000 | \$ 1,197,639 |
| 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 |
| 2015-2019 | 11,250,000 | 2,790,148 |
| 2020-2021 | <u>4,795,000</u> | <u>355,930</u> |
| Total | <u>\$ 26,240,000</u> | <u>\$ 8,299,849</u> |

CITY OF SUNRISE, FLORIDA

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

| | Purpose of Issue | Amount Issued | Principal Outstanding | Interest Rate |
|--|---|----------------------|--------------------------|------------------|
| Governmental activities | | | | |
| 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 | 36,494,366 | 6.70-6.80% |
| Series 1999 | | | | |
| Serial bonds | | 25,485,000 | 5,355,000 | 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 | 2,040,000 | 4.413% |
| Sunrise Lakes Phase II Special Recreation District public improvement refunding bonds, Series 1998 | Refunding | | | |
| Bank note | | 3,125,000 | 1,010,000 | 4.316% |
| Special Tax District No. 1 ad valorem tax refunding bonds, Series 2001 | Refunding | | | |
| Serial bonds | | 26,660,000 | 18,240,000 | 2.70%-5.00% |
| ad valorem tax bonds, Series 2003 | | | | |
| Serial bonds | Fund certain District capital improvements | <u>6,770,000</u> | <u>4,950,000</u> | 1.25-4.60% |
| Total governmental activities bonds | | <u>\$117,669,465</u> | <u>\$ 72,544,366</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 taxes revenues and communications services tax revenues. 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 \$48,987,591. For the current year, principal and interest of \$5,590,455 was paid. Utility taxes revenues and communications services tax revenues were \$6,956,486 and \$4,733,175, 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 |
|--------------------------------------|--------------------------------|-----------------------|--------------------------|------------------|
| Business-type activities | | | | |
| Utility revenue bonds: | | | | |
| Series 1993 | Refunding | | | |
| Serial bonds | | \$ 11,100,000 | \$ - | 3.25-5.20% |
| Term bonds | | 1,855,000 | 1,855,000 | 5.60% |
| Capital appreciation bonds | | 7,194,299 | 11,389,734 | 5.55-5.80% |
| Series 1996 | Refunding and fund | | | |
| Serial bonds | utility system projects | 43,155,000 | 6,935,000 | 3.60-5.80% |
| Series 1996A | Fund utility system | | | |
| Term bonds | improvements | 130,840,000 | - | 5.75-5.90% |
| Capital appreciation bonds | | 10,643,069 | 2,746,034 | 4.80-5.80% |
| Series 1998 | Refunding and fund | | | |
| Serial bonds | utility system | 13,935,000 | 6,480,000 | 3.60-5.50% |
| Term bonds | improvements | 143,650,000 | 143,650,000 | 5.06-5.20% |
| Series 1998A | Refunding and fund | | | |
| Term bonds | utility system improvements | <u>15,195,000</u> | <u>14,695,000</u> | 5.50% |
| Total business-type activities bonds | | <u>\$ 377,567,368</u> | <u>\$ 187,750,768</u> | |

The City has pledged future net water, wastewater, and gas revenues to repay \$377,567,368 in utility revenue refunding bonds issued in 1993, 1996, and 1998. Proceeds from the 1993 bonds were used to refund the City’s Public Improvement Revenue Bonds Series 1989; proceeds from the 1996 bonds were used to refund the City’s Utility System Revenue Bonds, Series 1986A and fund various utility projects; 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; and proceeds from the 1998A bonds were used to refund a portion of the Series 1986A and fund capital improvements to the utility system. The bonds are payable from water, wastewater, and gas net revenues. The Series 1993 bonds are payable through 2019; the Series 1996 and 1996A bonds are payable through 2011; the Series 1998 bonds are payable through 2028; and the Series 1998A are payable through 2015. Total principal and interest remaining to be paid on the bonds is \$14,125,684. Principal and interest paid for the current year and total customer net revenue were \$16,828,173 and \$29,320,538, respectively. The pledged revenues are expected to continue through maturity of the debt.

CITY OF SUNRISE, FLORIDA

Defeased 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.

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 9/30/09</u> |
|---------------------------------|---------------|--------------------------|--------------------------------------|
| Utility System revenue bonds | 1976 | 1983 | \$ 4,610,000 |
| | 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 | <u>980,000</u> |
| Total outstanding defeased debt | | | <u>\$ 11,640,000</u> |

CITY OF SUNRISE, FLORIDA

Change in long-term liabilities

Long-term liability activity for the year ended September 30, 2009, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--|-----------------------|----------------------|-----------------------|-----------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable | \$ 76,896,269 | \$ 2,623,097 * | \$ (6,975,000) | \$ 72,544,366 | \$ 7,070,000 |
| Compensated absences | 9,406,411 | 6,641,890 | (5,823,058) | 10,225,243 | 685,074 |
| Other post employment benefits | 2,432,132 | 2,443,846 | - | 4,875,978 | - |
| Retiree subsidy | 1,363,619 | 916,874 | - | 2,280,493 | - |
| Claims and judgments | 3,915,974 | 548,373 | - | 4,464,347 | 1,824,818 |
| Governmental activity long-term liabilities | <u>\$ 94,014,405</u> | <u>\$ 13,174,080</u> | <u>\$(12,798,058)</u> | <u>\$ 94,390,427</u> | <u>\$ 9,579,892</u> |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| Revenue bonds | \$ 194,302,948 | \$ 937,820 * | \$ (7,490,000) | \$ 187,750,768 | \$ 7,730,000 |
| Less deferred amounts: | | | | | |
| For issuance discounts | (173,983) | 44,765 | - | (129,218) | - |
| For issuance premiums | 502,393 | - | (49,780) | 452,613 | - |
| On refunding | (9,834,246) | 938,223 | - | (8,896,023) | - |
| Total bonds payable | 184,797,112 | 1,920,808 | (7,539,780) | 179,178,140 | 7,730,000 |
| Compensated absences | 3,572,251 | 1,859,132 | (1,844,751) | 3,586,632 | 331,879 |
| Other post employment benefits | 915,145 | 910,787 | - | 1,825,932 | - |
| Retiree subsidy | 980,530 | 686,098 | - | 1,666,628 | - |
| Business-type activity long-term liabilities | <u>\$ 190,265,038</u> | <u>\$ 5,376,825</u> | <u>\$ (9,384,531)</u> | <u>\$ 186,257,332</u> | <u>\$ 8,061,879</u> |

* due to future appreciated principal accretion

For governmental activities, other including capital leases and compensated absences 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 2009-2010 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. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for the average homeowner. 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

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(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, 2009 were approximately 99% of the total tax levy, net of discounts allowed.

Property taxes based on assessed values at January 1 are levied on November 1 of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percentage point each month thereafter. Taxes become delinquent on April 1 of each year and tax certificates for the full amount of any unpaid taxes and assessments are auctioned beginning June 1 of each year.

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 2009 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 22, 2008. 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, 2009 is shown as follows:

| | |
|---|-------------------|
| Lien date | January 1, 2008 |
| Levy date, tax bills mailed | November 1, 2008 |
| Last date for 4% discount on taxes paid | November 30, 2008 |
| Last date for 3% discount on taxes paid | December 31, 2008 |
| Last date for 2% discount on taxes paid | January 31, 2009 |
| Last date for 1% discount on taxes paid | February 28, 2009 |
| Final due date of payment of taxes | March 31, 2009 |
| First date for auctioning tax certificates on delinquent accounts | June 1, 2009 |

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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 \$4,464,347, which is discounted at 4%, is reported in the fund at September 30, 2009 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>9/30/08</u> | Year ended <u>9/30/09</u> |
|---|------------------------------|------------------------------|
| Unpaid claims, beginning of fiscal year | \$ 4,006 | \$ 3,916 |
| Incurred claims (and estimate changes) | (90) | 548 |
| Claim payments | <u>-</u> | <u>-</u> |
| Unpaid claims, end of fiscal year | <u>\$ 3,916</u> | <u>\$ 4,464</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.

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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 sixteen members in the DROP as of September 30, 2009. 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 13th check, the amount of which cannot exceed 100% of a participant's monthly retirement benefit. In the event that the cumulative net actuarial gain exceeds the amount distributed by the 13th check and the City's required contributions to the Plan, a 14th check will be distributed to eligible participants – those eligible for a 13th 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, 2009, thirty firefighters were participating in this program.

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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, 2009, there were 112 participants in the DROP. Beginning one year after retirement or entry into the DROP, an annual increase in retirement benefits of 2% for management members and 2.5% for senior management who reach early or normal retirement age and begin receiving benefits after June 12, 2001, is applicable. For eligible general employees, a supplemental pension distribution in the form of an optional 13th check, based on the cumulative net actuarial gain is available; effective January 1, 2004, a minimum of one-half of the 13th check is guaranteed payable, notwithstanding actuarial gains.

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 \$282,042 for the fiscal year ended September 30, 2009 for the seventy-five 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 on June 5, 2001 to include all City employees, at no cost to the City. The Purchase Plan was again 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

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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 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 109 participants during the fiscal year ended September 30, 2009.

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, 2009.

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

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period of thirty years for the Police Officers’ and Firefighters’ Pension Plans. The General Employees’ Pension Plan amortizes its unfunded actuarial liability as a level dollar over a period of thirty years. City contributions to the plans, as calculated by the plans’ actuaries, are recognized as revenue when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. If the City’s calculated contribution, excluding the cost of post September 13, 1999 management and senior management benefits, exceeds 14% for the General Employees’ Pension Plan, member contributions, as well as the City contribution, are increased by half of the excess percentage of payroll except that the total maximum contribution for general employees is capped at 9.51% through the conclusion of the bargaining unit contract, September 30, 2011. 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 | 23.95% | 30.62% | 15.40% |
| Plan members | | 9.84% | 10.63% |
| General employees | 9.51% | | |
| Management, senior management | 11.75% | | |
| Annual pension costs | \$ 9,016,477 | \$ 5,879,538 | \$ 3,615,750 |
| Contributions made: | | | |
| City | \$ 6,303,149 | \$ 3,968,694 | \$ 1,649,769 |
| Plan members | 2,713,328 | 1,331,918 | 1,106,334 |
| Other | - | 578,926 ¹ | 859,647 ¹ |

¹The Police Officers’ and Firefighters’ Pension Plans are partially funded by contributions from the State of Florida under Chapters 185 and 175, respectively, of the Florida Statutes. This contribution consists of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City. This amount totaled \$1,438,573 for the year ended September 30, 2009: \$859,647 for property insurance contracts for firefighters under Chapter 175 and \$578,926 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.

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Actuarial methods and assumptions: The annual required contributions for the current year were determined as part of the October 1, 2007 actuarial valuation for the Firefighters', General Employees', and Police Officers' Pension Plans. Additional information as of the latest actuarial valuation date of October 1, 2008 for the Firefighters', General Employees', and Police Officers' Pension Plans follows.

| | <u>General Employees' Pension Plan</u> | <u>Police Officers' Pension Plan</u> | <u>Firefighters' Pension Plan</u> |
|---|--|--|---------------------------------------|
| Actuarial cost method | Entry age normal | Frozen entry age | Entry age |
| Amortization method | Level percent, closed | Level percent, closed | Level percent, closed |
| Remaining amortization period | 26 years | 30 years | 30 years |
| Actuarial assumptions: | | | |
| Investment rate of return | 8.25% | 8.5% | 8.25% |
| Inflation rate | 3.5% | 4% | 4.25% |
| Projected salary increases * | 5.9% | 5.2%-8.5% | 4.25%-9.25% |
| 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 smoothed market |
| 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, 2009 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 | September 30, 2009 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level dollar, closed |
| Remaining amortization period | 30 years |
| Actuarial assumptions: | |
| Investment rate of return | 4.0% |
| Inflation rate | 3.5% |
| Projected salary increases | 4.0% |
| Asset valuation method | n/a |

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Funded status and funding progress: The funded status of the three defined benefit pension plans as of September 30, 2009 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> |
|---|--|--|----------------------------|-------------------------|----------------------------|---|
| General Employees' Pension Fund | | | | | | |
| 10/1/08 | \$ 109,410 | \$ 150,915 | \$ 41,505 | 72.5% | \$ 27,552 | 150.6% |
| Police Officers' Pension Fund | | | | | | |
| 10/1/08 | \$ 54,724 | \$ 87,216 | \$ 32,492 | 62.7% | \$ 13,476 | 241.1% |
| Firefighters' Pension Fund | | | | | | |
| 10/1/08 | \$ 69,908 | \$ 90,217 | \$ 20,309 | 77.5% | \$ 9,973 | 203.6% |

The funded status of the retirees' subsidy plan as of September 30, 2009 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> |
|---|--|--|----------------------------|-------------------------|----------------------------|---|
| 09/30/09 | - | \$ 18,766 | \$ 18,766 | 0.0% | \$ 53,339 | 35.2% |

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, 2009, the annual cost of the retirees' subsidy plan of \$1,945,812 is not equal to the annual required contribution, which is \$1,987,608 due to interest and an adjustment to the annual required contribution. The contributions made by the City were \$342,840 resulting in an increase in the net pension obligation of \$1,602,972.

