



Comprehensive Annual
Financial Report
Fiscal Year Ended September 30, 2012

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

**Fiscal Year Ended
September 30, 2012**



**prepared by the
Finance Department**

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

CITY OF SUNRISE, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

TABLE OF CONTENTS

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

	<u>Page</u>
Combining Balance Sheet – Nonmajor Capital Projects Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	97
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Community Development Block Grant Special Revenue Fund	98
Impact Fees Special Revenue Fund	99
Urban Area Security Initiative Grant Special Revenue Fund	100
Broward County Home Consortium Grant Special Revenue Fund	101
Broward County Disaster Recovery Initiative Grant Special Revenue Fund	102
Neighborhood Stabilization Program Grant Special Revenue Fund	103
Energy Efficiency Grant Special Revenue Fund	104
Fuel and Roadway Special Revenue Fund	105
State Housing Initiatives Partnership Grant Special Revenue Fund	106
Police Confiscation Special Revenue Fund	107
Special Recreation District Phase I Debt Service Fund	108
Special Recreation District Phase II Debt Service Fund	109
Special Tax District No. 1 Debt Service Fund	110
Public Service Tax Debt Service Fund	111
Special Tax District No. 1 Capital Projects Fund	112
Capital Improvements Capital Projects Fund	113
Combining Statement of Net Assets – Nonmajor Enterprise Funds	116
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Enterprise Funds	117
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	118
Combining Statement of Net Assets – Internal Service Funds	122
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	123
Combining Statement of Cash Flows – Internal Service Funds	124
Combining Statement of Fiduciary Net Assets – Fiduciary Funds	128
Combining Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	129

III. STATISTICAL SECTION (Unaudited)

Schedule 1 – Net Assets by Component	132
Schedule 2 – Changes in Net Assets	133
Schedule 3 – Fund Balances, Governmental Funds	135
Schedule 4 – Changes in Fund Balances, Governmental Funds	136
Schedule 5 – Tax Revenues by Source, Governmental Funds	137
Schedule 6 – Assessed Value and Estimated Actual Value of Taxable Property	138
Schedule 7 – Direct and Overlapping Property Tax Rates	139
Schedule 8 – Principal Property Taxpayers	140
Schedule 9 – Property Tax Levies and Collections	141
Schedule 10 – Ratios of Outstanding Debt by Type	142
Schedule 11 – Direct and Overlapping Governmental Activities Debt	143
Schedule 12 – Pledged Revenue Coverage	144
Schedule 13 – Demographic and Economic Statistics	146
Schedule 14 – Principal Employers	147
Schedule 15 – Full-time Equivalent City Government Employees by Function	148
Schedule 16 – Operating Indicators by Function	149
Schedule 17 – Capital Asset Statistics by Function	150

IV. REPORTING SECTION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Schedule of Expenditures of Federal Awards

Notes to Schedule of Expenditures of Federal Awards

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings

V. MANAGEMENT LETTER

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

Section I
City of Sunrise, Florida
Introductory Section



February 19, 2013

To the Honorable Mayor and members of the City Commission:

We are pleased to present the City of Sunrise's (the City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012. State law requires that all general-purpose local governments publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements included in this report conform with generally accepted accounting principles (GAAP) and are audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City. Responsibility for both the reliability of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Marcum LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2012, 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, 2012, 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 mandated “Single Audit” designed to meet the special needs of the federal 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 28 million visitors each year.

The City has operated under a city commission/city manager form of government since 1989. The city commission is comprised of the mayor, deputy mayor, assistant deputy mayor, and two commissioners, who enact laws, determine policies and adopt the annual budget. The city manager is appointed by the city commission and is responsible for carrying out the policies of the city commission and for overseeing the daily management of the City. The city manager appoints the heads of the various departments.

The City provides a full range of services including police and fire protection, emergency medical service, water, wastewater and gas services, sanitation services, recycling services, stormwater services, recreational and cultural activities/events, construction and maintenance of streets and other infrastructure and general administrative services. Internal services of the City, accounted for on a cost reimbursement basis, include a workers’ compensation fund and vehicle replacement fund. The City is financially accountable for two legally separate special recreation districts, one special improvement district and a special tax district, all of which are included as an integral part of the City’s comprehensive annual financial report. Additional information on all four of these legally separate entities can be found in the notes to the financial statements (See Note I.A).

The annual budget serves as the foundation for the City’s financial planning and control. All departments of the City are required to submit requests for appropriation to the city manager. The city manager uses these requests as the starting point for developing a proposed budget. The city manager then presents the proposed budget to the city commission on or before August 1 of each year. The city commission is required to hold public hearings on the proposed budget and to adopt a final budget by September 30th of

each year. The appropriated budget is prepared by fund, function (e.g., Public Safety), and department (e.g., Police). The city manager is authorized to transfer appropriations within a department, office or agency; however, any other revisions require approval of the city commission. Additionally, program budgeting has been implemented for the General Fund departments to help the reader understand the true cost of various programs.

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

Economic Outlook and Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

Sunrise, situated in the heart of the tri-county region (Miami-Dade, Broward and Palm Beach), is well diversified and continues to be a prime location for corporate headquarters and major office operations. The City continues to be a leader in the region for the attraction of new corporate investment, job growth and business expansion. The City offers developers and business owners superior access to a lucrative customer base. As the region's population base continues to shift north and west, the Sawgrass area of Sunrise has become the population center of the tri-county area. As such, the City is uniquely situated to offer a large pool of prospective employees and customers to many multi-national corporations, regional corporate offices and headquarters for leading domestic and international corporations.

The following facts reflect Sunrise's economic condition and outlook:

- Sunrise is home to a diversified group of businesses, including corporate offices, financial services and research and development (R & D) companies. A strong endorsement of the City's business appeal is that corporations, hotels, restaurants, office parks and attractions already located in our community continue to expand and invest in the area. The City is a job growth leader, consistently ranking at the top of Broward County municipalities in the creation of new employment opportunities. Because of the uncertainty surrounding national, as well as global economies, 2012 was a challenging year for economic development for most cities. In spite of these less than ideal economic conditions, Sunrise was able to foster in significant business expansion and new employment opportunities. In fact, Sunrise issued 624 new business licenses in 2012. The City also processed an impressive 8,616 building permits valued at over \$530 million worth of

development this year. Some of the more notable activity for 2012 included *Emerson Electric*, which located their South American headquarters to Sunrise in 2011. They have added 40 new jobs this year in the 30,000 square feet of office space that they occupy. At \$96,000 average per job, Emerson's expansion will pump \$4 million worth of new income into the local economy.

Advantix, a heating and cooling systems manufacturer, opened a 40,000 square foot headquarters facility and will employ 125 people in their new Sunrise location. *Bolton Medical* also expanded this year by 30 new employees and added \$2.3 million worth of laboratory space. *Baptist Healthcare* broke ground on their first urgent care facility in Sunrise in 2011 and should be open in early 2013. Some new retailers arriving to the City include: *California Pizza Kitchen* and *Ideal Baby & Kids*.

- Sunrise's four major industrial parks consist of Sawgrass International Corporate Park with 612 acres, Sunrise Commerce Center with 550 acres, Broward Lakes Business Center with 120 acres and Sawgrass Technology Park with 100 acres. The Sawgrass International Corporate Park is the most significant of these, ranking as the largest corporate office park in South Florida and the 6th largest office park in the State of Florida. The latest addition to the Sawgrass International Corporate Park - Lakeshore Office Plaza II, a five-story, 145,000 square foot class A office building - is now 100% leased. The overall vacancy rate in the corporate park has been reduced from a high of 25% in 2008 to just 14% this past year, which bodes well for future office space development.

