



Comprehensive Annual  
Financial Report

Fiscal Year Ended September 30, 2007

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

**Fiscal Year Ended  
September 30, 2007**



**prepared by the  
Finance Department**

**Laura Toebe, Director of Finance**

CITY OF SUNRISE, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

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

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



February 22, 2008

To the Honorable Mayor and members of the City Commission:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and 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. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Sunrise, Florida (the City) for the fiscal year ended September 30, 2007.

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.

Rachlin LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2007, 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, 2007, 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 ambulatory 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 this proposed budget to the city commission prior to 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 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 Broward County for the attraction of new corporate investment, job growth and business expansion. The city commission and staff have been able to reduce Sunrise's property tax millage for the 13th consecutive year. On June 21, 2007, House Bill 1B was signed into law during Special Legislative Session. This bill limited maximum millage levies for fiscal year 2008. The City again reduced taxes below what was required. At the same time the City has been lowering its tax rate, it has continued to expand its tax base and appeal with innovative economic development and neighborhood improvement initiatives.

The City offers developers and business owners a lucrative gateway to the customers they want most. As South Florida's population base continues to shift north and west, the Sawgrass region – the population center of the tri-county area – is uniquely situated to offer a large pool of prospective employees and customers for many national corporations, regional corporate offices and major headquarters.

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. A significant level of corporate business and development activity occurred during the year. Western Union announced they will be relocating their

South American headquarters to Sunrise. Additionally, WorldAvenue will be relocating their corporate headquarters, bringing 200 new technology-based jobs to the City. E & J Gallo Winery moved their South American headquarters to the City during the last quarter of 2007. Other notable business arrivals to the city this year include Florida's first IKEA store, Cannon Business Systems, and Cigna Dental. In addition, construction of Republic Services 65,000 square foot headquarters in Sawgrass International Corporate Park is nearing completion.

- 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 6<sup>th</sup> largest office park in the State of Florida, per the *South Florida Business Journal, 2005 Book of Lists*. The latest addition to the Sawgrass International Corporate Park is Lakeshore Office Plaza I, a five-story, 145,000 square foot class A office building completed in 2006. The building has nearly reached 100% occupancy. A second twin building, Lakeshore Office Plaza II, is nearing completion. It will be available for tenants in mid 2008. The Stiles Corporation announced 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. Besides Sawgrass Mills Mall, 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 25 million visitors a year.

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 13.9 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 (50.1 percent of the general fund original adopted 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 the commercial sector is expected to continue.

Joining the \$40,000,000 state of the art entertainment facility called “Wannado City” is the Colonnades at Sawgrass Mills Mall. The Colonnades, which opened in 2006, is an approximately 190,000 square foot development which features high-end designer shops, specialty retail shops and several restaurants.

Another important project proposed for future development will be the 11-story Sunrise Residence Inn/Courtyard Hotel. This will be Marriott’s first two-flag hotel in Florida and only the second such property in the United States. The hotel will be built in the Sawgrass area of the City.

Additional Sawgrass area development plans include three major projects called “Tao”, “Metropica” and “Artesia”.

The Tao Condominium project broke ground in 2006 and is nearing completion. At 26 stories, Tao will be the tallest residential building west of the downtown area. The twin 26-story residential towers will feature 396 luxury units.

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.

Artesia, which is currently under construction, is envisioned as an upscale, gated community comprised of approximately 1,400 residences. Conceived as a community of low-, mid- and high-rise buildings, the tallest of which would be nine stories, Artesia will capture the color and character of such resort areas as Palm Beach (Florida), Marbella (Spain) and Portofino (Italy). Artesia’s multi-family residences are expected to set a new benchmark for luxury, resort-style living in South Florida.

The BankAtlantic Center, located in the heart of the City's booming Sawgrass area, received permission from Broward County to begin exploring the possibility of developing a massive entertainment based, 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 will once again host a pro tennis tournament in 2008. The “BMW Tennis Championship” will be held at the Sunrise Tennis Center and will feature some of the world’s top ranked tennis players. This tournament will be one of only three major ATP tournaments held in the state of Florida.

As we move into the 21<sup>st</sup> century, the City of Sunrise is well positioned for a prosperous future. Beautiful neighborhoods, state-of-the-art corporate parks, unparalleled shopping and entertainment destinations and access make the Sawgrass area a sought-after home for businesses and residents alike.

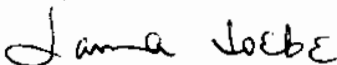
### **Awards and Acknowledgements**

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, 2006. 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

# 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, 2006

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.



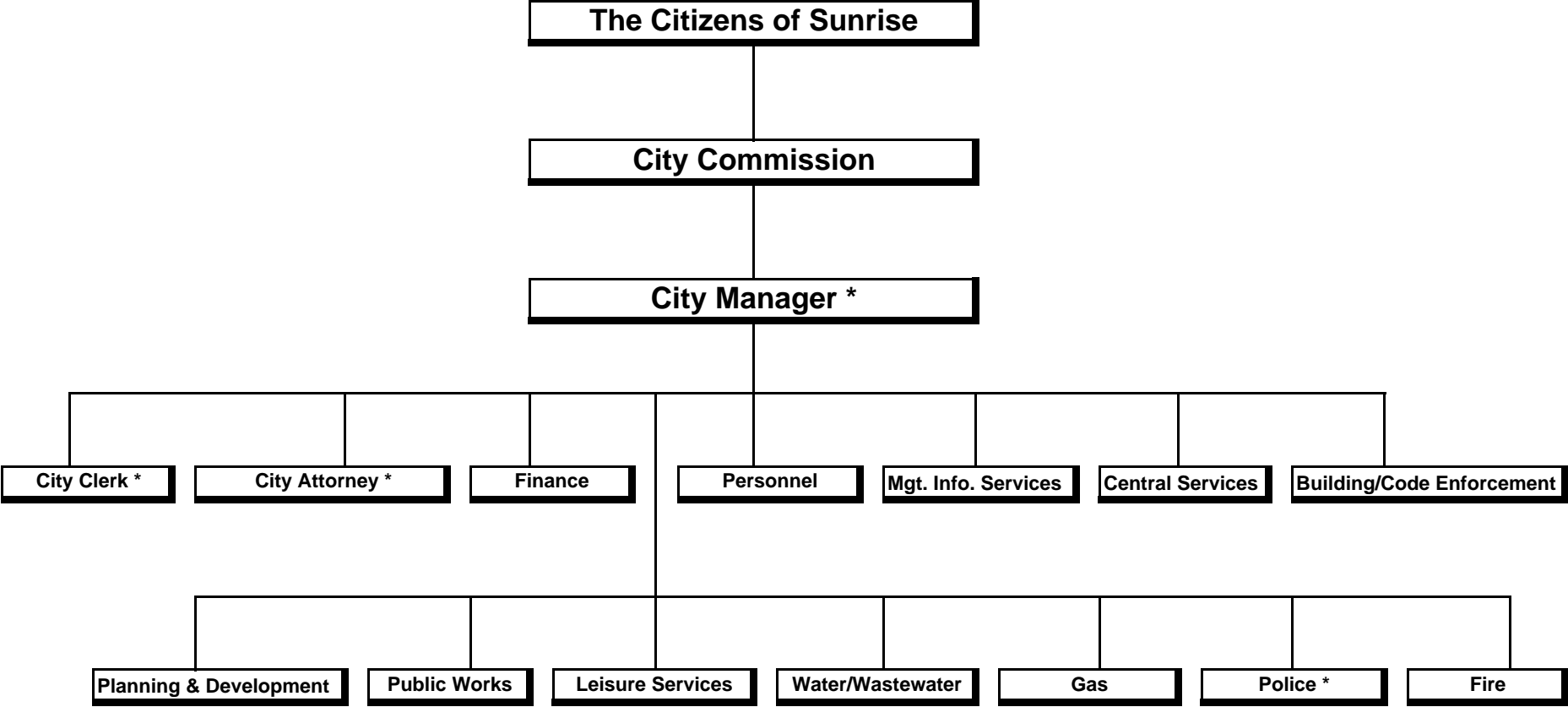
*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

**Organization Chart  
City of Sunrise, Florida**



\* Charter Officer

**City of Sunrise, Florida  
List of City Officials  
September 30, 2007**

**Elected Officials**

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

**Steven B. Feren  
Roger B. Wishner  
Donald K. Rosen  
Sheila D. Alu  
Joseph A. Scutto**

**Principal Officials**

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

**Bruce Moeller  
Kimberly Register  
Felicia Bravo  
Mary Langley  
Tariq Riaz  
Laura Toebe  
Dan Iamartino  
Caryl Ungerer  
Paul Rowell  
Richard Fischer  
Mark Lubelski  
Paul Callsen  
Hector Castro  
Norm Rynning  
John E. Brooks**

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

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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, 2007, 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 82% of the total assets 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 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. An audit also includes 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, 2007, 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.



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

In accordance with *Government Auditing Standards*, we have also issued a report dated February 22, 2008 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 Schedule of Funding Progress on page 79 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.

*Rachlin LLP*

Fort Lauderdale, Florida  
February 22, 2008

## **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, 2007. 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 \$44,553,809 or 49.2% of general fund revenues and 54.3% of total general fund expenditures. The undesignated fund balance increased by \$4,321,891 from fiscal year 2006.
- General fund revenues and other financing sources decreased by \$3,319,654, a decrease of 3.3% from fiscal year 2006.
- General fund expenditures and other financing uses decreased by \$7,266,450, or 7.4% lower than last fiscal year.

#### **Governmental Activities**

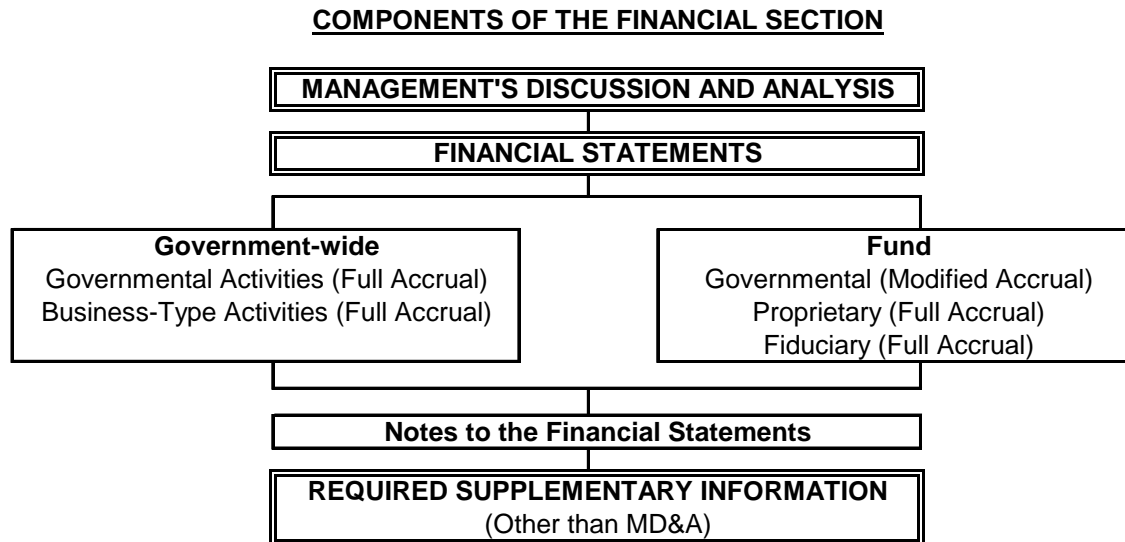
- On a government-wide basis for governmental activities, the City's general revenues of \$79,964,533 were \$9,997,005 more than the \$69,967,528 of expenses net of program revenue.
- As of September 30, 2007, the City's governmental activities reported total ending net asset balances of \$311,070,451. Approximately 51% of this total amount, \$158,620,682, is unrestricted and available for use within the City's designation and policies.

#### **Entity-wide**

- The City's total net assets, on a government-wide basis, totaled \$596,043,046 at September 30, 2007, an increase of 1.7% over September 30, 2006. Of this amount, \$266,949,345 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, franchise, utility service and sales taxes, charges for services and state and 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 eighteen 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 fifteen 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:

	Summary of Statement of Net Assets As of September 30, 2007 and 2006 (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 197,900	\$ 187,326	\$ 169,241	\$ 177,940	\$ 367,141	\$ 365,266
Capital assets	<u>222,323</u>	<u>228,959</u>	<u>339,440</u>	<u>331,413</u>	<u>561,763</u>	<u>560,372</u>
Total assets	<u>420,223</u>	<u>416,285</u>	<u>508,681</u>	<u>509,353</u>	<u>928,904</u>	<u>925,638</u>
Current and other liabilities	15,188	16,130	30,542	27,798	45,730	43,928
Long-term liabilities	<u>93,965</u>	<u>97,498</u>	<u>193,166</u>	<u>197,924</u>	<u>287,131</u>	<u>295,422</u>
Total liabilities	<u>109,153</u>	<u>113,628</u>	<u>223,708</u>	<u>225,722</u>	<u>332,861</u>	<u>339,350</u>
Net assets:						
Invested in capital assets, net of related debt	140,514	142,898	159,819	157,516	300,333	300,414
Restricted	11,936	13,273	16,825	24,018	28,761	37,291
Unrestricted	<u>158,620</u>	<u>146,486</u>	<u>108,329</u>	<u>102,097</u>	<u>266,949</u>	<u>248,583</u>
Total net assets	<u>\$ 311,070</u>	<u>\$ 302,657</u>	<u>\$ 284,973</u>	<u>\$ 283,631</u>	<u>\$ 596,043</u>	<u>\$ 586,288</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of September 30, 2007, assets exceeded liabilities by \$596,043 thousand.

The majority of the City's net assets reflect its investment in capital assets (50.4%), 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 (4.8%) 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 (44.8%) 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.

The City's net assets increased by \$9,755 thousand during the current fiscal year. This increase represents the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses, as well as rate increases.



## Statement of Activities

The following table provides a condensed comparative summary of the City's operations for the fiscal years ended September 30, 2007 and 2006:

	<b>Changes in Net Assets</b>					
	<b>For the Fiscal Years Ended September 30, 2007 and 2006</b>					
	<b>(in thousands)</b>					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 33,031	\$ 33,110	\$ 79,063	\$ 80,550	\$112,094	\$113,660
Operating grants and contributions	5,143	12,861	241	821	5,384	13,682
Capital grants and contributions	1,836	1,314	2,534	3,457	4,370	4,771
General revenues:						
Property taxes	38,095	33,662	-	-	38,095	33,662
Insurance premium taxes	1,375	1,089	-	-	1,375	1,089
Franchise taxes	10,732	10,669	-	-	10,732	10,669
Utility service tax	10,188	10,369	-	-	10,188	10,369
Grants and contributions not restricted to specific programs	8,289	8,595	-	-	8,289	8,595
Unrestricted investment earnings	9,541	7,464	8,166	7,323	17,707	14,787
Miscellaneous	1,674	1,360	579	415	2,253	1,775
Gain on sale of capital assets	70	22	-	-	70	22
<b>Total revenues</b>	<u>119,974</u>	<u>120,515</u>	<u>90,583</u>	<u>92,566</u>	<u>210,557</u>	<u>213,081</u>
<b>Expenses</b>						
General government	17,106	22,399	-	-	17,106	22,399
Public safety	55,627	48,554	-	-	55,627	48,554
Physical environment	3,826	3,894	-	-	3,826	3,894
Economic development	1,310	1,221	-	-	1,310	1,221
Human services	5	50	-	-	5	50
Transportation	13,340	13,861	-	-	13,340	13,861
Culture and recreation	14,080	12,736	-	-	14,080	12,736
Interest on long-term debt	4,683	4,835	-	-	4,683	4,835
Water and wastewater	-	-	63,377	61,236	63,377	61,236
Gas	-	-	8,023	8,373	8,023	8,373
Sanitation	-	-	15,821	15,955	15,821	15,955
Recycling	-	-	520	430	520	430
Stormwater	-	-	1,635	2,028	1,635	2,028
Golf Course	-	-	1,449	1,283	1,449	1,283
<b>Total expenses</b>	<u>109,977</u>	<u>107,550</u>	<u>90,825</u>	<u>89,305</u>	<u>200,802</u>	<u>196,855</u>
Increase (decrease) in net assets before transfers	9,997	12,965	(242)	3,261	9,755	16,226
Transfers	(1,584)	266	1,584	(266)	-	-
Change in net assets	8,413	13,231	1,342	2,995	9,755	16,226
Net assets – beginning	<u>302,657</u>	<u>289,426</u>	<u>283,631</u>	<u>280,636</u>	<u>586,288</u>	<u>570,062</u>
Net assets – ending	<u>\$311,070</u>	<u>\$302,657</u>	<u>\$284,973</u>	<u>\$283,631</u>	<u>\$596,043</u>	<u>\$586,288</u>

## Revenues

For the fiscal year ended September 30, 2007, revenues from governmental activities totaled \$119,974 thousand.

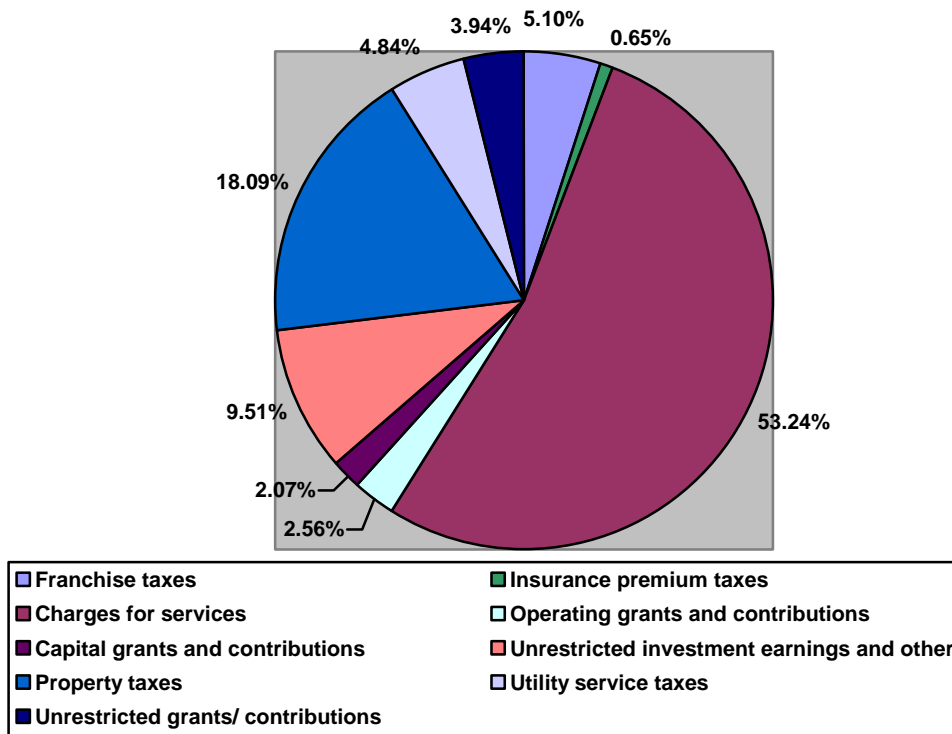
General property taxes were \$38,095 thousand. The increase in tax revenues is primarily attributable to an increase in the City's assessed real property tax base, which increased 18.8% for fiscal year 2007.

Charges for services decreased by \$1,566 thousand, primarily due to a reduction in building permits since because of diminished post-Hurricane Wilma reconstruction.

Operating grants and contributions decreased by \$8,298 thousand primarily due to conclusion of Hurricane Wilma related grants.

Unrestricted investment earnings increased by \$2,920 thousand. The average interest rate for fiscal year 2007 was approximately 5.4% as compared to the average interest rate for fiscal year 2006 of approximately 4.6%.

### Sources of Revenue: Government-wide for FY 2007

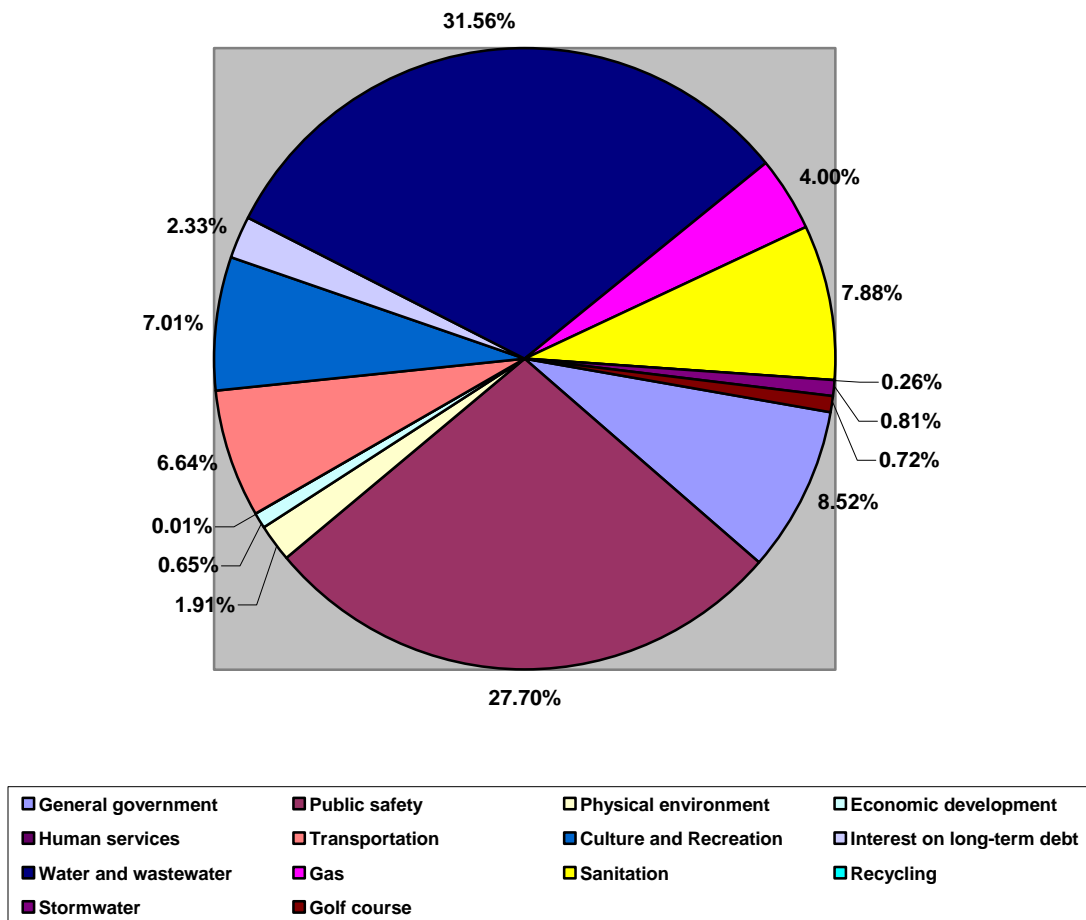


## Expenses

For the fiscal year ended September 30, 2007, expenses for governmental activities totaled \$109,977 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 \$90,825 thousand, an increase of \$1,520 thousand from fiscal year 2006. This increase is due to increases for employee compensation.