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

| | Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|-------------------------------------|--------------------------|---------------------------------|-------------------------------------|------------------------------|
| General Employees' Pension Plan: | 9/30/07 | \$ 6,678,642 | 100% | \$0 |
| | 9/30/08 | 8,679,525 | 100 | 0 |
| | 9/30/09 | 9,016,477 | 100 | 0 |
| Police Officers' Pension Plan: | 9/30/07 | \$ 4,437,488 | 100% | \$0 |
| | 9/30/08 | 5,282,004 | 100 | 0 |
| | 9/30/09 | 5,879,538 | 100 | 0 |
| Firefighters' Pension Plan: | 9/30/07 | \$ 3,248,078 | 100% | \$0 |
| | 9/30/08 | 3,339,040 | 100 | 0 |
| | 9/30/09 | 3,615,750 | 100 | 0 |

Only two years of trend information is available for the retirees' subsidy plan as follows:

| | Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Retiree Pension Obligation |
|------------------------|--------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| 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 |

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.

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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 full 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 | \$ 3,712,339 |
| Interest on net OPEB obligation | 133,891 |
| Adjustment to annual required contribution | <u>(193,573)</u> |
| Annual OPEB cost (expense) | 3,652,657 |
| Contributions made | <u>(298,024)</u> |
| Increase in net OPEB obligation | 3,354,633 |
| Net OPEB obligation – beginning of year | <u>3,347,277</u> |
| Net OPEB obligation – ending of year | <u>\$ 6,701,910</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, 2009 is listed below. Since GASB Statement No. 45 was effective fiscal year ending September 30, 2008, only two years’ information is available.

| Fiscal Year <u>Ending</u> | Annual <u>OPEB Cost</u> | Percentage of OPEB <u>Cost Contributed</u> | Net OPEB <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 |

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Funded status and funding progress: The funded status of the plan as of September 30, 2009 was as follows:

| | |
|---|---------------|
| Actuarial accrued liability (AAL) | \$ 43,112,375 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability | 43,112,375 |
| Funded ratio | 0.00% |
| Annual covered payroll* | 53,339,474 |
| Unfunded actuarial accrued liability as a percentage of covered payroll | 80.83% |

*Payroll as of 10/1/07 increased to 9/30/09 with an annual 4% assumed payroll growth.

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 8% at October 1, 2008, to an ultimate rate of 6% on and after 2012. Benefits are assumed to be unfunded.

| | |
|-------------------------------|-----------------------|
| Actuarial valuation date | September 30, 2009 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level dollar, closed |
| Remaining amortization period | 30 years |
| Actuarial assumptions: | |
| Investment rate of return | 4.0% |
| Inflation rate | 3.5% |
| Projected salary increases | 4.0% |
| Asset valuation method | n/a |

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E. Subsequent events

Future Pronouncements

Effective October 1, 2009, the City will implement, if applicable, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

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**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> |
|---|--|---|----------------------------|-------------------------|----------------------------|---|
| General Employees' Pension Fund | | | | | | |
| 10/1/06 | \$ 89,523 | \$ 123,029 | \$ 33,506 | 72.8% | \$ 25,558 | 131.1% |
| 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 |
| Police Officers' Pension Fund | | | | | | |
| 10/1/06 | \$ 45,227 | \$ 68,978 | \$ 23,751 | 65.6% | \$ 11,686 | 203.2% |
| 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 |
| Firefighters' Pension Fund | | | | | | |
| 10/1/06 | \$ 57,336 | \$ 71,894 | \$ 14,558 | 79.8% | \$ 10,095 | 144.2% |
| 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 |

*Actuarial accrued liability (AAL) entry age normal for General Employees' Pension fund, entry age for Firefighters' Pension fund, and frozen entry age 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> |
|---|--|--|----------------------------|-------------------------|----------------------------|---|
| Retirees' Subsidy Plan | | | | | | |
| 09/30/08 | - | \$ 16,678 | \$ 16,678 | 0.0% | \$ 51,288 | 32.5% |
| 09/30/09 | - | 18,766 | 18,766 | 0.0 | 53,339 | 35.2 |

The City implemented GASB Statement No. 45 for the fiscal year ended September 30, 2008. Information for prior years is not available.

CITY OF SUNRISE, FLORIDA

(unaudited)

Other Post-Employment Benefit Plan

SCHEDULE OF FUNDING PROGRESS

(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> |
|---|--|--|----------------------------|-------------------------|----------------------------|---|
| 09/30/08 | - | \$ 41,073 | \$ 41,073 | 0.0% | \$ 51,288 | 80.1% |
| 09/30/09 | - | 43,112 | 43,112 | 0.0 | 53,339 | 80.8 |

Other Post-Employment Benefit Plan

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| <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 |

The City implemented GASB Statement No. 45 for the fiscal year ended September 30, 2008. Information for prior years is not available.

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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 & 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>Fuel & Roadway Fund</i> | <i>Accounts for the government's share of motor fuel tax revenues that are legally restricted to the maintenance of, and improvements to, the streets, roadways, median strips, and street lights within the City.</i> |
| <i>Vehicle Replacement Fund</i> | <i>Accounts for funding for vehicle replacement.</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.***

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CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2009

| | Special Revenue | Debt Service | Capital Projects | Total Nonmajor Governmental Funds |
|---|----------------------|----------------------|---------------------|--|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 27,006,167 | \$ 9,266,053 | \$ 1,790,128 | \$ 38,062,348 |
| Investments | 20,063,490 | 3,344,214 | 2,371 | 23,410,075 |
| Interest receivable | 94,232 | 4,260 | 110 | 98,602 |
| Franchise fees receivable | - | 605,642 | - | 605,642 |
| Special assessments receivable | - | 3,637,675 | - | 3,637,675 |
| Other receivables | 14,426 | - | - | 14,426 |
| Intergovernmental receivable | 1,128,714 | - | - | 1,128,714 |
| Prepaid items | 475 | - | - | 475 |
| Inventories | 45,151 | - | - | 45,151 |
| Total assets | \$ 48,352,655 | \$ 16,857,844 | \$ 1,792,609 | \$ 67,003,108 |
| LIABILITIES | | | | |
| Accounts payable | \$ 484,587 | \$ 50,098 | \$ 21 | \$ 534,706 |
| Accrued liabilities | 7,398 | - | - | 7,398 |
| Intergovernmental payable | 4,625 | - | - | 4,625 |
| Due to other funds | 771 | 150 | 316,193 | 317,114 |
| Interfund payable | 1,303,305 | - | - | 1,303,305 |
| Matured bonds payable | - | 1,865,000 | - | 1,865,000 |
| Matured interest payable | - | 635,254 | - | 635,254 |
| Deferred revenue | 745,446 | 3,637,525 | - | 4,382,971 |
| Other | 1,235,665 | - | - | 1,235,665 |
| Advances from other funds | 100,000 | - | - | 100,000 |
| Total liabilities | 3,881,797 | 6,188,027 | 316,214 | 10,386,038 |
| FUND BALANCES | | | | |
| Reserved for inventories | 45,151 | - | - | 45,151 |
| Reserved for recreation | 160,091 | - | - | 160,091 |
| Reserved for public safety | 65,880 | - | - | 65,880 |
| Reserved for fire equipment | 362,360 | - | - | 362,360 |
| Reserved for median strips | 108,949 | - | - | 108,949 |
| Unreserved, designated for encumbrances | 339,833 | - | - | 339,833 |
| Unreserved, designated for subsequent year's expenditures | 16,054,361 | 138,000 | - | 16,192,361 |
| Unreserved, undesignated | 27,334,233 | 10,531,817 | 1,476,395 | 39,342,445 |
| Total fund balances | 44,470,858 | 10,669,817 | 1,476,395 | 56,617,070 |
| Total liabilities and fund balances | \$ 48,352,655 | \$ 16,857,844 | \$ 1,792,609 | \$ 67,003,108 |

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

| | Special Revenue | Debt Service | Capital Projects | Total Nonmajor Governmental Funds |
|--|----------------------|----------------------|---------------------|--|
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ - | \$ 2,368,532 | \$ - | \$ 2,368,532 |
| Local option fuel | 1,580,403 | - | - | 1,580,403 |
| Franchise fees | - | 6,234,903 | - | 6,234,903 |
| Intergovernmental | 2,522,243 | - | - | 2,522,243 |
| Judgments, fines and forfeitures | 2,467,745 | - | - | 2,467,745 |
| Special assessments | - | 551,905 | - | 551,905 |
| Impact fees | 38,128 | - | - | 38,128 |
| Investment earnings | 372,782 | 92,734 | 9,810 | 475,326 |
| Contributions and donations | 6,851 | - | - | 6,851 |
| Miscellaneous | 147,032 | - | - | 147,032 |
| Total revenues | <u>7,135,184</u> | <u>9,248,074</u> | <u>9,810</u> | <u>16,393,068</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 38,666 | - | - | 38,666 |
| Public safety | 1,695,459 | - | - | 1,695,459 |
| Economic development | 3,313,051 | - | - | 3,313,051 |
| Human services | 43,625 | - | - | 43,625 |
| Transportation | 958,354 | - | - | 958,354 |
| Debt service: | | | | |
| Principal | - | 1,865,000 | - | 1,865,000 |
| Interest | - | 1,270,510 | - | 1,270,510 |
| Other | - | 54,686 | - | 54,686 |
| Capital outlay | 3,777,722 | - | - | 3,777,722 |
| Total expenditures | <u>9,826,877</u> | <u>3,190,196</u> | <u>-</u> | <u>13,017,073</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,691,693)</u> | <u>6,057,878</u> | <u>9,810</u> | <u>3,375,995</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in: | | | | |
| General fund | 8,164,000 | - | - | 8,164,000 |
| Transfers out: | | | | |
| General fund | - | (4,434,156) | - | (4,434,156) |
| Capital projects fund: | | | | |
| Capital Improvement | (12,390,000) | - | (110,000) | (12,500,000) |
| Sale of capital assets | 6,498 | - | - | 6,498 |
| Total other financing sources and (uses) | <u>(4,219,502)</u> | <u>(4,434,156)</u> | <u>(110,000)</u> | <u>(8,763,658)</u> |
| Net change in fund balances | (6,911,195) | 1,623,722 | (100,190) | (5,387,663) |
| Fund balances - beginning | <u>51,382,053</u> | <u>9,046,095</u> | <u>1,576,585</u> | <u>62,004,733</u> |
| Fund balances - ending | <u>\$ 44,470,858</u> | <u>\$ 10,669,817</u> | <u>\$ 1,476,395</u> | <u>\$ 56,617,070</u> |

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2009

| | Community Development Block Grant | Impact Fees | Open Space Preservation | Economic & Job Growth | Emergency Management | Urban Area Security Initiative Grant |
|---|---|-------------------|-------------------------------|-----------------------------|-------------------------|--|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ - | \$ 414,472 | \$ 536,206 | \$ 8,411,685 | \$ 9,055,567 | \$ - |
| Investments | - | 282,934 | 655,956 | 9,296,402 | 2,772,052 | - |
| Interest receivable | - | 908 | 2,237 | 55,499 | 9,213 | - |
| Other receivables | - | - | - | - | - | - |
| Intergovernmental receivable | 209,521 | - | - | - | - | 415,334 |
| Prepaid items | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - |
| Total assets | \$ 209,521 | \$ 698,314 | \$ 1,194,399 | \$ 17,763,586 | \$ 11,836,832 | \$ 415,334 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 12,494 | \$ 1,034 | \$ - | \$ - | \$ 4,471 | \$ - |
| Accrued liabilities | 1,329 | - | - | - | 2,043 | - |
| Intergovernmental payable | 4,625 | - | - | - | - | - |
| Due to other funds | 127 | - | - | - | 232 | - |
| Interfund payable | 90,946 | - | - | - | - | 832,221 |
| Deferred revenue | - | - | - | - | - | 415,334 |
| Other | - | - | - | - | - | - |
| Advances from other funds | 100,000 | - | - | - | - | - |
| Total liabilities | 209,521 | 1,034 | - | - | 6,746 | 1,247,555 |
| FUND BALANCES | | | | | | |
| Reserved for inventories | - | - | - | - | - | - |
| Reserved for recreation | - | 160,091 | - | - | - | - |
| Reserved for public safety | - | 65,880 | - | - | - | - |
| Reserved for fire equipment | - | 362,360 | - | - | - | - |
| Reserved for median strips | - | 108,949 | - | - | - | - |
| Unreserved, designated for encumbrances | - | - | - | - | - | - |
| Unreserved, designated for subsequent year's expenditures | - | - | 500,000 | 1,500,000 | 5,135,724 | - |
| Unreserved, undesignated | - | - | 694,399 | 16,263,586 | 6,694,362 | (832,221) |
| Total fund balances | - | 697,280 | 1,194,399 | 17,763,586 | 11,830,086 | (832,221) |
| Total liabilities and fund balances | \$ 209,521 | \$ 698,314 | \$ 1,194,399 | \$ 17,763,586 | \$ 11,836,832 | \$ 415,334 |