Sawgrass Mills Mall, a 2.7 million square foot shopping mall and entertainment complex located in the City, is second only to Walt Disney World as a tourist attraction in Florida. In 2012, the mall completed a 40,000 square foot expansion to house designer retail boutiques such as *Prada*, *Giorgio Armani*, *Steve Madden* and *Columbia Sports Wear* just to name a few. With the most amount of leasable retail space under one roof, Sawgrass Mills is the largest mall in the United States. In addition to Sawgrass Mills, another major amenity drawing visitors to the City is the 20,000 seat BB & T Center. The BB & T Center is one of the finest arenas in the country and home to the NHL's Florida Panthers, which had their season shortened because of a labor dispute and lockout. The corporate park, mall and the arena all remain regional destinations and significant contributors to the City's economy.

Tax reform legislation, known as Amendment 1, took effect October 2008. Amendment 1 provided for an additional \$25,000 property tax exemption for homesteaded properties, portability of the Save Our Homes benefit, and a \$25,000 exemption on tangible personal property. The impact on the city's property tax revenues are described in more detail in the MD & A on page 19 and in Note I on page 71.

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 11.5

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

During fiscal year 2010, a general fund revenue stabilization account, with a funding level of five percent (5%) of last known audited actual operating expenditures, was established to mitigate impacts of future general fund revenue shortfalls. During the same time period, a contingency reserve account, with a funding level of three times that of the revenue stabilization account, was created to provide funding for disasters, emergencies, or other exigent circumstances.

Major Initiatives

The City has seen moderate, yet steady growth over the past ten years. Growth in the commercial sector and demand for office space is expected to rebound in the next several years. Although the economic environment has presented challenges, the City has seen an improvement of its office space vacancy rate over last year. The multifamily housing market ushered in a significant amount of development in the City, adding over 500 new units this past year. Multifamily real estate projects are expected to see robust activity next year as well, due to the Nexus project and others which are scheduled to come online or break ground next year.

Ongoing construction continues on Artesia, an upscale, gated community which, upon completion, will be comprised of approximately 1,400 residences. 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 twin tower, 26-story, residential condominium project, called Tao, features 396 luxury units. Sales and rental activity at Tao remained strong in 2012, with most of the units being rented or sold.

As part of the City's commitment to enhancing the quality of life for its residents and attracting visitors and tourism, Sunrise hosted the Fort Lauderdale Film Festival for the second consecutive year. The festival attracted thousands of film enthusiasts, directors, producers, writers and actors to the City.

Other major developments and corporate relocation projects continue to consider Sunrise as a potential location for their investment. Some of these significant developments could likely be announced within the next 12 to 18 months.

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, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report was made possible by the efficient and dedicated service of the Finance Department staff. Sincere appreciation is expressed for the contributions made by all individuals in the preparation of this report. Credit also must be given to the city commission for their commitment to prudent fiscal management practices that emphasize long-term financial stability.

Respectfully submitted,



Laura Toebe
Director of Finance



Wendy Friedman
Assistant Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sunrise
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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.



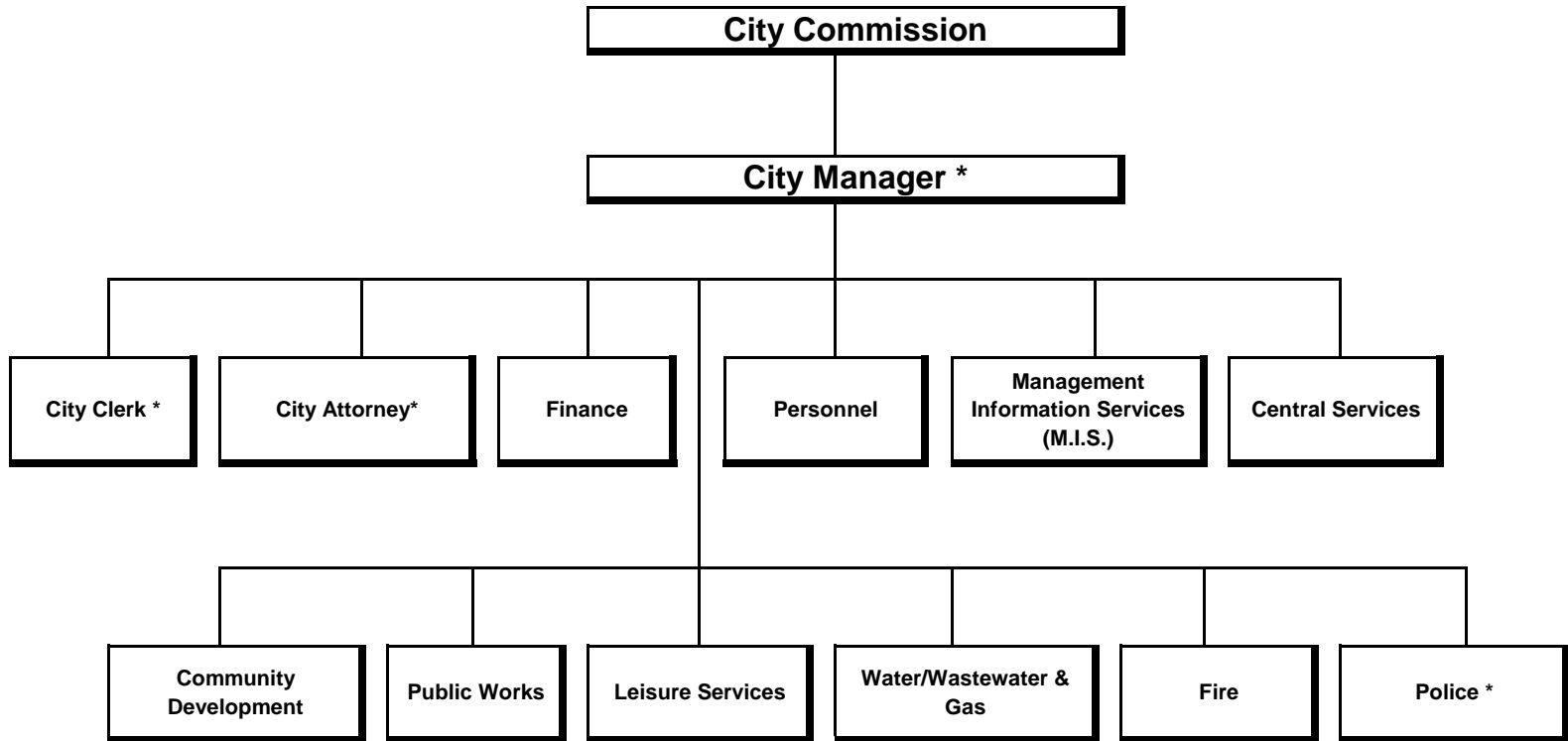
Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

**City of Sunrise
Departmental Organizational Chart
Fiscal Year 2011/2012**



8

* Charter Officer

**City of Sunrise, Florida
List of City Officials
September 30, 2012**

Elected Officials

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

**Michael J. Ryan
Joseph A. Scutto
Sheila D. Alu
Donald K. Rosen
Lawrence A. Sofield**

Principal Officials

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

**Richard Salamon
Kimberly A. Kisslan
Felicia Bravo
Tariq Riaz
Laura Toebe
Beth Zickar
William Falce
Richard Fischer
Mark Lubelski
Chuck Meeks
Tim Welch
Thomas DiBernardo
John E. Brooks**