### Functional Expenses: Government-wide for FY 2007



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

For the fiscal year ended September 30, 2007, the governmental funds reflect a combined fund balance of \$169,833,866, an increase of \$10,034,911 in comparison with the prior year. Approximately 95 percent of this total amount (\$162,171,016) constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$4,554,846), 2) advances (\$875,304) or 3) for a variety of other restricted purposes (\$2,232,700). This year's increase in fund balance is due to a number of reasons. The general fund's revenues and other financing sources were \$7,339,228 in excess of its expenditures and other financing uses. Differences between actual revenues and the final budget occurred in a variety of revenue sources. Specifically, licenses and permits revenue increased by \$2,207,044 mainly due to permitting of Republic Services Headquarters and Lakeshore Office Plaza II; charges for services increased by \$1,109,617 due to additional revenues of approximately \$170 thousand for new construction protective inspections, \$500 thousand for police/fire special details and overtime reimbursements, and \$130,000 for EMS fees; investment earnings increased by \$2,208,264 due to more favorable interest rates; miscellaneous revenues increased by \$1,311,144 due in large part to the City's pro-rata share of revenues from resource recovery from solid waste of \$959,910. In addition, position vacancies resulted in salary and related fringe benefit savings. The fund balance of the Capital Improvements capital projects fund increased by \$7,147,004 due to transfers of \$6,255,682 from the general fund, \$4,000,000 from the public improvement debt service fund and \$1,289,000 from Open Space Preservation special revenue fund. The other governmental funds fund balance decreased by \$5,012,478. This was due primarily to expenditures and other financing uses exceeding revenues and other financing sources in the Emergency Management (\$2,713,396) and Open Space Preservation (\$1,136,638) special revenue funds and the public improvement (\$906,446) debt service fund.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget totaled a \$10,406,104 increase in appropriations. Of this increase, \$438,932 was funded from investment earnings, \$25,018 was funded through contract fees, \$652,277 was funded through various grants, \$1,374,674 was funded through insurance premium taxes, and \$7,915,203 was funded from the general fund unreserved fund balance. Highlights of the supplemental appropriation follow:

- \$662,831 in increases for general government activities. Main component of the increase was supplemental appropriations of \$549,318 for the Home Purchase Assistance program.
- \$2,839,302 in increases allocated to public safety. Included in this amount was a supplemental appropriation of \$1,374,674 needed to fund contributions to the Police and Firefighters' Pension Plans and \$653,016 for overtime and related benefits for police/fire special details. In addition, an appropriation of \$705,000 was needed for contractual building inspectors and plan reviewers.

- \$46,289 in increases for culture and recreation
- \$6,857,682 in increases for transfers out (\$1,002,000 to Emergency Management fund for Hurricane Wilma Resident Assistance Program and \$5,855,682 to Capital Improvements capital projects fund. The majority of the additional funding for the Capital Improvements capital projects fund was for Open/Greenspace Improvements - \$2,500,000, Landscaping Restoration - \$1,500,000, Streetscape Improvements - \$775,000 and \$750,000 for Tennis Club Phase III).

**General Fund  
FY 2007  
(in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues and other financing sources			
Taxes	\$ 40,167	\$ 41,542	\$ 41,625
Licenses and permits	6,284	6,284	8,491
Intergovernmental	9,133	9,786	9,822
Charges for services	12,395	12,419	13,529
Other	13,140	13,579	17,077
Transfers in	7,772	7,772	7,772
Sale of capital assets	-	-	91
Total	<u>88,891</u>	<u>91,382</u>	<u>98,407</u>
Expenditures and other financing uses			
Expenditures	90,980	94,529	81,989
Transfers out	<u>2,222</u>	<u>9,079</u>	<u>9,079</u>
Total	<u>93,202</u>	<u>103,608</u>	<u>91,068</u>
Net change in fund balances	<u>\$ (4,311)</u>	<u>\$ (12,226)</u>	<u>\$ 7,339</u>

Actual general fund revenue and other financing sources exceeded original budgeted revenues and other sources by \$9,516 thousand. This increase is primarily due to receipt of insurance premium tax revenue (\$1,375 thousand), increased occupational license revenue (\$126 thousand), additional building (\$1,859 thousand) and planning permits (\$221 thousand), code liens satisfaction revenue (\$167 thousand), revenue sharing revenues (\$122 thousand), FEMA grants (\$682 thousand), police and fire overtime reimbursements (\$285 thousand), police and fire special detail revenue (\$216 thousand), fire inspections for new construction (\$167 thousand), increased cost recovery fees (\$150 thousand), resource recovery from solid waste revenues (\$959 thousand), increased EMS fees (\$131 thousand), and additional investment earnings (\$2,208 thousand). The original budget was amended to account for insurance premium tax revenue, increased interest income, and additional grant awards resulting in revenue collections exceeding the final budget by \$7,025 thousand. Primarily due to position vacancies resulting in salary and related payroll cost savings and minimal economic development spending, actual general fund expenditures were less than the final budget by \$12,540 thousand.

## CAPITAL ASSETS

At the end of fiscal year 2007, the City's governmental activities had invested \$222,322,906 in a variety of capital assets and infrastructure, which represents a net decrease of \$6,636,010. The City's investment in capital assets for its business-type activities amounts to \$339,440,543, which represents a net increase of \$8,027,873. The following table reflects the components of capital assets and their changes:

	<b>Government-wide Change in Capital Assets (in thousands)</b>					
	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Balance, 10/1/06</u>	<u>Net Additions/ Deletions</u>	<u>Balance, 9/30/07</u>	<u>Balance, 10/1/06</u>	<u>Net Additions/ Deletions</u>	<u>Balance, 9/30/07</u>
Non-depreciable assets:						
Land	\$ 14,227	\$ -	\$ 14,227	\$ 10,985	\$ -	\$ 10,985
Construction in progress	12,386	6,709	19,095	13,024	16,326	29,350
Other capital assets:						
Intangibles	438	35	473	366	115	481
Buildings and system Improvements other than buildings	76,271	(6)	76,265	414,222	2,595	416,817
Machinery and equipment	22,477	1,217	23,694	3,428	341	3,769
Vehicles	9,435	(196)	9,239	6,140	189	6,329
Infrastructure	14,682	933	15,615	5,975	132	6,107
Accumulated depreciation on other capital assets	326,266	1,313	327,579	-	-	-
	<u>(247,223)</u>	<u>(16,641)</u>	<u>(263,864)</u>	<u>(122,727)</u>	<u>(11,671)</u>	<u>(134,398)</u>
Totals	<u>\$ 228,959</u>	<u>\$ (6,636)</u>	<u>\$ 222,323</u>	<u>\$331,413</u>	<u>\$ 8,027</u>	<u>\$339,440</u>

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

- The City has invested more than \$3 million in Sunrise Lakes Boulevard 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 \$818,379 in streetscape improvements along Flamingo Road between Panther Parkway and West Oakland Park Boulevard. An additional \$2.7 million in streetscape improvements along Pine Island Road is nearing completion.
- Various system additions and improvements were completed in the Water, Wastewater, and Gas Utility System at a cost of \$1,517,697.

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

- Infrastructure: Additional City-wide street repaving, sidewalk, wall, swale and median improvements including concrete pavers, landscaping and irrigation upgrades.
- Park Improvements: Expansion of the Sunrise Tennis Club Park and other open green space improvements, such as Neighborhood Park and Children's Park.

- Buildings: Construction of a new City Hall & Civic Plaza, Public Safety Headquarters, Sunset Strip Branch Library and Village Multi-Purpose Center and renovation of Fire/rescue station #72, located adjacent to City Hall.

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 \$281,555,326. Of this amount, \$251,655,326 represents bonds secured solely by specified revenue sources, \$3,850,000 comprises public improvement bonds (bank notes), and \$26,050,000 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 revenue bonds and ad valorem tax bonds both maintain an insured rating of "Aaa" from Moody's Investor Service and an insured rating of "AAA" from Standard and Poor's. The public improvement bonds (bank notes) are not 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 2,464, with total resident employment increasing to 49,041. As of September 2007, the City's resident unemployment rate was 3.6%, which is higher than the September 2006 rate of 3.1%.

As of September 2007 (the latest data available from the U. S. Census Bureau), the City's median household income was \$48,877, comparing favorably to the State's median household income of \$45,495.

## **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 W. Oakland Park Blvd., Sunrise, Florida 33351.

## ***BASIC FINANCIAL STATEMENTS***



**CITY OF SUNRISE, FLORIDA  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2007**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 176,001,362	\$ 98,748,606	\$ 274,749,968
Investments	11,839,278	-	11,839,278
Receivables, net of allowance for uncollectibles	8,563,756	12,666,899	21,230,655
Internal balances	835,643	(835,643)	-
Inventories	76,047	1,527,491	1,603,538
Prepays	308,868	50,898	359,766
Deferred charges	275,839	1,767,712	2,043,551
Restricted assets:			
Cash and cash equivalents	-	47,664,722	47,664,722
Investments	-	7,650,000	7,650,000
Capital assets (net of accumulated depreciation):			
Land	14,226,978	10,985,086	25,212,064
Intangibles	135,058	205,482	340,540
Buildings and system	61,728,767	291,969,121	353,697,888
Improvements other than buildings	14,675,162	2,996,609	17,671,771
Machinery and equipment	2,604,574	2,247,630	4,852,204
Vehicles	5,180,480	1,686,232	6,866,712
Infrastructure	104,677,616	-	104,677,616
Construction in progress	19,094,271	29,350,383	48,444,654
Total assets	<u>420,223,699</u>	<u>508,681,228</u>	<u>928,904,927</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	2,387,297	6,040,192	8,427,489
Retainage payable	879,344	103,644	982,988
Intergovernmental payable	58,935	2,618,058	2,676,993
Matured bonds and interest payable	7,683,469	-	7,683,469
Accrued liabilities	1,537,370	368,968	1,906,338
Unearned revenue	1,308,006	-	1,308,006
Other liabilities	1,333,662	-	1,333,662
Liabilities payable from restricted assets	-	21,343,693	21,343,693
Deferred revenue	-	67,924	67,924
Non-current liabilities:			
Due within one year	9,202,299	7,536,997	16,739,296
Due in more than one year	84,762,866	185,629,157	270,392,023
Total liabilities	<u>109,153,248</u>	<u>223,708,633</u>	<u>332,861,881</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	140,513,904	159,819,328	300,333,232
Restricted:			
Debt service	6,151,510	-	6,151,510
Renewal and replacement	-	12,588,726	12,588,726
Operations and maintenance	-	4,235,878	4,235,878
Capital projects	764,421	-	764,421
Community development projects	1,895,369	-	1,895,369
Other purposes	3,124,565	-	3,124,565
Unrestricted	158,620,682	108,328,663	266,949,345
Total Net Assets	<u>\$ 311,070,451</u>	<u>\$ 284,972,595</u>	<u>\$ 596,043,046</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, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 17,106,530	\$ 6,687,788	\$ 92,500	\$ -	\$ (10,326,242)	\$ -	\$ (10,326,242)
Public safety	55,627,059	17,098,637	2,518,577	139,337	(35,870,508)	-	(35,870,508)
Physical environment	3,825,714	7,995,686	4,465	71,884	4,246,321	-	4,246,321
Economic development	1,309,622	-	1,290,536	2,388	(16,698)	-	(16,698)
Human services	5,212	-	5,212	-	-	-	-
Transportation	13,339,526	17,796	1,217,307	1,209,014	(10,895,409)	-	(10,895,409)
Culture and recreation	14,079,998	1,231,116	13,980	413,075	(12,421,827)	-	(12,421,827)
Interest on long-term debt	4,683,165	-	-	-	(4,683,165)	-	(4,683,165)
<b>Total governmental activities</b>	<b>109,976,826</b>	<b>33,031,023</b>	<b>5,142,577</b>	<b>1,835,698</b>	<b>(69,967,528)</b>	<b>-</b>	<b>(69,967,528)</b>
<b>Business-type activities:</b>							
Water and wastewater	63,377,515	52,454,892	239,749	2,534,123	-	(8,148,751)	(8,148,751)
Gas	8,023,304	8,832,133	936	-	-	809,765	809,765
Sanitation	15,821,262	14,997,289	-	-	-	(823,973)	(823,973)
Recycling	519,441	161,604	-	-	-	(357,837)	(357,837)
Stormwater	1,634,407	2,021,492	-	-	-	387,085	387,085
Golf course	1,449,282	595,702	-	-	-	(853,580)	(853,580)
<b>Total business-type activities</b>	<b>90,825,211</b>	<b>79,063,112</b>	<b>240,685</b>	<b>2,534,123</b>	<b>-</b>	<b>(8,987,291)</b>	<b>(8,987,291)</b>
<b>Total</b>	<b>\$ 200,802,037</b>	<b>\$ 112,094,135</b>	<b>\$ 5,383,262</b>	<b>\$ 4,369,821</b>	<b>(69,967,528)</b>	<b>(8,987,291)</b>	<b>(78,954,819)</b>
<b>General revenues:</b>							
Property taxes					38,094,551	-	38,094,551
Insurance premium taxes					1,374,674	-	1,374,674
Franchise taxes					10,731,905	-	10,731,905
Utility service tax					10,188,206	-	10,188,206
Grants and contributions not restricted to specific programs					8,289,334	-	8,289,334
Unrestricted investment earnings					9,541,466	8,165,982	17,707,448
Miscellaneous					1,674,423	578,809	2,253,232
Gain on sale of capital assets					69,974	-	69,974
Transfers					(1,584,171)	1,584,171	-
<b>Total general revenues and transfers</b>					<b>78,380,362</b>	<b>10,328,962</b>	<b>88,709,324</b>
Change in net assets					8,412,834	1,341,671	9,754,505
Net assets - beginning					302,657,617	283,630,924	586,288,541
Net assets - ending					<b>\$ 311,070,451</b>	<b>\$ 284,972,595</b>	<b>\$ 596,043,046</b>

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

CITY OF SUNRISE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2007

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Public Service Tax	Capital Improvements		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 77,163,417	\$ 2,340,749	\$ 63,468,353	\$ 24,567,665	\$ 167,540,184
Investments	-	5,258,162	-	6,581,116	11,839,278
Receivables, net of allowance for uncollectibles:					
Interest	-	18,193	-	24,310	42,503
Taxes	-	508,900	-	-	508,900
Franchise fees	-	-	-	605,848	605,848
Accounts receivable	650,927	-	-	-	650,927
Special assessments	-	-	-	4,757,497	4,757,497
Other	-	-	-	23,294	23,294
Due from other funds	901,791	600,414	-	-	1,502,205
Interfund	71,237	-	-	-	71,237
Intergovernmental	1,476,559	-	-	494,690	1,971,249
Prepaid items	308,868	-	-	-	308,868
Inventories	39,004	-	-	37,043	76,047
Advances to other funds	875,304	-	-	-	875,304
Total assets	<u>\$ 81,487,107</u>	<u>\$ 8,726,418</u>	<u>\$ 63,468,353</u>	<u>\$ 37,091,463</u>	<u>\$ 190,773,341</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,185,885	\$ 52	\$ 761,263	\$ 195,897	\$ 2,143,097
Accrued liabilities	1,523,004	-	9,380	4,986	1,537,370
Retainage payable	-	-	563,150	316,194	879,344
Intergovernmental payable	56,037	-	-	2,898	58,935
Due to other funds	854,929	-	587	342,579	1,198,095
Matured bonds payable	-	4,890,000	-	1,740,000	6,630,000
Matured interest payable	-	352,827	-	700,642	1,053,469
Unearned revenue	1,308,006	-	-	-	1,308,006
Other	1,318,415	-	-	15,247	1,333,662
Deferred revenue	-	-	-	4,757,497	4,757,497
Advances from other funds	-	-	-	40,000	40,000
Total liabilities	<u>6,246,276</u>	<u>5,242,879</u>	<u>1,334,380</u>	<u>8,115,940</u>	<u>20,939,475</u>
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Inventories	39,004	-	-	37,043	76,047
Prepaid items	308,868	-	-	-	308,868
Advances	875,304	-	-	-	875,304
Debt service	-	-	-	4,554,846	4,554,846
Recreation	-	-	-	990,684	990,684
Public safety	-	-	-	52,295	52,295
Fire equipment	-	-	-	301,416	301,416
Median strips	-	-	-	503,390	503,390
<b>Unreserved, designated for, reported in:</b>					
Encumbrances	2,455,655	2,650	4,038,649	-	6,496,954
<b>Encumbrances:</b>					
Special revenue funds	-	-	-	472,116	472,116
Subsequent year's expenditures	1,607,500	-	-	-	1,607,500
Planning Department capital	337,394	-	-	-	337,394
Building Department capital	3,300,790	-	-	-	3,300,790
Tennis Center capital	10,512	-	-	-	10,512
Economic and job growth	21,751,995	-	-	-	21,751,995
Special revenue funds	-	-	-	7,782,756	7,782,756
Capital projects funds	-	-	51,296,069	2,997,965	54,294,034
<b>Unreserved, undesignated, reported in:</b>					
General fund	44,553,809	-	-	-	44,553,809
Special revenue funds	-	-	-	7,958,517	7,958,517
Debt service funds	-	3,480,889	-	3,108,511	6,589,400
Capital projects funds	-	-	6,799,255	215,984	7,015,239
Total fund balances	<u>75,240,831</u>	<u>3,483,539</u>	<u>62,133,973</u>	<u>28,975,523</u>	<u>169,833,866</u>
Total liabilities and fund balances	<u>\$ 81,487,107</u>	<u>\$ 8,726,418</u>	<u>\$ 63,468,353</u>	<u>\$ 37,091,463</u>	<u>\$ 190,773,341</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, 2007

<b>Fund balances - total governmental funds</b>	<b>\$</b>	<b>169,833,866</b>
 <b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		222,322,906
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		4,757,497
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.		3,839,214
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(89,683,032)</u>
 <b>Net assets of governmental activities</b>	 <b>\$</b>	 <b><u>311,070,451</u></b>

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

CITY OF SUNRISE, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Public Service Tax	Capital Improvements		
<b>REVENUES</b>					
Taxes:					
Property	\$ 35,650,190	\$ -	\$ -	\$ 2,444,361	\$ 38,094,551
Insurance premium	1,374,674	-	-	-	1,374,674
Franchise	4,600,598	-	-	6,131,307	10,731,905
Gas	-	-	-	1,653,308	1,653,308
Utility service	-	10,188,206	-	-	10,188,206
Impact fees	-	-	-	184,880	184,880
Licenses and permits	8,490,669	-	-	-	8,490,669
Intergovernmental	9,822,261	-	300,000	1,405,265	11,527,526
Fuel tax refund	-	-	-	63,499	63,499
Charges for services	13,529,185	-	-	-	13,529,185
Administrative charges	5,000,000	-	-	-	5,000,000
Fines and forfeitures	337,788	-	-	590,054	927,842
Special assessments	4,794,778	-	-	555,300	5,350,078
Investment earnings	4,398,343	225,778	3,187,079	1,872,048	9,683,248
Contributions and donations	17,355	-	525,667	-	543,022
Miscellaneous	2,528,394	112,600	-	220,478	2,861,472
Total revenues	<u>90,544,235</u>	<u>10,526,584</u>	<u>4,012,746</u>	<u>15,120,500</u>	<u>120,204,065</u>
<b>EXPENDITURES</b>					
Current:					
General government	16,565,339	-	-	34,316	16,599,655
Public safety	49,052,909	-	-	4,912,941	53,965,850
Physical environment	3,407,318	-	-	-	3,407,318
Economic development	-	-	-	1,307,126	1,307,126
Human services	-	-	-	5,212	5,212
Transportation	-	-	-	916,432	916,432
Culture and recreation	10,291,099	-	-	-	10,291,099
Debt service:					
Principal	28,084	4,890,000	-	1,740,000	6,658,084
Interest	435	705,655	-	1,401,285	2,107,375
Other	-	15,927	-	68,570	84,497
Capital outlay	2,643,586	-	8,410,424	2,279,041	13,333,051
Total expenditures	<u>81,988,770</u>	<u>5,611,582</u>	<u>8,410,424</u>	<u>12,664,923</u>	<u>108,675,699</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,555,465</u>	<u>4,915,002</u>	<u>(4,397,678)</u>	<u>2,455,577</u>	<u>11,528,366</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	7,772,465	-	11,544,682	1,113,151	20,430,298
Transfers out	(9,079,418)	(4,353,845)	-	(8,581,206)	(22,014,469)
Sale of capital assets	90,716	-	-	-	90,716
Total other financing sources (uses)	<u>(1,216,237)</u>	<u>(4,353,845)</u>	<u>11,544,682</u>	<u>(7,468,055)</u>	<u>(1,493,455)</u>
Net change in fund balances	7,339,228	561,157	7,147,004	(5,012,478)	10,034,911
Fund balances - beginning	<u>67,901,603</u>	<u>2,922,382</u>	<u>54,986,969</u>	<u>33,988,001</u>	<u>159,798,955</u>
Fund balances - ending	<u>\$ 75,240,831</u>	<u>\$ 3,483,539</u>	<u>\$ 62,133,973</u>	<u>\$ 28,975,523</u>	<u>\$ 169,833,866</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, 2007