| Broward County Home Consortium Grant | Broward County Disaster Recovery Initiative Grant | Neighborhood Stabilization Program Grant | Fuel and Roadway | Vehicle Replacement | State Housing Initiatives Partnership Grant | Police Confiscation | Total Nonmajor Special Revenue Funds |
|---|--|--|---------------------|------------------------|--|------------------------|---|
| \$ - | \$ - | \$ - | \$ 1,115,618 | \$ 3,813,206 | \$ 645,918 | \$ 3,013,495 | \$ 27,006,167 |
| - | - | - | 362,330 | 2,820,594 | 528,697 | 3,344,525 | 20,063,490 |
| - | - | - | 2,024 | 9,846 | 2,291 | 12,214 | 94,232 |
| - | - | - | 14,426 | - | - | - | 14,426 |
| 13,611 | 301,300 | 15,201 | 143,084 | - | 28,286 | 2,377 | 1,128,714 |
| - | - | - | - | - | - | 475 | 475 |
| - | - | - | 45,151 | - | - | - | 45,151 |
| <u>\$ 13,611</u> | <u>\$ 301,300</u> | <u>\$ 15,201</u> | <u>\$ 1,682,633</u> | <u>\$ 6,643,646</u> | <u>\$ 1,205,192</u> | <u>\$ 6,373,086</u> | <u>\$ 48,352,655</u> |
| \$ 21,516 | \$ - | \$ 1,463 | \$ 153,107 | \$ 29,241 | \$ 92,320 | \$ 168,941 | \$ 484,587 |
| 739 | - | 1,287 | 671 | - | 1,329 | - | 7,398 |
| - | - | - | - | - | - | - | 4,625 |
| 84 | - | 132 | 69 | - | 127 | - | 771 |
| 51,219 | 316,600 | 12,319 | - | - | - | - | 1,303,305 |
| 13,611 | 301,300 | 15,201 | - | - | - | - | 745,446 |
| - | - | - | - | - | - | 1,235,665 | 1,235,665 |
| - | - | - | - | - | - | - | 100,000 |
| <u>87,169</u> | <u>617,900</u> | <u>30,402</u> | <u>153,847</u> | <u>29,241</u> | <u>93,776</u> | <u>1,404,606</u> | <u>3,881,797</u> |
| - | - | - | 45,151 | - | - | - | 45,151 |
| - | - | - | - | - | - | - | 160,091 |
| - | - | - | - | - | - | - | 65,880 |
| - | - | - | - | - | - | - | 362,360 |
| - | - | - | - | - | - | - | 108,949 |
| - | - | - | - | 13,311 | - | 326,522 | 339,833 |
| - | - | - | 949,985 | 4,851,487 | 1,111,416 | 2,005,749 | 16,054,361 |
| (73,558) | (316,600) | (15,201) | 533,650 | 1,749,607 | - | 2,636,209 | 27,334,233 |
| <u>(73,558)</u> | <u>(316,600)</u> | <u>(15,201)</u> | <u>1,528,786</u> | <u>6,614,405</u> | <u>1,111,416</u> | <u>4,968,480</u> | <u>44,470,858</u> |
| <u>\$ 13,611</u> | <u>\$ 301,300</u> | <u>\$ 15,201</u> | <u>\$ 1,682,633</u> | <u>\$ 6,643,646</u> | <u>\$ 1,205,192</u> | <u>\$ 6,373,086</u> | <u>\$ 48,352,655</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, 2009

| | Community Development Block Grant | Impact Fees | Open Space Preservation | Economic & Job Growth | Emergency Management | Urban Area Security Initiative Grant |
|--|---|-------------------|-------------------------------|-----------------------------|-------------------------|--|
| REVENUES | | | | | | |
| Local option fuel tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 962,701 | - | - | - | 12,856 | - |
| Judgments, fines and forfeitures | - | - | - | - | - | - |
| Impact fees | - | 38,128 | - | - | - | - |
| Investment earnings | - | 4,506 | 9,150 | 152,580 | 63,707 | - |
| Contributions and donations | - | - | - | - | - | - |
| Miscellaneous | 200 | - | - | - | - | - |
| Total revenues | <u>962,901</u> | <u>42,634</u> | <u>9,150</u> | <u>152,580</u> | <u>76,563</u> | <u>-</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | 61,813 | - | - | - | 127,051 | 7,792 |
| Economic development | 808,312 | - | - | 50,000 | - | - |
| Human services | 43,625 | - | - | - | - | - |
| Transportation | 49,151 | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | 745,634 |
| Total expenditures | <u>962,901</u> | <u>-</u> | <u>-</u> | <u>50,000</u> | <u>127,051</u> | <u>753,426</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>42,634</u> | <u>9,150</u> | <u>102,580</u> | <u>(50,488)</u> | <u>(753,426)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in: | | | | | | |
| General fund | - | - | - | - | 5,000,000 | - |
| Transfers out: | | | | | | |
| Capital projects fund: | | | | | | |
| Capital Improvement | - | - | (500,000) | (6,000,000) | - | - |
| Sale of capital assets | - | - | - | - | - | - |
| Total other financing sources and (uses) | <u>-</u> | <u>-</u> | <u>(500,000)</u> | <u>(6,000,000)</u> | <u>5,000,000</u> | <u>-</u> |
| Net change in fund balances | <u>-</u> | <u>42,634</u> | <u>(490,850)</u> | <u>(5,897,420)</u> | <u>4,949,512</u> | <u>(753,426)</u> |
| Fund balances - beginning | <u>-</u> | <u>654,646</u> | <u>1,685,249</u> | <u>23,661,006</u> | <u>6,880,574</u> | <u>(78,795)</u> |
| Fund balances - ending | <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> |

| Broward County Home Consortium Grant | Broward County Disaster Recovery Initiative Grant | Neighborhood Stabilization Program | Fuel and Roadway | Vehicle Replacement | State Housing Initiatives Partnership Grant | Police Confiscation | Total Nonmajor Special Revenue Funds |
|---|--|--|---------------------|------------------------|--|------------------------|---|
| \$ - | \$ - | \$ - | \$ 1,580,403 | \$ - | \$ - | \$ - | \$ 1,580,403 |
| 60,150 | 669,466 | - | - | - | 817,070 | - | 2,522,243 |
| - | - | - | - | - | - | 2,467,745 | 2,467,745 |
| - | - | - | 5,912 | 37,100 | 5,589 | 94,238 | 38,128 |
| - | - | - | - | - | - | 6,851 | 372,782 |
| - | - | - | 125,383 | 1,394 | 8,096 | 11,959 | 6,851 |
| 60,150 | 669,466 | - | 1,711,698 | 38,494 | 830,755 | 2,580,793 | 147,032 |
| - | - | - | - | 38,666 | - | - | 38,666 |
| - | - | - | - | - | - | 1,498,803 | 1,695,459 |
| 133,708 | 986,066 | 15,201 | - | - | 1,319,764 | - | 3,313,051 |
| - | - | - | - | - | - | - | 43,625 |
| - | - | - | 909,203 | - | - | - | 958,354 |
| - | - | - | 1,484,572 | 881,984 | - | 665,532 | 3,777,722 |
| 133,708 | 986,066 | 15,201 | 2,393,775 | 920,650 | 1,319,764 | 2,164,335 | 9,826,877 |
| (73,558) | (316,600) | (15,201) | (682,077) | (882,156) | (489,009) | 416,458 | (2,691,693) |
| - | - | - | 664,000 | 2,500,000 | - | - | 8,164,000 |
| - | - | - | - | (2,900,000) | - | (2,990,000) | (12,390,000) |
| - | - | - | 664,000 | (400,000) | - | 6,498 | 6,498 |
| (73,558) | (316,600) | (15,201) | (18,077) | (1,282,156) | (489,009) | (2,567,044) | (4,219,502) |
| - | - | - | 1,546,863 | 7,896,561 | 1,600,425 | 7,535,524 | 51,382,053 |
| \$ (73,558) | \$ (316,600) | \$ (15,201) | \$ 1,528,786 | \$ 6,614,405 | \$ 1,111,416 | \$ 4,968,480 | \$ 44,470,858 |

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 SEPTEMBER 30, 2009

| | Public Improvement | Special Recreation District Phase I | Special Recreation District Phase II | Special Tax District No. 1 | Total Nonmajor Debt Service Funds |
|---|-----------------------|--|---|-------------------------------------|--|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 2,538,058 | \$ 229,030 | \$ 256,893 | \$ 6,242,072 | \$ 9,266,053 |
| Investments | 3,344,214 | - | - | - | 3,344,214 |
| Interest receivable | 4,209 | - | - | 51 | 4,260 |
| Franchise fees receivable | 605,642 | - | - | - | 605,642 |
| Special assessments receivable | - | 2,516,754 | 1,120,921 | - | 3,637,675 |
| Total assets | \$ 6,492,123 | \$ 2,745,784 | \$ 1,377,814 | \$ 6,242,123 | \$ 16,857,844 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 30 | \$ 9 | \$ 7 | \$ 50,052 | \$ 50,098 |
| Due to other funds | - | 150 | - | - | 150 |
| Matured bonds payable | - | 180,000 | 230,000 | 1,455,000 | 1,865,000 |
| Matured interest payable | - | 48,984 | 26,759 | 559,511 | 635,254 |
| Deferred revenue | - | 2,516,604 | 1,120,921 | - | 3,637,525 |
| Total liabilities | 30 | 2,745,747 | 1,377,687 | 2,064,563 | 6,188,027 |
| FUND BALANCES | | | | | |
| Unreserved, designated for subsequent year's expenditures | - | - | - | 138,000 | 138,000 |
| Unreserved, undesignated | 6,492,093 | 37 | 127 | 4,039,560 | 10,531,817 |
| Total fund balances | 6,492,093 | 37 | 127 | 4,177,560 | 10,669,817 |
| Total liabilities and fund balances | \$ 6,492,123 | \$ 2,745,784 | \$ 1,377,814 | \$ 6,242,123 | \$ 16,857,844 |

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

| | Public Improvement | Special Recreation District Phase I | Special Recreation District Phase II | Special Tax District No. 1 | Total Nonmajor Debt Service Funds |
|--|-----------------------|--|---|-------------------------------------|--|
| REVENUES | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ 2,368,532 | \$ 2,368,532 |
| Franchise fees | 6,234,903 | - | - | - | 6,234,903 |
| Special assessments | - | 273,585 | 278,320 | - | 551,905 |
| Investment earnings | 88,301 | 324 | 354 | 3,755 | 92,734 |
| Total revenues | 6,323,204 | 273,909 | 278,674 | 2,372,287 | 9,248,074 |
| EXPENDITURES | | | | | |
| Debt service: | | | | | |
| Principal | - | 180,000 | 230,000 | 1,455,000 | 1,865,000 |
| Interest | - | 97,969 | 53,518 | 1,119,023 | 1,270,510 |
| Other | 528 | 449 | 273 | 53,436 | 54,686 |
| Total expenditures | 528 | 278,418 | 283,791 | 2,627,459 | 3,190,196 |
| Excess (deficiency) of revenues over (under) expenditures | 6,322,676 | (4,509) | (5,117) | (255,172) | 6,057,878 |
| OTHER FINANCING USES | | | | | |
| Transfers out: | | | | | |
| General fund | (4,434,156) | - | - | - | (4,434,156) |
| Net change in fund balances | 1,888,520 | (4,509) | (5,117) | (255,172) | 1,623,722 |
| Fund balances - beginning | 4,603,573 | 4,546 | 5,244 | 4,432,732 | 9,046,095 |
| Fund balances - ending | \$ 6,492,093 | \$ 37 | \$ 127 | \$ 4,177,560 | \$ 10,669,817 |

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2009

| | Public Facilities | Special Tax District No. 1 Capital Projects | Total Nonmajor Capital Projects Funds |
|--|----------------------|---|--|
| ASSETS | | | |
| Cash and cash equivalents | \$ 7,822 | \$ 1,782,306 | \$ 1,790,128 |
| Investments | 2,371 | - | 2,371 |
| Interest receivable | - | 110 | 110 |
| Total assets | \$ 10,193 | \$ 1,782,416 | \$ 1,792,609 |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ 21 | \$ 21 |
| Due to other funds | - | 316,193 | 316,193 |
| Total liabilities | - | 316,214 | 316,214 |
| FUND BALANCES | | | |
| Unreserved, undesignated | 10,193 | 1,466,202 | 1,476,395 |
| Total liabilities and fund balances | \$ 10,193 | \$ 1,782,416 | \$ 1,792,609 |

**CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009**

| | <u>Public Facilities</u> | <u>Special Tax District No. 1 Capital Projects</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|--------------------------------------|------------------------------|--|--|
| REVENUES | | | |
| Investment earnings | \$ 566 | \$ 9,244 | \$ 9,810 |
| Excess of revenues over expenditures | 566 | 9,244 | 9,810 |
| OTHER FINANCING USES | | | |
| Transfers out: | | | |
| Capital projects funds: | | | |
| Capital Improvements | (110,000) | - | (110,000) |
| Net change in fund balances | (109,434) | 9,244 | (100,190) |
| Fund balances - beginning | 119,627 | 1,456,958 | 1,576,585 |
| Fund balances - ending | <u>\$ 10,193</u> | <u>\$ 1,466,202</u> | <u>\$ 1,476,395</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 1,571,351 | \$ 962,701 | \$ (608,650) |
| Miscellaneous | 75,000 | 200 | (74,800) |
| Total revenues | <u>1,646,351</u> | <u>962,901</u> | <u>(683,450)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 80,509 | 61,813 | 18,696 |
| Economic development | 1,456,490 | 808,312 | 648,178 |
| Human services | 52,000 | 43,625 | 8,375 |
| Transportation | 57,352 | 49,151 | 8,201 |
| Total expenditures | <u>1,646,351</u> | <u>962,901</u> | <u>683,450</u> |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - |
| Fund balances - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|-----------------------|-------------------------------|
| REVENUES | | | |
| Impact fees | \$ 53,200 | \$ 38,128 | \$ (15,072) |
| Investment earnings | 13,200 | 4,506 | (8,694) |
| Total revenues | <u>66,400</u> | <u>42,634</u> | <u>(23,766)</u> |
| Excess of revenues over expenditures | 66,400 | 42,634 | (23,766) |
| Fund balances - beginning | <u>654,646</u> | <u>654,646</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 721,046</u> | <u>\$ 697,280</u> | <u>\$ (23,766)</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Investment earnings | \$ - | \$ 9,150 | \$ 9,150 |
| EXPENDITURES | | | |
| Capital outlay | 1,500,000 | - | 1,500,000 |
| Excess (deficiency) of revenues over (under) expenditures | (1,500,000) | 9,150 | 1,509,150 |
| OTHER FINANCING USES | | | |
| Transfers out | (500,000) | (500,000) | - |
| Net change in fund balances | (2,000,000) | (490,850) | 1,509,150 |
| Fund balances - beginning | 1,685,249 | 1,685,249 | - |
| Fund balances - ending | <u>\$ (314,751)</u> | <u>\$ 1,194,399</u> | <u>\$ 1,509,150</u> |