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Section II
City of Sunrise, Florida
Financial Section

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Sunrise, Florida (the City) as of and for the year ended September 30, 2012, 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 financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represent 84% and 78% of the total assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Pension Trust Funds are based upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to previously 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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 24 and the Schedule of Funding Progress on pages 83 and 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Marcum LLP

Fort Lauderdale, FL
February 19, 2013

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, 2012. 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, fund balance for the general fund was \$70,000,154. Of this balance, \$631,062 for inventories, prepaid items and advances was nonspendable; \$4,408,916 was restricted for building department expenditures; \$28,628,942 was committed for revenue stabilization, contingency, economic and job growth, and reforestation replacement; and \$4,784,445 was assigned for subsequent year's expenditures, encumbrances, and Tennis Center capital. The balance of \$31,546,789 was unassigned and available for new spending.
- At the end of the fiscal year, the unassigned fund balance was \$31,546,789 or 34.6% of general fund revenues and 31.3% of general fund expenditures.
- General fund revenues and other financing sources increased by \$5,671,886, an increase of 5.7% from fiscal year 2011. This was due to increased receipts for franchise fees and permit fees.
- General fund expenditures and other financing uses decreased by \$6,945,059, or 6.3% less than last fiscal year due to decreased transfers to fund capital projects.

Governmental Activities

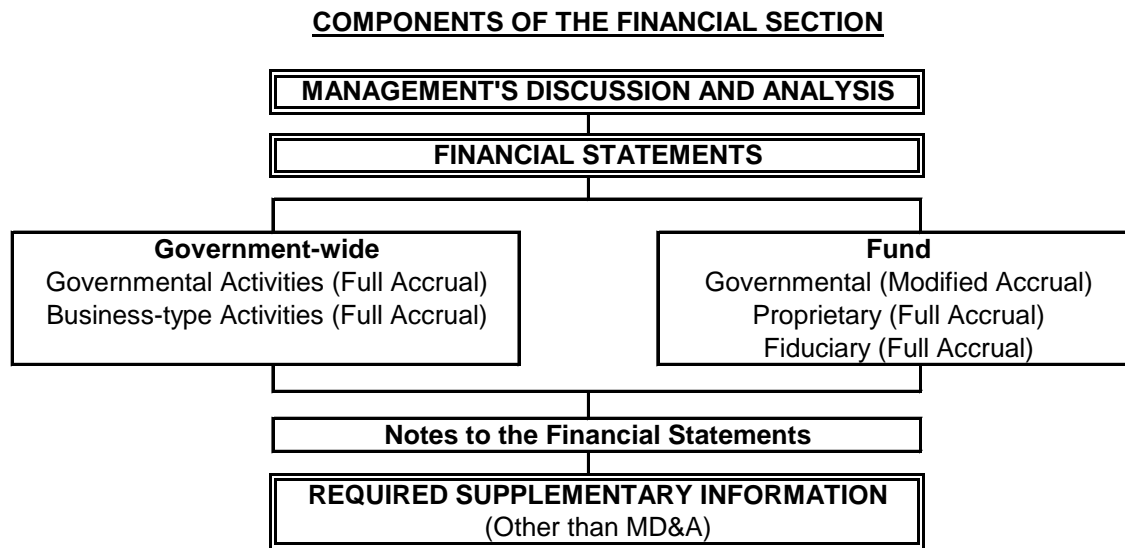
- On a government-wide basis for governmental activities, the City's general revenues of \$63,359,020 were \$17,777,609 less than the \$81,136,629 of expenses net of program revenue.
- As of September 30, 2012, the City's governmental activities reported total ending net asset balances of \$256,895,742. Approximately 36.7% of this total amount, \$94,285,475, is unrestricted and available for use within the City's policies.

Government-wide

- The City's total net assets, on a government-wide basis, totaled \$582,684,230 at September 30, 2012, a decrease of .2% from September 30, 2011. Of this amount, \$166,804,185 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 - are one way to measure the financial health, or financial position, of the City. Over time, increases or decreases in net assets are an indicator of whether the financial position of the City is improving or deteriorating. However, in order to assess the overall health of the City, other non-financial factors such as changes in the City's property tax base and condition of the infrastructure must be considered.

The City's government-wide financial statements are divided into two categories:

Governmental activities – Most of the City's basic services are reported here, such as police, fire and other public safety services, culture and recreation, public works and general administration. Property, utility service and sales taxes, charges for services, franchise fees, and state/federal grants finance most of these activities. Four legal entities for which the City is financially accountable - Special Recreation District Phase I, Special Recreation District Phase II, Special Tax District No. 1 and Metropica Improvement District - are blended component units of the City. Metropica Improvement District does not have any financial activity to date.

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 explain the differences between them.

In fiscal year 2012, the City maintained seventeen 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 fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

Services for which the City charges customers a fee are generally reported in proprietary funds. These funds, like the government-wide statements, provide both long-term and short-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The City uses enterprise funds to account for its water, wastewater and gas, sanitation, recycling, stormwater and golf course operations. The City uses internal service funds (the other type of proprietary fund) to report activities that provide services for the City's other programs and activities. The Workers' Compensation and Vehicle Replacement funds are the City's two internal service funds. Because these services benefit both governmental activities and business-type activities, they have been allocated accordingly 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, 2012 and 2011 (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 150,573	\$ 156,050	\$ 256,054	\$ 241,670	\$ 406,627	\$ 397,720
Capital assets	<u>206,069</u>	<u>215,912</u>	<u>334,101</u>	<u>337,342</u>	<u>540,170</u>	<u>553,254</u>
Total assets	<u>356,642</u>	<u>371,962</u>	<u>590,155</u>	<u>579,012</u>	<u>946,797</u>	<u>950,974</u>
Current and other liabilities	19,189	16,309	31,118	30,700	50,307	47,009
Long-term liabilities	<u>80,557</u>	<u>82,904</u>	<u>233,249</u>	<u>237,481</u>	<u>313,806</u>	<u>320,385</u>
Total liabilities	<u>99,746</u>	<u>99,213</u>	<u>264,367</u>	<u>268,181</u>	<u>364,113</u>	<u>367,394</u>
Net assets:						
Invested in capital assets, net of related debt	149,640	155,501	206,984	215,951	356,624	371,452
Restricted	12,971	14,339	46,285	34,052	59,256	48,391
Unrestricted	<u>94,285</u>	<u>102,909</u>	<u>72,519</u>	<u>60,828</u>	<u>166,804</u>	<u>163,737</u>
Total net assets	<u>\$ 256,896</u>	<u>\$ 272,749</u>	<u>\$ 325,788</u>	<u>\$ 310,831</u>	<u>\$ 582,684</u>	<u>\$ 583,580</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of September 30, 2012, assets exceeded liabilities by \$582,684 thousand.