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

Net change in fund balances -- total governmental funds	\$ 10,034,911
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.	(6,511,583)
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.	(124,426)
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.	4,082,294
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.	(356,366)
Revenues reported in the funds that relate to prior periods are not reported in the statement of activities.	(565,045)
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.	<u>1,853,049</u>
Change in net assets of governmental activities	<u>\$ 8,412,834</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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>Taxes:</b>				
Property	\$ 35,560,822	\$ 35,560,822	\$ 35,650,190	\$ 89,368
Insurance premium	-	1,374,674	1,374,674	-
Franchise	4,606,065	4,606,065	4,600,598	(5,467)
Licenses and permits	6,283,625	6,283,625	8,490,669	2,207,044
Intergovernmental	9,133,537	9,785,814	9,822,261	36,447
Charges for services	12,394,550	12,419,568	13,529,185	1,109,617
Administrative charges	5,000,000	5,000,000	5,000,000	-
Fines and forfeitures	360,000	360,000	337,788	(22,212)
Special assessments	4,811,857	4,811,857	4,794,778	(17,079)
Investment earnings	1,751,147	2,190,079	4,398,343	2,208,264
Contributions and donations	-	-	17,355	17,355
Miscellaneous	1,217,250	1,217,250	2,528,394	1,311,144
<b>Total revenues</b>	<b>81,118,853</b>	<b>83,609,754</b>	<b>90,544,235</b>	<b>6,934,481</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General government:</b>				
City Commission	595,342	595,292	554,462	40,830
City Manager	816,253	812,753	626,753	186,000
City Clerk	410,134	412,710	382,984	29,726
City Attorney	719,906	719,876	636,609	83,267
Finance	2,767,548	2,767,548	2,328,561	438,987
Personnel	1,155,215	1,155,215	1,016,613	138,602
Management Information Services	2,046,023	2,143,023	1,836,596	306,427
Central Services	2,164,816	2,179,160	1,752,066	427,094
Planning and Development	3,174,518	3,674,999	2,225,745	1,449,254
Non-departmental	5,386,732	5,525,200	5,204,950	320,250
<b>Total general government</b>	<b>19,236,487</b>	<b>19,985,776</b>	<b>16,565,339</b>	<b>3,420,437</b>
<b>Public safety:</b>				
Police	26,910,153	27,859,447	25,818,003	2,041,444
Fire	19,060,107	19,803,918	18,711,699	1,092,219
Building	3,111,337	3,810,572	3,487,646	322,926
Code Enforcement	1,055,667	1,161,732	1,035,560	126,172
<b>Total public safety</b>	<b>50,137,264</b>	<b>52,635,669</b>	<b>49,052,908</b>	<b>3,582,761</b>
<b>Physical environment:</b>				
Central Services - Facility Management	1,581,150	1,516,515	1,252,034	264,481
Public Works	2,568,473	2,568,473	2,155,284	413,189
<b>Total physical environment</b>	<b>4,149,623</b>	<b>4,084,988</b>	<b>3,407,318</b>	<b>677,670</b>
<b>Economic development</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>-</b>	<b>2,200,000</b>
<b>Culture and recreation:</b>				
Leisure Services	11,384,023	11,362,998	10,291,099	1,071,899
<b>Debt service:</b>				
<b>Public safety:</b>				
Fire	8,154	8,154	8,154	-
Building	15,290	15,290	15,290	-
Code Enforcement	5,076	5,076	5,076	-
<b>Total debt service</b>	<b>28,520</b>	<b>28,520</b>	<b>28,520</b>	<b>-</b>

(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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Capital outlay:</b>				
<b>General government:</b>				
City Commission	4,112	10,012	8,629	1,383
City Manager	-	3,500	2,631	869
City Clerk	8,700	8,474	6,833	1,641
City Attorney	1,200	1,230	1,056	174
Finance	16,150	16,150	13,509	2,641
Management Information Services	175,279	78,279	74,315	3,964
Central Services	5,850	7,188	4,703	2,485
Planning and Development	54,568	54,568	52,370	2,198
Non-departmental	83,660	83,660	82,734	926
<b>Public safety:</b>				
Police	823,385	1,000,517	965,155	35,362
Fire	1,752,963	1,848,128	512,912	1,335,216
Building	156,355	181,905	175,836	6,069
Code Enforcement	-	43,050	42,864	186
<b>Physical environment:</b>				
Central Services - Facility Management	85,097	149,732	88,298	61,434
Public Works	27,000	27,000	22,709	4,291
<b>Culture and recreation:</b>				
Leisure Services	650,028	717,342	589,032	128,310
<b>Total capital outlay</b>	<u>3,844,347</u>	<u>4,230,735</u>	<u>2,643,586</u>	<u>1,587,149</u>
<b>Total expenditures</b>	<u>90,980,264</u>	<u>94,528,686</u>	<u>81,988,770</u>	<u>12,539,916</u>
<b>Excess (deficiency) of revenues   over (under) expenditures</b>	<u>(9,861,411)</u>	<u>(10,918,932)</u>	<u>8,555,465</u>	<u>19,474,397</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,772,465	7,772,465	7,772,465	-
Transfers out	(2,221,736)	(9,079,418)	(9,079,418)	-
Sale of capital assets	-	-	90,716	90,716
<b>Total other financing sources (uses)</b>	<u>5,550,729</u>	<u>(1,306,953)</u>	<u>(1,216,237)</u>	<u>90,716</u>
<b>Net change in fund balances</b>	<u>(4,310,682)</u>	<u>(12,225,885)</u>	<u>7,339,228</u>	<u>19,565,113</u>
<b>Fund balances - beginning</b>	<u>67,901,603</u>	<u>67,901,603</u>	<u>67,901,603</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 63,590,921</u>	<u>\$ 55,675,718</u>	<u>\$ 75,240,831</u>	<u>\$ 19,565,113</u>



CITY OF SUNRISE, FLORIDA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Workers' Compensation
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 95,659,235	\$ 752,599	\$ 2,336,772	\$ 98,748,606	\$ 8,461,178
Accounts receivable, net of allowance for uncollectibles	9,564,520	2,481,722	185,876	12,232,118	3,538
Assessments receivable, net	65,959	-	-	65,959	-
Other receivables	-	107,453	1,968	109,421	-
Due from other funds	42,317	-	-	42,317	-
Intergovernmental receivable	187,059	-	72,342	259,401	-
Inventories	1,475,216	-	52,275	1,527,491	-
Prepaid items	49,198	-	1,700	50,898	-
Restricted cash and cash equivalents:					
Revenue bond covenant accounts	11,938,784	-	-	11,938,784	-
<b>Total current assets</b>	<b>118,982,288</b>	<b>3,341,774</b>	<b>2,650,933</b>	<b>124,974,995</b>	<b>8,464,716</b>
<b>Noncurrent assets:</b>					
Restricted cash, cash equivalents and investments:					
Customer deposits	7,156,031	688,900	-	7,844,931	-
Revenue bond covenant accounts	35,531,007	-	-	35,531,007	-
Deferred charges	1,767,712	-	-	1,767,712	-
Capital assets:					
Land	9,761,786	-	1,223,300	10,985,086	-
Intangibles	480,470	-	-	480,470	-
Buildings and system	416,060,829	-	756,271	416,817,100	-
Improvements other than buildings	2,758,353	-	1,010,770	3,769,123	-
Machinery and equipment	5,471,183	-	857,957	6,329,140	-
Vehicles	5,495,454	-	611,746	6,107,200	-
Construction in progress	28,122,983	-	1,227,400	29,350,383	-
Less accumulated depreciation	(132,982,264)	-	(1,415,695)	(134,397,959)	-
Total capital assets, net of accumulated depreciation	335,168,794	-	4,271,749	339,440,543	-
<b>Total noncurrent assets</b>	<b>379,623,544</b>	<b>688,900</b>	<b>4,271,749</b>	<b>384,584,193</b>	<b>-</b>
<b>Total assets</b>	<b>498,605,832</b>	<b>4,030,674</b>	<b>6,922,682</b>	<b>509,559,188</b>	<b>8,464,716</b>

**Business-type Activities - Enterprise Funds**

**Governmental  
Activities -  
Internal Service  
Fund**

**Workers'  
Compensation**

**LIABILITIES**

**Current liabilities:**

Accounts payable	2,872,493	1,763,424	266,166	4,902,083	30,489
Accrued liabilities	343,192	-	25,776	368,968	-
Due to other funds	394,904	179,566	2,347	576,817	-
Interfund payable	-	-	71,237	71,237	-
Compensated absences	254,837	-	22,160	276,997	-
Retainage payable	-	-	103,644	103,644	-
Intergovernmental payable	2,616,531	-	1,527	2,618,058	-
Other	-	1,121,407	23	1,121,430	-

**Current liabilities payable from  
restricted assets:**

Revenue bonds payable	7,050,000	-	-	7,050,000	-
Accrued interest payable	4,888,784	-	-	4,888,784	-
<b>Total current liabilities</b>	<b>18,420,741</b>	<b>3,064,397</b>	<b>492,880</b>	<b>21,978,018</b>	<b>30,489</b>

**Noncurrent liabilities:**

Revenue bonds payable (net of unamortized discounts, premiums and deferred amount on refunding)	190,041,046	-	-	190,041,046	-
Compensated absences	2,634,818	-	213,293	2,848,111	-
Advances from other funds	-	-	835,304	835,304	-
Claims and judgments	-	-	-	-	4,006,294
Deferred revenue	67,924	-	-	67,924	-

**Noncurrent liabilities payable from  
restricted assets:**

Retainage payable	1,559,978	-	-	1,559,978	-
Customer deposits payable	7,156,031	688,900	-	7,844,931	-
<b>Total noncurrent liabilities</b>	<b>201,459,797</b>	<b>688,900</b>	<b>1,048,597</b>	<b>203,197,294</b>	<b>4,006,294</b>
<b>Total liabilities</b>	<b>219,880,538</b>	<b>3,753,297</b>	<b>1,541,477</b>	<b>225,175,312</b>	<b>4,036,783</b>

**NET ASSETS**

Invested in capital assets, net of related debt	155,750,818	-	4,068,510	159,819,328	-
Restricted for:					
Renewal and replacement	12,588,726	-	-	12,588,726	-
Operations and maintenance	4,235,878	-	-	4,235,878	-
Unrestricted	106,149,872	277,377	1,312,695	107,739,944	4,427,933
<b>Total net assets</b>	<b>\$ 278,725,294</b>	<b>\$ 277,377</b>	<b>\$ 5,381,205</b>	<b>284,383,876</b>	<b>\$ 4,427,933</b>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. 588,719

Net assets of business-type activities \$ 284,972,595

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, 2007

	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	\$ 24,340,465	\$ -	\$ -	\$ 24,340,465	\$ -
Wastewater service	25,488,767	-	-	25,488,767	-
Gas sales	8,750,680	-	-	8,750,680	-
Fees	-	14,997,289	2,778,798	17,776,087	-
Service charges	783,171	-	-	783,171	2,226,087
Guaranteed revenues	925,704	-	-	925,704	-
Administrative charges	544,733	-	-	544,733	-
Total operating revenues	<u>60,833,520</u>	<u>14,997,289</u>	<u>2,778,798</u>	<u>78,609,607</u>	<u>2,226,087</u>
Operating expenses:					
Costs of sales and services:					
Power, water and wastewater purchases	4,821,865	-	79,592	4,901,457	-
Natural gas purchases	4,043,657	-	-	4,043,657	-
Chemical purchases	2,189,433	-	98,911	2,288,344	-
Solid waste/sludge removal	1,598,999	14,997,289	-	16,596,288	-
Recycling charges	-	-	457,786	457,786	-
Materials and supplies	698,497	-	135,569	834,066	-
Repairs and maintenance	5,625,787	-	56,226	5,682,013	-
Salaries, wages and employee benefits	15,261,271	-	1,681,486	16,942,757	-
Insurance and other expenses	8,732,937	139,475	440,473	9,312,885	475,965
Claims expense	-	-	-	-	-
Administrative fees	4,322,626	655,618	473,989	5,452,233	-
Depreciation	11,878,639	-	184,902	12,063,541	-
Total operating expenses	<u>59,173,711</u>	<u>15,792,382</u>	<u>3,608,934</u>	<u>78,575,027</u>	<u>475,965</u>
Operating income (loss)	<u>1,659,809</u>	<u>(795,093)</u>	<u>(830,136)</u>	<u>34,580</u>	<u>1,750,122</u>

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Water, Wastewater and Gas Utility System</b>	<b>Sanitation</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Workers' Compensation</b>
<b>Non-operating revenues (expenses):</b>					
Investment earnings	7,964,540	44,974	152,380	8,161,894	374,338
Interest expense	(12,094,538)	(28,880)	(51,148)	(12,174,566)	-
Gain on sale of capital assets	12,185	-	3,286	15,471	-
Sale of recyclable materials	-	-	298,915	298,915	-
Other	397,945	120,060	2,574	520,579	95,093
<b>Total non-operating revenues (expenses)</b>	<b>(3,719,868)</b>	<b>136,154</b>	<b>406,007</b>	<b>(3,177,707)</b>	<b>469,431</b>
<b>Income (loss) before contributions and transfers</b>	<b>(2,060,059)</b>	<b>(658,939)</b>	<b>(424,129)</b>	<b>(3,143,127)</b>	<b>2,219,553</b>
Capital contributions	2,534,123	-	-	2,534,123	-
Transfers in	-	680,618	1,029,967	1,710,585	-
Transfers out	(126,414)	-	-	(126,414)	-
<b>Change in net assets</b>	<b>347,650</b>	<b>21,679</b>	<b>605,838</b>	<b>975,167</b>	<b>2,219,553</b>
<b>Total net assets - beginning</b>	<b>278,377,644</b>	<b>255,698</b>	<b>4,775,367</b>		<b>2,208,380</b>
<b>Total net assets - ending</b>	<b>\$ 278,725,294</b>	<b>\$ 277,377</b>	<b>\$ 5,381,205</b>		<b>\$ 4,427,933</b>
<b>Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.</b>				<b>366,504</b>	
<b>Change in net assets of business-type activities</b>				<b>\$ 1,341,671</b>	

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

CITY OF SUNRISE, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Workers' Compensation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 60,468,950	\$ 16,148,760	\$ 3,059,545	\$ 79,677,255	\$ 2,226,087
Receipts from interfund services provided	544,733	-	-	544,733	-
Payments to suppliers	(26,394,672)	(15,312,863)	(1,068,848)	(42,776,383)	188,536
Payments to and for employees	(14,587,281)	-	(1,614,941)	(16,202,222)	-
Payments for interfund services used	(4,698,133)	(655,618)	(538,732)	(5,892,483)	-
Net cash provided (used) by operating activities	<u>15,333,597</u>	<u>180,279</u>	<u>(162,976)</u>	<u>15,350,900</u>	<u>2,414,623</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Payments of advances from other funds	-	(299,013)	-	(299,013)	-
Transfer from other funds	-	680,618	1,029,967	1,710,585	-
Transfer to other funds	(126,414)	-	-	(126,414)	-
Net cash provided (used) by noncapital financing activities	<u>(126,414)</u>	<u>381,605</u>	<u>1,029,967</u>	<u>1,285,158</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	1,640,294	-	-	1,640,294	-
Acquisition and construction of capital assets	(18,426,915)	-	(1,143,973)	(19,570,888)	-
Principal paid on capital debt	(6,850,000)	-	-	(6,850,000)	-
Interest paid on capital debt	(9,876,644)	-	(51,148)	(9,927,792)	-
Proceeds from sales of capital assets	28,353	-	4,159	32,512	-
Advances from other funds	-	-	(67,684)	(67,684)	-
Net cash (used) by capital and related financing activities	<u>(33,484,912)</u>	<u>-</u>	<u>(1,258,646)</u>	<u>(34,743,558)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	6,900,000	665,000	-	7,565,000	-
Purchase of investments	(13,870,000)	(1,345,000)	-	(15,215,000)	-
Interest and dividends received	7,917,087	39,434	153,314	8,109,835	375,582
Net cash provided by investing activities	<u>947,087</u>	<u>(640,566)</u>	<u>153,314</u>	<u>459,835</u>	<u>375,582</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(17,330,642)</u>	<u>(78,682)</u>	<u>(238,341)</u>	<u>(17,647,665)</u>	<u>2,790,205</u>
<b>Cash and cash equivalents, October 1</b> (including \$70,103,553 and \$643,985, for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>160,480,855</u>	<u>828,170</u>	<u>2,575,113</u>	<u>163,884,138</u>	<u>5,670,973</u>
<b>Cash and cash equivalents, September 30</b> (including \$47,490,978 and (\$3,111) for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>\$ 143,150,213</u>	<u>\$ 749,488</u>	<u>\$ 2,336,772</u>	<u>\$ 146,236,473</u>	<u>\$ 8,461,178</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)	\$ 1,659,809	\$ (795,093)	\$ (830,136)	\$ 34,580	\$ 1,750,122
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Miscellaneous operating income from re-evaluation of capital assets	712,624	-	-	712,624	-
Miscellaneous non-operating income from by-products of recycling activities	-	-	298,915	298,915	-
Miscellaneous non-operating income	397,254	91,180	2,574	491,008	95,093
Depreciation expense	11,878,639	-	184,902	12,063,541	-
(Increase) decrease in accounts receivable	(1,017,662)	10,991	(10,290)	(1,016,961)	161,948
(Increase) in other receivables	-	(107,453)	(1,891)	(109,344)	-
(Increase) decrease in due from other funds	(3,660)	-	191,851	188,191	-
(Increase) decrease in intergovernmental receivables	200,540	-	(7,304)	193,236	196,463
(Increase) in inventories	(312,731)	-	(13,152)	(325,883)	-
(Increase) in prepaid items	(700)	-	(200)	(900)	-
Increase in customer deposits	359,022	40,696	-	399,718	-
Increase (decrease) in accounts payable	(127,493)	(178,603)	173,271	(132,825)	(1,754)
Increase in accrued liabilities	151,519	-	4,803	156,322	-
Increase (decrease) in due to other funds	292,245	(2,846)	(256,724)	32,675	-
Increase in intergovernmental payables	31,559	-	95	31,654	-
Increase in other liabilities, current	-	1,121,407	8	1,121,415	-
Increase in retainage payable	968,098	-	103,644	1,071,742	-
Increase (decrease) in compensated absences payable	144,534	-	(3,342)	141,192	-
Increase in claims and judgments	-	-	-	-	212,751
Total adjustments	13,673,788	975,372	667,160	15,316,320	664,501
Net cash provided by (used in) operating activities	\$ 15,333,597	\$ 180,279	\$ (162,976)	\$ 15,350,900	\$ 2,414,623
Noncash investing, capital and financing activities:					
Contributions of capital assets	\$ 1,250,192	\$ -	\$ -	\$ 1,250,192	\$ -
Capital asset trade-ins	400	-	-	400	-

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, 2007**

	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 13,914,709
Receivable from sale of securities	721,996
Interest and dividends receivable	734,918
Due from other funds	230,390
Other receivables	2,588
Investments, at fair value:	
U.S. government and agency securities	36,699,090
Corporate bonds	11,570,367
Mutual funds	28,119,281
Common stocks	128,971,649
Foreign pooled equity funds	17,416,980
Total investments	222,777,367
Prepaid items	8,840
Equipment, net of accumulated depreciation of \$24,649	2,832
Total assets	238,393,640
<b>LIABILITIES</b>	
Accounts payable	765,837
Prepaid contribution	239,048
Payable for securities purchased	398,826
Total liabilities	1,403,711
<b>NET ASSETS</b>	
Held in trust for pension benefits	\$ 236,989,929

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, 2007**

	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
<b>Contributions:</b>	
Employer	\$ 8,522,715
Plan members	4,466,818
Other sources	1,374,675
<b>Total contributions</b>	<u>14,364,208</u>
<b>Investment earnings:</b>	
Interest	2,767,533
Dividends	2,952,468
Net increase in fair value of investments	24,940,665
Other	185,108
<b>Total investment earnings</b>	<u>30,845,774</u>
Less investment expense	1,403,294
<b>Net investment earnings</b>	<u>29,442,480</u>
<b>Total additions</b>	<u>43,806,688</u>
 <b>DEDUCTIONS</b>	
Benefits	9,142,198
Refunds of contributions	499,980
Administrative expenses	595,853
<b>Total deductions</b>	<u>10,238,031</u>
 Change in net assets	 33,568,657
 Net assets - beginning	 <u>203,421,272</u>
 Net assets - ending	 <u>\$ 236,989,929</u>

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



**CITY OF SUNRISE, FLORIDA**  
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**SEPTEMBER 30, 2007**

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**SEPTEMBER 30, 2007**

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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.

## CITY OF SUNRISE, FLORIDA

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.

### **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.

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 sewer function and various other functions of the City. The net residual amounts due between governmental and business-type activities are presented as internal balances in the statement of net assets. Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net assets as receivable from and payable to external parties, rather than as internal balances.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## CITY OF SUNRISE, FLORIDA

### 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, principal and interest on general long-term leases and compensated absences are recognized when due.

Property taxes, franchise taxes, gas taxes, utility service taxes, fuel tax refunds, administrative charges and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. In applying the susceptible to accrual concept to intergovernmental revenues, revenues are recognized when all eligibility requirements are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

The Public Service Tax debt service fund is used to accumulate public service tax monies for Public Facilities Revenue Bonds, Series 1992A, 1992B and Series 1999.

## CITY OF SUNRISE, FLORIDA

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 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.

## CITY OF SUNRISE, FLORIDA

### **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 (the Board) Local Government Surplus Funds (LGSF) trust fund investment pool 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 LGSF trust fund investment pool assists local governmental units in maximizing earnings on surplus funds invested while retaining fund accessibility by being highly liquid in nature. It is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the Board. These rules provide guidance and establish the general operating procedures for the administration of the LGSF trust fund investment pool. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the Board. While the Board has statutory authority for a wide range of derivative instruments, the LGSF trust fund investment pool did not hold any investments at September 30, 2007 that could be classified as "derivative" investments under GASB Technical Bulletin 2003-1. The Board participated in several securities lending programs during fiscal year 2006-2007, although only one program – Dresdner – was active at September 30, 2007. While the Securities and Exchange Commission (SEC) rule 2a-7 does not directly address the portion of the portfolio that may be on loan at any given time, the Board has adopted industry practice for a 2a-7 type fund that generally restricts lending activity to no more than 1/3 of the portfolio. The collateral held for the securities lending transactions exceeded the fair value of the securities underlying the agreements. No significant violations of legal or contractual provisions occurred and no losses were incurred due to borrower or lending agent defaults. The LGSF trust fund investment pool is not a registrant with the SEC. However, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, and thus, pool investments are recorded at amortized cost. Fair value is determined on a monthly basis, and specific action taken if the difference between fair value and amortized cost exceeds .5%. As of September 30, 2007, the ratio of fair value divided by amortized cost was 99.72%. The method used to determine participants' shares sold and redeemed is the amortized cost method. Securities lending cash collateral investments are recorded at fair value, since SEC Rule 2a-7 does not impose the same maturity limitations and other constraints for collateral investments.

## **CITY OF SUNRISE, FLORIDA**

### **2. Investments**

The City's investments, including restricted investments, consist of U.S. government securities, corporate bonds, common stocks, mutual funds, obligations of government agencies unconditionally guaranteed by the U.S. government, 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 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.

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.

### **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.



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### **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.

### **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 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. 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,

## CITY OF SUNRISE, FLORIDA

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 FASB Statement No. 71, "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 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.

## CITY OF SUNRISE, FLORIDA

### 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.

## 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 \$89,683,032 are as follows:

Bonds payable	\$ 81,039,803
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(275,839)
Compensated absences	<u>8,919,068</u>
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net assets of governmental activities</i>	<u><u>\$ 89,683,032</u></u>

**CITY OF SUNRISE, FLORIDA**

**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 \$(6,511,583) difference are as follows:

Capital outlay	\$ 13,333,051
Depreciation expense	(18,809,356)
Capitalized operating expenditures	133,958
Non-capitalized capital outlay expenditures	<u>(1,169,236)</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>\$ (6,511,583)</u></u>

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 \$(124,426) 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.	\$ (115,399)
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.	11,715
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>(20,742)</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>\$ (124,426)</u></u>

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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 \$4,082,294 difference are as follows:

Amortization of bond issuance costs	\$ (19,703)
Capital appreciation bonds accretion	(2,556,087)
Principal repayments:	
Bond repayments	6,630,000
Lease repayments	<u>28,084</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>\$ 4,082,294</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 \$(356,366) represents the increase in compensated absences.