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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|----------------------|-------------------------------|
| REVENUES | | | |
| Investment earnings | \$ - | \$ 152,580 | \$ 152,580 |
| EXPENDITURES | | | |
| Current: | | | |
| Economic development | 1,500,000 | 50,000 | 1,450,000 |
| Excess (deficiency) of revenues over (under) expenditures | (1,500,000) | 102,580 | 1,602,580 |
| OTHER FINANCING USES | | | |
| Transfers out | (6,000,000) | (6,000,000) | - |
| Net change in fund balances | (7,500,000) | (5,897,420) | 1,602,580 |
| Fund balances - beginning | 23,661,006 | 23,661,006 | - |
| Fund balances - ending | <u>\$ 16,161,006</u> | <u>\$ 17,763,586</u> | <u>\$ 1,602,580</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|--|------------------------------|-----------------------------|-------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 500,000 | \$ 12,856 | \$ (487,144) |
| Investment earnings | - | 63,707 | 63,707 |
| Total revenues | <u>500,000</u> | <u>76,563</u> | <u>(423,437)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | <u>10,630,190</u> | <u>127,051</u> | <u>10,503,139</u> |
| Excess (deficiency) of revenues over (under) expenditures | (10,130,190) | (50,488) | 10,079,702 |
| OTHER FINANCING SOURCES | | | |
| Transfers in | <u>5,000,000</u> | <u>5,000,000</u> | <u>-</u> |
| Net change in fund balances | (5,130,190) | 4,949,512 | 10,079,702 |
| Fund balances - beginning | <u>6,880,574</u> | <u>6,880,574</u> | <u>-</u> |
| Fund balances - ending | <u><u>\$ 1,750,384</u></u> | <u><u>\$ 11,830,086</u></u> | <u><u>\$ 10,079,702</u></u> |

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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 754,197 | \$ - | \$ (754,197) |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 22,745 | 7,792 | 14,953 |
| Capital outlay | 1,067,991 | 745,634 | 322,357 |
| Total expenditures | <u>1,090,736</u> | <u>753,426</u> | <u>337,310</u> |
| Deficiency of revenues under expenditures | (336,539) | (753,426) | (416,887) |
| Fund balances - beginning | <u>(78,795)</u> | <u>(78,795)</u> | <u>-</u> |
| Fund balances - ending | <u>\$ (415,334)</u> | <u>\$ (832,221)</u> | <u>\$ (416,887)</u> |

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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 797,085 | \$ 60,150 | \$ (736,935) |
| EXPENDITURES | | | |
| Current: | | | |
| Economic development | 797,085 | 133,708 | 663,377 |
| Deficiency of revenues under expenditures | - | (73,558) | (73,558) |
| Fund balances - beginning | - | - | - |
| Fund balances - ending | \$ - | \$ (73,558) | \$ (73,558) |

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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 4,008,737 | \$ 669,466 | \$ (3,339,271) |
| EXPENDITURES | | | |
| Current: | | | |
| Economic development | 4,008,737 | 986,066 | 3,022,671 |
| Deficiency of revenues under expenditures | - | (316,600) | (316,600) |
| Fund balances - beginning | - | - | - |
| Fund balances - ending | \$ - | \$ (316,600) | \$ (316,600) |

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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 3,494,986 | \$ - | \$ (3,494,986) |
| EXPENDITURES | | | |
| Current: | | | |
| Economic development | 3,494,986 | 15,201 | 3,479,785 |
| Deficiency of revenues under expenditures | - | (15,201) | (15,201) |
| Fund balances - beginning | - | - | - |
| Fund balances - ending | \$ - | \$ (15,201) | \$ (15,201) |

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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Local option fuel tax | \$ 1,560,000 | \$ 1,580,403 | \$ 20,403 |
| Investment earnings | 23,500 | 5,912 | (17,588) |
| Miscellaneous | 134,000 | 125,383 | (8,617) |
| Total revenues | <u>1,717,500</u> | <u>1,711,698</u> | <u>(5,802)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Transportation | 1,154,800 | 909,203 | 245,597 |
| Capital outlay | <u>1,797,351</u> | <u>1,484,572</u> | <u>312,779</u> |
| Total expenditures | <u>2,952,151</u> | <u>2,393,775</u> | <u>558,376</u> |
| Excess (deficiency) of revenues over (under) expenditures | (1,234,651) | (682,077) | 552,574 |
| OTHER FINANCING SOURCES | | | |
| Transfers in | <u>664,000</u> | <u>664,000</u> | <u>-</u> |
| Net change in fund balances | (570,651) | (18,077) | 552,574 |
| Fund balances - beginning | <u>1,546,863</u> | <u>1,546,863</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 976,212</u> | <u>\$ 1,528,786</u> | <u>\$ 552,574</u> |

CITY OF SUNRISE, FLORIDA
VEHICLE REPLACEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|--|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Investment earnings | \$ 80,000 | \$ 37,100 | \$ (42,900) |
| Miscellaneous | - | 1,394 | 1,394 |
| Total revenues | 80,000 | 38,494 | (41,506) |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 58,616 | 38,666 | 19,950 |
| Capital outlay | 1,020,131 | 881,984 | 138,147 |
| Total expenditures | 1,078,747 | 920,650 | 158,097 |
| Excess (deficiency) of revenues over (under) expenditures | (998,747) | (882,156) | 116,591 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 2,500,000 | 2,500,000 | - |
| Transfers out | (2,900,000) | (2,900,000) | - |
| Total other financing sources (uses) | (400,000) | (400,000) | - |
| Net change in fund balances | (1,398,747) | (1,282,156) | 116,591 |
| Fund balances - beginning | 7,896,561 | 7,896,561 | - |
| Fund balances - ending | \$ 6,497,814 | \$ 6,614,405 | \$ 116,591 |

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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 791,489 | \$ 817,070 | \$ 25,581 |
| Investment earnings | 16,000 | 5,589 | (10,411) |
| Miscellaneous | 75,000 | 8,096 | (66,904) |
| Total revenues | <u>882,489</u> | <u>830,755</u> | <u>(51,734)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Economic development | <u>2,482,914</u> | <u>1,319,764</u> | <u>1,163,150</u> |
| Excess (deficiency) of revenues over (under) expenditures | (1,600,425) | (489,009) | 1,111,416 |
| Fund balances - beginning | <u>1,600,425</u> | <u>1,600,425</u> | - |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 1,111,416</u> | <u>\$ 1,111,416</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Judgments, fines and forfeitures | \$ - | \$ 2,467,745 | \$ 2,467,745 |
| Investment earnings | - | 94,238 | 94,238 |
| Contributions and donations | - | 6,851 | 6,851 |
| Miscellaneous | - | 11,959 | 11,959 |
| Total revenues | <u>-</u> | <u>2,580,793</u> | <u>2,580,793</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 1,691,442 | 1,498,803 | 192,639 |
| Capital outlay | 1,154,806 | 665,532 | 489,274 |
| Total expenditures | <u>2,846,248</u> | <u>2,164,335</u> | <u>681,913</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,846,248)</u> | <u>416,458</u> | <u>3,262,706</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (2,990,000) | (2,990,000) | - |
| Sale of capital assets | - | 6,498 | 6,498 |
| Total other financing sources (uses) | <u>(2,990,000)</u> | <u>(2,983,502)</u> | <u>6,498</u> |
| Net change in fund balances | (5,836,248) | (2,567,044) | 3,262,706 |
| Fund balances - beginning | <u>7,535,524</u> | <u>7,535,524</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,699,276</u> | <u>\$ 4,968,480</u> | <u>\$ 3,262,706</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Franchise fees | \$ 6,000,000 | \$ 6,234,903 | \$ 234,903 |
| Investment earnings | 75,000 | 88,301 | 13,301 |
| Total revenues | 6,075,000 | 6,323,204 | 248,204 |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal | 700,000 | - | 700,000 |
| Interest | 935,344 | - | 935,344 |
| Bond issuance costs | 582,825 | - | 582,825 |
| Other | 5,500 | 528 | 4,972 |
| Total expenditures | 2,223,669 | 528 | 2,223,141 |
| Excess of revenues over expenditures | 3,851,331 | 6,322,676 | 2,471,345 |
| OTHER FINANCING SOURCES (USES) | | | |
| Revenue bonds issued | 582,825 | - | (582,825) |
| Transfers out | (4,434,156) | (4,434,156) | - |
| Total other financing sources (uses) | (3,851,331) | (4,434,156) | (582,825) |
| Net change in fund balances | - | 1,888,520 | 1,888,520 |
| Fund balances - beginning | 4,603,573 | 4,603,573 | - |
| Fund balances - ending | \$ 4,603,573 | \$ 6,492,093 | \$ 1,888,520 |

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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|--|------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Special assessments | \$ 273,585 | \$ 273,585 | \$ - |
| Investment earnings | 324 | 324 | - |
| Total revenues | <u>273,909</u> | <u>273,909</u> | <u>-</u> |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal | 180,000 | 180,000 | - |
| Interest | 97,969 | 97,969 | - |
| Other | 449 | 449 | - |
| Total expenditures | <u>278,418</u> | <u>278,418</u> | <u>-</u> |
| Deficiency of revenues under expenditures | (4,509) | (4,509) | - |
| Fund balances - beginning | 4,546 | 4,546 | - |
| Fund balances - ending | <u>\$ 37</u> | <u>\$ 37</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|--|------------------------------|----------------------|-------------------------------|
| REVENUES | | | |
| Special assessments | \$ 278,320 | \$ 278,320 | \$ - |
| Investment earnings | 354 | 354 | - |
| Total revenues | <u>278,674</u> | <u>278,674</u> | <u>-</u> |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal | 230,000 | 230,000 | - |
| Interest | 53,518 | 53,518 | - |
| Other | 273 | 273 | - |
| Total expenditures | <u>283,791</u> | <u>283,791</u> | <u>-</u> |
| Deficiency of revenues under expenditures | (5,117) | (5,117) | - |
| Fund balances - beginning | <u>5,244</u> | <u>5,244</u> | <u>-</u> |
| Fund balances - ending | <u><u>\$ 127</u></u> | <u><u>\$ 127</u></u> | <u><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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Property taxes | \$ 2,418,948 | \$ 2,368,532 | \$ (50,416) |
| Investment earnings | - | 3,755 | 3,755 |
| Total revenues | <u>2,418,948</u> | <u>2,372,287</u> | <u>(46,661)</u> |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal | 1,455,000 | 1,455,000 | - |
| Interest | 1,119,023 | 1,119,023 | - |
| Other | 71,925 | 53,436 | 18,489 |
| Total expenditures | <u>2,645,948</u> | <u>2,627,459</u> | <u>18,489</u> |
| Deficiency of revenues under expenditures | (227,000) | (255,172) | (28,172) |
| Fund balances - beginning | <u>4,432,732</u> | <u>4,432,732</u> | - |
| Fund balances - ending | <u>\$ 4,205,732</u> | <u>\$ 4,177,560</u> | <u>\$ (28,172)</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|--------------------------------------|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Utility service taxes | \$ 6,755,000 | \$ 6,956,486 | \$ 201,486 |
| Communications services taxes | 3,700,000 | 4,733,175 | 1,033,175 |
| Investment earnings | 90,000 | 3,749 | (86,251) |
| Total revenues | <u>10,545,000</u> | <u>11,693,410</u> | <u>1,148,410</u> |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal | 5,110,000 | 5,110,000 | - |
| Interest | 480,455 | 480,455 | - |
| Other | 22,500 | 7,371 | 15,129 |
| Total expenditures | <u>5,612,955</u> | <u>5,597,826</u> | <u>15,129</u> |
| Excess of revenues over expenditures | 4,932,045 | 6,095,584 | 1,163,539 |
| OTHER FINANCING USES | | | |
| Transfers out | <u>(4,932,045)</u> | <u>(4,932,045)</u> | - |
| Net change in fund balances | - | 1,163,539 | 1,163,539 |
| Fund balances - beginning | <u>1,238,108</u> | <u>1,238,108</u> | - |
| Fund balances - ending | <u>\$ 1,238,108</u> | <u>\$ 2,401,647</u> | <u>\$ 1,163,539</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|--------------------------------------|------------------------------|-------------------|-------------------------------|
| REVENUES | | | |
| Investment earnings | \$ - | \$ 566 | \$ 566 |
| Excess of revenues over expenditures | - | 566 | 566 |
| OTHER FINANCING USES | | | |
| Transfers out | (110,000) | (110,000) | - |
| Net change in fund balances | (110,000) | (109,434) | 566 |
| Fund balances - beginning | 119,627 | 119,627 | - |
| Fund balances - ending | <u>\$ 9,627</u> | <u>\$ 10,193</u> | <u>\$ 566</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|--------------------------------------|------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Investment earnings | \$ - | \$ 9,244 | \$ 9,244 |
| Excess of revenues over expenditures | - | 9,244 | 9,244 |
| Fund balances - beginning | 1,456,958 | 1,456,958 | - |
| Fund balances - ending | <u>\$ 1,456,958</u> | <u>\$ 1,466,202</u> | <u>\$ 9,244</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, 2009