The majority of the City's net assets (61.2%) reflect its investment in capital assets, less any outstanding related debt used to acquire those assets. 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 (10.2%) represents resources that are subject to external restrictions on how they may be used, such as debt or capital projects. The remaining balance of unrestricted net assets (28.6%) may be used to meet the City's ongoing obligations to its citizenry.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

There was an increase in net assets of \$14,957 thousand for business-type activities and a decrease of \$15,853 thousand for governmental activities for the current fiscal year, resulting in a combined decrease of \$896 thousand in net assets. The increase for business-type activities is primarily due to increases in user fees to provide for future capital projects. The decrease for governmental activities is due to the decrease in capital assets as compared to fiscal year 2011.

Statement of Activities

The following table provides a condensed comparative summary of the City's operations for the fiscal years ended September 30, 2012 and 2011:

	Changes in Net Assets					
	For the Fiscal Years Ended September 30, 2012 and 2011					
	(in thousands)					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program revenues:						
Charges for services	\$ 40,759	\$ 36,652	\$110,372	\$108,821	\$151,131	\$145,473
Operating grants and contributions	8,465	10,164	-	-	8,465	10,164
Capital grants and contributions	1,488	2,056	338	1,952	1,826	4,008
General revenues:						
Property taxes	30,485	31,324	-	-	30,485	31,324
Insurance premium taxes	-	1,278	-	-	-	1,278
Utility service tax	7,929	7,657	-	-	7,929	7,657
Communications services tax	4,238	4,365	-	-	4,238	4,365
Local business tax	2,139	2,196	-	-	2,139	2,196
Franchise fees	8,829	9,008	-	-	8,829	9,008
Grants and contributions not restricted to specific programs	7,176	7,177	-	-	7,176	7,177
Unrestricted investment earnings	1,415	1,197	1,300	949	2,715	2,146
Miscellaneous	1,148	1,019	3,540	2,945	4,688	3,964
Gain on sale of capital assets	-	39	-	-	-	39
Total revenues	<u>114,071</u>	<u>114,132</u>	<u>115,550</u>	<u>114,667</u>	<u>229,621</u>	<u>228,799</u>
Expenses						
General government	22,165	20,272	-	-	22,165	20,272
Public safety	73,392	71,267	-	-	73,392	71,267
Physical environment	-	58	-	-	-	58
Economic development	3,510	3,394	-	-	3,510	3,394
Human services	38	6	-	-	38	6
Transportation	15,109	16,179	-	-	15,109	16,179
Culture and recreation	14,325	14,094	-	-	14,325	14,094
Interest on long-term debt	3,309	3,766	-	-	3,309	3,766
Water and wastewater	-	-	75,556	70,526	75,556	70,526
Gas	-	-	6,075	6,591	6,075	6,591
Sanitation	-	-	12,254	14,048	12,254	14,048
Recycling	-	-	519	546	519	546
Stormwater	-	-	2,372	2,169	2,372	2,169
Golf Course	-	-	1,893	1,848	1,893	1,848
Total expenses	<u>131,848</u>	<u>129,036</u>	<u>98,669</u>	<u>95,728</u>	<u>230,517</u>	<u>224,764</u>
Increase (decrease) in net assets before transfers	(17,777)	(14,904)	16,881	18,939	(896)	4,035
Transfers	1,924	(313)	(1,924)	313	-	-
Change in net assets	(15,853)	(15,217)	14,957	19,252	(896)	4,035
Net assets – beginning	<u>272,749</u>	<u>287,966</u>	<u>310,831</u>	<u>291,579</u>	<u>583,580</u>	<u>579,545</u>
Net assets – ending	<u>\$256,896</u>	<u>\$272,749</u>	<u>\$325,788</u>	<u>\$310,831</u>	<u>\$582,684</u>	<u>\$583,580</u>

Revenues

For the fiscal year ended September 30, 2012, revenues from governmental activities totaled \$114,071 thousand.

General property taxes were \$30,485 thousand, a decrease of \$839 thousand as compared to fiscal year 2011. Assessed property values decreased and the City maintained its previous year's millage rate.

Charges for services increased by \$5,658 thousand mainly due to an increase in building and planning permit fees collected. In addition, water and wastewater revenue increased due to a 5.95% CPI rate adjustment on October 1, 2011.

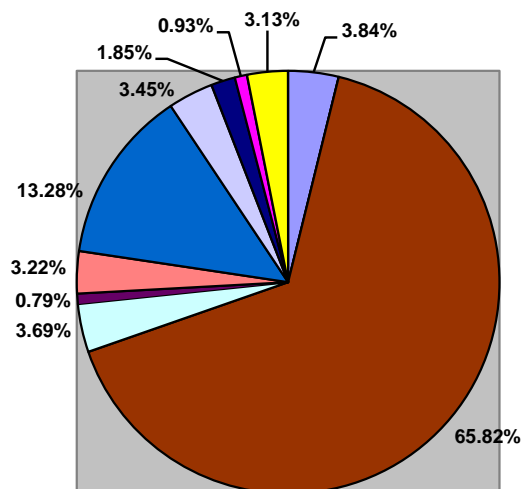
Operating grants and contributions decreased by \$1,699 thousand primarily due to a decrease in forfeiture confiscation revenues.

Capital grants and contributions decreased by \$2,182 thousand primarily due to a decrease in developer contributions.

Insurance premium taxes received in fiscal year 2012 were \$1,299 thousand and are more appropriately included in operating grants and contributions.

Unrestricted investment earnings increased by \$569 thousand due to "mark-to-market" accounting resulting in higher unrealized investment gains as compared to fiscal year 2011. The average interest rate of .4% in fiscal year 2011 remained the same in fiscal year 2012.