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 \$(565,045) are as follows:

Special Recreation District Phase I special assessment	\$ (277,752)
Special Recreation District Phase II special assessment	<u>(287,293)</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>\$ (565,045)</u></u>

### III. Stewardship, Compliance and Accountability

#### A. Compliance with finance related legal and contractual provisions

The City had one violation of finance related legal and contractual provisions. An October 1, 2007 Utility System refunding revenue bond, Series 1998A, maturity payment in the amount of \$50,000 was made on October 11, 2007 due to trustee oversight.

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### **B. 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 \$1,057,521 for the general fund, \$1,693,803 for the special revenue funds, \$679 for the debt service funds and \$6,595,944 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.

### **IV. Detailed Notes on all Funds**

#### **A. Deposits and investments**

As of September 30, 2007, the fair value of the City's investments, exclusive of the Pension trust funds, was \$11,839,278 in U.S. Treasuries, \$7,650,000 in certificates of deposit, and \$274,796,685 in the LGSF trust fund investment pool. The pool's investments have a maturity of less than one year and are classified as cash and cash equivalents. Additionally, cash and cash equivalents is comprised of \$59,050 on hand, \$35,583,391 with qualified public depositors and \$11,975,564 with authorized depositories pursuant to fiduciary agreements related to its utility bonds.

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As of September 30, 2007, 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>
U.S. Treasuries	\$ 472,999	\$ -	\$ 157,111	\$ 315,888
U.S. agencies	6,400,638	2,339,919	-	4,060,719
Corporate bonds	5,403,351	606,362	1,067,563	3,729,426
Bond mutual fund	<u>14,113,746</u>	<u>-</u>	<u>14,113,746</u>	<u>-</u>
	<u>\$26,390,734</u>	<u>\$2,946,281</u>	<u>\$15,338,420</u>	<u>\$8,106,033</u>

The City's Police Officers' Pension trust fund contained the following investments as of September 30, 2007:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (Years)</u>	<u>Lehman Aggregate Bond Rating</u>
U.S. Treasuries	\$ 1,957,415	3.90	AAA
U.S. agencies	15,743,167	3.90	AAA
Corporate bonds	<u>1,500,296</u>	4.90	A-AAA
Total fair value	<u>\$19,200,878</u>		
Portfolio weighted effective duration		3.98	

At September 30, 2007, 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	\$ 1,187,550	\$ -	\$ 674,627	\$ 187,486	\$ 325,437
U.S. agencies	10,937,321	423,019	2,119,439	2,991,908	5,402,955
Corporate bonds	<u>4,666,720</u>	<u>198,113</u>	<u>1,257,069</u>	<u>1,531,092</u>	<u>1,680,446</u>
	<u>\$16,791,591</u>	<u>\$ 621,132</u>	<u>\$4,051,135</u>	<u>\$4,710,486</u>	<u>\$7,408,838</u>

Interest rate risk. The City, exclusive of the Pension trust funds, manages its exposure to declines in fair value by limiting the average maturity of its investment portfolio to less than one year. The LGSF trust fund investment pool's weighted average maturity is not allowed to exceed 90 days. To limit their exposure to interest rate risk, the General Employees' and Firefighters' Pension Plans diversify their 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 accordance with its investment policy, 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.

## CITY OF SUNRISE, FLORIDA

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 LGSF trust fund investment pool, 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. At September 30, 2007, as a whole, the LGSF trust fund investment pool was not rated by a nationally recognized statistical rating agency. Of the General Employees' Pension Plan's investments at September 30, 2007, \$3,649,810 were rated AAA, \$14,113,746 were rated AA+, \$404,837 were rated AA, \$200,659 were rated AA-, \$437,379 were rated A+, \$549,168 were rated A and \$161,498 were rated A-; obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government in the amount of \$6,873,637 were not considered to have credit risk. The credit ratings of investments in the Firefighters' Pension Plan at September 30, 2007 were: \$233,764 rated AA, \$845,403 rated AA-, \$1,353,679 rated A+, \$1,221,041 rated A, \$293,512 rated A-, \$299,480 rated BBB+ and \$419,841 rated BBB; U. S. government guaranteed obligations of \$12,124,871 are considered to have no credit risk.

Concentration of credit risk. The LGSF trust fund investment pool's exposure to a single issuer is limited to 5% of portfolio amortized cost (excluding U.S. Treasuries and agencies) while 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.

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.



**CITY OF SUNRISE, FLORIDA**

**B. Receivables**

Receivables at September 30, 2007, 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	\$ -	\$ -	\$ 650,927	\$ -	\$ -	\$ 1,476,559	\$ 2,127,486
Public Service Tax	18,193	508,900	-	-	-	-	527,093
Workers' Compensation	-	-	3,538	-	-	-	3,538
Other governmental	<u>24,310</u>	<u>605,848</u>	<u>-</u>	<u>4,757,497</u>	<u>23,294</u>	<u>494,690</u>	<u>5,905,639</u>
<b>Total – governmental Activities</b>	<b><u>\$ 42,503</u></b>	<b><u>\$1,114,748</u></b>	<b><u>\$ 654,465</u></b>	<b><u>\$4,757,497</u></b>	<b><u>\$ 23,294</u></b>	<b><u>\$1,971,249</u></b>	<b><u>\$ 8,563,756</u></b>
Amounts not scheduled for collection during the subsequent year							
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,199,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,199,012</u>
Business-type activities:							
Water, Wastewater & Gas Utility System	\$ -	\$ -	\$ 9,714,520	\$ 65,959	\$ -	\$ 187,059	\$ 9,967,538
Sanitation	-	-	2,481,722	-	107,453	-	2,589,175
Other proprietary	-	-	185,876	-	1,968	72,342	260,186
Gross receivables	-	-	12,382,118	65,959	109,421	259,401	12,816,899
Less:							
Uncollectibles	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,232,118</u>	<u>\$ 65,959</u>	<u>\$ 109,421</u>	<u>\$ 259,401</u>	<u>\$ 12,666,899</u>

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	\$ 38,266
Uncollectibles related to gas sales	8,659
Uncollectibles related to sanitation services	13,065
Uncollectibles related to recycling services	67
Uncollectibles related to stormwater services	<u>920</u>
Total uncollectibles for the current fiscal year	<u>\$ 60,977</u>

**CITY OF SUNRISE, FLORIDA**

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)	\$3,070,044	\$ -
Special assessments not yet due (Special Recreation District Phase II)	1,687,453	-
Prepaid license fees (general fund)	-	1,031,254
Prepaid inspection fees (general fund)	-	232,802
Grant proceeds prior to meeting all eligibility requirements (general fund)	<u>-</u>	<u>43,950</u>
Total deferred/unearned revenue for governmental funds	<u>\$4,757,497</u>	<u>\$1,308,006</u>

## CITY OF SUNRISE, FLORIDA

### C. Capital assets

Capital asset activity for the year ended September 30, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 14,226,978	\$ -	\$ -	\$ 14,226,978
Construction in progress	12,385,715	9,238,236	(2,529,680)	19,094,271
Total capital assets, not being depreciated	<u>26,612,693</u>	<u>9,238,236</u>	<u>(2,529,680)</u>	<u>33,321,249</u>
Capital assets, being depreciated:				
Intangibles	437,876	35,623	(907)	472,592
Buildings and system	76,270,906	-	(5,500)	76,265,406
Improvements other than buildings	22,477,241	1,269,013	(51,622)	23,694,632
Machinery and equipment	9,435,394	915,810	(1,112,433)	9,238,771
Vehicles	14,682,368	1,959,512	(1,026,341)	15,615,539
Infrastructure	326,265,736	1,312,816	-	327,578,552
Total capital assets, being depreciated	<u>449,569,521</u>	<u>5,492,774</u>	<u>(2,196,803)</u>	<u>452,865,492</u>
Less accumulated depreciation for:				
Intangibles	(254,662)	(83,416)	544	(337,534)
Buildings and system	(12,432,429)	(2,106,190)	1,980	(14,536,639)
Improvements other than buildings	(6,761,703)	(2,308,946)	51,179	(9,019,470)
Machinery and equipment	(6,730,125)	(992,847)	1,088,775	(6,634,197)
Vehicles	(10,072,114)	(1,389,286)	1,026,341	(10,435,059)
Infrastructure	(210,972,265)	(11,928,671)	-	(222,900,936)
Total accumulated depreciation	<u>(247,223,298)</u>	<u>(18,809,356)</u>	<u>2,168,819</u>	<u>(263,863,835)</u>
Total capital assets, being depreciated, net	<u>202,346,223</u>	<u>(13,316,582)</u>	<u>(27,984)</u>	<u>189,001,657</u>
Governmental activities capital assets, net	<u>\$ 228,958,916</u>	<u>\$ (4,078,346)</u>	<u>\$ (2,557,664)</u>	<u>\$ 222,322,906</u>

## CITY OF SUNRISE, FLORIDA

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 10,985,086	\$ -	\$ -	\$ 10,985,086
Construction in progress	13,023,751	17,675,241	(1,348,609)	29,350,383
Total capital assets, not being depreciated	24,008,837	17,675,241	(1,348,609)	40,335,469
Capital assets, being depreciated:				
Intangibles	366,095	114,375	-	480,470
Buildings and system	414,222,283	2,594,817	-	416,817,100
Improvements other than buildings	3,428,353	351,967	(11,197)	3,769,123
Machinery and equipment	6,140,378	401,290	(212,528)	6,329,140
Vehicles	5,974,784	319,776	(187,360)	6,107,200
Total capital assets, being depreciated	430,131,893	3,782,225	(411,085)	433,503,033
Less accumulated depreciation for:				
Intangibles	(197,913)	(77,075)	-	(274,988)
Buildings and system	(114,091,159)	(10,756,820)	-	(124,847,979)
Improvements other than buildings	(546,429)	(237,282)	11,197	(772,514)
Machinery and equipment	(3,741,480)	(535,115)	195,085	(4,081,510)
Vehicles	(4,151,079)	(457,249)	187,360	(4,420,968)
Total accumulated depreciation	(122,728,060)	(12,063,541)	393,642	(134,397,959)
Total capital assets, being depreciated, net	307,403,833	(8,281,316)	(17,443)	299,105,074
Business-type activities capital assets, net	\$ 331,412,670	\$ 9,393,925	\$ (1,366,052)	\$ 339,440,543

At September 30, 2007, amounts included in governmental activities recorded under capital leases include original amounts of \$23,365 of improvements other than buildings, \$1,122,527 of machinery and equipment and \$3,651,807 of vehicles; those included in business-type activities include \$3,255,000 of buildings and system, \$305,118 of machinery and equipment and \$375,118 of vehicles.

At September 30, 2007, the capital assets of the pension trust funds consist of machinery, equipment, furniture and fixtures of \$27,481 less accumulated depreciation of \$24,649. Depreciation expense for the year ended September 30, 2007 is \$2,832.

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

Governmental activities:	
General government	\$ 572,010
Public safety	2,300,652
Physical environment	117,866
Transportation, including depreciation of general infrastructure assets	11,928,671
Culture and recreation	3,890,157
Total depreciation expense - governmental activities	<u>\$ 18,809,356</u>
Business-type activities:	
Water, wastewater, and gas	\$ 11,878,639
Recycling	1,733
Stormwater	148,864
Golf course	34,305
Total depreciation expense - business-type activities	<u>\$ 12,063,541</u>

**D. Construction commitments**

At September 30, 2007, the City had in process various uncompleted construction projects with remaining balances totaling \$9,094,229. 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 \$835,304, the non-current portion of the loan. The current portion of the loan is recorded as an interfund receivable/payable.

The general fund advanced \$40,000 to the CDBG Grant special revenue fund. This advance was made to enable initial expenditures in this fund prior to grant reimbursement. The general fund reserves fund balance for \$40,000.

The composition of interfund balances as of September 30, 2007, is as follows.

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 71,237	\$ -
Non-major enterprise fund:		
Stormwater	-	71,237
Total interfund receivables/payables	<u>\$ 71,237</u>	<u>\$ 71,237</u>

**CITY OF SUNRISE, FLORIDA**

<u>Fund</u>	<u>Advance from</u>	<u>Advance to</u>
General fund	<u>\$ 875,304</u>	<u>\$ -</u>
Non-major governmental fund:		
Special revenue fund: CDBG Grant	<u>-</u>	<u>40,000</u>
Non-major enterprise fund:		
Stormwater	<u>-</u>	<u>835,304</u>
Total advances	<u>\$ 875,304</u>	<u>\$ 875,304</u>

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Purpose</u>
General fund	<u>\$ 901,791</u>	<u>\$ 854,929</u>	1,2,3,4,5
Debt service fund:			
Public Service Tax	<u>600,414</u>	<u>-</u>	2
Capital projects fund:			
Capital Improvements	<u>-</u>	<u>587</u>	3
Non-major governmental funds:			
Special revenue funds:			
CDBG Grant	-	16,525	1,3
Emergency Management	-	258	1,3
Urban Area Security Initiative Grant	-	278,353	1
Fuel and Roadway	-	914	1,3
SHIP Grant	-	85	3
Debt service fund:			
Special Tax District No. 1	<u>-</u>	<u>46,444</u>	5
Total non-major governmental funds	<u>-</u>	<u>342,579</u>	
Enterprise funds:			
Water, Wastewater, and Gas Utility System	<u>42,317</u>	<u>394,904</u>	1,2,3
Sanitation	<u>-</u>	<u>179,566</u>	4
Non-major enterprise funds:			
Recycling	-	75	3
Stormwater	-	1,402	1,3
Golf Course	<u>-</u>	<u>870</u>	1,3
Total non-major enterprise funds	<u>-</u>	<u>2,347</u>	
Pension trust funds:			
General Employees' Pension	40,921	-	3
Police Officers' Pension	40,723	-	3
Firefighters' Pension	<u>148,746</u>	<u>-</u>	3
Total pension trust funds	<u>230,390</u>	<u>-</u>	
Total due to/due from	<u>\$ 1,774,912</u>	<u>\$ 1,774,912</u>	

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

## CITY OF SUNRISE, FLORIDA

### Interfund transfers:

	Transfer out:				Total
	General fund	Public Service Tax debt service fund	Non-major governmental funds	Water, Waste-water and Gas Utility System enterprise fund	
Transfer in:					
General fund	\$ -	\$ 4,353,845 <sup>a</sup>	\$ 3,292,206 <sup>a</sup>	\$ 126,414 <sup>a</sup>	\$ 7,772,465
Capital Improvements capital projects fund	6,255,682 <sup>b</sup>	-	5,289,000 <sup>b</sup>	-	11,544,682
Non-major governmental funds	1,113,151 <sup>a</sup>	-	-	-	1,113,151
Sanitation enterprise fund	680,618 <sup>c</sup>	-	-	-	680,618
Non-major enterprise funds	1,029,967 <sup>c</sup>	-	-	-	1,029,967
Total	<u>\$ 9,079,418</u>	<u>\$ 4,353,845</u>	<u>\$ 8,581,206</u>	<u>\$ 126,414</u>	<u>\$22,140,883</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

### F. Leases

The City leases office equipment and other items. There are no material operating leases with noncancellable terms in excess of one year. In 1986, the City entered into a long-term capital lease agreement with Indian Trace Community Development District for pump station facilities. The final payment on this lease was made in December 2006.

### 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.

The bonds of the three special districts are not general or limited obligation debt or bonded indebtedness of the City and the City is not obligated to pay the bonds or bond service charges.

**CITY OF SUNRISE, FLORIDA**

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

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2008	\$ 5,080,000	\$ 510,055	\$ 7,260,000	\$ 9,565,498
2009	5,110,000	480,455	7,490,000	9,338,172
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
2013-2017	26,675,000	1,272,475	45,930,000	38,179,212
2018-2022	24,030,000	167,200	59,205,000	24,867,240
2023-2027	-	-	60,175,000	8,057,750
2028	-	-	965,000	48,250
	<u>76,420,000</u>	<u>3,673,735</u>	<u>204,960,000</u>	<u>116,606,225</u>
Plus/(less):				
Unappreciated accretion	<u>(25,280,197)</u>	<u>-</u>	<u>(4,444,477)</u>	<u>-</u>
Sub-total	51,139,803	3,673,735	200,515,523	116,606,225
Bond premium	-	-	552,173	-
Bond discount	-	-	(218,748)	-
Deferred amount on refunding	-	-	<u>(10,807,902)</u>	<u>-</u>
Total	<u>\$ 51,139,803</u>	<u>\$ 3,673,735</u>	<u>\$ 190,041,046</u>	<u>\$116,606,225</u>

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

Year Ending September 30	Principal	Interest
2008	\$ 1,795,000	\$ 1,338,523
2009	1,865,000	1,270,510
2010	1,930,000	1,197,639
2011	2,005,000	1,120,067
2012	2,090,000	1,036,509
2013-2017	11,060,000	3,799,224
2018-2021	9,155,000	1,146,410
Total	<u>\$ 29,900,000</u>	<u>\$ 10,908,882</u>



**CITY OF SUNRISE, FLORIDA**

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

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>
<b>Governmental activities</b>				
Public Facilities refunding revenue bonds, Series 1992A and 1992B	Refunding and fund certain municipal capital improvements			
Serial bonds		\$ 21,865,000	\$ -	3.30-6.20%
Term bonds		11,490,000	-	6.55%
Capital appreciation serial bonds		14,184,465	39,819,803	6.70-6.80%
Series 1999				
Serial bonds		25,485,000	6,865,000	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	2,390,000	4.413%
Sunrise Lakes Phase II Special Recreation District public improvement refunding bonds, Series 1998	Refunding			
Bank note		3,125,000	1,460,000	4.316%
Special Tax District No. 1 ad valorem tax refunding bonds, Series 2001	Refunding			
Serial bonds		26,660,000	20,465,000	2.70%-5.00%
ad valorem tax bonds, Series 2003	Fund certain District capital improvements			
Serial bonds		<u>6,770,000</u>	<u>5,585,000</u>	1.25-4.60%
Total governmental activities bonds		<u>\$117,669,465</u>	<u>\$ 81,039,803</u>	

**CITY OF SUNRISE, FLORIDA**

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

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>
<b>Business-type activities</b>				
Utility revenue bonds:				
Series 1993	Refunding			
Serial bonds		\$ 11,100,000	\$ -	3.25-5.20%
Term bonds		1,855,000	1,855,000	5.60%
Capital appreciation bonds		7,194,299	12,942,571	5.55-5.80%
Series 1996	Refunding and fund			
Serial bonds	utility system projects	43,155,000	14,100,000	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	5,202,952	4.80-5.80%
Series 1998	Refunding and fund			
Serial bonds	utility system	13,935,000	7,965,000	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>14,800,000</u>	5.50%
Total business-type activities bonds		<u>\$ 377,567,368</u>	<u>\$ 200,515,523</u>	

## 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 9/30/07</u>
Utility System revenue bonds	1976	1983	\$ 6,315,000
	1976A	1983	500,000
	1976B	1983	2,145,000
	1976C	1983	495,000
	1976D	1983	530,000
	1976E	1983	1,035,000
	1976F	1983	665,000
	1983A	1985	680,000
	1983C	1985	980,000
	1997	1998	<u>10,855,000</u>
Total outstanding defeased debt			<u>\$ 24,200,000</u>

**CITY OF SUNRISE, FLORIDA**

**Change in long-term liabilities**

Long-term liability activity for the year ended September 30, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 85,113,717	\$ 2,556,086 *	\$ (6,630,000)	\$ 81,039,803	\$ 6,875,000
Other including capital leases	28,084	-	(28,084)	-	-
Compensated absences	8,562,702	5,688,350	(5,331,984)	8,919,068	536,076
Claims and judgments	<u>3,793,543</u>	<u>212,751</u>	<u>-</u>	<u>4,006,294</u>	<u>1,791,223</u>
Governmental activity long-term liabilities	<u>\$ 97,498,046</u>	<u>\$ 8,457,187</u>	<u>\$(11,990,068)</u>	<u>\$ 93,965,165</u>	<u>\$ 9,202,299</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 206,416,408	\$ 1,149,115 *	\$ (7,050,000)	\$ 200,515,523	\$ 7,260,000
Less deferred amounts:					
For issuance discounts	(263,513)	44,765	-	(218,748)	-
For issuance premiums	601,953	-	(49,780)	552,173	-
On refunding	<u>(11,814,572)</u>	<u>1,006,670</u>	<u>-</u>	<u>(10,807,902)</u>	<u>-</u>
Total bonds payable	194,940,276	2,200,550	(7,099,780)	190,041,046	7,260,000
Compensated absences	<u>2,983,916</u>	<u>2,062,803</u>	<u>(1,921,611)</u>	<u>3,125,108</u>	<u>276,997</u>
Business-type activity long-term liabilities	<u>\$ 197,924,192</u>	<u>\$ 4,263,353</u>	<u>\$(9,021,391)</u>	<u>\$ 193,166,154</u>	<u>\$ 7,536,997</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 2007-2008 fiscal year is 5.1232 mills. Maximum millage levies were limited for fiscal year 2008 due to House Bill 1B, signed into law during Special Legislative Session. The City reduced its levy further than what was required. Current tax collections for the year ended September 30, 2007 were approximately 99.5% 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

## CITY OF SUNRISE, FLORIDA

of the current period. No accrual for the property tax levy becoming due in November 2007 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 25, 2006. 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, 2007 is shown as follows:

Lien date	January 1, 2006
Levy date, tax bills mailed	November 1, 2006
Last date for 4% discount on taxes paid	November 30, 2006
Last date for 3% discount on taxes paid	December 31, 2006
Last date for 2% discount on taxes paid	January 31, 2007
Last date for 1% discount on taxes paid	February 28, 2007
Final due date of payment of taxes	March 31, 2007
First date for auctioning tax certificates on delinquent accounts	June 1, 2007

### 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 \$4,006,294, which is discounted at 4%, is reported in the fund at September 30, 2007 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.

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The following schedule presents the changes in aggregate claims liability (in thousands) for the past two years:

	Year ended <u>9/30/06</u>	Year ended <u>9/30/07</u>
Unpaid claims, beginning of fiscal year	\$ 3,503	\$ 3,794
Incurred claims (and estimate changes)	1,020	212
Claim payments	<u>(729)</u>	<u>-</u>
Unpaid claims, end of fiscal year	<u>\$ 3,794</u>	<u>\$ 4,006</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.

In accordance with various utility purchase agreements, the utility system has potential future liabilities (ERC's) resulting from the growth of purchased utility systems and the corresponding service areas. This additional liability, if any, is computed and settled annually. No liability was incurred for this fiscal year.

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.

### **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.

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

## CITY OF SUNRISE, FLORIDA

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 nine members in the DROP as of September 30, 2007. 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. 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 enters the DROP between August 14, 2001 and December 12, 2004 is eligible for a 13<sup>th</sup> check, the amount of which cannot exceed 100% of a participant's monthly retirement benefit. In the event that the cumulative net actuarial gain exceeds the amount distributed by the 13<sup>th</sup> check and the City's required contributions to the Plan, a 14<sup>th</sup> check will be distributed to eligible participants – those eligible for a 13<sup>th</sup> check, except for DROP participants.