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|--|------------------------------|----------------------|-------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 1,602,043 | \$ 200,000 | \$ (1,402,043) |
| Investment earnings | 1,000,000 | 385,907 | (614,093) |
| Contributions and donations | 40,000 | 40,000 | - |
| Miscellaneous | 28,250 | 28,650 | 400 |
| Total revenues | <u>2,670,293</u> | <u>654,557</u> | <u>(2,015,736)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 200 | - | 200 |
| Capital outlay | 71,852,742 | 7,331,786 | 64,520,956 |
| Total expenditures | <u>71,852,942</u> | <u>7,331,786</u> | <u>64,521,156</u> |
| Excess (deficiency) of revenues over (under) expenditures | (69,182,649) | (6,677,229) | 62,505,420 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 18,554,038 | 18,554,038 | - |
| Transfers out | (2,864,363) | (2,864,363) | - |
| Total other financing sources (uses) | <u>15,689,675</u> | <u>15,689,675</u> | <u>-</u> |
| Net change in fund balances | (53,492,974) | 9,012,446 | 62,505,420 |
| Fund balances - beginning | 63,427,389 | 63,427,389 | - |
| Fund balances - ending | <u>\$ 9,934,415</u> | <u>\$ 72,439,835</u> | <u>\$ 62,505,420</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, 2009

| | Recycling | Stormwater | Golf Course | Total Nonmajor Enterprise Funds |
|--|-------------------|---------------------|---------------------|--|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 240,436 | \$ 1,079,356 | \$ 451,494 | \$ 1,771,286 |
| Investments | 239,417 | 416,119 | 123,904 | 779,440 |
| Interest receivable | 664 | 848 | 532 | 2,044 |
| Accounts receivable, net of allowance for uncollectibles | 9,896 | 220,616 | - | 230,512 |
| Other receivables | - | 374 | - | 374 |
| Intergovernmental receivable | 42,753 | - | - | 42,753 |
| Inventories | - | 40,644 | 565 | 41,209 |
| Prepaid items | - | - | 1,650 | 1,650 |
| Total current assets | 533,166 | 1,757,957 | 578,145 | 2,869,268 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land | - | - | 1,223,300 | 1,223,300 |
| Buildings and system | - | 756,271 | - | 756,271 |
| Improvements other than buildings | - | 2,863,510 | 13,826 | 2,877,336 |
| Machinery and equipment | 12,109 | 901,240 | 337,263 | 1,250,612 |
| Vehicles | 18,223 | 461,916 | 34,724 | 514,863 |
| Construction in progress | - | 30,555 | - | 30,555 |
| Less accumulated depreciation | (28,588) | (1,244,984) | (248,518) | (1,522,090) |
| Total capital assets, net of accumulated depreciation | 1,744 | 3,768,508 | 1,360,595 | 5,130,847 |
| Total assets | 534,910 | 5,526,465 | 1,938,740 | 8,000,115 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 140,283 | 16,978 | 49,252 | 206,513 |
| Accrued liabilities | - | 19,480 | 10,174 | 29,654 |
| Due to other funds | - | 1,631 | 570 | 2,201 |
| Interfund payable | - | 78,914 | - | 78,914 |
| Compensated absences | - | 13,665 | 21,106 | 34,771 |
| Intergovernmental payable | - | - | 237 | 237 |
| Total current liabilities | 140,283 | 130,668 | 81,339 | 352,290 |
| Noncurrent liabilities: | | | | |
| Compensated absences | - | 156,702 | - | 156,702 |
| Other post employment benefits | - | 116,616 | 74,392 | 191,008 |
| Retiree subsidy | - | 110,312 | 68,932 | 179,244 |
| Advances from other funds | - | 681,413 | - | 681,413 |
| Total noncurrent liabilities | - | 1,065,043 | 143,324 | 1,208,367 |
| Total liabilities | 140,283 | 1,195,711 | 224,663 | 1,560,657 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 1,744 | 3,766,890 | 1,360,595 | 5,129,229 |
| Unrestricted | 392,883 | 563,864 | 353,482 | 1,310,229 |
| Total net assets | \$ 394,627 | \$ 4,330,754 | \$ 1,714,077 | \$ 6,439,458 |

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

| | <u>Recycling</u> | <u>Stormwater</u> | <u>Golf Course</u> | <u>Total Nonmajor Enterprise Funds</u> |
|--|-------------------|---------------------|---------------------|--|
| Operating revenues: | | | | |
| Charges for sales and services: | | | | |
| Fees | \$ 178,433 | \$ 2,927,086 | \$ 493,963 | \$ 3,599,482 |
| Operating expenses: | | | | |
| Costs of sales and services: | | | | |
| Power, water and wastewater purchases | - | 6,220 | 75,577 | 81,797 |
| Chemical purchases | - | 66,274 | 57,254 | 123,528 |
| Recycling charges | 552,005 | - | - | 552,005 |
| Materials and supplies | 21,933 | 27,079 | 56,074 | 105,086 |
| Repairs and maintenance | - | 38,826 | 53,374 | 92,200 |
| Salaries, wages and employee benefits | - | 1,101,976 | 825,627 | 1,927,603 |
| Insurance and other expenses | 205 | 142,086 | 189,646 | 331,937 |
| Administrative fees | 29,299 | 322,062 | 165,914 | 517,275 |
| Depreciation | 1,162 | 195,202 | 28,226 | 224,590 |
| Total operating expenses | 604,604 | 1,899,725 | 1,451,692 | 3,956,021 |
| Operating income (loss) | (426,171) | 1,027,361 | (957,729) | (356,539) |
| Non-operating revenues (expenses): | | | | |
| Investment earnings | 3,648 | 2,018 | 2,722 | 8,388 |
| Interest expense | - | (43,853) | - | (43,853) |
| Gain on sale of capital assets | - | 13,440 | - | 13,440 |
| Sale of recyclable materials | 146,478 | - | - | 146,478 |
| Other | 35,234 | 14,606 | 14,778 | 64,618 |
| Total non-operating revenues (expenses) | 185,360 | (13,789) | 17,500 | 189,071 |
| Income (loss) before transfers | (240,811) | 1,013,572 | (940,229) | (167,468) |
| Transfers in | - | - | 1,047,763 | 1,047,763 |
| Change in net assets | (240,811) | 1,013,572 | 107,534 | 880,295 |
| Total net assets - beginning | 635,438 | 3,317,182 | 1,606,543 | 5,559,163 |
| Total net assets - ending | \$ 394,627 | \$ 4,330,754 | \$ 1,714,077 | \$ 6,439,458 |

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

| | Recycling | Stormwater | Golf Course | Total Nonmajor Enterprise Funds |
|---|-------------------|---------------------|-------------------|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers and users | \$ 387,915 | \$ 2,873,623 | \$ 493,200 | \$ 3,754,738 |
| Payments to suppliers | (521,133) | (227,694) | (425,649) | (1,174,476) |
| Payments to and for employees | (318) | (959,844) | (813,504) | (1,773,666) |
| Payments for interfund services used | (29,299) | (370,325) | (185,940) | (585,564) |
| Net cash provided (used) by operating activities | <u>(162,835)</u> | <u>1,315,760</u> | <u>(931,893)</u> | <u>221,032</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfer from other funds | - | - | 1,047,763 | 1,047,763 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition and construction of capital assets | - | (205,303) | - | (205,303) |
| Interest paid on capital debt | - | (43,853) | - | (43,853) |
| Proceeds from sales of capital assets | - | 13,440 | - | 13,440 |
| Advances from other funds | - | (74,977) | - | (74,977) |
| Net cash (used) by capital and related financing activities | <u>-</u> | <u>(310,693)</u> | <u>-</u> | <u>(310,693)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Proceeds from sales and maturities of investments | 339,755 | 222,935 | 186,293 | 748,983 |
| Purchase of investments | (284,941) | (464,274) | (132,080) | (881,295) |
| Interest and dividends received | 8,725 | 9,995 | 5,655 | 24,375 |
| Net cash provided (used) by investing activities | <u>63,539</u> | <u>(231,344)</u> | <u>59,868</u> | <u>(107,937)</u> |
| Net increase (decrease) in cash and cash equivalents | (99,296) | 773,723 | 175,738 | 850,165 |
| Cash and cash equivalents, October 1 | <u>339,732</u> | <u>305,633</u> | <u>275,756</u> | <u>921,121</u> |
| Cash and cash equivalents, September 30 | <u>\$ 240,436</u> | <u>\$ 1,079,356</u> | <u>\$ 451,494</u> | <u>\$ 1,771,286</u> |

| | Recycling | Stormwater | Golf Course | Total Nonmajor Enterprise Funds |
|--|---------------------|---------------------|---------------------|--|
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ (426,171) | \$ 1,027,361 | \$ (957,729) | \$ (356,539) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Miscellaneous non-operating income from by-products of recycling activities | 146,478 | - | - | 146,478 |
| Miscellaneous non-operating income | 35,234 | 14,606 | 14,778 | 64,618 |
| Depreciation expense | 1,162 | 195,202 | 28,226 | 224,590 |
| (Increase) decrease in accounts receivable | 705 | (50,552) | - | (49,847) |
| Decrease in other receivables | - | 518 | 873 | 1,391 |
| Decrease in intergovernmental receivables | 40,571 | - | - | 40,571 |
| Decrease in inventories | - | 22,633 | 1,201 | 23,834 |
| Decrease in prepaid items | - | - | 100 | 100 |
| Increase (decrease) in accounts payable | 52,805 | 12,565 | (10,372) | 54,998 |
| Increase (decrease) in accrued liabilities | (164) | 2,707 | (6,150) | (3,607) |
| (Decrease) in due to other funds | (154) | (3,571) | (2,715) | (6,440) |
| (Decrease) in intergovernmental payables | - | - | (1,067) | (1,067) |
| (Decrease) in compensated absences payable | (8,943) | (13,758) | (62,457) | (85,158) |
| Increase (decrease) in other post employment benefits payable | (2,008) | 59,712 | 37,572 | 95,276 |
| Increase (decrease) in retiree subsidy payable | (2,350) | 48,337 | 25,847 | 71,834 |
| Total adjustments | 263,336 | 288,399 | 25,836 | 577,571 |
| Net cash provided by (used in) operating activities | \$ (162,835) | \$ 1,315,760 | \$ (931,893) | \$ 221,032 |
| Noncash investing activities: | | | | |
| Net decrease in fair value of investments | 4,557 | 8,128 | 2,814 | 15,499 |

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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, 2009

| | <u>Employee Retirement Funds</u> | | | |
|--|----------------------------------|--------------------------------|--------------------------|---------------------------------|
| | General Employees' Pension | Police Officers' Pension | Firefighters' Pension | Total Pension Trust Funds |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 3,563,829 | \$ 1,319,144 | \$ 5,043,270 | \$ 9,926,243 |
| Receivable from sale of securities | - | 224,902 | - | 224,902 |
| Interest and dividends receivable | 197,438 | 264,628 | 280,627 | 742,693 |
| Due from other funds | 69,869 | 57,008 | 120,657 | 247,534 |
| Other receivables | 4,539 | 924 | - | 5,463 |
| Investments, at fair value: | | | | |
| U.S. government and agency securities | - | 10,459,791 | 11,276,047 | 21,735,838 |
| Corporate bonds | - | 11,820,819 | 13,074,409 | 24,895,228 |
| Mutual funds | 40,030,427 | - | 10,909,278 | 50,939,705 |
| Common stocks | 49,659,511 | 29,122,211 | 19,190,648 | 97,972,370 |
| International equity funds | 9,563,187 | - | 4,960,548 | 14,523,735 |
| Total investments | <u>99,253,125</u> | <u>51,402,821</u> | <u>59,410,930</u> | <u>210,066,876</u> |
| Prepaid items | - | 10,234 | - | 10,234 |
| Equipment, net of accumulated depreciation of \$26,592 | - | 890 | - | 890 |
| Total assets | <u>103,088,800</u> | <u>53,280,551</u> | <u>64,855,484</u> | <u>221,224,835</u> |
| LIABILITIES | | | | |
| Accounts payable | 136,159 | 83,572 | 66,711 | 286,442 |
| Prepaid contribution | - | - | 72,734 | 72,734 |
| Payable for purchase of securities | 20,598 | 245,370 | - | 265,968 |
| Total liabilities | <u>156,757</u> | <u>328,942</u> | <u>139,445</u> | <u>625,144</u> |
| NET ASSETS | | | | |
| Held in trust for pension benefits | <u>\$ 102,932,043</u> | <u>\$ 52,951,609</u> | <u>\$ 64,716,039</u> | <u>\$ 220,599,691</u> |