**Sources of Revenue: Government-wide
for FY 2012**

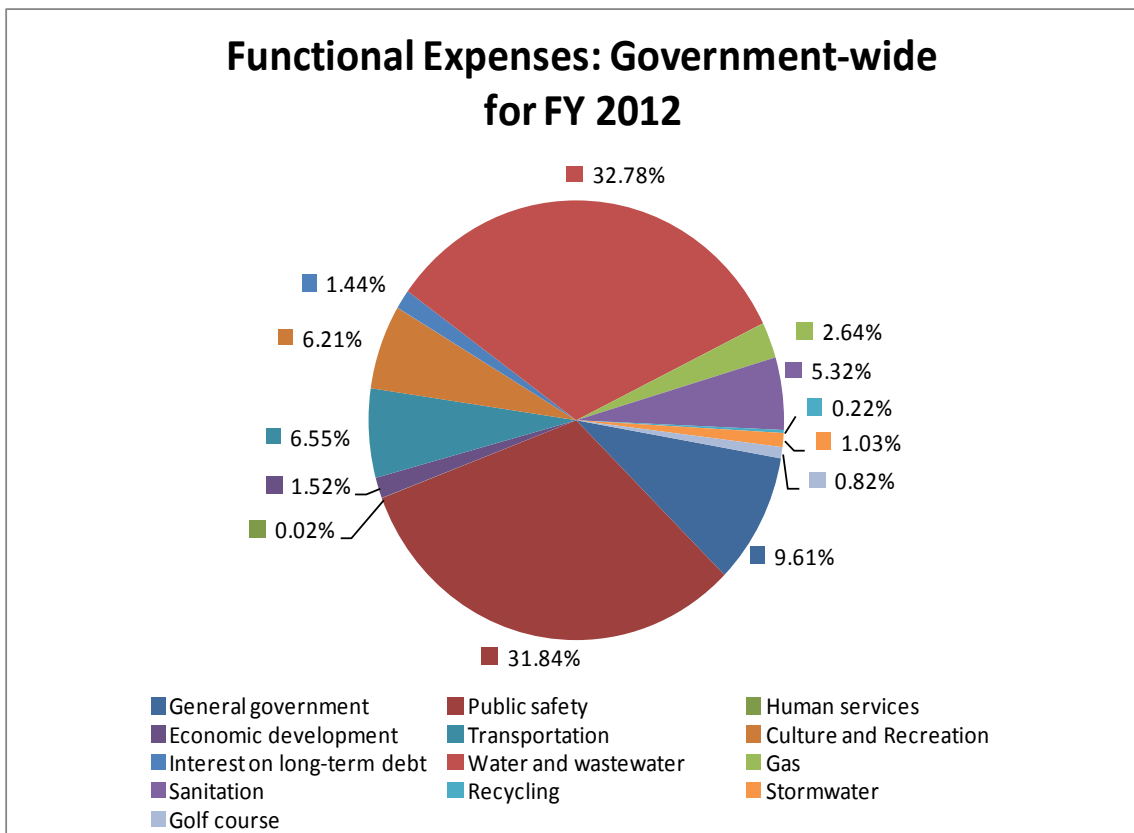


■ Franchise fees	■ Charges for services	□ Operating grants and contributions
■ Capital grants and contributions	■ Unrestricted investment earnings and other	■ Property taxes
□ Utility service taxes	■ Communications services tax	■ Local business tax
■ Unrestricted grants/ contributions		

Expenses

For the fiscal year ended September 30, 2012, expenses for governmental activities totaled \$131,848 thousand, an increase of \$2,812 thousand, mainly due to 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 \$98,669 thousand, an increase of \$2,941 thousand from fiscal year 2011. This increase is due to an increase in employee compensation expenses.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended September 30, 2012, the governmental funds reflect a combined fund balance of \$113,336,853, a decrease of \$7,744,752 in comparison with the prior year. Approximately 99 percent of this total amount (\$112,652,690) constitutes spendable fund balance. The remainder of fund balance is non-spendable to indicate that it is not available for new spending because it has already been committed for advances (\$518,933), prepaid items (\$6,567) and inventories (\$158,663). This year's decrease in fund balance is due to a number of reasons. Construction on the Public Works Facility, Civic Center pool and greenspace improvements primarily contributed to the \$8,135,610 decrease in fund balance in the Capital Improvements capital projects fund. The other governmental funds fund balance decreased by \$1,157,357 primarily due to a transfer from the Impact Fees special revenue fund to the Capital Improvements capital projects fund to pay for greenspace improvements. The general fund's revenues and other financing sources were \$2,442,025 in excess of its expenditures and other financing uses. Differences between actual revenues and the final budget occurred in various revenue sources: property tax revenues decreased approximately \$385 thousand due to lower than anticipated ad valorem tax collections; permits and fees increased approximately \$2,600 thousand due to increased development; investment earnings increased by \$176 thousand due to the use of fair value accounting for investments; insurance premium taxes increased \$1,149 thousand due to receipts of fire and police insurance premium taxes; judgments, fines, and forfeitures decreased \$438 thousand due to lower than anticipated collections related to the red light camera program; miscellaneous revenues increased by approximately \$1,023 thousand primarily due to the lien amnesty program (\$188 thousand), higher than anticipated code liens inquiry fees (\$185 thousand), insurance receipts (\$136 thousand), reimbursement of expenses related to canal stabilization (\$242), and foreclosure registry fees (\$134 thousand). In addition, total expenditures were approximately \$7.7 million less than final budget due to less than anticipated spending for residential, commercial and multi-family incentive programs and capital items as well as position vacancies. The fund balance of the Public Service Tax debt service fund decreased by \$893,810 primarily due to a transfer to the general fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget amounted to a \$974,803 increase in appropriations. Of this increase, \$138,803 was funded through various grants, \$150,000 was funded through insurance premium taxes, \$191,000 was funded from building permit fees, and \$495,000 was funded from the general fund unreserved fund balance. Highlights of the supplemental appropriation follow:

- \$495,000 in increases for general government activities. Included in this amount are budgetary increases for residential, commercial and multi-family incentive programs.
- \$479,803 in increases allocated to public safety. Included in this amount was a supplemental appropriation of \$150,000 to fund contributions to the Firefighters' Pension Plan, \$191,000 for contractual building inspector services, and \$138,803 for public safety related grants.

**General Fund
FY 2012
(in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues			
Taxes	\$ 31,324	\$ 31,474	\$ 32,337
Permits and fees	3,669	3,860	6,461
Franchise fees	8,816	8,816	8,906
Intergovernmental	7,628	7,767	7,712
Charges for services	18,123	18,123	19,039
Other	<u>15,980</u>	<u>15,980</u>	<u>16,767</u>
Total	<u>85,540</u>	<u>86,020</u>	<u>91,222</u>
 Expenditures	 <u>107,428</u>	 <u>108,403</u>	 <u>100,656</u>
 Deficiency of revenues under expenditures	 <u>(21,888)</u>	 <u>(22,383)</u>	 <u>(9,434)</u>
 Other financing sources (uses)			
Transfers in	14,360	14,470	14,306
Transfers out	(2,532)	(2,532)	(2,532)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>102</u>
Total	<u>11,828</u>	<u>11,938</u>	<u>11,876</u>
 Net change in fund balance	 <u>\$ (10,060)</u>	 <u>\$ (10,445)</u>	 <u>\$ 2,442</u>

Actual general fund revenues exceeded original budgeted revenues by \$5,682 thousand. This increase is primarily due to receipt of \$2,656 thousand in building permit fees, \$306 thousand for cost recovery charges, \$188 thousand for lien amnesty program, and \$1,299 thousand in insurance premium taxes that were unbudgeted. The original budget was amended to account for an additional \$191 thousand of building permit fees and additional grant awards. Actual revenue collections exceeded the final budget by \$5,202 thousand. Actual general fund expenditures were less than the original budget by \$6.8 million primarily due to position vacancies resulting in salary and related payroll cost savings and a concerted effort to curtail operating expenses.

CAPITAL ASSETS

At the end of fiscal year 2012, the City's governmental activities had invested \$206,069,218 in a variety of capital assets and infrastructure, which represents a net decrease of \$9,842,734 from the prior year. The City's investment in capital assets for its business-type activities amounted to \$334,100,760, which represents a net decrease of \$3,240,854 from the prior year. The following table reflects the components of capital assets and their changes:

	Government-wide Change in Capital Assets (in thousands)					
	Governmental Activities			Business-type Activities		
	<u>Balance 10/1/11</u>	<u>Net Additions/ Deletions</u>	<u>Balance 9/30/12</u>	<u>Balance 10/1/11</u>	<u>Net Additions/ Deletions</u>	<u>Balance 9/30/12</u>
Non-depreciable assets:						
Land	\$ 14,757	\$ 41	\$ 14,798	\$ 10,985	\$ 1,096	\$ 12,081
Construction in progress	10,128	3,350	13,478	17,206	5,615	22,821
Other capital assets:						
Intangibles	1,276	88	1,364	1,006	19	1,025
Buildings and system Improvements other than buildings	122,811	(900)	121,911	471,463	999	472,462
Machinery and equipment	38,017	4,784	42,801	10,020	848	10,868
Vehicles	15,090	1,191	16,281	7,931	917	8,848
Infrastructure	19,632	(65)	19,567	7,333	638	7,971
Accumulated depreciation on other capital assets	331,894	-	331,894	-	-	-
Totals	<u>(337,693)</u>	<u>(18,332)</u>	<u>(356,025)</u>	<u>(188,603)</u>	<u>(13,372)</u>	<u>(201,975)</u>
	<u>\$ 215,912</u>	<u>\$ (9,843)</u>	<u>\$ 206,069</u>	<u>\$ 337,341</u>	<u>\$ (3,240)</u>	<u>\$ 334,101</u>

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

- The City completed the replacement of the Civic Center 50 meter competition pool.
- The City made several public safety purchases including 17 police vehicles at a cost of \$383,342. Additionally, the City purchased 60 golf carts for the Seven Bridges at Springtree Golf Course.
- Sunset Strip streetscape improvements from NW 68 Ave to Pine Island Road were completed for a total cost of \$1,836,909, utilizing \$841,320 in Florida Department of Transportation grant funds.
- Various system additions and improvements were completed in the Water, Wastewater, and Gas Utility System at a cost of \$7,329,316.