City Ordinance 124-X-02-B, approved March 12, 2002, established a retirement incentive program for firefighters. During a "window period" of thirty calendar days, beginning February 27, 2002, eligible firefighters could have made an irrevocable election to participate in this program. The eligible firefighters must have retired and separated from City employment no later than April 15, 2002. Eligible firefighters who elected the Program could have also elected to participate in a DROP for up to thirty-six months or, alternatively, elect a BAC-DROP option for up to eighteen months. Beginning four years after retirement or entry into the DROP, a 2% annual increase in retirement benefits is applicable for all members. As of January 1, 2004, eligible firefighters can now participate in the DROP for a maximum period of sixty months. As of September 30, 2007, sixteen firefighters were participating in this program.

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 60 months prior to termination of employment, except senior management who are limited to a maximum 72 months. As of September 30, 2007, there were sixty-one participants in the DROP. Beginning one year after retirement or entry into the DROP, an annual increase in retirement benefits of 2% for management members and 2.5% for senior management who reach early or normal retirement age and begin receiving benefits after June 12, 2001, is applicable. For eligible general employees, a supplemental pension distribution in the form of an optional 13<sup>th</sup> check, based on the cumulative net actuarial gain is available; effective January 1, 2004, a minimum of one-half of the 13<sup>th</sup> check is guaranteed payable, notwithstanding actuarial gains.

The Governmental Money Purchase Plan and Trust (Purchase Plan) was established for senior managers who are members of the General Employees' Pension Plan. The Purchase Plan was subsequently amended on March 12, 2003 by Ordinance 715-X-03-A, to additionally include all management employees with more than 10 years of City service and city commissioners. The City contributes 3% of earnings each plan year (calendar

## CITY OF SUNRISE, FLORIDA

year) on behalf of each eligible management employee, 6% of earnings each plan year on behalf of each senior management employee and each city commissioner and 12% of earnings each plan year on behalf of the city manager and city attorney; 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 \$229,325 for the fiscal year ended September 30, 2007 for the fifty-eight employees covered under the plan. The Purchase Plan was amended on June 5, 2001 to include all City employees, at no cost to the City. City ordinance provides the authority to establish and amend benefit provisions and contribution requirements for the Governmental Money Purchase Plan and Trust.

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 Center, 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: Carolyn Furlong	Telephone No. (954) 730-2068

The remaining pension plan note reflects pension information for the City's three single-employer defined benefit pension plans.

**Funding policy and annual pension cost:** The contribution requirements of plan members and the City are established and may be amended by City Ordinance. Plan member contributions are recognized in the period in which the contributions are due. The City contributes an actuarially determined amount to fully fund benefits for active members. Any unfunded actuarial liability is amortized as a level percent of projected member payroll over a period of thirty years for the Police Officers' 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



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recognized when due and payable in accordance with the terms of the plans. If the City's calculated contribution exceeds 19.2% for the Firefighters' Pension Plan, the employees and the City are each required to fund 50% of the excess over the 19.2% amount. 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. 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	19.11%	22.34%	18.20%
Plan members		9.84%	10.63%
General employees	8.00%		
Management, senior management	8.70%		
Annual pension costs	\$ 6,678,642	\$ 4,437,488	\$ 3,248,078
Contributions made:			
City	\$ 4,548,500	\$ 2,630,050	\$ 1,344,165
Plan members	2,130,142	1,247,759	1,088,917
Other	-	559,679 <sup>1</sup>	814,996 <sup>1</sup>

<sup>1</sup>The Police Officers' and Firefighters' Pension Plans are partially funded by contributions from the State of Florida under Chapters 185 and 175, respectively, of the Florida Statutes. This contribution consists of excise taxes collected on fire and casualty insurance premiums on policies written within the City.

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).

The annual required contributions for the current year were determined as part of the October 1, 2005 actuarial valuation for the Firefighters', General Employees', and Police Officers' Pension Plans. Additional information as of the latest actuarial valuation date of October 1, 2006 for the Firefighters', General Employees', and Police Officers' Pension Plans follows.

**CITY OF SUNRISE, FLORIDA**

	<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	Level percent, closed	Level percent, closed
Remaining amortization period	28 years	30 years	30 years
Actuarial assumptions:			
Investment rate of return	8.25%	8.5%	8.25%
Inflation rate	4%	4%	4.25%
Projected salary increases*	6%	5.2%-8.5%	4.25%-9.25%
Cost of living adjustments	2% for eligible management employees, 2.5% for eligible senior management employees	2% 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	Asset appreciation (depreciation) amortized over 5 years
Non-government investment in excess of 5%	None	None	None

\*Projected salary increases include inflation.

Three-year trend information follows:

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
General Employees' Pension Plan:	9/30/05	\$ 5,368,089	100%	\$0
	9/30/06	6,513,506	100	0
	9/30/07	6,678,642	100	0
Police Officers' Pension Plan:	9/30/05	\$ 2,868,847	100%	\$0
	9/30/06	3,444,785	100	0
	9/30/07	4,437,488	100	0
Firefighters' Pension Plan:	9/30/05	\$ 2,984,301	100%	\$0
	9/30/06	3,028,219	100	0
	9/30/07	3,248,078	100	0

**D. Other post-employment benefits**

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

## CITY OF SUNRISE, FLORIDA

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. Benefits are financed on a “pay-as-you-go basis”. The City incurred expenditures of \$113,865 for its three eligible payees covered during the fiscal year ended September 30, 2007.

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 health insurance 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 health insurance subsidy of \$200 per month for all general employees, per the Collective Bargaining Agreement between the City and the Federation of Public Employees. The subsidy commenced at the same time the General Employees’ Retirement Plan member began to receive normal or early retirement benefits and continues until the plan member reaches age 65. Upon attaining age 65, bargaining unit employees will receive 75% of the \$200 per month subsidy, except that senior managers will receive 75% of the benefit received immediately prior to attaining age 65. If a general executive management or supervisory/professional employee dies before age 65, the health insurance subsidy continues to be paid to that member’s spouse until the date that member would have reached age 65. Effective October 1, 2006, eligible general employees who retire and separate employment will be paid a monthly subsidy of \$250, which shall continue for the life of the retiree. Benefits are financed on a “pay-as-you-go basis”. The City recognized expenditures of \$196,253 for the seventy participants covered during the fiscal year ended September 30, 2007.

Effective March 12, 2003, the City, under Ordinance No. 715-X-98-A and amended by Ordinance No. 715-X-03-A, provided all management and senior management employees who separate from the City after age 50 with at least ten years of City service and city commissioners elected to at least two terms of office who are no longer serving the City and attain age 50 with life insurance in the amount being funded by the City at the time of separation from service until the individual attains the age of 66. Funding for this benefit is on a “pay-as-you-go basis”. The City incurred expenditures of \$6,528 for sixteen eligible individuals covered during the fiscal year ended September 30, 2007.

Effective May 27, 2003, the City, under Ordinance No. 715-X-98-A and amended by Ordinance No. 715-X-03-B, provided a long-term care benefit of \$4,500 per month with inflation guard to executive management and supervisory/professional employees with at least ten years of continuous City service in management or city commissioners elected to at least two terms of office and \$6,000 per month with inflation guard to senior managers and their eligible spouses. The City will continue to provide long-term care insurance to an eligible spouse of a senior management employee who is married to the employee at the time of the employee’s separation from the City and who was receiving long-term care insurance if the employee dies, regardless of the age of the employee at the time of death, provided the employee and spouse are still married. Benefits are financed on a “pay-as-

## CITY OF SUNRISE, FLORIDA

you-go basis". The City recognized expenditures of \$17,326 for eight eligible individuals covered during the fiscal year ended September 30, 2007.

The City anticipates revisiting its funding strategy when it implements GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for fiscal year ending September 30, 2008.

### **E. Subsequent events**

#### **Local Government Surplus Trust Fund Investment Pool**

As discussed in Note IV, at September 30, 2007, the City had \$274,796,685 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from BlackRock, an independent investment advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of top-tier money market assets of the highest quality, while Pool B contained assets that either defaulted on a payment, paid more slowly than expected, or had significant credit or liquidity risk. Pool A represented about 86%, or approximately \$12 billion, of the pool assets and Pool B was approximately \$2 billion (or 14% of the pool assets). On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAm" principal stability fund rating to Pool A. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 37% of their balance or \$4 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. However, cash holdings are being distributed to participants as they become available from maturities, sales, interest and principal payments as a transfer from Pool B to Pool A participant accounts in proportion to original adjusted Pool B balances. To date, approximately \$570 million has been transferred from Pool B to Pool A, and this is not subject to withdrawal restrictions. The most current holdings report, dated February 18, 2008, indicates an approximate \$1.5 billion par value on Pool B assets. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

## CITY OF SUNRISE, FLORIDA

As of the January 31, 2008 pool statements, the City had \$233,909,360 and \$38,199,326 invested in Pool A and B, respectively. Since that time, a transfer from Pool B to Pool A was effected on February 8, 2008, which transferred approximately \$11 million. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

### **Property Tax Amendment**

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. With respect to homesteaded property, Amendment 1 increases 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 allows property owners to transfer (make portable) 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 (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.

With respect to non-homesteaded property (businesses, industrial property, rental property, second homes, etc.), Amendment 1 limits (caps) the annual increase in assessed value to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property.

Amendment 1 becomes effective on October 1, 2008, with the exception of the ten percent (10%) assessment cap on non-homesteaded property, which becomes effective on January 1, 2009.

Based on information received from the Broward County Property Appraiser's Office, the estimated annual loss of property tax revenues for our City from the additional homestead exemption and the \$25,000 exemption for tangible personal property is approximately \$2.4 million. At present, there is no accurate way to determine the impact of the portability and assessment cap on non-homesteaded property in terms of potential loss of property tax revenues.

### **Future Pronouncements**

Effective October 1, 2007, the City will implement GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*.

**CITY OF SUNRISE, FLORIDA**

**Required Supplementary Information  
(unaudited)**

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age*</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
<b>General Employees' Pension Fund</b>						
10/1/04	\$ 76,485	\$ 96,029	\$ 19,544	79.6%	\$ 22,938	85.2%
10/1/05	81,222	105,624	24,402	76.9	23,805	102.5
10/1/06	87,844	123,029	35,185	71.4	25,558	137.7
<b>Police Officers' Pension Fund</b>						
10/1/04	\$ 41,494	\$ 49,002	\$ 7,508	84.7%	\$ 10,894	68.9%
10/1/05	42,541	60,812	18,271	70.0	11,323	161.4
10/1/06	45,227	68,241	23,014	66.3	11,686	196.9
<b>Firefighters' Pension Fund</b>						
10/1/04	\$ 49,829	\$ 57,076	\$ 7,247	87.3%	\$ 7,339	98.7%
10/1/05	52,871	64,242	11,371	82.3	8,965	126.8
10/1/06	57,336	71,894	14,558	79.8	10,095	144.2

\*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.

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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.*

*Community Development Block Grant Fund*

*Accounts for the receipts and disbursements of the Community Development Block Grant funds.*

*Impact Fees Fund*

*Accounts for the receipts and disbursements of impact fees received from developers.*

*Open Space Preservation Fund*

*Accounts for funding for park land in order to provide open space to the City.*

*Emergency Management Fund*

*Accounts for emergency/disaster mitigation, planning, response and recovery efforts.*

*Urban Area Security Initiative Grant Fund*

*Accounts for the receipts and disbursements of the Urban Area Security Initiative Grant funds.*

*Fuel & Roadway Fund*

*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.*

*Vehicle Replacement Fund*

*Accounts for funding for vehicle replacement.*

*State Housing Initiative Partnership Grant Fund*

*Accounts for the receipts and disbursements of the State Housing Initiative Partnership Grant funds.*

*Police Confiscation Fund*

*Accounts for the receipts and disbursements of police confiscation funds.*



## ***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, Series 1993 with remaining principal and interest due in varying amounts until maturity on October 1, 2006.*

***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, 2007

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,048,107	\$ 2,989,364	\$ 3,530,194	\$ 24,567,665
Investments	-	6,581,116	-	6,581,116
Interest receivable	-	24,310	-	24,310
Franchise fees receivable	-	605,848	-	605,848
Special assessments receivable	-	4,757,497	-	4,757,497
Other receivables	23,294	-	-	23,294
Intergovernmental receivable	494,690	-	-	494,690
Inventories	37,043	-	-	37,043
<b>Total assets</b>	<b>\$ 18,603,134</b>	<b>\$ 14,958,135</b>	<b>\$ 3,530,194</b>	<b>\$ 37,091,463</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 145,651	\$ 50,195	\$ 51	\$ 195,897
Accrued liabilities	4,986	-	-	4,986
Retainage payable	-	-	316,194	316,194
Intergovernmental payable	2,898	-	-	2,898
Due to other funds	296,135	46,444	-	342,579
Matured bonds payable	-	1,740,000	-	1,740,000
Matured interest payable	-	700,642	-	700,642
Other	15,247	-	-	15,247
Deferred revenue	-	4,757,497	-	4,757,497
Advances from other funds	40,000	-	-	40,000
<b>Total liabilities</b>	<b>504,917</b>	<b>7,294,778</b>	<b>316,245</b>	<b>8,115,940</b>
<b>FUND BALANCES</b>				
Reserved for inventories	37,043	-	-	37,043
Reserved for debt service	-	4,554,846	-	4,554,846
Reserved for recreation	990,684	-	-	990,684
Reserved for public safety	52,295	-	-	52,295
Reserved for fire equipment	301,416	-	-	301,416
Reserved for median strips	503,390	-	-	503,390
Unreserved, designated for encumbrances	472,116	-	-	472,116
Unreserved, designated for subsequent year's expenditures	7,782,756	-	2,997,965	10,780,721
Unreserved, undesignated	7,958,517	3,108,511	215,984	11,283,012
<b>Total fund balances</b>	<b>18,098,217</b>	<b>7,663,357</b>	<b>3,213,949</b>	<b>28,975,523</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,603,134</b>	<b>\$ 14,958,135</b>	<b>\$ 3,530,194</b>	<b>\$ 37,091,463</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ 2,444,361	\$ -	\$ 2,444,361
Franchise	-	6,131,307	-	6,131,307
Gas	1,653,308	-	-	1,653,308
Impact fees	184,880	-	-	184,880
Intergovernmental	1,405,265	-	-	1,405,265
Fuel tax refund	63,499	-	-	63,499
Fines and forfeitures	590,054	-	-	590,054
Special assessments	-	555,300	-	555,300
Investment earnings	1,131,391	557,415	183,242	1,872,048
Miscellaneous	220,276	-	202	220,478
Total revenues	<u>5,248,673</u>	<u>9,688,383</u>	<u>183,444</u>	<u>15,120,500</u>
<b>EXPENDITURES</b>				
Current:				
General government	34,316	-	-	34,316
Public safety	4,912,941	-	-	4,912,941
Economic development	1,307,126	-	-	1,307,126
Human services	5,212	-	-	5,212
Transportation	916,432	-	-	916,432
Debt service:				
Principal	-	1,740,000	-	1,740,000
Interest	-	1,401,285	-	1,401,285
Other	-	68,570	-	68,570
Capital outlay	2,278,137	-	904	2,279,041
Total expenditures	<u>9,454,164</u>	<u>3,209,855</u>	<u>904</u>	<u>12,664,923</u>
Excess of revenues over expenditures	<u>(4,205,491)</u>	<u>6,478,528</u>	<u>182,540</u>	<u>2,455,577</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General fund	1,113,151	-	-	1,113,151
Transfers out:				
General fund	-	(3,292,206)	-	(3,292,206)
Capital projects fund:				
Capital Improvement	<u>(1,289,000)</u>	<u>(4,000,000)</u>	-	<u>(5,289,000)</u>
Total other financing sources and (uses)	<u>(175,849)</u>	<u>(7,292,206)</u>	<u>-</u>	<u>(7,468,055)</u>
Net change in fund balances	(4,381,340)	(813,678)	182,540	(5,012,478)
Fund balances - beginning	<u>22,479,557</u>	<u>8,477,035</u>	<u>3,031,409</u>	<u>33,988,001</u>
Fund balances - ending	<u>\$ 18,098,217</u>	<u>\$ 7,663,357</u>	<u>\$ 3,213,949</u>	<u>\$ 28,975,523</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2007

	Community Development Block Grant	Impact Fees	Open Space Preservation	Emergency Management	Urban Area Security Initiative Grant	Fuel and Roadway	Vehicle Replacement	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ 1,847,785	\$ 1,653,141	\$ 3,659,937	\$ -	\$ 1,161,583	\$ 6,162,434	\$ 1,910,006	\$ 1,653,221	\$ 18,048,107
Other receivables	-	-	-	-	-	23,294	-	-	-	23,294
Intergovernmental receivable	61,004	-	-	-	278,353	136,986	-	-	18,347	494,690
Inventories	-	-	-	-	-	37,043	-	-	-	37,043
<b>Total assets</b>	<b>\$ 61,004</b>	<b>\$ 1,847,785</b>	<b>\$ 1,653,141</b>	<b>\$ 3,659,937</b>	<b>\$ 278,353</b>	<b>\$ 1,358,906</b>	<b>\$ 6,162,434</b>	<b>\$ 1,910,006</b>	<b>\$ 1,671,568</b>	<b>\$ 18,603,134</b>
<b>LIABILITIES</b>										
Accounts payable	\$ 716	\$ -	\$ -	\$ 47,396	\$ -	\$ 80,748	\$ 1,764	\$ 12,113	\$ 2,914	\$ 145,651
Accrued liabilities	2,028	-	-	1,355	-	464	-	1,139	-	4,986
Intergovernmental payable	1,735	-	-	-	-	-	-	1,163	-	2,898
Due to other funds	16,525	-	-	258	278,353	914	-	85	-	296,135
Other	-	-	-	-	-	-	-	137	15,110	15,247
Advances from other funds	40,000	-	-	-	-	-	-	-	-	40,000
<b>Total liabilities</b>	<b>\$ 61,004</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,009</b>	<b>\$ 278,353</b>	<b>\$ 82,126</b>	<b>\$ 1,764</b>	<b>\$ 14,637</b>	<b>\$ 18,024</b>	<b>\$ 504,917</b>
<b>FUND BALANCES</b>										
Reserved for inventories	-	-	-	-	-	37,043	-	-	-	37,043
Reserved for recreation	-	990,684	-	-	-	-	-	-	-	990,684
Reserved for public safety	-	52,295	-	-	-	-	-	-	-	52,295
Reserved for fire equipment	-	301,416	-	-	-	-	-	-	-	301,416
Reserved for median strips	-	503,390	-	-	-	-	-	-	-	503,390
Unreserved, designated for encumbrances	-	-	-	-	-	109,193	103,298	113,599	146,026	472,116
Unreserved, designated for subsequent year's expenditures	-	-	1,500,000	-	-	729,646	5,553,110	-	-	7,782,756
Unreserved, undesignated	-	-	153,141	3,610,928	-	400,898	504,262	1,781,770	1,507,518	7,958,517
<b>Total fund balances</b>	<b>-</b>	<b>\$ 1,847,785</b>	<b>\$ 1,653,141</b>	<b>\$ 3,610,928</b>	<b>\$ -</b>	<b>\$ 1,276,780</b>	<b>\$ 6,160,670</b>	<b>\$ 1,895,369</b>	<b>\$ 1,653,544</b>	<b>\$ 18,098,217</b>
<b>Total liabilities and fund balances</b>	<b>\$ 61,004</b>	<b>\$ 1,847,785</b>	<b>\$ 1,653,141</b>	<b>\$ 3,659,937</b>	<b>\$ 278,353</b>	<b>\$ 1,358,906</b>	<b>\$ 6,162,434</b>	<b>\$ 1,910,006</b>	<b>\$ 1,671,568</b>	<b>\$ 18,603,134</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Community Development Block Grant	Impact Fees	Open Space Preservation	Emergency Management	Urban Area Security Initiative Grant	Fuel and Roadway	Vehicle Replacement	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>										
Gas tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,653,308	\$ -	\$ -	\$ -	\$ 1,653,308
Impact fees	-	184,880	-	-	-	-	-	-	-	184,880
Intergovernmental	585,460	-	-	300,000	278,353	-	-	241,452	-	1,405,265
Fuel tax refund	-	-	-	-	-	63,499	-	-	-	63,499
Fines and forfeitures	-	-	-	-	-	-	-	-	590,054	590,054
Investment earnings	-	95,131	152,362	276,057	-	78,635	328,168	106,136	94,902	1,131,391
Miscellaneous	79,279	-	-	-	-	46,021	-	89,159	5,817	220,276
<b>Total revenues</b>	<b>664,739</b>	<b>280,011</b>	<b>152,362</b>	<b>576,057</b>	<b>278,353</b>	<b>1,841,463</b>	<b>328,168</b>	<b>436,747</b>	<b>690,773</b>	<b>5,248,673</b>
<b>EXPENDITURES</b>										
Current:										
General government	-	-	-	-	-	-	34,316	-	-	34,316
Public safety	67,528	-	-	4,377,164	-	-	-	-	468,249	4,912,941
Economic development	546,018	-	-	-	-	-	-	761,108	-	1,307,126
Human services	5,212	-	-	-	-	-	-	-	-	5,212
Transportation	43,593	-	-	-	-	872,839	-	-	-	916,432
Capital outlay	2,388	-	-	25,440	278,353	1,693,601	10,324	-	268,031	2,278,137
<b>Total expenditures</b>	<b>664,739</b>	<b>-</b>	<b>-</b>	<b>4,402,604</b>	<b>278,353</b>	<b>2,566,440</b>	<b>44,640</b>	<b>761,108</b>	<b>736,280</b>	<b>9,454,164</b>
Excess (deficiency) of revenues over (under) expenditures	-	280,011	152,362	(3,826,547)	-	(724,977)	283,528	(324,361)	(45,507)	(4,205,491)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in:										
General fund	-	-	-	1,113,151	-	-	-	-	-	1,113,151
Transfers out:										
Capital projects fund:										
Capital Improvement	-	-	(1,289,000)	-	-	-	-	-	-	(1,289,000)
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>(1,289,000)</b>	<b>1,113,151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(175,849)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>280,011</b>	<b>(1,136,638)</b>	<b>(2,713,396)</b>	<b>-</b>	<b>(724,977)</b>	<b>283,528</b>	<b>(324,361)</b>	<b>(45,507)</b>	<b>(4,381,340)</b>
Fund balances - beginning	-	1,567,774	2,789,779	6,324,324	-	2,001,757	5,877,142	2,219,730	1,699,051	22,479,557
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ 1,847,785</b>	<b>\$ 1,653,141</b>	<b>\$ 3,610,928</b>	<b>\$ -</b>	<b>\$ 1,276,780</b>	<b>\$ 6,160,670</b>	<b>\$ 1,895,369</b>	<b>\$ 1,653,544</b>	<b>\$ 18,098,217</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 SEPTEMBER 30, 2007