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

| | Employee Retirement Funds | | | |
|--|----------------------------------|--------------------------------|--------------------------|---------------------------------|
| | General Employees' Pension | Police Officers' Pension | Firefighters' Pension | Total Pension Trust Funds |
| ADDITIONS | | | | |
| Contributions: | | | | |
| Employer | \$ 6,303,149 | \$ 3,968,694 | \$ 1,649,769 | \$ 11,921,612 |
| Plan members | 2,713,328 | 1,331,918 | 1,106,334 | 5,151,580 |
| Other sources | - | 578,926 | 859,647 | 1,438,573 |
| Total contributions | 9,016,477 | 5,879,538 | 3,615,750 | 18,511,765 |
| Investment earnings: | | | | |
| Interest | 121,862 | 1,114,492 | 1,141,868 | 2,378,222 |
| Dividends | 2,581,395 | 499,315 | 426,475 | 3,507,185 |
| Net increase (decrease) in fair value of investments | (2,255,033) | (703,026) | 225,753 | (2,732,306) |
| Other | 68,510 | 16,522 | 4,781 | 89,813 |
| Total investment earnings | 516,734 | 927,303 | 1,798,877 | 3,242,914 |
| Less investment expense | 546,535 | 292,240 | 227,590 | 1,066,365 |
| Net investment earnings | (29,801) | 635,063 | 1,571,287 | 2,176,549 |
| Total additions | 8,986,676 | 6,514,601 | 5,187,037 | 20,688,314 |
| DEDUCTIONS | | | | |
| Benefits | 6,219,849 | 2,854,302 | 2,084,793 | 11,158,944 |
| Refunds of contributions | 121,255 | 1,920 | - | 123,175 |
| Administrative expenses | 231,031 | 213,613 | 186,278 | 630,922 |
| Total deductions | 6,572,135 | 3,069,835 | 2,271,071 | 11,913,041 |
| Change in net assets | 2,414,541 | 3,444,766 | 2,915,966 | 8,775,273 |
| Net assets - beginning | 100,517,502 | 49,506,843 | 61,800,073 | 211,824,418 |
| Net assets - ending | \$ 102,932,043 | \$ 52,951,609 | \$ 64,716,039 | \$ 220,599,691 |

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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> |
|---|-------------|
| Financial Trends | 130 |
| <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i> | |
| Revenue Capacity | 136 |
| <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i> | |
| Debt Capacity | 140 |
| <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i> | |
| Demographic and Economic Information | 144 |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i> | |
| Operating Information | 146 |
| <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 EIGHT FISCAL YEARS
(accrual basis of accounting)

| | FISCAL YEAR | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Governmental activities: | | | | | | | | |
| 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 |
| 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 |
| 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 |
| Total governmental activities net assets | \$ 265,275,412 | \$ 280,440,113 | \$ 287,346,328 | \$ 289,426,210 | \$ 302,657,617 | \$ 311,070,451 | \$ 310,950,587 | \$ 297,880,891 |
| Business-type activities: | | | | | | | | |
| 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 |
| 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 |
| 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 |
| Total business-type activities net assets | \$ 273,624,680 | \$ 270,873,450 | \$ 276,071,843 | \$ 280,636,203 | \$ 283,630,924 | \$ 284,972,595 | \$ 277,024,350 | \$ 288,632,051 |
| Total: | | | | | | | | |
| 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 |
| 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 |
| 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 |
| Total net assets | \$ 538,900,092 | \$ 551,313,563 | \$ 563,418,171 | \$ 570,062,413 | \$ 586,288,541 | \$ 596,043,046 | \$ 587,974,937 | \$ 586,512,942 |

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

| | FISCAL YEAR | | | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| EXPENSES | | | | | | | | |
| Governmental activities: | | | | | | | | |
| 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 |
| 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 |
| 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 |
| Human services | 53,049 | 52,064 | 53,100 | 53,309 | 50,112 | 5,212 | 42,441 | 43,625 |
| 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 |
| 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 |
| 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 |
| Total governmental activities expenses | 74,776,930 | 84,056,511 | 86,484,662 | 99,449,461 | 107,549,597 | 109,976,826 | 119,116,182 | 123,500,917 |
| Business-type activities: | | | | | | | | |
| 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 |
| Gas | 5,105,765 | 6,080,350 | 6,789,424 | 8,018,044 | 8,373,066 | 8,237,304 | 9,248,540 | 6,772,874 |
| 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 |
| Recycling | 292,845 | 294,905 | 275,659 | 367,695 | 430,064 | 519,441 | 564,707 | 604,604 |
| 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 |
| Golf course | 827,609 | 874,593 | 1,106,687 | 1,301,732 | 1,283,287 | 1,449,282 | 1,537,059 | 1,449,494 |
| Total business-type activities expenses | 70,069,488 | 75,049,225 | 76,203,374 | 81,497,851 | 89,305,035 | 90,825,211 | 96,114,498 | 86,209,390 |
| Total expenses | \$ 144,846,418 | \$ 159,105,736 | \$ 162,688,036 | \$ 180,947,312 | \$ 196,854,632 | \$ 200,802,037 | \$ 215,230,680 | \$ 209,710,307 |
| PROGRAM REVENUES | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| 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 |
| 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 |
| 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 |
| Transportation | 22,757 | 22,780 | 22,333 | 22,526 | 17,456 | 17,796 | 18,997 | 17,025 |
| 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 |
| 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 |
| 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 |
| Total governmental activities program revenues | 28,048,504 | 37,508,677 | 33,475,816 | 34,655,527 | 45,285,808 | 37,893,134 | 42,462,023 | 41,334,894 |
| Business-type activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| 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 |
| 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 |
| 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 |
| Recycling | 151,318 | 144,211 | 152,392 | 153,154 | 153,142 | 161,604 | 170,265 | 178,433 |
| 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 |
| Golf course | 400,796 | 328,475 | 364,268 | 552,802 | 508,397 | 595,702 | 565,554 | 493,963 |
| 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 |
| Total business-type activities program revenues | 74,773,824 | 76,044,424 | 79,777,013 | 82,335,274 | 84,828,177 | 81,837,920 | 86,189,756 | 93,701,604 |
| Total program revenues | \$ 102,822,328 | \$ 113,553,101 | \$ 113,252,829 | \$ 116,990,801 | \$ 130,113,985 | \$ 119,731,054 | \$ 128,651,779 | \$ 135,036,498 |
| NET (EXPENSE)/REVENUE | | | | | | | | |
| 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) |
| 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 |
| Total (expense)/revenue | \$ (42,024,090) | \$ (45,552,635) | \$ (49,435,207) | \$ (63,956,511) | \$ (66,740,647) | \$ (81,070,983) | \$ (86,578,901) | \$ (74,673,809) |

(continued)

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

| | FISCAL YEAR | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS | | | | | | | | |
| 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 |
| Insurance premium taxes | 654,089 | 789,625 | 982,897 | 1,025,038 | 1,088,921 | 1,374,674 | 1,508,690 | 1,438,573 |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| 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 |
| Gain on sale of capital assets | 796,403 | - | - | - | 22,929 | 69,974 | 94,230 | 42,435 |
| Transfers | 1,179,000 | 6,498,620 | 536,350 | 813,669 | 266,366 | (1,584,171) | 1,664,873 | (1,368,079) |
| Total governmental activities | 56,755,448 | 61,712,535 | 59,915,061 | 66,873,816 | 75,495,196 | 80,496,526 | 76,534,295 | 69,096,327 |
| 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 |
| Miscellaneous | 338,112 | 493,526 | 232,816 | 377,244 | 415,302 | 578,809 | 720,750 | 2,010,497 |
| Transfers | (1,179,000) | (6,498,620) | (536,350) | (813,669) | (266,366) | 1,584,171 | (1,664,873) | 1,368,079 |
| Total business-type activities | 2,328,573 | (3,746,429) | 1,624,754 | 3,726,937 | 7,471,579 | 10,328,962 | 1,976,497 | 4,115,487 |
| Total | \$ 59,084,021 | \$ 57,966,106 | \$ 61,539,815 | \$ 70,600,753 | \$ 82,966,775 | \$ 90,825,488 | \$ 78,510,792 | \$ 73,211,814 |
| CHANGE IN NET ASSETS | | | | | | | | |
| 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) |
| 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 |
| Total | \$ 17,059,931 | \$ 12,413,471 | \$ 12,104,608 | \$ 6,644,242 | \$ 16,226,128 | \$ 9,754,505 | \$ (8,068,109) | \$ (1,461,995) |

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

| | FISCAL YEAR | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| General fund | | | | | | | | | | |
| Reserved | \$ 1,918,321 | \$ 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 |
| Unreserved | 30,391,886 | 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 |
| Total general fund | \$ 32,310,207 | \$ 40,701,484 | \$ 40,150,572 | \$ 48,743,784 | \$ 54,550,400 | \$ 64,509,171 | \$ 67,901,603 | \$ 75,240,831 | \$ 55,707,349 | \$ 47,876,582 |
| All other governmental funds | | | | | | | | | | |
| Reserved | \$ 4,215,943 | \$ 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 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 12,371,742 | 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 |
| Debt service funds | 751,439 | 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 |
| Capital projects funds | 41,777,949 | 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 |
| Total all other governmental funds | \$ 59,117,073 | \$ 57,514,073 | \$ 61,339,676 | \$ 73,358,885 | \$ 70,093,425 | \$ 73,961,083 | \$ 91,897,352 | \$ 94,593,035 | \$ 126,670,230 | \$ 131,458,552 |

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

| | FISCAL YEAR | | | | | | | | | |
|--|----------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| REVENUES | | | | | | | | | | |
| Taxes | \$ 33,532,679 | \$ 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 |
| Permits and fees | 3,162,085 | 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 |
| Franchise fees | 6,678,780 | 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 |
| Intergovernmental | 9,707,709 | 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 |
| Charges for services | 10,205,014 | 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 |
| Administrative charges | 3,010,167 | 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 |
| Judgments, fines and forfeitures | 258,275 | 395,039 | 794,834 | 1,205,272 | 1,167,604 | 968,624 | 953,751 | 927,842 | 7,592,902 | 2,999,253 |
| Special assessments | 3,026,085 | 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 |
| Impact fees | 388,024 | 393,140 | 433,952 | 268,215 | 51,351 | 204,408 | 346,571 | 184,880 | 138,514 | 38,128 |
| Investment earnings | 5,668,165 | 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 |
| Surplus earnings on escrow fund | - | - | 826,640 | - | - | - | - | - | - | - |
| Contributions and donations | - | - | - | - | - | - | - | - | - | 84,889 |
| Miscellaneous | 2,054,259 | 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 |
| Total revenues | 77,691,242 | 79,912,693 | 84,141,650 | 86,563,999 | 93,538,895 | 101,537,160 | 120,906,106 | 120,204,065 | 116,509,332 | 112,623,320 |
| EXPENDITURES | | | | | | | | | | |
| General government | 8,743,326 | 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 |
| Public safety | 27,269,469 | 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 |
| Physical environment | 2,285,393 | 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 | 1,482,305 | 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 |
| Human services | - | - | 52,468 | 51,951 | 53,100 | 53,309 | 50,112 | 5,212 | 42,441 | 43,625 |
| Transportation | 794,098 | 820,006 | 826,680 | 844,718 | 850,358 | 866,615 | 834,399 | 916,432 | 876,030 | 958,354 |
| Culture and recreation | 5,806,094 | 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 |
| Capital outlay | 12,452,258 | 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 |
| Debt service: | | | | | | | | | | |
| Interest | 4,615,526 | 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 |
| Principal | 6,416,270 | 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 |
| Refunding bond issuance costs | - | 841,706 | - | - | - | - | - | - | - | - |
| Current refunding sinking fund | - | 1,823,164 | - | - | - | - | - | - | - | - |
| Bond issuance costs | - | - | - | 379,053 | - | - | - | - | - | - |
| Other | 78,393 | 75,370 | 95,837 | 94,651 | 92,179 | 78,765 | 80,756 | 84,497 | 88,471 | 62,057 |
| Total expenditures | 69,943,132 | 78,948,302 | 82,904,738 | 80,800,858 | 91,581,309 | 88,595,542 | 99,931,298 | 108,675,699 | 107,999,424 | 114,351,420 |
| Excess (deficiency) of revenues over (under) expenditures | 7,748,110 | 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) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| 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 | 1,646,651 | - | 93,469 | - | - | - | - | - | - | - |
| Sale of capital assets | 315,787 | 661,409 | 771,936 | 1,627,145 | 47,220 | 71,142 | 87,527 | 90,716 | 168,932 | 53,734 |
| Transfers in | 27,144,801 | 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 |
| Transfers out | (24,773,905) | (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) |
| Total other financing sources (uses) | 4,333,334 | 5,823,886 | 2,037,779 | 14,849,280 | 583,570 | 884,811 | 353,893 | (1,493,455) | 4,033,805 | (1,314,345) |
| Net change in fund balances | \$ 12,081,444 | \$ 6,788,277 | \$ 3,274,691 | \$ 20,612,421 | \$ 2,541,156 | \$ 13,826,429 | \$ 21,328,701 | \$ 10,034,911 | \$ 12,543,713 | \$ (3,042,445) |
| Debt service as a percentage of noncapital expenditures | 18.6% | 18.6% | 16.7% | 15.2% | 14.2% | 13.0% | 11.0% | 9.2% | 8.8% | 8.5% |

SCHEDULE 5
CITY OF SUNRISE, FLORIDA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| FISCAL YEAR | PROPERTY TAX ^a | LOCAL BUSINESS TAX | INSURANCE PREMIUM TAX | COMMUNICATIONS SERVICES TAX | LOCAL OPTION FUEL TAX | UTILITY SERVICE TAX | TOTAL |
|---------------------|---------------------------|--------------------|-----------------------|-----------------------------|-----------------------|---------------------|---------------|
| 2000 | \$ 20,639,001 | \$ 1,528,824 | \$ 531,053 | \$ 3,087,227 | \$ 1,468,330 | \$ 6,278,244 | \$ 33,532,679 |
| 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 |
| Change 2000-2009 | 76.3% | 655.6% | 154.4% | 73.0% | 12.0% | 5.8% | 69.6% |