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

- Park Improvements: Four new parks on almost 25 acres are in process and will increase the City's total park acreage by over 16%.
- Buildings: A public works facility that will include a City vehicle automotive repair garage will be completed in FY13.

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 \$272,498,232. Of this amount, \$252,283,232 represents bonds secured solely by specified revenue sources, \$1,740,000 comprises public improvement bonds (bank notes), and \$18,475,000 is ad valorem tax bonds. More detailed information about the City's long-term liabilities is presented in Note IV.G and IV.H to the financial statements.

The City's governmental activities revenue bonds have an insured rating of "Baa2" by Moody's Investors Service while the ad valorem tax bonds have an insured rating of "A2". Standard and Poor's has given an insured rating of "BBB" for the governmental activities revenue bonds and an insured rating of "AA-" for the ad valorem tax bonds. The public improvement bonds (bank notes) are not rated. The Series 2010 utility bonds have a rating of "AA-" by Standard and Poor's and "AA" by Fitch. The other existing utility revenue bonds were also rated "AA-" by Standard and Poor's.

ECONOMIC FACTORS

According to the U.S. Department of Labor, Bureau of Labor Statistics, the City's total resident employment as of September 2012 was 44,746 compared to 45,608 as of September 2011. The City's resident unemployment rate decreased from 9.4% in September 2011 to 7.8% in September 2012. The State of Florida's unemployment rate at September 2012 was 8.6%.

As of September 2012 (the latest data available from the U. S. Census Bureau), the City's median household income was \$47,507, while the State's median household income was \$45,736, but a slowing real estate market combined with volatile financial markets will continue to have a significant impact on the City's budget for the next several years. Projected general fund revenues will not keep pace with projected operating costs.

The City is carefully monitoring Florida Legislature initiatives and their future impact on the City's ability to function at its present level.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 10770 West Oakland Park Blvd., Sunrise, Florida 33351.

BASIC FINANCIAL STATEMENTS

CITY OF SUNRISE, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 39,168,427	\$ 28,161,464	\$ 67,329,891
Investments	103,451,280	37,089,042	140,540,322
Receivables, net of allowance for uncollectibles	7,742,893	18,372,926	26,115,819
Internal balances	(132,980)	132,980	-
Inventories	158,663	2,126,290	2,284,953
Prepays	7,270	34,500	41,770
Deferred charges	177,324	1,880,190	2,057,514
Restricted assets:			
Cash and cash equivalents	-	124,909,203	124,909,203
Investments	-	43,307,232	43,307,232
Interest receivable on investments	-	40,396	40,396
Capital assets not being depreciated:			
Land	14,797,824	12,081,401	26,879,225
Construction in progress	13,478,531	22,820,638	36,299,169
Capital assets (net of accumulated depreciation):			
Intangibles	442,968	238,059	681,027
Buildings and system	93,766,861	285,074,999	378,841,860
Improvements other than buildings	19,529,080	7,495,337	27,024,417
Machinery and equipment	6,388,837	3,371,394	9,760,231
Vehicles	6,285,769	3,018,932	9,304,701
Infrastructure	51,379,348	-	51,379,348
Total assets	<u>356,642,095</u>	<u>590,154,983</u>	<u>946,797,078</u>
LIABILITIES			
Accounts payable and other current liabilities	3,677,164	5,120,845	8,798,009
Retainage payable	474,387	-	474,387
Intergovernmental payable	96,056	3,391,302	3,487,358
Matured bonds and interest payable	6,948,255	-	6,948,255
Accrued liabilities	2,424,035	659,594	3,083,629
Unearned revenue	2,293,056	1,122,323	3,415,379
Other liabilities	3,275,776	-	3,275,776
Liabilities payable from restricted assets	-	20,823,668	20,823,668
Non-current liabilities:			
Due within one year	9,105,382	6,131,686	15,237,068
Due in more than one year	71,452,242	227,117,077	298,569,319
Total liabilities	<u>99,746,353</u>	<u>264,366,495</u>	<u>364,112,848</u>
NET ASSETS			
Invested in capital assets, net of related debt	149,639,403	206,984,107	356,623,510
Restricted:			
Debt service	9,951,970	-	9,951,970
Renewal and replacement	-	34,261,281	34,261,281
Operations and maintenance	-	12,024,390	12,024,390
Capital projects	416,327	-	416,327
Transportation	1,889,121	-	1,889,121
Impact fees	713,446	-	713,446
Unrestricted	94,285,475	72,518,710	166,804,185
Total Net Assets	<u>\$ 256,895,742</u>	<u>\$ 325,788,488</u>	<u>\$ 582,684,230</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, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 22,165,444	\$ 6,714,210	\$ -	\$ -	\$ (15,451,234)	\$ -	\$ (15,451,234)
Public safety	73,391,974	20,243,787	3,891,510	188,077	(49,068,600)	-	(49,068,600)
Physical environment	-	12,470,134	-	-	12,470,134	-	12,470,134
Economic development	3,509,823	-	3,410,071	719,095	619,343	-	619,343
Human services	38,434	-	38,434	-	-	-	-
Transportation	15,108,537	80,922	1,098,260	573,596	(13,355,759)	-	(13,355,759)
Culture and recreation	14,325,266	1,249,751	26,795	7,009	(13,041,711)	-	(13,041,711)
Interest on long-term debt	3,308,802	-	-	-	(3,308,802)	-	(3,308,802)
Total governmental activities	131,848,280	40,758,804	8,465,070	1,487,777	(81,136,629)	-	(81,136,629)
Business-type activities:							
Water and wastewater	75,555,668	86,481,462	-	337,687	-	11,263,481	11,263,481
Gas	6,074,455	7,041,104	-	-	-	966,649	966,649
Sanitation	12,253,967	11,446,027	-	-	-	(807,940)	(807,940)
Recycling	518,729	178,435	-	-	-	(340,294)	(340,294)
Stormwater	2,372,426	4,237,157	-	-	-	1,864,731	1,864,731
Golf course	1,893,322	987,789	-	-	-	(905,533)	(905,533)
Total business-type activities	98,668,567	110,371,974	-	337,687	-	12,041,094	12,041,094
Total	\$ 230,516,847	\$ 151,130,778	\$ 8,465,070	\$ 1,825,464	(81,136,629)	12,041,094	(69,095,535)
General revenues:							
Property taxes					30,485,081	-	30,485,081
Utility service tax					7,928,732	-	7,928,732
Communications services tax					4,237,582	-	4,237,582
Local business tax					2,138,637	-	2,138,637
Franchise fees based on gross receipts					8,829,581	-	8,829,581
Grants and contributions not restricted to specific programs					7,176,366	-	7,176,366
Unrestricted investment earnings					1,414,724	1,299,817	2,714,541
Miscellaneous					1,148,317	3,540,344	4,688,661
Transfers					1,924,193	(1,924,193)	-
Total general revenues and transfers					65,283,213	2,915,968	68,199,181
Change in net assets					(15,853,416)	14,957,062	(896,354)
Net assets - beginning					272,749,158	310,831,426	583,580,584
Net assets - ending					\$ 256,895,742	\$ 325,788,488	\$ 582,684,230