	Public Improvement	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,502,701	\$ 227,809	\$ 258,854	\$ -	\$ 2,989,364
Investments	-	-	-	6,581,116	6,581,116
Interest receivable	-	-	-	24,310	24,310
Franchise fees receivable	605,848	-	-	-	605,848
Special assessments receivable	-	3,070,044	1,687,453	-	4,757,497
<b>Total assets</b>	<b>\$ 3,108,549</b>	<b>\$ 3,297,853</b>	<b>\$ 1,946,307</b>	<b>\$ 6,605,426</b>	<b>\$ 14,958,135</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 38	\$ 29	\$ 28	\$ 50,100	\$ 50,195
Due to other funds	-	-	-	46,444	46,444
Matured bonds payable	-	165,000	215,000	1,360,000	1,740,000
Matured interest payable	-	56,376	36,146	608,120	700,642
Deferred revenue	-	3,070,044	1,687,453	-	4,757,497
<b>Total liabilities</b>	<b>38</b>	<b>3,291,449</b>	<b>1,938,627</b>	<b>2,064,664</b>	<b>7,294,778</b>
<b>FUND BALANCES</b>					
Reserved for:					
Debt service	-	6,404	7,680	4,540,762	4,554,846
Unreserved, undesignated	3,108,511	-	-	-	3,108,511
<b>Total fund balances</b>	<b>3,108,511</b>	<b>6,404</b>	<b>7,680</b>	<b>4,540,762</b>	<b>7,663,357</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,108,549</b>	<b>\$ 3,297,853</b>	<b>\$ 1,946,307</b>	<b>\$ 6,605,426</b>	<b>\$ 14,958,135</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Public Improvement	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
<b>REVENUES</b>					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ 2,444,361	\$ 2,444,361
Franchise	6,131,307	-	-	-	6,131,307
Special assessments	-	273,600	281,700	-	555,300
Investment earnings	257,421	5,862	6,796	287,336	557,415
Total revenues	<u>6,388,728</u>	<u>279,462</u>	<u>288,496</u>	<u>2,731,697</u>	<u>9,688,383</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	-	165,000	215,000	1,360,000	1,740,000
Interest	-	112,752	72,293	1,216,240	1,401,285
Other	2,968	487	312	64,803	68,570
Total expenditures	<u>2,968</u>	<u>278,239</u>	<u>287,605</u>	<u>2,641,043</u>	<u>3,209,855</u>
Excess of revenues over expenditures	<u>6,385,760</u>	<u>1,223</u>	<u>891</u>	<u>90,654</u>	<u>6,478,528</u>
<b>OTHER FINANCING USES</b>					
Transfers out:					
General fund	(3,292,206)	-	-	-	(3,292,206)
Capital projects fund:					
Capital improvements	(4,000,000)	-	-	-	(4,000,000)
Total other financing uses	<u>(7,292,206)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,292,206)</u>
Net change in fund balances	(906,446)	1,223	891	90,654	(813,678)
Fund balances - beginning	<u>4,014,957</u>	<u>5,181</u>	<u>6,789</u>	<u>4,450,108</u>	<u>8,477,035</u>
Fund balances - ending	<u>\$ 3,108,511</u>	<u>\$ 6,404</u>	<u>\$ 7,680</u>	<u>\$ 4,540,762</u>	<u>\$ 7,663,357</u>



CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 SEPTEMBER 30, 2007

	Public Facilities	Special Tax District No. 1 Capital Projects	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,809,274	\$ 1,720,920	\$ 3,530,194
<b>LIABILITIES</b>			
Accounts payable	\$ 13	\$ 38	\$ 51
Retainage payable	-	316,194	316,194
Total liabilities	13	316,232	316,245
<b>FUND BALANCES</b>			
Unreserved, designated for subsequent year's expenditures	1,700,500	1,297,465	2,997,965
Unreserved, undesignated	108,761	107,223	215,984
Total fund balances	1,809,261	1,404,688	3,213,949
Total liabilities and fund balances	\$ 1,809,274	\$ 1,720,920	\$ 3,530,194

**CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Public Facilities</b>	<b>Special Tax District No. 1 Capital Projects</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>			
Investment earnings	\$ 95,956	\$ 87,286	\$ 183,242
Miscellaneous	202	-	202
<b>Total revenues</b>	<b>96,158</b>	<b>87,286</b>	<b>183,444</b>
<b>EXPENDITURES</b>			
Capital outlay	393	511	904
<b>Excess of revenues over expenditures</b>	<b>95,765</b>	<b>86,775</b>	<b>182,540</b>
<b>Fund balances - beginning</b>	<b>1,713,496</b>	<b>1,317,913</b>	<b>3,031,409</b>
<b>Fund balances - ending</b>	<b>\$ 1,809,261</b>	<b>\$ 1,404,688</b>	<b>\$ 3,213,949</b>

**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, 2007**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 1,571,754	\$ 585,460	\$ (986,294)
Miscellaneous	75,000	79,279	4,279
<b>Total revenues</b>	<b>1,646,754</b>	<b>664,739</b>	<b>(982,015)</b>
<b>EXPENDITURES</b>			
Current:			
Public safety	68,998	67,528	1,470
Economic development	1,477,163	546,018	931,145
Human services	54,000	5,212	48,788
Transportation	43,593	43,593	-
Capital outlay	3,000	2,388	612
<b>Total expenditures</b>	<b>1,646,754</b>	<b>664,739</b>	<b>982,015</b>
Excess of revenues over expenditures	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2007**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Impact fees	\$ 71,100	\$ 184,880	\$ 113,780
Investment earnings	60,000	95,131	35,131
<b>Total revenues</b>	<b>131,100</b>	<b>280,011</b>	<b>148,911</b>
<b>Excess of revenues over expenditures</b>	<b>131,100</b>	<b>280,011</b>	<b>148,911</b>
Fund balances - beginning	1,567,774	1,567,774	-
Fund balances - ending	<b>\$ 1,698,874</b>	<b>\$ 1,847,785</b>	<b>\$ 148,911</b>

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, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 152,362	\$ 152,362
<b>EXPENDITURES</b>			
Capital outlay	1,500,000	-	1,500,000
Excess (deficiency) of revenues over (under) expenditures	(1,500,000)	152,362	1,652,362
<b>OTHER FINANCING USES</b>			
Transfers out	(1,289,000)	(1,289,000)	-
Net change in fund balances	(2,789,000)	(1,136,638)	1,652,362
Fund balances - beginning	2,789,779	2,789,779	-
Fund balances - ending	\$ 779	\$ 1,653,141	\$ 1,652,362

**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, 2007**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 300,000	\$ 300,000
Investment earnings	-	276,057	276,057
<b>Total revenues</b>	<u>                    </u>	<u>576,057</u>	<u>576,057</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	7,288,228	4,377,164	2,911,064
Capital outlay	<u>38,500</u>	<u>25,440</u>	<u>13,060</u>
<b>Total expenditures</b>	<u>7,326,728</u>	<u>4,402,604</u>	<u>2,924,124</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(7,326,728)	(3,826,547)	3,500,181
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>1,113,151</u>	<u>1,113,151</u>	-
<b>Net change in fund balances</b>	(6,213,577)	(2,713,396)	3,500,181
Fund balances - beginning	<u>6,324,324</u>	<u>6,324,324</u>	-
Fund balances - ending	<u>\$ 110,747</u>	<u>\$ 3,610,928</u>	<u>\$ 3,500,181</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, 2007**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$ 698,600	\$ 278,353	\$ (420,247)
<b>EXPENDITURES</b>			
Current:			
Public safety	35,000	-	35,000
Capital outlay	<u>663,600</u>	<u>278,353</u>	<u>385,247</u>
Total expenditures	<u>698,600</u>	<u>278,353</u>	<u>420,247</u>
Excess of revenues over expenditures	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Gas tax	\$ 1,650,000	\$ 1,653,308	\$ 3,308
Fuel tax refund	55,000	63,499	8,499
Investment earnings	60,000	78,635	18,635
Miscellaneous	37,000	46,021	9,021
<b>Total revenues</b>	<b>1,802,000</b>	<b>1,841,463</b>	<b>39,463</b>
<b>EXPENDITURES</b>			
Current:			
Transportation	1,123,752	872,839	250,913
Capital outlay	2,624,017	1,693,601	930,416
<b>Total expenditures</b>	<b>3,747,769</b>	<b>2,566,440</b>	<b>1,181,329</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,945,769)</b>	<b>(724,977)</b>	<b>1,220,792</b>
Fund balances - beginning	2,001,757	2,001,757	-
Fund balances - ending	<b>\$ 55,988</b>	<b>\$ 1,276,780</b>	<b>\$ 1,220,792</b>



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, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 328,168	\$ 328,168
<b>EXPENDITURES</b>			
Current:			
General government	39,618	34,316	5,302
Capital outlay	3,570,826	10,324	3,560,502
Total expenditures	3,610,444	44,640	3,565,804
Excess (deficiency) of revenues over (under) expenditures	(3,610,444)	283,528	3,893,972
Fund balances - beginning	5,877,142	5,877,142	-
Fund balances - ending	\$ 2,266,698	\$ 6,160,670	\$ 3,893,972

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, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 827,917	\$ 241,452	\$ (586,465)
Investment earnings	50,000	106,136	56,136
Miscellaneous	150,000	89,159	(60,841)
Total revenues	<u>1,027,917</u>	<u>436,747</u>	<u>(591,170)</u>
<b>EXPENDITURES</b>			
Current:			
Economic development	<u>2,573,004</u>	<u>761,108</u>	<u>1,811,896</u>
Excess (deficiency) of revenues over (under) expenditures	(1,545,087)	(324,361)	1,220,726
Fund balances - beginning	<u>2,219,730</u>	<u>2,219,730</u>	<u>-</u>
Fund balances - ending	<u>\$ 674,643</u>	<u>\$ 1,895,369</u>	<u>\$ 1,220,726</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, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ 590,054	\$ 590,054
Investment earnings	-	94,902	94,902
Miscellaneous	-	5,817	5,817
<b>Total revenues</b>	<u>-</u>	<u>690,773</u>	<u>690,773</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	663,714	468,249	195,465
Capital outlay	338,760	268,031	70,729
<b>Total expenditures</b>	<u>1,002,474</u>	<u>736,280</u>	<u>266,194</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,002,474)</b>	<b>(45,507)</b>	<b>956,967</b>
<b>Fund balances - beginning</b>	<u>1,699,051</u>	<u>1,699,051</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 696,577</u>	<u>\$ 1,653,544</u>	<u>\$ 956,967</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, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Franchise taxes	\$ 5,050,000	\$ 6,131,307	\$ 1,081,307
Investment earnings	110,000	257,421	147,421
<b>Total revenues</b>	<u>5,160,000</u>	<u>6,388,728</u>	<u>1,228,728</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	799,424	-	799,424
Interest	1,057,570	-	1,057,570
Bond issuance costs	467,950	-	467,950
Other	10,800	2,968	7,832
<b>Total expenditures</b>	<u>2,335,744</u>	<u>2,968</u>	<u>2,332,776</u>
<b>Excess of revenues over expenditures</b>	<u>2,824,256</u>	<u>6,385,760</u>	<u>3,561,504</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Revenue bonds issued	467,950	-	(467,950)
Transfers out	(7,292,206)	(7,292,206)	-
<b>Total other financing sources (uses)</b>	<u>(6,824,256)</u>	<u>(7,292,206)</u>	<u>(467,950)</u>
<b>Net change in fund balances</b>	<u>(4,000,000)</u>	<u>(906,446)</u>	<u>3,093,554</u>
Fund balances - beginning	<u>4,014,957</u>	<u>4,014,957</u>	<u>-</u>
Fund balances - ending	<u>\$ 14,957</u>	<u>\$ 3,108,511</u>	<u>\$ 3,093,554</u>

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, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Special assessments	\$ 273,600	\$ 273,600	\$ -
Investment earnings	5,862	5,862	-
<b>Total revenues</b>	<u>279,462</u>	<u>279,462</u>	<u>-</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	165,000	165,000	-
Interest	112,752	112,752	-
Other	487	487	-
<b>Total expenditures</b>	<u>278,239</u>	<u>278,239</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	1,223	1,223	-
Fund balances - beginning	<u>5,181</u>	<u>5,181</u>	<u>-</u>
Fund balances - ending	<u>\$ 6,404</u>	<u>\$ 6,404</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, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Special assessments	\$ 281,700	\$ 281,700	\$ -
Investment earnings	6,796	6,796	-
<b>Total revenues</b>	<u>288,496</u>	<u>288,496</u>	<u>-</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	215,000	215,000	-
Interest	72,293	72,293	-
Other	312	312	-
<b>Total expenditures</b>	<u>287,605</u>	<u>287,605</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	891	891	-
<b>Fund balances - beginning</b>	<u>6,789</u>	<u>6,789</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 7,680</u>	<u>\$ 7,680</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, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Property taxes	\$ 2,550,915	\$ 2,444,361	\$ (106,554)
Investment earnings	-	287,336	287,336
<b>Total revenues</b>	<u>2,550,915</u>	<u>2,731,697</u>	<u>180,782</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	1,360,000	1,360,000	-
Interest	1,216,240	1,216,240	-
Other	65,030	64,803	227
<b>Total expenditures</b>	<u>2,641,270</u>	<u>2,641,043</u>	<u>227</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(90,355)</b>	<b>90,654</b>	<b>181,009</b>
<b>Fund balances - beginning</b>	<u>4,450,108</u>	<u>4,450,108</u>	<u>-</u>
<b>Fund balances - ending</b>	<u><u>\$ 4,359,753</u></u>	<u><u>\$ 4,540,762</u></u>	<u><u>\$ 181,009</u></u>

CITY OF SUNRISE, FLORIDA  
PUBLIC SERVICE TAX DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Utility service taxes	\$ 9,872,000	\$ 10,188,206	\$ 316,206
Investment earnings	100,000	225,778	125,778
Miscellaneous	-	112,600	112,600
<b>Total revenues</b>	<b>9,972,000</b>	<b>10,526,584</b>	<b>554,584</b>
<b>EXPENDITURES</b>			
Debt service:			
Principal	4,890,000	4,890,000	-
Interest	705,655	705,655	-
Other	22,500	15,927	6,573
<b>Total expenditures</b>	<b>5,618,155</b>	<b>5,611,582</b>	<b>6,573</b>
<b>Excess of revenues over expenditures</b>	<b>4,353,845</b>	<b>4,915,002</b>	<b>561,157</b>
<b>OTHER FINANCING (USES)</b>			
Transfers out	(4,353,845)	(4,353,845)	-
<b>Net change in fund balances</b>	<b>-</b>	<b>561,157</b>	<b>561,157</b>
Fund balances - beginning	2,922,382	2,922,382	-
Fund balances - ending	<b>\$ 2,922,382</b>	<b>\$ 3,483,539</b>	<b>\$ 561,157</b>



**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, 2007**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 95,956	\$ 95,956
Miscellaneous	-	202	202
Total revenues	<u>-</u>	<u>96,158</u>	<u>96,158</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>84,435</u>	<u>393</u>	<u>84,042</u>
Excess (deficiency) of revenues over (under) expenditures	(84,435)	95,765	180,200
Fund balances - beginning	<u>1,713,496</u>	<u>1,713,496</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,629,061</u>	<u>\$ 1,809,261</u>	<u>\$ 180,200</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, 2007**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 87,286	\$ 87,286
<b>EXPENDITURES</b>			
Capital outlay	697,465	511	696,954
Excess (deficiency) of revenues over (under) expenditures	(697,465)	86,775	784,240
Fund balances - beginning	1,317,913	1,317,913	-
Fund balances - ending	<u>\$ 620,448</u>	<u>\$ 1,404,688</u>	<u>\$ 784,240</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, 2007

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 2,782,043	\$ 300,000	\$ (2,482,043)
Investment earnings	1,000,000	3,187,079	2,187,079
Contributions and donations	526,740	525,667	(1,073)
Total revenues	<u>4,308,783</u>	<u>4,012,746</u>	<u>(296,037)</u>
<b>EXPENDITURES</b>			
Current:			
General government	200	-	200
Capital outlay	89,217,799	8,410,424	80,807,375
Total expenditures	<u>89,217,999</u>	<u>8,410,424</u>	<u>80,807,575</u>
Excess (deficiency) of revenues over (under) expenditures	(84,909,216)	(4,397,678)	80,511,538
<b>OTHER FINANCING SOURCES</b>			
Revenue bonds issued	20,002,174	-	(20,002,174)
Transfers in	11,544,682	11,544,682	-
Total other financing sources	<u>31,546,856</u>	<u>11,544,682</u>	<u>(20,002,174)</u>
Net change in fund balances	(53,362,360)	7,147,004	60,509,364
Fund balances - beginning	<u>54,986,969</u>	<u>54,986,969</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,624,609</u>	<u>\$ 62,133,973</u>	<u>\$ 60,509,364</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, 2007

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 731,910	\$ 1,312,869	\$ 291,993	\$ 2,336,772
Accounts receivable, net of allowance for uncollectibles	10,562	172,378	2,936	185,876
Other receivables	-	750	1,218	1,968
Intergovernmental receivable	72,342	-	-	72,342
Inventories	-	51,633	642	52,275
Prepaid items	-	-	1,700	1,700
<b>Total current assets</b>	<b>814,814</b>	<b>1,537,630</b>	<b>298,489</b>	<b>2,650,933</b>
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Land	-	-	1,223,300	1,223,300
Buildings and system	-	756,271	-	756,271
Improvements other than buildings	-	996,944	13,826	1,010,770
Machinery and equipment	23,497	445,125	389,335	857,957
Vehicles	18,223	558,799	34,724	611,746
Construction in progress	-	1,227,400	-	1,227,400
Less accumulated depreciation	(37,651)	(1,097,018)	(281,026)	(1,415,695)
<b>Total capital assets, net of accumulated depreciation</b>	<b>4,069</b>	<b>2,887,521</b>	<b>1,380,159</b>	<b>4,271,749</b>
<b>Total assets</b>	<b>818,883</b>	<b>4,425,151</b>	<b>1,678,648</b>	<b>6,922,682</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	117,811	109,904	38,451	266,166
Accrued liabilities	589	12,978	12,209	25,776
Due to other funds	75	1,402	870	2,347
Interfund payable	-	71,237	-	71,237
Compensated absences	1,220	13,214	7,726	22,160
Retainage payable	-	103,644	-	103,644
Intergovernmental payable	-	-	1,527	1,527
Other	-	-	23	23
<b>Total current liabilities</b>	<b>119,695</b>	<b>312,379</b>	<b>60,806</b>	<b>492,880</b>
<b>Noncurrent liabilities:</b>				
Compensated absences	10,800	146,274	56,219	213,293
Advances from other funds	-	835,304	-	835,304
<b>Total noncurrent liabilities</b>	<b>10,800</b>	<b>981,578</b>	<b>56,219</b>	<b>1,048,597</b>
<b>Total liabilities</b>	<b>130,495</b>	<b>1,293,957</b>	<b>117,025</b>	<b>1,541,477</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	4,069	2,684,282	1,380,159	4,068,510
Unrestricted	684,319	446,912	181,464	1,312,695
<b>Total net assets</b>	<b>\$ 688,388</b>	<b>\$ 3,131,194</b>	<b>\$ 1,561,623</b>	<b>\$ 5,381,205</b>

**CITY OF SUNRISE, FLORIDA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Recycling</u>	<u>Stormwater</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Operating revenues:</b>				
Charges for sales and services:				
Fees	\$ 161,604	\$ 2,021,492	\$ 595,702	\$ 2,778,798
<b>Operating expenses:</b>				
Costs of sales and services:				
Power, water and wastewater purchases	-	6,862	72,730	79,592
Chemical purchases	-	29,342	69,569	98,911
Recycling charges	457,786	-	-	457,786
Materials and supplies	-	23,361	112,208	135,569
Repairs and maintenance	-	16,985	39,241	56,226
Salaries, wages and employee benefits	31,412	866,689	783,385	1,681,486
Insurance and other expenses	66	235,430	204,977	440,473
Administrative fees	28,643	294,619	150,727	473,989
Depreciation	1,733	148,864	34,305	184,902
Total operating expenses	<u>519,640</u>	<u>1,622,152</u>	<u>1,467,142</u>	<u>3,608,934</u>
Operating income (loss)	<u>(358,036)</u>	<u>399,340</u>	<u>(871,440)</u>	<u>(830,136)</u>
<b>Non-operating revenues (expenses):</b>				
Investment earnings	38,608	100,674	13,098	152,380
Interest expense	-	(51,148)	-	(51,148)
Gain (loss) on sale of fixed assets	-	3,375	(89)	3,286
Sale of recyclable materials	298,915	-	-	298,915
Other	-	750	1,824	2,574
Total non-operating revenues (expenses)	<u>337,523</u>	<u>53,651</u>	<u>14,833</u>	<u>406,007</u>
Income (loss) before transfers	<u>(20,513)</u>	<u>452,991</u>	<u>(856,607)</u>	<u>(424,129)</u>
Transfers in	<u>-</u>	<u>-</u>	<u>1,029,967</u>	<u>1,029,967</u>
Change in net assets	<u>(20,513)</u>	<u>452,991</u>	<u>173,360</u>	<u>605,838</u>
Total net assets - beginning	<u>708,901</u>	<u>2,678,203</u>	<u>1,388,263</u>	<u>4,775,367</u>
Total net assets - ending	<u>\$ 688,388</u>	<u>\$ 3,131,194</u>	<u>\$ 1,561,623</u>	<u>\$ 5,381,205</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 450,906	\$ 2,012,100	\$ 596,539	\$ 3,059,545
Payments to suppliers	(408,786)	(157,090)	(502,972)	(1,068,848)
Payments to and for employees	(28,861)	(802,655)	(783,425)	(1,614,941)
Payments for interfund services used	(28,883)	(337,468)	(172,381)	(538,732)
Net cash provided (used) by operating activities	(15,624)	714,887	(862,239)	(162,976)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	1,029,967	1,029,967
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(1,117,195)	(26,778)	(1,143,973)
Interest paid on capital debt	-	(51,148)	-	(51,148)
Proceeds from sales of capital assets	-	3,935	224	4,159
Advances from other funds	-	(67,684)	-	(67,684)
Net cash (used) by capital and related financing activities	-	(1,232,092)	(26,554)	(1,258,646)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	38,790	101,395	13,129	153,314
Net increase in cash and cash equivalents	23,166	(415,810)	154,303	(238,341)
Cash and cash equivalents, October 1	708,744	1,728,679	137,690	2,575,113
Cash and cash equivalents, September 30	\$ 731,910	\$ 1,312,869	\$ 291,993	\$ 2,336,772