^aThe 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
ASSESSSED 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 | | | | |
| 2000 | \$ 2,238,332 | \$ 1,192,303 | \$ 173,707 | \$ 338,354 | \$ 925,104 | \$ 634 | \$ 3,016,958 | 6.3250 | \$ 3,942,696 | 76.52% |
| 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% |

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 |
| 2000 | 1999 | \$ 6.3250 | \$ 8.4000 | \$ 7.5710 | \$ 9.1283 | \$ - | \$ 0.6970 | \$ 0.0440 | \$ 2.4895 |
| 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 |

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 | 2009 | | | 2000 | | |
|--|------------------------|------|---|------------------------|------|---|
| | 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 | \$ 318,071,080 | 1 | 5.24% | \$ 185,064,810 | 1 | 6.13% |
| Sawgrass Mills Phase III LP | 86,549,040 | 2 | 1.43% | 45,294,290 | 2 | 1.50% |
| N/S Sawgrass Office Associates LLC | 73,619,170 | 3 | 1.21% | - | - | - |
| Liberty Property LTD Partnership | 50,217,670 | 4 | 0.83% | - | - | - |
| MGI Flamingo Palms LTD Partner | 44,942,960 | 5 | 0.74% | 25,186,020 | 7 | 0.83% |
| TMW Weltfonds 1500 Concord Terrance LP | 44,316,280 | 6 | 0.73% | - | - | - |
| Sawgrass Lakes Center LLC | 42,702,590 | 7 | 0.70% | - | - | - |
| Duke Realty Limited Partnership | 35,890,550 | 8 | 0.59% | - | - | - |
| IKEA Property Inc. | 35,599,250 | 9 | 0.59% | - | - | - |
| AMB/NDP Local LP | 30,120,110 | 10 | 0.50% | - | - | - |
| ACP Office I LLC | - | - | - | 32,383,600 | 3 | 1.07% |
| MNYX Sawgrass Corporation | - | - | - | 29,409,900 | 4 | 0.97% |
| J & P Construction Corporation | - | - | - | 27,820,500 | 5 | 0.92% |
| Teachers Ins & Annuity Assn of America | - | - | - | 25,772,720 | 6 | 0.85% |
| California State Teachers' Retirement | - | - | - | 20,151,540 | 8 | 0.67% |
| NTC Realty Incorporation | - | - | - | 18,248,380 | 9 | 0.60% |
| Lakes at Welleby Investors LLC | - | - | - | 16,761,890 | 10 | 0.56% |
| Totals | \$ 762,028,700 | | 12.56% | \$ 426,093,650 | | 14.10% |

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 |
| 2000 | 1999 | \$ 18,932,243 | \$ 18,829,025 | 99.5% | \$ 21,590 | \$ 18,850,615 | 99.6% |
| 2001 | 2000 | 20,543,256 | 20,391,026 | 99.3% | 86,362 | 20,477,388 | 99.7% |
| 2002 | 2001 | 21,851,913 | 21,650,071 | 99.1% | 6,642 | 21,656,713 | 99.1% |
| 2003 | 2002 | 23,683,909 | 23,509,371 | 99.3% | 56,163 | 23,565,534 | 99.5% |
| 2004 | 2003 | 26,226,056 | 26,063,547 | 99.4% | 46,098 | 26,109,645 | 99.6% |
| 2005 | 2004 | 28,601,183 | 28,398,767 | 99.3% | 11,531 | 28,410,298 | 99.3% |
| 2006 | 2005 | 32,173,202 | 31,962,583 | 99.3% | 51,998 | 32,014,581 | 99.5% |
| 2007 | 2006 | 36,867,170 | 36,667,960 | 99.5% | 91,890 | 36,759,850 | 99.7% |
| 2008 | 2007 | 34,357,047 | 34,021,196 | 99.0% | 101,006 | 34,122,202 | 99.3% |
| 2009 | 2008 | 34,980,436 | 34,507,051 | 98.6% | - | 34,507,051 | 98.6% |

*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 ^a | PER CAPITA ^b |
|-------------|----------------------------------|---------------------------------|--------------------------|----------------------|--------------------------|----------------|------------------------------|----------------|----------------|-------|--|-------------------------|
| | 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 | | | | |
| 2000 | \$ 7,450,000 | \$ 64,617,087 | \$ 6,185,000 | \$ 25,593,750 | \$ 430,000 | \$ 4,277,462 | \$ 236,397,404 | \$ 2,486,020 | \$ 347,436,723 | 9.64% | 4,050 | |
| 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 | |

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

^aSee Schedule 6 for estimated actual taxable value of real property.

^bSee Schedule 13 for population data.

**SCHEDULE 11
CITY OF SUNRISE, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2009**

| <u>GOVERNMENTAL UNIT</u> | <u>DEBT OUTSTANDING</u> | <u>ESTIMATED PERCENTAGE APPLICABLE*</u> | <u>ESTIMATED SHARE OF OVERLAPPING DEBT</u> |
|--|-----------------------------|---|--|
| Debt repaid with property taxes | | | |
| Broward County School Board | \$ 1,980,665,000 | 3.86% | \$ 76,520,335 |
| Broward County | 443,997,073 | 3.86% | <u>17,153,231</u> |
| Subtotal, overlapping debt | | | 93,673,566 |
| City direct debt | | | <u>72,544,366</u> |
| Total direct and overlapping debt | | | <u><u>\$ 166,217,932</u></u> |

Sources: Assessed value data used to estimate applicable percentages provided by Broward County.
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

*For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using gross taxable property values after Value Adjustment Board changes. Applicable percentages were estimated by dividing the City's gross taxable property values after Value Adjustment Board changes by the County's gross taxable property values after Value Adjustment Board changes.

**SCHEDULE 12
CITY OF SUNRISE, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

UTILITY SYSTEM REVENUE BONDS

| FISCAL YEAR | GROSS REVENUES | LESS: OPERATING EXPENSES | LESS: R & R TRANSFERS | NET AVAILABLE REVENUE | DEBT SERVICE | | COVERAGE |
|-------------|----------------|--------------------------|-----------------------|-----------------------|--------------|---------------|----------|
| | | | | | PRINCIPAL | INTEREST | |
| 2000 | \$ 54,243,876 | \$ 27,329,035 | \$ 2,524,564 | \$ 24,390,277 | \$ 5,120,000 | \$ 11,289,113 | 1.49 |
| 2001 | 57,082,184 | 29,383,696 | 2,691,498 | 25,006,990 | 5,720,000 | 11,109,663 | 1.49 |
| 2002 | 56,513,990 | 30,899,897 | 2,775,455 | 22,838,638 | 5,910,000 | 10,916,703 | 1.36 |
| 2003 | 58,393,801 | 33,355,809 | 2,843,436 | 22,194,556 | 6,125,000 | 10,703,908 | 1.32 |
| 2004 | 59,418,209 | 34,856,640 | 3,008,642 | 21,552,927 | 6,350,000 | 10,477,269 | 1.28 |
| 2005 | 61,512,753 | 37,224,030 | 3,019,429 | 21,269,294 | 6,595,000 | 10,235,038 | 1.26 |
| 2006 | 64,491,864 | 40,671,062 | 3,203,700 | 20,617,102 | 6,850,000 | 9,975,723 | 1.23 |
| 2007 | 63,629,661 | 38,947,095 | 3,219,289 | 21,463,277 | 7,050,000 | 9,777,567 | 1.28 |
| 2008 | 66,955,767 | 42,025,822 | 4,869,537 | 20,060,408 | 7,260,000 | 9,565,498 | 1.19 |
| 2009 | 73,825,926 | 40,932,145 | 3,573,243 | 29,320,538 | 7,490,000 | 9,338,173 | 1.74 |

PUBLIC IMPROVEMENT REVENUE BONDS^a

| | <u>FRANCHISE FEES</u> | | | |
|------|-----------------------|------------|------------|------|
| 2000 | \$ 3,418,234 | \$ 920,000 | \$ 412,725 | 2.56 |
| 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 | - | - | - | - |

PUBLIC FACILITIES REVENUE BONDS^b

| | <u>UTILITY SERVICE TAXES</u> | | | |
|------|------------------------------|--------------|--------------|------|
| 2000 | \$ 8,794,373 | \$ 2,780,000 | \$ 1,973,555 | 1.85 |
| 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 |

PUBLIC IMPROVEMENT BONDS

| | <u>SPECIAL ASSESSMENT COLLECTIONS</u> | | | |
|------|---------------------------------------|------------|------------|------|
| 2000 | \$ 508,224 | \$ 280,000 | \$ 282,439 | 0.90 |
| 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 |

(continued)

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

SPECIAL ASSESSMENT BONDS

| FISCAL YEAR | SPECIAL ASSESSMENT | | DEBT SERVICE | | COVERAGE |
|----------------|--------------------|------------|--------------|--|----------|
| | COLLECTIONS | PRINCIPAL | INTEREST | | |
| 2000 | \$ 231,724 | \$ 295,000 | \$ 59,813 | | 0.65 |
| 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 | - | - | - | | - |

AD VALOREM TAX BONDS^c

| | SPECIAL TAX DISTRICT NO. 1 | | | |
|------|----------------------------|------------|--------------|------|
| | PROPERTY TAX | | | |
| | COLLECTIONS | | | |
| 2000 | \$ 2,301,087 | \$ 582,500 | \$ 1,657,409 | 1.03 |
| 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 |

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

Gross revenues of the Utility System exclude certain investment income that is not pledged. Operating expenses do not include depreciation or amortization.

^aPublic Improvement revenue bonds are collateralized by a lien on and pledge of electric franchise fees.

^bPublic 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.

^cAd 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**

| YEAR | POPULATION | TOTAL POPULATION INCOME (AMOUNTS IN THOUSANDS) | PER CAPITA INCOME | UNEMPLOYMENT RATE |
|-------------|-------------------|---|----------------------------------|------------------------------|
| 2000 | 85,779 | 1,605,182 | 18,713 | 4.0% |
| 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 | 5.9% |
| 2009 | 89,242 | Not available | Not available | 9.4% |

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 FOUR YEARS AGO**

| EMPLOYER | 2009 | | | 2005 | | |
|-----------------------------|------------------|-------------|--|------------------|-------------|--|
| | EMPLOYEES | RANK | PERCENTAGE OF TOTAL CITY EMPLOYMENT | EMPLOYEES | RANK | PERCENTAGE OF TOTAL CITY EMPLOYMENT |
| Broward County School Board | 1,693 | 1 | 3.65% | - | - | - |
| City of Sunrise | 1,019 | 2 | 2.20% | | | |
| Vista Health Plans | 900 | 3 | 1.94% | - | - | - |
| United Healthcare | 750 | 4 | 1.62% | 750 | 2 | 1.57% |
| AT & T | 700 | 5 | 1.51% | 500 | 3 | 1.05% |
| Pediatrix | 500 | 6 | 1.08% | 325 | 7 | 0.68% |
| Research in Motion | 500 | 7 | 1.08% | - | - | - |
| Comcast | 350 | 8 | 0.75% | | | |
| General Dynamics | 330 | 9 | 0.71% | - | - | - |
| Publix | 300 | 10 | 0.65% | - | - | - |
| 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% |
| Total | 7,042 | | 15.19% | 4,374 | | 9.17% |

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 | | | | | | | | | |
|---------------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| General government | | | | | | | | | | |
| Management Information Services | * | * | * | 14 | 14 | 15 | 14 | 12 | 16 | 16 |
| Finance | * | * | * | 26 | 28 | 27 | 26 | 27 | 25 | 22 |
| Central Services | * | * | * | 18 | 16 | 18 | 18 | 17 | 17 | 19 |
| Planning | * | * | * | 29 | 28 | 30 | 29 | 31 | 31 | 31 |
| Other ^a | * | * | * | 29 | 30 | 29 | 30 | 29 | 28 | 28 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 170 | 181 | 163 | 167 | 174 | 171 | 170 | 167 | 175 | 175 |
| Civilians | 105 | 117 | 118 | 81 | 75 | 72 | 78 | 79 | 83 | 89 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 123 | 126 | 135 | 134 | 130 | 137 | 139 | 139 | 146 | 146 |
| Civilians | 15 | 12 | 12 | 12 | 13 | 12 | 14 | 15 | 15 | 6 |
| Building | * | * | * | 24 | 24 | 26 | 26 | 27 | 31 | 29 |
| Code Enforcement | * | * | * | 11 | 11 | 13 | 16 | 15 | 15 | 15 |
| Physical environment | | | | | | | | | | |
| Public Works | * | * | * | 29 | 31 | 33 | 29 | 32 | 34 | 33 |
| Other | * | * | * | 7 | 9 | 10 | 8 | 10 | 10 | 10 |
| Culture and recreation | | | | | | | | | | |
| Water | * | * | * | 96 | 91 | 104 | 99 | 111 | 112 | 100 |
| Wastewater | * | * | * | 96 | 97 | 94 | 99 | 99 | 101 | 100 |
| Wastewater | * | * | * | 88 | 90 | 87 | 91 | 92 | 94 | 93 |
| Gas | * | * | * | 25 | 24 | 25 | 23 | 24 | 25 | 22 |
| Golf Course | * | * | * | 10 | 16 | 17 | 16 | 16 | 15 | 11 |
| Recycling | * | * | * | 1 | 1 | 1 | 1 | 1 | 1 | 0 |
| Stormwater | * | * | * | 9 | 8 | 7 | 6 | 6 | 7 | 7 |