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

CITY OF SUNRISE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Public Service Tax	Capital Improvements		
ASSETS					
Cash and cash equivalents	\$ 20,089,325	\$ 4,513,815	\$ 2,270,458	\$ 10,240,260	\$ 37,113,858
Investments	51,668,746	-	28,500,685	8,178,002	88,347,433
Receivables, net of allowance for uncollectibles:					
Interest	458,391	33	192,104	48,019	698,547
Taxes	-	527,414	-	-	527,414
Franchise fees	1,035,841	-	-	-	1,035,841
Accounts receivable	386,241	-	-	-	386,241
Special assessments	-	-	-	1,982,237	1,982,237
Other	-	-	-	3,134	3,134
Due from other funds	1,742,753	802,865	-	16,856	2,562,474
Interfund	787,798	-	-	-	787,798
Intergovernmental	1,524,423	-	584,772	911,133	3,020,328
Prepaid items	6,567	-	-	703	7,270
Inventories	105,562	-	-	53,101	158,663
Advances to other funds	518,933	-	-	-	518,933
Total assets	<u>\$ 78,324,580</u>	<u>\$ 5,844,127</u>	<u>\$ 31,548,019</u>	<u>\$ 21,433,445</u>	<u>\$ 137,150,171</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,294,301	33	1,442,090	629,374	3,365,798
Accrued liabilities	2,388,653	-	14,337	21,045	2,424,035
Retainage payable	-	-	440,669	33,718	474,387
Intergovernmental payable	91,722	-	-	4,334	96,056
Due to other funds	1,149,595	1,003,626	1,467	3,238	2,157,926
Interfund payable	-	-	-	695,792	695,792
Matured bonds payable	-	4,340,000	-	2,090,000	6,430,000
Matured interest payable	-	-	-	518,255	518,255
Unearned revenue	2,284,233	-	-	8,823	2,293,056
Deferred revenue	-	-	-	1,982,237	1,982,237
Other	1,115,922	-	-	2,159,854	3,275,776
Advances from other funds	-	-	-	100,000	100,000
Total liabilities	<u>8,324,426</u>	<u>5,343,659</u>	<u>1,898,563</u>	<u>8,246,670</u>	<u>23,813,318</u>
Fund balances:					
Nonspendable:					
Inventories	105,562	-	-	53,101	158,663
Prepaid items	6,567	-	-	-	6,567
Advances	518,933	-	-	-	518,933
Restricted for:					
Building Department	4,408,916	-	-	-	4,408,916
Recreation	-	-	-	16,624	16,624
Public safety	-	-	-	5,603,699	5,603,699
Fire equipment	-	-	-	438,484	438,484
Median strips	-	-	-	185,315	185,315
Housing	-	-	-	143,139	143,139
Transportation	-	-	-	1,593,042	1,593,042
Committed:					
Revenue stabilization	4,768,398	-	-	-	4,768,398
Contingency	14,305,194	-	-	-	14,305,194
Economic & job growth	9,505,000	-	-	-	9,505,000
Reforestation replacement	50,350	-	-	-	50,350
Assigned to:					
Subsequent year's expenditures	4,204,212	-	12,808,370	120,810	17,133,392
Other purposes	571,847	-	-	-	571,847
Construction contracts	-	-	5,706,196	-	5,706,196
Landscaping improvements	-	-	500,000	-	500,000
Transportation	-	-	-	242,978	242,978
Tennis Center capital	8,386	-	-	-	8,386
Water, wastewater & gas utility system capital	-	-	6,310,000	-	6,310,000
Stormwater capital	-	-	150,000	-	150,000
Debt service funds	-	500,468	-	3,521,970	4,022,438
Capital projects funds	-	-	4,174,890	1,471,257	5,646,147
Unassigned					
General fund	31,546,789	-	-	-	31,546,789
Special revenue funds	-	-	-	(203,644)	(203,644)
Total fund balances	<u>70,000,154</u>	<u>500,468</u>	<u>29,649,456</u>	<u>13,186,775</u>	<u>113,336,853</u>
Total liabilities and fund balances	<u>\$ 78,324,580</u>	<u>\$ 5,844,127</u>	<u>\$ 31,548,019</u>	<u>\$ 21,433,445</u>	<u>\$ 137,150,171</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, 2012

Fund balances - total governmental funds	\$	113,336,853
 Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		203,161,851
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		1,982,237
The internal service funds are used by management to charge the costs of workers' compensation and vehicle replacement to individual funds.		
Certain assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		14,281,621
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(75,866,820)</u>
 Net assets of governmental activities	 \$	 <u>256,895,742</u>

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

CITY OF SUNRISE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Public Service Tax	Capital Improvements		
REVENUES					
Taxes:					
Property	\$ 28,040,147	\$ -	\$ -	\$ 2,444,934	\$ 30,485,081
Local option fuel	-	-	-	1,453,852	1,453,852
Insurance premium	1,299,161	-	-	-	1,299,161
Utility service	-	7,928,732	-	-	7,928,732
Communications services	859,084	3,426,561	-	-	4,285,645
Local business	2,138,637	-	-	-	2,138,637
Permits and fees	6,460,836	-	-	-	6,460,836
Franchise fees	8,905,875	-	-	-	8,905,875
Intergovernmental	7,711,811	-	136,398	3,441,756	11,289,965
Charges for services	19,039,609	-	-	145,874	19,185,483
Administrative charges	5,581,732	-	-	-	5,581,732
Judgments, fines and forfeitures	1,015,681	-	-	1,961,520	2,977,201
Special assessments	7,002,994	-	-	550,500	7,553,494
Impact fees	-	-	-	79,550	79,550
Investment earnings	756,963	1,489	497,128	87,200	1,342,780
Contributions and donations	8,560	-	-	-	8,560
Miscellaneous	2,401,111	-	41,770	1,030,077	3,472,958
Total revenues	91,222,201	11,356,782	675,296	11,195,263	114,449,542
EXPENDITURES					
Current:					
General government	19,210,450	-	-	-	19,210,450
Public safety	67,332,510	-	-	1,979,128	69,311,638
Economic development	-	-	-	3,509,823	3,509,823
Human services	-	-	-	38,434	38,434
Transportation	2,835,537	-	-	948,962	3,784,499
Culture and recreation	9,937,616	-	-	-	9,937,616
Debt service:					
Principal	-	4,340,000	-	2,090,000	6,430,000
Interest	-	-	-	1,036,509	1,036,509
Other	-	10,592	-	44,783	55,375
Capital outlay	1,340,419	-	8,755,209	1,830,636	11,926,264
Total expenditures	100,656,532	4,350,592	8,755,209	11,478,275	125,240,608
Excess (deficiency) of revenues over (under) expenditures	(9,434,331)	7,006,190	(8,079,913)	(283,012)	(10,791,066)
OTHER FINANCING SOURCES (USES)					
Transfers in	14,306,233	-	1,635,000	-	15,941,233
Transfers out	(2,532,417)	(7,900,000)	(1,690,697)	(885,000)	(13,008,114)
Sale of capital assets	102,540	-	-	10,655	113,195
Total other financing sources (uses)	11,876,356	(7,900,000)	(55,697)	(874,345)	3,046,314
Net change in fund balances	2,442,025	(893,810)	(8,135,610)	(1,157,357)	(7,744,752)
Fund balances - beginning	67,558,129	1,394,278	37,785,066	14,344,132	121,081,605
Fund balances - ending	\$ 70,000,154	\$ 500,468	\$ 29,649,456	\$ 13,186,775	\$ 113,336,853