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (358,036)	\$ 399,340	\$ (871,440)	\$ (830,136)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Miscellaneous non-operating income from by-products of recycling activities	298,915	-	-	298,915
Miscellaneous non-operating income	-	750	1,824	2,574
Depreciation expense	1,733	148,864	34,305	184,902
(Increase) decrease in accounts receivable	(2,243)	(8,472)	425	(10,290)
(Increase) in other receivables	-	(712)	(1,179)	(1,891)
Decrease in due from other funds	33	187,701	4,117	191,851
(Increase) in intergovernmental receivables	(7,304)	-	-	(7,304)
(Increase) in inventories	-	(13,036)	(116)	(13,152)
(Increase) in prepaid items	-	-	(200)	(200)
Increase (decrease) in accounts payable	72,966	104,466	(4,161)	173,271
Increase in accrued liabilities	407	2,834	1,562	4,803
(Decrease) in due to other funds	(23,986)	(228,634)	(4,104)	(256,724)
Increase in intergovernmental payables	-	-	95	95
Increase in other liabilities, current	-	-	8	8
Increase in retainage payable	-	103,644	-	103,644
Increase (decrease) in compensated absences payable	1,891	18,142	(23,375)	(3,342)
Total adjustments	<u>342,412</u>	<u>315,547</u>	<u>9,201</u>	<u>667,160</u>
Net cash provided by (used in) operating activities	<u>\$ (15,624)</u>	<u>\$ 714,887</u>	<u>\$ (862,239)</u>	<u>\$ (162,976)</u>



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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, 2007

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,153,659	\$ 1,003,013	\$ 2,758,037	\$ 13,914,709
Receivable from sale of securities	467,594	254,402	-	721,996
Interest and dividends receivable	199,800	257,615	277,503	734,918
Due from other funds	40,921	40,723	148,746	230,390
Other receivables	2,478	110	-	2,588
Investments, at fair value:				
U.S. government and agency securities	6,873,637	17,700,582	12,124,871	36,699,090
Corporate bonds	5,403,351	1,500,296	4,666,720	11,570,367
Mutual funds	14,113,746	-	14,005,535	28,119,281
Common stocks	66,856,859	33,747,276	28,367,514	128,971,649
Foreign pooled equity funds	10,459,678	-	6,957,302	17,416,980
Total investments	<u>103,707,271</u>	<u>52,948,154</u>	<u>66,121,942</u>	<u>222,777,367</u>
Prepaid items	-	8,840	-	8,840
Equipment, net of accumulated depreciation of \$24,649	-	2,832	-	2,832
Total assets	<u>114,571,723</u>	<u>54,515,689</u>	<u>69,306,228</u>	<u>238,393,640</u>
<b>LIABILITIES</b>				
Accounts payable	153,943	499,432	112,462	765,837
Prepaid contribution	-	-	239,048	239,048
Payable for purchase of securities	398,826	-	-	398,826
Total liabilities	<u>552,769</u>	<u>499,432</u>	<u>351,510</u>	<u>1,403,711</u>
<b>NET ASSETS</b>				
Held in trust for pension benefits	<u>\$ 114,018,954</u>	<u>\$ 54,016,257</u>	<u>\$ 68,954,718</u>	<u>\$ 236,989,929</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 4,548,500	\$ 2,630,050	\$ 1,344,165	\$ 8,522,715
Plan members	2,130,142	1,247,759	1,088,917	4,466,818
Other sources	-	559,679	814,996	1,374,675
Total contributions	<u>6,678,642</u>	<u>4,437,488</u>	<u>3,248,078</u>	<u>14,364,208</u>
Investment earnings:				
Interest	960,050	819,263	988,220	2,767,533
Dividends	1,581,590	514,000	856,878	2,952,468
Net increase in fair value of investments	13,394,791	4,396,926	7,148,948	24,940,665
Other	58,714	120,804	5,590	185,108
Total investment earnings	<u>15,995,145</u>	<u>5,850,993</u>	<u>8,999,636</u>	<u>30,845,774</u>
Less investment expense	<u>721,297</u>	<u>338,646</u>	<u>343,351</u>	<u>1,403,294</u>
Net investment earnings	<u>15,273,848</u>	<u>5,512,347</u>	<u>8,656,285</u>	<u>29,442,480</u>
Total additions	<u>21,952,490</u>	<u>9,949,835</u>	<u>11,904,363</u>	<u>43,806,688</u>
<b>DEDUCTIONS</b>				
Benefits	3,765,076	3,294,555	2,082,567	9,142,198
Refunds of contributions	184,256	131,468	184,256	499,980
Administrative expenses	147,520	234,054	214,279	595,853
Total deductions	<u>4,096,852</u>	<u>3,660,077</u>	<u>2,481,102</u>	<u>10,238,031</u>
Change in net assets	17,855,638	6,289,758	9,423,261	33,568,657
Net assets - beginning	<u>96,163,316</u>	<u>47,726,499</u>	<u>59,531,457</u>	<u>203,421,272</u>
Net assets - ending	<u>\$ 114,018,954</u>	<u>\$ 54,016,257</u>	<u>\$ 68,954,718</u>	<u>\$ 236,989,929</u>

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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>
<b>Financial Trends</b>	120
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b>	126
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b>	130
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b>	134
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
<b>Operating Information</b>	136
<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 SIX FISCAL YEARS  
(accrual basis of accounting)

	FISCAL YEAR					
	2002	2003	2004	2005	2006	2007
<b>Governmental activities:</b>						
Invested in capital assets, net of related debt	\$ 162,976,540	\$ 164,268,482	\$ 165,271,477	\$ 151,152,286	\$ 142,898,601	\$ 140,513,904
Restricted	15,238,693	9,689,016	9,598,418	12,064,472	13,272,982	11,935,865
Unrestricted	87,060,179	106,482,615	112,476,433	126,209,452	146,486,034	158,620,682
<b>Total governmental activities net assets</b>	<b>\$ 265,275,412</b>	<b>\$ 280,440,113</b>	<b>\$ 287,346,328</b>	<b>\$ 289,426,210</b>	<b>\$ 302,657,617</b>	<b>\$ 311,070,451</b>
<b>Business-type activities:</b>						
Invested in capital assets, net of related debt	\$ 152,873,729	\$ 155,695,678	\$ 157,063,189	\$ 156,539,235	\$ 157,516,304	\$ 159,819,328
Restricted	22,184,305	22,469,209	24,746,175	24,745,436	24,017,536	16,824,604
Unrestricted	98,566,646	92,708,563	94,262,479	99,351,532	102,097,084	108,328,663
<b>Total business-type activities net assets</b>	<b>\$ 273,624,680</b>	<b>\$ 270,873,450</b>	<b>\$ 276,071,843</b>	<b>\$ 280,636,203</b>	<b>\$ 283,630,924</b>	<b>\$ 284,972,595</b>
<b>Total:</b>						
Invested in capital assets, net of related debt	\$ 315,850,269	\$ 319,964,160	\$ 322,334,666	\$ 307,691,521	\$ 300,414,905	\$ 300,333,232
Restricted	37,422,998	32,158,225	34,344,593	36,809,908	37,290,518	28,760,469
Unrestricted	185,626,825	199,191,178	206,738,912	225,560,984	248,583,118	266,949,345
<b>Total net assets</b>	<b>\$ 538,900,092</b>	<b>\$ 551,313,563</b>	<b>\$ 563,418,171</b>	<b>\$ 570,062,413</b>	<b>\$ 586,288,541</b>	<b>\$ 596,043,046</b>



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

	FISCAL YEAR					
	2002	2003	2004	2005	2006	2007
<b>EXPENSES</b>						
<b>Governmental activities:</b>						
General government	\$ 11,396,263	\$ 14,229,369	\$ 12,728,139	\$ 20,725,080	\$ 22,398,846	\$ 17,106,530
Public safety	34,541,724	38,025,336	40,380,723	43,259,422	48,553,871	55,627,059
Physical environment	2,814,202	3,085,732	4,032,579	4,038,713	3,894,066	3,825,714
Economic development	1,642,634	1,334,180	1,356,125	1,599,428	1,220,839	1,309,622
Human services	53,049	52,064	53,100	53,309	50,112	5,212
Transportation	11,461,887	11,588,816	11,890,181	12,997,637	13,860,838	13,339,526
Culture and recreation	9,206,968	10,472,065	10,803,739	11,786,699	12,736,376	14,079,998
Interest on long-term debt	3,660,203	5,268,949	5,240,076	4,989,173	4,834,649	4,683,165
<b>Total governmental activities expenses</b>	<b>74,776,930</b>	<b>84,056,511</b>	<b>86,484,662</b>	<b>99,449,461</b>	<b>107,549,597</b>	<b>109,976,826</b>
<b>Business-type activities:</b>						
Water and wastewater	51,741,868	55,269,517	55,057,974	57,507,387	61,235,920	63,377,515
Gas	5,105,765	6,080,350	6,789,424	8,018,044	8,373,066	8,023,304
Sanitation	10,918,700	11,076,177	11,503,114	12,863,087	15,954,628	15,821,262
Recycling	292,845	294,905	275,659	367,695	430,064	519,441
Stormwater	1,182,701	1,453,683	1,470,516	1,439,906	2,028,070	1,634,407
Golf course	827,609	874,593	1,106,687	1,301,732	1,283,287	1,449,282
<b>Total business-type activities expenses</b>	<b>70,069,488</b>	<b>75,049,225</b>	<b>76,203,374</b>	<b>81,497,851</b>	<b>89,305,035</b>	<b>90,825,211</b>
<b>Total expenses</b>	<b>\$ 144,846,418</b>	<b>\$ 159,105,736</b>	<b>\$ 162,688,036</b>	<b>\$ 180,947,312</b>	<b>\$ 196,854,632</b>	<b>\$ 200,802,037</b>
<b>PROGRAM REVENUES</b>						
<b>Governmental activities:</b>						
<b>Charges for services:</b>						
General government	\$ 5,569,332	\$ 5,942,012	\$ 6,414,067	\$ 6,726,315	\$ 6,211,713	\$ 6,687,788
Public safety	11,044,085	11,713,156	12,964,891	15,145,619	17,738,292	17,098,637
Physical environment	7,037,802	7,289,397	7,505,414	7,554,593	7,988,216	7,995,686
Transportation	22,757	22,780	22,333	22,526	17,456	17,796
Culture and recreation	1,001,572	1,028,431	1,167,287	1,202,142	1,154,083	1,231,116
Operating grants and contributions	3,741,364	4,270,507	4,623,175	4,435,546	12,861,054	5,142,577
Capital grants and contributions	1,280,167	9,003,291	2,586,429	1,503,241	1,313,595	1,835,698
<b>Total governmental activities program revenues</b>	<b>29,697,079</b>	<b>39,269,574</b>	<b>35,283,596</b>	<b>36,589,982</b>	<b>47,284,409</b>	<b>40,009,298</b>
<b>Business-type activities:</b>						
<b>Charges for services:</b>						
Water and wastewater	49,968,998	51,216,884	52,027,790	52,462,626	52,853,098	52,454,892
Gas	5,686,691	6,658,908	7,013,495	7,900,934	9,591,125	8,832,133
Sanitation	10,571,840	10,719,375	11,153,684	12,545,084	15,433,205	14,997,289
Recycling	151,318	144,211	152,392	153,154	153,142	161,604
Stormwater	1,061,246	1,231,066	1,671,287	1,717,023	2,010,632	2,021,492
Golf course	400,796	328,475	364,268	552,802	508,397	595,702
Operating grants and contributions	-	41,906	105,917	143,486	821,187	240,685
Capital grants and contributions	6,932,935	5,703,599	7,288,180	6,860,165	3,457,391	2,534,123
<b>Total business-type activities program revenues</b>	<b>74,773,824</b>	<b>76,044,424</b>	<b>79,777,013</b>	<b>82,335,274</b>	<b>84,828,177</b>	<b>81,837,920</b>
<b>Total program revenues</b>	<b>\$ 104,470,903</b>	<b>\$ 115,313,998</b>	<b>\$ 115,060,609</b>	<b>\$ 118,925,256</b>	<b>\$ 132,112,586</b>	<b>\$ 121,847,218</b>
<b>NET (EXPENSE)/REVENUE</b>						
Governmental activities	\$ (45,079,851)	\$ (44,786,937)	\$ (51,201,066)	\$ (62,859,479)	\$ (60,265,188)	\$ (69,967,528)
Business-type activities	4,704,336	995,199	3,573,639	837,423	(4,476,858)	(8,987,291)
<b>Total (expense)/revenue</b>	<b>\$ (40,375,515)</b>	<b>\$ (43,791,738)</b>	<b>\$ (47,627,427)</b>	<b>\$ (62,022,056)</b>	<b>\$ (64,742,046)</b>	<b>\$ (78,954,819)</b>

(continued)

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

	FISCAL YEAR					
	2002	2003	2004	2005	2006	2007
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>						
<b>Governmental activities:</b>						
Taxes:						
Property taxes	\$ 23,987,933	\$ 25,746,842	\$ 27,977,882	\$ 30,235,087	\$ 33,661,644	\$ 38,094,551
Insurance premium taxes	654,089	789,625	982,897	1,025,038	1,088,921	1,374,674
Franchise taxes	8,072,455	8,257,400	8,804,601	9,636,658	10,669,068	10,731,905
Utility service tax	10,232,693	9,617,020	9,685,829	9,996,948	10,368,556	10,188,206
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
Unrestricted investment earnings	2,128,012	1,821,562	1,715,265	3,858,495	7,463,841	9,541,466
Surplus earnings on escrow fund	826,640	-	-	-	-	-
Miscellaneous	488,594	105,341	1,048,071	1,229,848	1,360,116	1,674,423
Gain on sale of capital assets	796,403	-	-	-	22,929	69,974
Transfers	1,179,000	6,498,620	536,350	813,669	266,366	(1,584,171)
<b>Total governmental activities</b>	<b>55,106,873</b>	<b>59,951,638</b>	<b>58,107,281</b>	<b>64,939,361</b>	<b>73,496,595</b>	<b>78,380,362</b>
<b>Business-type activities:</b>						
Unrestricted investment earnings	3,169,461	2,258,665	1,928,288	4,163,362	7,322,643	8,165,982
Miscellaneous	338,112	493,526	232,816	377,244	415,302	578,809
Transfers	(1,179,000)	(6,498,620)	(536,350)	(813,669)	(266,366)	1,584,171
<b>Total business-type activities</b>	<b>2,328,573</b>	<b>(3,746,429)</b>	<b>1,624,754</b>	<b>3,726,937</b>	<b>7,471,579</b>	<b>10,328,962</b>
<b>Total</b>	<b>\$ 57,435,446</b>	<b>\$ 56,205,209</b>	<b>\$ 59,732,035</b>	<b>\$ 68,666,298</b>	<b>\$ 80,968,174</b>	<b>\$ 88,709,324</b>
<b>CHANGE IN NET ASSETS</b>						
Governmental activities	\$ 10,027,022	\$ 15,164,701	\$ 6,906,215	\$ 2,079,882	\$ 13,231,407	\$ 8,412,834
Business-type activities	7,032,909	(2,751,230)	5,198,393	4,564,360	2,994,721	1,341,671
<b>Total</b>	<b>\$ 17,059,931</b>	<b>\$ 12,413,471</b>	<b>\$ 12,104,608</b>	<b>\$ 6,644,242</b>	<b>\$ 16,226,128</b>	<b>\$ 9,754,505</b>

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

	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General fund</b>										
Reserved	\$ 1,488,474	\$ 1,527,414	\$ 1,918,321	\$ 2,455,407	\$ 1,296,851	\$ 1,247,921	\$ 1,566,180	\$ 1,543,783	\$ 1,075,367	\$ 1,223,176
Unreserved	19,892,046	26,885,447	30,391,886	38,246,077	38,853,721	47,495,863	52,984,220	62,965,388	66,826,236	74,017,655
<b>Total general fund</b>	<b>\$ 21,380,520</b>	<b>\$ 28,412,861</b>	<b>\$ 32,310,207</b>	<b>\$ 40,701,484</b>	<b>\$ 40,150,572</b>	<b>\$ 48,743,784</b>	<b>\$ 54,550,400</b>	<b>\$ 64,509,171</b>	<b>\$ 67,901,603</b>	<b>\$ 75,240,831</b>
<b>All other governmental funds</b>										
Reserved	\$ 4,052,914	\$ 4,033,274	\$ 4,215,943	\$ 4,299,431	\$ 5,047,982	\$ 6,433,516	\$ 5,780,628	\$ 6,066,066	\$ 6,061,626	\$ 6,439,674
Unreserved, reported in:										
Special revenue funds	6,528,675	10,748,036	12,371,742	13,571,830	18,827,090	19,214,304	20,080,788	20,762,692	20,880,009	16,213,389
Debt service funds	2,257,503	2,954,293	751,439	2,079,747	3,251,854	2,807,170	3,650,096	4,957,563	6,937,339	6,592,050
Capital projects funds	26,004,698	33,197,372	41,777,949	37,563,065	34,212,750	44,903,895	40,581,913	42,174,762	58,018,378	65,347,922
<b>Total all other governmental funds</b>	<b>\$ 38,843,790</b>	<b>\$ 50,932,975</b>	<b>\$ 59,117,073</b>	<b>\$ 57,514,073</b>	<b>\$ 61,339,676</b>	<b>\$ 73,358,885</b>	<b>\$ 70,093,425</b>	<b>\$ 73,961,083</b>	<b>\$ 91,897,352</b>	<b>\$ 94,593,035</b>

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

	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>REVENUES</b>										
Taxes	\$ 34,987,804	\$ 37,142,515	\$ 38,682,635	\$ 41,633,833	\$ 44,571,731	\$ 46,056,434	\$ 49,122,254	\$ 52,568,313	\$ 57,474,686	\$ 62,042,644
Impact fees	485,804	316,361	388,024	393,140	433,952	268,215	51,351	204,408	346,571	184,880
Licenses and permits	4,404,070	4,843,174	4,690,909	5,108,381	5,327,871	5,784,215	5,903,992	8,083,373	9,881,505	8,490,669
Fines and forfeitures	217,227	257,725	258,275	395,039	794,834	1,205,272	1,167,604	968,624	953,751	927,842
Charges for services	8,082,951	9,597,238	10,205,014	10,754,112	10,971,032	11,414,114	12,135,714	12,635,252	13,224,635	13,529,185
Administrative charges	2,654,608	2,784,100	3,010,167	3,261,939	4,047,448	4,381,711	4,476,018	4,320,031	4,552,456	5,000,000
Special assessments	2,923,496	3,120,480	3,026,085	3,049,269	4,890,609	4,671,832	5,656,950	5,636,307	4,903,789	5,350,078
Intergovernmental	7,566,425	7,655,510	9,707,709	8,774,293	8,999,772	9,757,317	11,375,915	11,100,519	19,316,393	11,527,526
Investment earnings	3,595,264	3,897,942	5,668,165	5,294,511	2,249,217	1,783,009	1,762,267	3,963,045	7,641,401	9,683,248
Fuel tax refund	35,442	42,742	41,517	44,829	47,959	47,496	56,213	61,693	70,511	63,499
Surplus earnings on escrow fund	-	-	-	-	826,640	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-	-	-	543,022
Miscellaneous	4,273,927	839,199	2,012,742	1,203,347	980,585	1,194,384	1,830,617	1,995,595	2,540,408	2,861,472
<b>Total revenues</b>	<b>69,227,018</b>	<b>70,496,986</b>	<b>77,691,242</b>	<b>79,912,693</b>	<b>84,141,650</b>	<b>86,563,999</b>	<b>93,538,895</b>	<b>101,537,160</b>	<b>120,906,106</b>	<b>120,204,065</b>
<b>EXPENDITURES</b>										
General government	7,774,434	8,177,405	8,743,326	9,688,589	10,919,336	11,185,998	12,127,408	13,479,575	21,641,863	16,599,655
Public safety	24,772,503	26,837,089	27,269,469	28,742,670	32,337,503	35,458,207	38,043,714	41,130,920	46,056,731	53,965,850
Physical environment	1,884,865	2,105,659	2,285,393	2,223,088	2,392,809	2,440,773	2,555,451	2,897,245	2,873,367	3,407,318
Economic development	44,955	497,017	1,482,305	1,178,040	1,642,271	1,262,414	1,351,080	1,597,849	1,159,943	1,307,126
Human services	-	4,799	-	-	52,468	51,951	53,100	53,309	50,112	5,212
Transportation	745,048	714,941	794,098	820,006	826,680	844,718	850,358	866,615	834,399	916,432
Culture and recreation	5,424,721	5,829,422	5,806,094	7,079,285	7,429,318	7,975,533	8,178,149	8,852,681	9,301,665	10,291,099
Capital outlay	15,518,980	8,213,810	12,452,258	17,028,754	16,081,426	10,801,736	17,663,643	9,111,365	7,566,421	13,333,051
Debt service:										
Interest	5,037,461	4,484,218	4,615,526	3,657,185	3,660,203	3,244,866	3,101,227	2,731,027	2,422,956	2,107,375
Principal	5,877,780	5,876,297	6,416,270	5,790,445	7,466,887	7,060,958	7,565,000	7,796,191	7,943,085	6,658,084
Refunding bond issuance costs	-	-	-	841,706	-	-	-	-	-	-
Current refunding sinking fund	-	-	-	1,823,164	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	379,053	-	-	-	-
Other	668,160	445,525	78,393	75,370	95,837	94,651	92,179	78,765	80,756	84,497
<b>Total expenditures</b>	<b>67,748,907</b>	<b>63,186,182</b>	<b>69,943,132</b>	<b>78,948,302</b>	<b>82,904,738</b>	<b>80,800,858</b>	<b>91,581,309</b>	<b>88,595,542</b>	<b>99,931,298</b>	<b>108,675,699</b>
Excess (deficiency) of revenues over (under) expenditures	1,478,111	7,310,804	7,748,110	964,391	1,236,912	5,763,141	1,957,586	12,941,618	20,974,808	11,528,366
<b>OTHER FINANCING SOURCES (USES)</b>										
Refunding bonds issued	6,760,000	29,353,529	-	26,357,846	-	-	-	-	-	-
Payment to refunded bond escrow agent	(6,653,050)	(12,170,008)	-	(24,867,846)	-	-	-	-	-	-
Ad valorem tax bonds issued	-	-	-	-	-	6,770,000	-	-	-	-
Discount on ad valorem tax bonds	-	-	-	-	-	(63,749)	-	-	-	-
Liquidation of revenue note	-	(7,081,495)	-	-	-	-	-	-	-	-
Capital leases	2,193,937	1,668,682	1,646,651	-	93,469	-	-	-	-	-
Sale of capital assets	1,342,570	629,203	315,787	661,409	771,936	1,627,145	47,220	71,142	87,527	90,716
Transfers in	25,991,133	17,630,738	27,144,801	19,794,562	25,807,602	22,447,491	15,723,309	14,657,202	33,214,851	20,430,298
Transfers out	(26,635,143)	(18,219,927)	(24,773,905)	(16,122,085)	(24,635,228)	(15,931,607)	(15,186,959)	(13,843,533)	(32,948,485)	(22,014,469)
<b>Total other financing sources (uses)</b>	<b>2,999,447</b>	<b>11,810,722</b>	<b>4,333,334</b>	<b>5,823,886</b>	<b>2,037,779</b>	<b>14,849,280</b>	<b>583,570</b>	<b>884,811</b>	<b>353,893</b>	<b>(1,493,455)</b>
<b>Net change in fund balances</b>	<b>\$ 4,477,558</b>	<b>\$ 19,121,526</b>	<b>\$ 12,081,444</b>	<b>\$ 6,788,277</b>	<b>\$ 3,274,691</b>	<b>\$ 20,612,421</b>	<b>\$ 2,541,156</b>	<b>\$ 13,826,429</b>	<b>\$ 21,328,701</b>	<b>\$ 10,034,911</b>
Debt service as a percentage of noncapital expenditures	22.0%	19.1%	18.6%	18.6%	16.7%	15.2%	14.2%	13.0%	11.0%	9.2%