^aOther 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 | | | | | | | | | |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Physical arrests | 2,683 | 2,744 | 2,483 | 3,974 | 2,460 | 2,305 | 2,269 | 3,196 | 3,044 | 3,066 |
| Parking violations | * | * | 2,153 | 1,852 | 1,841 | 1,039 | 1,299 | 1,084 | 742 | 558 |
| Traffic violations | 13,440 | 18,639 | 23,043 | 24,241 | 21,459 | 16,636 | 15,867 | 11,293 | 13,490 | 11,843 |
| Fire | | | | | | | | | | |
| Number of calls answered | 12,294 | 12,361 | 12,000 | 11,501 | 11,649 | 12,013 | 12,274 | 11,766 | 11,807 | 11,776 |
| Inspections | * | * | 7,899 | 7,964 | 7,774 | 7,654 | 5,916 | 8,297 | 9,057 | 9,613 |
| Transportation | | | | | | | | | | |
| Street resurfacing (miles) | 41 | 55 | 14 | 12 | 30 | 15 | 13 | 18 | 15 | 6 |
| Potholes repaired | 416 | 312 | 260 | 156 | 104 | 26 | 20 | 51 | 61 | 351 |
| Culture and recreation | | | | | | | | | | |
| Athletic field permits issued | 2,400 | 2,100 | 1,900 | 1,750 | 1,600 | 2,931 | 2,540 | 2,490 | 2,490 | 2,500 |
| Athletic club memberships | 1,345 | 972 | 815 | 797 | 1,071 | 981 | 1,243 | 1,110 | 1,050 | 1,039 |
| Water | | | | | | | | | | |
| New connections | 2,661 | 1,608 | 1,029 | 634 | 908 | 620 | 222 | 189 | 143 | 35 |
| Water main breaks | 39 | 49 | 23 | 42 | 19 | 59 | 52 | 66 | 34 | 38 |
| Average daily consumption (thousands of gallons) | 22,809 | 23,401 | 22,895 | 23,810 | 21,593 | 24,121 | 24,527 | 22,775 | 21,546 | 21,469 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 20,544 | 21,194 | 21,400 | 21,573 | 21,302 | 22,420 | 22,011 | 22,489 | 24,265 | 26,062 |
| Gas | | | | | | | | | | |
| Average daily usage (CCF's) | 13,073 | 13,146 | 12,705 | 12,481 | 12,758 | 12,456 | 12,313 | 12,459 | 12,499 | 11,843 |
| Golf course | | | | | | | | | | |
| Memberships | 116 | 120 | 136 | 91 | 114 | 80 | 154 | 101 | 95 | 55 |
| Stormwater | | | | | | | | | | |
| Commercial equivalent residential units (ERU's) | 29,457 | 29,610 | 30,476 | 31,328 | 32,147 | 34,683 | 34,830 | 35,206 | 34,994 | 37,070 |
| Residential equivalent residential units (ERU's) | 35,120 | 35,206 | 36,100 | 36,191 | 36,385 | 36,626 | 36,686 | 37,113 | 37,619 | 37,787 |

*Not available

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

| FUNCTION | FISCAL YEAR | | | | | | | | | |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Public safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| 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 | 193 | 205 | 211 | 211 | 211 | 215 | 215 | 215 | 216 | 226 |
| Fire stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Transportation | | | | | | | | | | |
| Streets (miles) | 186 | 186 | 186 | 186 | 186 | 186 | 186 | 186 | 186 | 186 |
| Street lights (FPL and City owned) | 3,729 | 3,745 | 3,790 | 3,790 | 3,790 | 3,790 | 3,790 | 3,792 | 3,792 | 3,797 |
| Culture and recreation | | | | | | | | | | |
| Parks | 5 | 5 | 10 | 10 | 12 | 12 | 13 | 13 | 13 | 13 |
| Park acreage | 111 | 111 | 145 | 145 | 145 | 169 | 177 | 177 | 177 | 177 |
| Swimming pools | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 |
| Tennis courts | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Community centers | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 | 8 |
| Water | | | | | | | | | | |
| Water mains (miles) | 510 | 523 | 547 | 592 | 624 | 631 | 636 | 700 | 706 | 710 |
| Maximum daily capacity (thousands of gallons) | 31,000 | 31,000 | 41,500 | 41,500 | 47,500 | 47,500 | 44,000 | 44,000 | 44,000 | 44,000 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 614 | 629 | 629 | 629 | 677 | 692 | 695 | 723 | 725 | 727 |
| Maximum daily treatment capacity (thousands of gallons) | 30,990 | 30,990 | 30,990 | 30,990 | 30,990 | 30,990 | 30,450 | 30,450 | 30,450 | 30,450 |
| Gas mains (miles) | 170 | 172 | 172 | 174 | 175 | 175 | 176 | 177 | 178 | 180 |
| Golf Course | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Stormwater | | | | | | | | | | |
| Pump stations | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Storm sewers (miles) | 380 | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 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, 2009, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 18, 2010. 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 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 *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.



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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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*.

However, we noted one matter that we have reported to management which has been presented in the accompanying schedule of findings and questioned costs.

The City's response to the matter noted above identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response, and accordingly, we express no opinion on it.

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.



a division of Marcum LLP
Fort Lauderdale, Florida
May 18, 2010



**Independent Auditors' Report on Compliance and on Internal Control over
Compliance Applicable to Each Major Federal Awards Program and
State Financial Assistance Project**

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

Compliance

We have audited the compliance of the City of Sunrise, Florida (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal awards programs and state financial assistance projects for the fiscal year ended September 30, 2009. 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 are applicable to each of its major federal programs and its state financial assistance projects for the fiscal year ended September 30, 2009.



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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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program or state financial assistance project on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state financial assistance project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state financial assistance project that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state financial assistance project will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.



a division of Marcum LLP
Fort Lauderdale, Florida
May 18, 2010

CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended September 30, 2009

| Federal/State Agency, Pass-through Entity Federal Program/State Project | ARRA | CFDA/ CSFA No. | Contract/ Grant No. | Expenditures | Transfers to Subrecipients |
|---|------|-------------------|------------------------|------------------|-------------------------------|
| FEDERAL | | | | | |
| 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 | 1,141 | - |
| Passed through State of Florida Division of Emergency Management - Hazard Mitigation Grant | No | 97.039 | 08HM-5G-11-16-02-016 | 113,595 | - |
| Passed through State of Florida Division of Emergency Management - Hazard Mitigation Grant | No | 97.039 | 07HM-0;-11-16-02-002 | 48,056 | - |
| Passed through State of Florida Division of Emergency Management - Hazard Mitigation Grant | No | 97.039 | 07HM-0;-11-16-02-005 | 87,228 | - |
| Passed through State of Florida Division of Emergency Management - Hazard Mitigation Grant | No | 97.039 | 07HM-0;-11-16-02-009 | 27,067 | - |
| Passed through State of Florida Division of Emergency Management - Hazard Mitigation Grant | No | 97.039 | 07HM-0;-11-16-02-012 | 80,293 | - |
| Passed through State of Florida Division of Emergency Management - Homeland Security Grant Program | No | 97.067 | 09-CI-49-11-16-02-403 | 371 | - |
| Passed through City of Miramar - Homeland Security Grant Program | No | 97.067 | 07DS-5N-11-16-02-259 | 336,539 | - |
| Passed through City of Miramar - Homeland Security Grant Program | No | 97.067 | 08DS-62-11-16-02-296 | 416,887 | - |
| Total United States Department of Homeland Security | | | | 1,111,177 | - |
| United States Department of Housing and Urban Development | | | | | |
| Direct Programs: | | | | | |
| Community Development Block Grants/Entitlement Grants | No | 14.218 | B-07-MC-120035 | 122,498 | 37,738 |
| Community Development Block Grants/Entitlement Grants | No | 14.218 | B-06-MC-120035 | 759,528 | - |
| Community Development Block Grants/Entitlement Grants | No | 14.218 | B-05-MC-120035 | 80,875 | - |
| Neighborhood Stabilization Program | Yes | 14.256 | B-08-MN-12-0027 | 15,201 | - |
| Indirect Programs: | | | | | |
| Passed through State of Florida 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 | 986,066 | - |
| Passed through Broward County - Home Investment Partnerships Program | No | 14.239 | 2004 - 2005 | 45,144 | - |
| Passed through Broward County - Home Investment Partnerships Program | No | 14.239 | 2005 - 2006 | 15,008 | - |
| Passed through Broward County - Home Investment Partnerships Program | No | 14.239 | 2007 - 2008 | 73,556 | - |
| Total United States Department of Housing and Urban Development | | | | 2,097,876 | 37,738 |
| United States Department of Justice | | | | | |
| Direct Programs: | | | | | |
| Federal Equitable Sharing | No | 16.000 | | 4,764,926 | - |
| Bulletproof Vest Partnership Program | No | 16.607 | | 18,605 | - |
| Indirect Programs: | | | | | |
| Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant | No | 16.738 | 2007-DJ-BX-1390 | 19,776 | - |
| Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant | No | 16.738 | 2006-DJ-BX-1134 | 8,433 | - |
| Total United States Department of Justice | | | | 4,811,740 | - |
| United States Department of Transportation | | | | | |
| Indirect Programs: | | | | | |
| Passed through Florida Department of Transportation - Highway Planning and Construction | No | 20.205 | AOJ90 | 17,369 | - |
| Passed through Florida Department of Transportation - Florida Child Safety Seat Distribution Program | No | 20.613 | | 2,840 | - |
| Total United States Department of Transportation | | | | 20,209 | - |
| United States Department of Treasury | | | | | |
| Direct Program: | | | | | |
| Federal Equitable Sharing | No | 16.000 | | 53,395 | - |
| Total United States Department of Treasury | | | | 53,395 | - |
| Total Expenditures of Federal Awards | | | | 8,094,397 | 37,738 |

See notes to schedule

(Continued)

CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended September 30, 2009

| Federal/State Agency, Pass-through Entity Federal Program/State Project | ARRA | CFDA/ CSFA No. | Contract/ Grant No. | Expenditures | Transfers to Subrecipients |
|--|------|-------------------|-----------------------------------|--------------|-------------------------------|
| STATE | | | | | |
| 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 | 1,319,764 | - |
| Total Florida Department of Community Affairs | | | | 1,319,764 | - |
| Florida Department of Financial Services | | | | | |
| Direct Project: | | | | | |
| My Safe Florida Home Program | | 43.002 | 59-0944587 | 12,857 | - |
| Total Florida Department of Financial Services | | | | 12,857 | - |
| Florida Department of Health | | | | | |
| Indirect Projects: | | | | | |
| Passed through Broward County - County Grant Awards | | 64.005 | 07-HSD-EMS-8151-01 | 98,750 | - |
| Passed through Broward County - County Grant Awards | | 64.005 | 07-HSD-EMS-8151-04 | 77,158 | - |
| Passed through Broward County - County Grant Awards | | 64.005 | 08-HSD-EMS-8151-01 | 113,705 | - |
| Passed through Broward County - County Grant Awards | | 64.005 | 09-HSD-EMS-8151-01 | 21,794 | - |
| Total Florida Department of Health | | | | 311,407 | - |
| Total Expenditures of State Financial Assistance | | | | 1,644,028 | - |
| Total Expenditures of Federal Awards and State Financial Assistance | | | | \$ 9,738,425 | \$ 37,738 |

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, 2009

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, 2009. 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, 2009

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>Federal CFDA No.</u> |
|--|-------------------------|
| Community Development Block Grants/DRI | 14.228 |
| Hazard Mitigation Grant | 97.039 |
| Homeland Security Grant (UASI) Program | 97.067 |

| <u>State Assistance Projects</u> | <u>State CSFA No.</u> |
|--|-----------------------|
| State Housing Initiative Partnership Program | 52.901 |
| State Emergency Medical Services Grant | 64.005 |

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

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, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

Control Deficiency

2009 – 01 Project Based Costing System

Condition

While performing our audit procedure in the enterprise funds, we noted that the City does not use a project based or job order costing system to track and capture all costs incurred for a specific project. Various costs were capitalized based on estimates rather than actual costs as was the case with payroll related costs. In addition, there was little or no audit trail for some of the labor costs associated with a specific project.

Cause

Because the City did not have a project based or job order costing system, the City may or may not be capitalizing all costs at their true amounts for each project.

Effect

Actual costs incurred to complete a project, including labor related costs, were not tracked and therefore raised a question as to amounts being capitalized.

Recommendation

We recommend the City implement a project based or job order costing system which will allow them to capture, track and capitalize all the necessary costs in completion of major enterprise fund projects.

Views of Responsible Officials and Planned Corrective Actions

The City is currently researching various job order costing systems.

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, 2009

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

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, 2009, and have issued our report thereon dated May 18, 2010.

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 May 18, 2010, 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. There were no findings and recommendations made in the preceding annual financial audit report.
- 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 of Sunrise 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 reported one such matter in the accompanying schedule of findings and questioned costs.



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- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, 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 matters.
- 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) control deficiencies that are not significant deficiencies. In connection with our audit, we reported one such matter in the accompanying schedule of findings and questioned costs.
- 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 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 of Sunrise 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 of Sunrise for the fiscal year ended September 30, 2009, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2009. 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 of Sunrise'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.

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 Rachlin

a division of Marcum LLP
 Fort Lauderdale, Florida
 May 18, 2010

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 ACCOUNTANTS • ADVISORS

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