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

FISCAL YEAR	PROPERTY TAX <sup>a</sup>	INSURANCE PREMIUM TAX	FRANCHISE TAX	GAS TAX	UTILITY SERVICE TAX	TOTAL
1998	\$ 17,868,636	\$ 601,393	\$ 6,823,113	\$ 1,436,337	\$ 8,258,325	\$ 34,987,804
1999	19,476,877	592,933	7,094,088	1,450,908	8,527,709	37,142,515
2000	20,639,001	531,053	7,249,878	1,468,330	8,794,373	38,682,635
2001	22,375,613	548,688	8,009,244	1,570,350	9,129,938	41,633,833
2002	23,987,933	654,089	8,072,455	1,624,561	10,232,693	44,571,731
2003	25,746,842	789,625	8,257,400	1,645,547	9,617,020	46,056,434
2004	27,977,882	982,897	8,804,601	1,671,045	9,685,829	49,122,254
2005	30,235,087	1,025,038	9,636,658	1,674,582	9,996,948	52,568,313
2006	33,661,644	1,088,921	10,669,068	1,686,497	10,368,556	57,474,686
2007	38,094,551	1,374,674	10,731,905	1,653,308	10,188,206	62,042,644
<b>Change 1998-2007</b>	<b>113.2%</b>	<b>128.6%</b>	<b>57.3%</b>	<b>15.1%</b>	<b>23.4%</b>	<b>77.3%</b>

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

**SCHEDULE 6**  
**CITY OF SUNRISE, FLORIDA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(in thousands of dollars)**

FISCAL YEAR	REAL PROPERTY				LESS EXEMPTIONS:		TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE	ASSESSED VALUE AS A PERCENTAGE OF ESTIMATED ACTUAL VALUE
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY				
1998	\$ 2,118,204	\$ 850,866	\$ 137,075	\$ 327,343	\$ 788,761	\$ 695	\$ 2,644,032	6.375	\$ 3,433,488	77.01%
1999	2,218,285	974,494	153,338	334,421	816,877	655	2,863,006	6.350	3,680,538	77.79%
2000	2,238,332	1,192,303	173,707	338,354	925,104	634	3,016,958	6.325	3,942,696	76.52%
2001	2,346,842	1,407,852	205,088	351,325	1,025,498	499	3,285,110	6.300	4,311,107	76.20%
2002	2,502,198	1,568,304	227,344	370,117	1,119,999	477	3,547,487	6.275	4,667,963	76.00%
2003	2,884,455	1,699,896	262,818	379,161	1,358,074	337	3,867,919	6.250	5,226,330	74.01%
2004	3,360,001	1,824,965	272,795	426,984	1,580,825	273	4,303,647	6.237	5,884,745	73.13%
2005	3,876,930	2,122,925	305,828	432,174	2,084,960	457	4,652,440	6.224	6,737,857	69.05%
2006	4,706,346	2,288,922	338,339	427,150	2,557,520	925	5,202,312	6.210	7,760,757	67.03%
2007	6,079,698	2,557,213	372,884	428,874	3,338,191	1,067	6,099,411	6.110	9,438,669	64.62%

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
1998	1997	\$ 6.3750	\$ 10.0300	\$ 7.8380	\$ 9.9745	\$ -	\$ 0.6970	\$ 0.0500	\$ 2.4087
1999	1998	6.3500	9.4650	7.5710	9.7256	-	0.6970	0.0470	2.5000
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

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	2007			1998		
	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	\$ 316,069,460	1	5.18%	\$ 173,680,100	1	6.57%
Mills - Kan Am Sawgrass PH 3 LTD	85,596,980	2	1.40%	-	-	-
N/S Sawgrass Office Associates LLC	73,607,540	3	1.21%	-	-	-
MGI Flamingo Palms LTD Partner	50,215,900	4	0.82%	23,742,230	7	0.89%
Florida Power & Light Co.	45,418,813	5	0.74%	26,059,265	6	0.98%
Southern Bell Tel Co.	43,577,189	6	0.71%	43,306,402	2	1.64%
Sawgrass Lakes Center LLC	42,702,590	7	0.70%	-	-	-
L/M #3	39,824,760	8	0.65%	-	-	-
Wal-Mart Stores Inc.	39,524,780	9	0.65%	-	-	-
TMW Weltfonds 1500 Concord Terrace LP	34,481,890	10	0.57%	-	-	-
Highwoods/Florida Holdings LP	-	-	-	35,368,370	3	1.34%
MNYX Sawgrass Corporation	-	-	-	29,568,880	4	1.12%
Racal Datacom Inc.	-	-	-	26,374,199	5	1.00%
California State Teachers' Retirement	-	-	-	19,025,118	8	0.72%
Eastrich #187 Corp.	-	-	-	16,845,377	9	0.64%
FB and LF Sunrise Investment LP	-	-	-	16,722,840	10	0.63%
<b>Totals</b>	<b>\$ 771,019,902</b>		<b>12.63%</b>	<b>\$ 410,692,781</b>		<b>15.53%</b>

Source: Broward County Revenue Collection Division



**SCHEDULE 9  
CITY OF SUNRISE, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	TAX ROLL YEAR	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
			AMOUNT*	PERCENTAGE OF LEVY		AMOUNT*	PERCENTAGE OF LEVY
1998	1997	\$ 16,494,359	\$ 16,420,141	99.6%	\$ 31,281	\$ 16,451,422	99.7%
1999	1998	17,920,627	17,821,159	99.4%	4,384	17,825,543	99.5%
2000	1999	18,932,243	18,829,025	99.5%	18,429	18,847,454	99.6%
2001	2000	20,543,256	20,391,026	99.3%	82,663	20,473,689	99.7%
2002	2001	21,851,913	21,650,071	99.1%	2,511	21,652,582	99.1%
2003	2002	23,683,909	23,509,371	99.3%	54,315	23,563,686	99.5%
2004	2003	26,226,056	26,063,547	99.4%	45,671	26,109,218	99.6%
2005	2004	28,601,183	28,398,767	99.3%	32,096	28,430,863	99.4%
2006	2005	32,173,202	31,962,583	99.3%	-	31,962,583	99.3%
2007	2006	36,867,170	36,667,960	99.5%	-	36,667,960	99.5%

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

Source: Broward County Property Appraiser

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

FISCAL YEAR	GOVERNMENTAL ACTIVITIES							BUSINESS-TYPE ACTIVITIES			TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF REAL PROPERTY <sup>a</sup>	PER CAPITA <sup>b</sup>
	PUBLIC IMPROVEMENT REVENUE BONDS	PUBLIC FACILITIES REVENUE BONDS	PUBLIC IMPROVEMENT BONDS	AD VALOREM TAX BONDS	SPECIAL ASSESSMENT BONDS	REVENUE NOTE	CAPITAL LEASES	UTILITY SYSTEM REVENUE BONDS	CAPITAL LEASES				
1998	\$ 9,215,000	\$ 47,877,217	\$ 6,730,000	\$ 26,728,750	\$ 940,000	\$ 7,190,935	\$ 4,040,988	\$ 242,946,150	\$ 2,359,960	\$ 348,029,000	11.20%	\$ 4,518	
1999	8,370,000	65,790,592	6,465,000	26,176,250	725,000	-	4,193,042	240,261,296	2,665,591	354,646,771	10.60%	4,523	
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	

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

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

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

**SCHEDULE 11  
CITY OF SUNRISE, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2007**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE*</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
<b>Debt repaid with property taxes</b>			
Broward County School Board	\$ 1,715,505,000	3.84%	\$ 65,875,392
Broward County	532,535,994	3.84%	<u>20,449,382</u>
Subtotal, overlapping debt			86,324,774
City direct debt			<u>85,141,801</u>
Total direct and overlapping debt			<u><u>\$ 171,466,575</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  
PLEGDED 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	
1998	\$ 44,146,682	\$ 21,564,760	\$ 1,949,924	\$ 20,631,998	\$ 3,860,000	\$ 8,458,539	1.67
1999	50,513,180	23,469,695	2,395,524	24,647,961	3,875,000	11,454,728	1.61
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	61,519,080	37,224,030	3,019,429	21,275,621	6,595,000	10,235,038	1.26
2006	64,497,083	40,671,062	3,203,700	20,622,321	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

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

	<u>FRANCHISE TAXES</u>				
1998	\$ 3,456,746	\$ 770,000	\$ 483,860		2.76
1999	3,509,356	845,000	450,750		2.71
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	-	-	-		-

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

	<u>UTILITY SERVICE TAXES</u>				
1998	\$ 8,258,325	\$ 1,600,000	\$ 1,699,620		2.50
1999	8,527,708	2,355,000	1,742,859		2.08
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

**PUBLIC IMPROVEMENT BONDS**

	<u>SPECIAL ASSESSMENT COLLECTIONS</u>				
1998	\$ 631,932	\$ 205,000	\$ 367,036		1.10
1999	508,598	265,000	293,988		0.91
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

(continued)

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

**SPECIAL ASSESSMENT BONDS**

FISCAL YEAR	SPECIAL ASSESSMENT		DEBT SERVICE		COVERAGE
	COLLECTIONS	PRINCIPAL	INTEREST		
1998	\$ 500,996	\$ 945,000	\$ 155,513		0.46
1999	244,697	215,000	77,550		0.84
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	-	-	-		-

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

	SPECIAL TAX DISTRICT NO. 1			
	PROPERTY TAX			
	COLLECTIONS			
1998	\$ 1,952,075	\$ 522,917	\$ 1,716,437	0.87
1999	2,158,667	552,500	1,688,261	0.96
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

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

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

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

<sup>b</sup>Public Facilities revenue bonds are collateralized by a lien on and pledge of a tax upon purchases within the City of electricity, metered and bottled gas, water service and telegraph and telecommunications service.

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

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

<b>YEAR</b>	<b>POPULATION</b>	<b>TOTAL POPULATION INCOME (AMOUNTS IN THOUSANDS)</b>	<b>PER CAPITA INCOME</b>	<b>UNEMPLOYMENT RATE</b>
1998	77,025	Not available	Not available	4.1%
1999	78,413	Not available	Not available	3.8%
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	Not available	Not available	3.6%

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 TWO YEARS AGO**

<u>EMPLOYER</u>	<u>2007</u>			<u>2005</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>
Broward County School Board	1,692	1	3.45%	-	-	-
City of Sunrise	1,027	2	2.09%			
Vista Health Plans	890	3	1.81%	-	-	-
United Healthcare	750	4	1.53%	750	2	1.57%
AT &T/Bellsouth	700	5	1.43%	500	3	1.05%
Pediatrix	485	6	0.99%	325	7	0.68%
Nortel	300	7	0.61%	400	4	0.84%
BHA Engineering	300	8	0.61%	325	6	0.68%
Interim Services	300	9	0.61%	-	-	-
Morse Operations	250	10	0.51%	-	-	-
ABN Amro Financial	-	-	-	824	1	1.73%
Foundation Healthcare	-	-	-	400	5	0.84%
Precision Response	-	-	-	300	8	0.63%
Metro One Communications	-	-	-	300	9	0.63%
Sunrise Auto Mall	-	-	-	250	10	0.52%
<b>Total</b>	<b>6,694</b>		<b>13.64%</b>	<b>4,374</b>		<b>9.17%</b>

Source: City Economic Development Office

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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General government</b>										
Management Information Services	*	*	*	*	*	14	14	15	14	12
Finance	*	*	*	*	*	26	28	27	26	27
Central Services	*	*	*	*	*	18	16	18	18	17
Planning	*	*	*	*	*	29	28	30	29	31
Other <sup>a</sup>	*	*	*	*	*	29	30	29	30	29
<b>Public safety</b>										
Police										
Officers	152	158	170	181	163	167	174	171	170	167
Civilians	75	89	105	117	118	81	75	72	78	79
Fire										
Firefighters and officers	127	136	123	126	135	134	130	137	139	139
Civilians	12	23	15	12	12	12	13	12	14	15
Building	*	*	*	*	*	24	24	26	26	27
Code Enforcement	*	*	*	*	*	11	11	13	16	15
<b>Physical environment</b>										
Public Works	*	*	*	*	*	29	31	33	29	32
Other	*	*	*	*	*	7	9	10	8	10
<b>Culture and recreation</b>										
Water	*	*	*	*	*	96	97	94	99	99
Wastewater	*	*	*	*	*	88	90	87	91	92
Gas	*	*	*	*	*	25	24	25	23	24
Golf Course	*	*	*	*	*	10	16	17	16	16
Recycling	*	*	*	*	*	1	1	1	1	1
Stormwater	*	*	*	*	*	9	8	7	6	6

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

\*Not available

Source: City Finance Department



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

FUNCTION	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Public safety</b>										
Police										
Physical arrests	2,902	3,004	2,683	2,744	2,483	3,974	2,460	2,305	2,269	3,196
Parking violations	*	*	*	*	2,153	1,852	1,841	1,039	1,299	1,084
Traffic violations	10,717	12,915	13,440	18,639	23,043	24,241	21,459	16,636	15,867	11,293
Fire										
Number of calls answered	10,862	12,000	12,294	12,361	12,000	11,501	11,649	12,013	12,274	11,766
Inspections	*	*	*	*	7,899	7,964	7,774	7,654	5,916	8,297
<b>Transportation</b>										
Street resurfacing (miles)	*	*	41	55	14	12	30	15	13	18
Potholes repaired	468	416	416	312	260	156	104	26	20	51
<b>Culture and recreation</b>										
Athletic field permits issued	2,800	2,600	2,400	2,100	1,900	1,750	1,600	2,931	2,540	2,490
Athletic club memberships	1,211	1,414	1,345	972	815	797	1,071	981	1,243	1,110
<b>Water</b>										
New connections	6,384	1,534	2,661	1,608	1,029	634	908	620	222	189
Water main breaks	49	80	39	49	23	42	19	59	52	66
Average daily consumption (thousands of gallons)	22,243	23,120	22,809	23,401	22,895	23,810	21,593	24,121	24,527	22,775
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	19,665	19,523	20,544	21,194	21,400	21,573	21,302	22,420	22,011	22,489
<b>Gas</b>										
Average daily usage (CCF's)	11,278	12,114	13,073	13,146	12,705	12,481	12,758	12,456	12,313	12,459
<b>Golf course</b>										
Memberships	*	138	116	120	136	91	114	80	154	101
<b>Stormwater</b>										
Commercial equivalent residential units (ERU's)	28,650	28,938	29,457	29,610	30,476	31,328	32,147	34,683	34,830	35,206
Residential equivalent residential units (ERU's)	34,220	34,917	35,120	35,206	36,100	36,191	36,385	36,626	36,686	37,113

\*Not available

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

FUNCTION	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Public safety</b>										
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	2	2	3	3	3	3	3	3	3	3
Patrol units	153	163	193	205	211	211	211	215	215	215
Fire stations	5	5	5	5	5	5	5	5	5	5
<b>Transportation</b>										
Streets (miles)	186	186	186	186	186	186	186	186	186	186
Street lights (FPL and City owned)	3,675	3,711	3,729	3,745	3,790	3,790	3,790	3,790	3,790	3,792
<b>Culture and recreation</b>										
Parks	5	5	5	5	10	10	12	12	13	13
Park acreage	111	111	111	111	145	145	145	169	177	177
Swimming pools	4	4	4	4	4	4	4	5	5	5
Tennis courts	24	6	21	21	21	21	21	21	21	21
Community centers	4	6	6	7	7	7	7	7	7	7
<b>Water</b>										
Water mains (miles)	490	500	510	523	547	592	624	631	636	700
Maximum daily capacity (thousands of gallons)	31,000	31,000	31,000	31,000	41,500	41,500	47,500	47,500	44,000	44,000
<b>Wastewater</b>										
Sanitary sewers (miles)	610	612	614	629	629	629	677	692	695	723
Maximum daily treatment capacity (thousands of gallons)	24,990	24,990	30,990	30,990	30,990	30,990	30,990	30,990	30,450	30,450
Gas mains (miles)	167	170	170	172	172	174	175	175	176	177
Golf Course	1	1	1	1	1	1	1	1	1	1
<b>Stormwater</b>										
Pump stations	7	7	7	7	7	7	7	7	7	7
Storm sewers (miles)	375	378	380	390	390	390	390	390	390	390

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*



**Report of Independent Certified Public Accountants 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, 2007, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 22, 2008. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

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.



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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Sunrise's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*Rachlin LLP*

Fort Lauderdale, Florida  
February 22, 2008



**Report of Independent Certified Public Accountants on Compliance and on  
Internal Control over Compliance Applicable to Each Major Federal  
Awards Program and State Financial Assistance Projects**

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, 2007. 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, 2007.



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

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.



Fort Lauderdale, Florida  
February 22, 2008

**CITY OF SUNRISE, FLORIDA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2007

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures as of 9/30/07</u>
<b>United States Department of Health &amp; Human Services Administration for Children and Families</b>			
Indirect Program:			
Passed through Florida Department of Children and Families	93.667	JF206	\$ 300,000
<b>Total Administration for Children and Families, Dept. of Health &amp; Human Services</b>			<u>300,000</u>
<b>United States Department of Homeland Security</b>			
Indirect Programs:			
Passed through State of Florida Department of Community Affairs - Disaster Grants - Public Assistance	97.036	06-WL-&K-11-16-02-674	119,059
Passed through City of Miramar - Homeland Security Grant Program	97.067	07DS-5N-11-16-02-259	278,353
Passed through State of Florida Department of Management Services - Homeland Security Grant Program	97.067	06-DS-3W-13-00-16-208	7,284
Passed through State of Florida Department of Financial Services, Division of State Fire Marshal - Homeland Security Grant Program	97.067	FM235	7,625
Passed through Florida Department of Law Enforcement - Buffer Zone Protection Program	97.078	2007-BZPP-BROW-3-N5-033	48,007
<b>Total United States Department of Homeland Security</b>			<u>460,328</u>
<b>United States Department of Housing and Urban Development</b>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218	B-05-MC-120035	664,739
Indirect Programs:			
Passed through Broward County - Home Investment Partnership Program	14.239	2003 - 2004	301,972
<b>Total United States Department of Housing &amp; Urban Development</b>			<u>966,711</u>
<b>United States Department of Justice</b>			
Direct Programs:			
Federal Equitable Sharing	16.000	N/A	311,665
Bulletproof Vest Partnership Program	16.607	N/A	7,425
Public Safety Partnership and Community Policing Grants	16.710	2003UMWX0225	100,000
Indirect Programs:			
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	16.738	2005-DJ-BX-1692	42,144
<b>Total United States Department of Justice</b>			<u>461,234</u>
<b>United States Department of Transportation</b>			
Indirect Program:			
Passed through Florida Department of Transportation - Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	AOL87	62,449
Passed through Florida Department of Transportation - Florida Child Safety Seat Distribution Program			285
<b>Total United States Department of Transportation</b>			<u>62,734</u>
<b>United States Department of Treasury</b>			
Direct Program:			
Federal Equitable Sharing	16.000	N/A	390,953
<b>Total United States Department of Treasury</b>			<u>390,953</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,641,960</u>

See notes to schedule.

(Continued)



# CITY OF SUNRISE, FLORIDA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS

(Continued)

YEAR ENDED SEPTEMBER 30, 2007

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Grant Number</u>	<u>Expenditures as of 9/30/07</u>
<b>Florida Department of Community Affairs</b>			
Indirect Project:			
Passed through Florida Housing Finance Corporation - SHIP	52.901	52-202250001-52980100-00-10504500	\$ <u>761,108</u>
<b>Total Department of Community Affairs</b>			<u>761,108</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE PROJECTS</b>			<u>\$ 761,108</u>

See notes to schedule.

# CITY OF SUNRISE, FLORIDA

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

YEAR ENDED SEPTEMBER 30, 2007

### **NOTE 1. GENERAL**

The accompanying schedule of expenditures of federal awards and state financial assistance projects (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, 2007. 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 projects 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

YEAR ENDED SEPTEMBER 30, 2007

### 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 X No

Significant deficiency(ies) identified not considered to be material weakness?

\_\_\_ Yes X None reported

Non-compliance material to financial statements noted?

\_\_\_ Yes X 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 X No

Significant deficiency(ies) identified not considered to be material weakness?

\_\_\_ Yes X 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 X No

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

#### Federal Awards Programs

#### Federal CFDA No.

Social Services Block Grant	93.667
Home Investment Partnership Program	14.239
Federal Equitable Sharing	16.000

#### State Assistance Projects

#### State CSFA No.

State Housing Initiative Partnership Program	52.901
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Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$300,000  
State \$228,332

Auditee qualified as low-risk auditee?

X Yes \_\_\_ no

# **CITY OF SUNRISE, FLORIDA**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(Continued)

### **SECTION II – FINANCIAL STATEMENT FINDINGS**

There were no findings or questioned costs relating to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

### **SECTION III – FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS FINDINGS AND QUESTIONED COSTS**

There were no current year findings or questioned costs for the year ended September 30, 2007.

**CITY OF SUNRISE, FLORIDA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FISCAL YEAR ENDED SEPTEMBER 30, 2007**

**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND STATUS**

None.

**II. PRIOR YEAR FEDERAL AWARDS 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 basic financial statements of the City of Sunrise, Florida (the City) as of and for the year ended September 30, 2007, and have issued our report thereon dated February 22, 2008, which was modified to refer to the report of other auditors with regards to the Pension Trust Funds.

We conducted our audit 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The financial statements of the Pension Trust funds were not audited in accordance with *Government Auditing Standards*. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting. Disclosures in that report, which is dated February 22, 2008, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and, unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

- 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 significant findings and recommendations made in the preceding annual financial audit report. There were no previous year findings or recommendations.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and 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 findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, requires based on professional judgment, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an



immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Sunrise was established under Chapter 61-2902 in 1961. The City has three 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 did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2007, 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, 2007. In connection with our audit, we determined that these two reports were in agreement.
- Section 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

This management letter is intended solely for the information of the Mayor, City Commission, management, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Rachlin LLP*

Fort Lauderdale, Florida  
February 22, 2008