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, 2012

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

Net change in fund balances -- total governmental funds	\$ (7,744,752)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(9,546,285)
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.	(781,980)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(48,063)
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.	4,157,707
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(2,168,340)
Revenues reported in the funds that relate to prior periods are not reported in the statement of activities.	(551,356)
Internal service funds are used by management to charge the costs of workers' compensation and vehicle replacement to individual funds. The net revenue of certain activities of the internal service funds are reported with governmental activities.	<u>829,653</u>
Change in net assets of governmental activities	<u>\$ (15,853,416)</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 28,425,333	\$ 28,425,333	\$ 28,040,147	\$ (385,186)
Insurance premium	-	150,000	1,299,161	1,149,161
Communications services	813,637	813,637	859,084	45,447
Local business	2,085,000	2,085,000	2,138,637	53,637
Permits and fees	3,669,375	3,860,375	6,460,836	2,600,461
Franchise fees	8,815,747	8,815,747	8,905,875	90,128
Intergovernmental	7,628,210	7,767,013	7,711,811	(55,202)
Charges for services	18,123,493	18,123,493	19,039,609	916,116
Administrative charges	5,581,732	5,581,732	5,581,732	-
Judgments, fines and forfeitures	1,453,700	1,453,700	1,015,681	(438,019)
Special assessments	6,956,524	6,956,524	7,002,994	46,470
Investment earnings	581,414	581,414	756,963	175,549
Contributions and donations	28,500	28,500	8,560	(19,940)
Miscellaneous	1,377,838	1,377,838	2,401,111	1,023,273
Total revenues	85,540,503	86,020,306	91,222,201	5,201,895
EXPENDITURES				
Current:				
General government:				
City Commission	699,535	699,535	608,264	91,271
City Manager	1,026,499	1,026,499	945,984	80,515
City Clerk	488,199	488,199	439,027	49,172
City Attorney	596,108	592,808	566,000	26,808
Finance	2,392,868	2,384,951	2,204,444	180,507
Personnel	970,379	970,379	943,207	27,172
Management Information Services	2,739,478	3,060,617	2,261,264	799,353
Central Services	5,247,963	5,247,963	4,547,554	700,409
Planning and Development	2,474,387	2,559,738	2,311,815	247,923
Non-departmental	5,314,466	5,386,017	4,382,891	1,003,126
Total general government	21,949,882	22,416,706	19,210,450	3,206,256
Public safety:				
Police	40,869,595	40,735,912	37,621,818	3,114,094
Fire	25,231,283	25,440,346	25,436,008	4,338
Building	3,192,750	3,383,750	3,109,815	273,935
Code Enforcement	1,192,620	1,191,550	1,164,869	26,681
Total public safety	70,486,248	70,751,558	67,332,510	3,419,048
Transportation:				
Public Works	3,120,133	3,120,133	2,835,537	284,596
Culture and recreation:				
Leisure Services	10,722,546	10,610,896	9,937,616	673,280

(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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital outlay:				
General government:				
City Attorney	-	3,300	2,854	446
Finance	-	7,917	7,717	200
Management Information Services	468,290	147,151	101,435	45,716
Central Services	66,900	66,900	45,197	21,703
Planning and Development	-	12,926	12,926	-
Non-departmental	1,400	326,572	325,407	1,165
Public safety:				
Police	545,923	718,029	689,811	28,218
Fire	10,000	45,217	42,849	2,368
Code Enforcement	-	7,170	7,125	45
Culture and recreation:				
Leisure Services	56,966	168,616	105,098	63,518
Total capital outlay	<u>1,149,479</u>	<u>1,503,798</u>	<u>1,340,419</u>	<u>163,379</u>
Total expenditures	<u>107,428,288</u>	<u>108,403,091</u>	<u>100,656,532</u>	<u>7,746,559</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,887,785)</u>	<u>(22,382,785)</u>	<u>(9,434,331)</u>	<u>12,948,454</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	14,360,665	14,470,665	14,306,233	(164,432)
Transfers out	(2,532,417)	(2,532,417)	(2,532,417)	-
Sale of capital assets	-	-	102,540	102,540
Total other financing sources (uses)	<u>11,828,248</u>	<u>11,938,248</u>	<u>11,876,356</u>	<u>(61,892)</u>
Net change in fund balances	<u>(10,059,537)</u>	<u>(10,444,537)</u>	<u>2,442,025</u>	<u>12,886,562</u>
Fund balances - beginning	<u>67,558,129</u>	<u>67,558,129</u>	<u>67,558,129</u>	<u>-</u>
Fund balances - ending	<u>\$ 57,498,592</u>	<u>\$ 57,113,592</u>	<u>\$ 70,000,154</u>	<u>\$ 12,886,562</u>

CITY OF SUNRISE, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 26,121,824	\$ 224,716	\$ 1,814,924	\$ 28,161,464	\$ 2,054,569
Investments	30,037,789	5,638	7,045,615	37,089,042	15,103,847
Interest receivable	182,004	-	36,311	218,315	89,151
Accounts receivable, net of allowance for uncollectibles	15,308,261	2,064,957	393,337	17,766,555	-
Assessments receivable, net	35,977	-	-	35,977	-
Other receivables	1,847	23,780	-	25,627	-
Due from other funds	52,809	-	3,000	55,809	-
Intergovernmental receivable	-	-	326,452	326,452	-
Inventories	2,040,263	-	86,027	2,126,290	-
Prepaid items	31,700	-	2,800	34,500	-
Restricted cash and cash equivalents:					
Revenue bond covenant accounts	11,676,169	-	-	11,676,169	-
Total current assets	85,488,643	2,319,091	9,708,466	97,516,200	17,247,567
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents:					
Customer deposits	358,492	3,999	-	362,491	-
Revenue bond covenant accounts	112,870,543	-	-	112,870,543	-
Investments:					
Customer deposits	7,668,186	717,800	-	8,385,986	-
Revenue bond covenant accounts	34,921,246	-	-	34,921,246	-
Interest receivable on investments:					
Customer deposits	7,287	682	-	7,969	-
Revenue bond covenant accounts	32,427	-	-	32,427	-
Deferred charges	1,880,190	-	-	1,880,190	-
Capital assets:					
Land	10,858,101	-	1,223,300	12,081,401	-
Intangibles	1,022,180	-	2,425	1,024,605	1,742
Buildings and system	471,776,369	-	685,480	472,461,849	-
Improvements other than buildings	7,307,783	-	3,559,898	10,867,681	-
Machinery and equipment	6,722,382	-	2,125,602	8,847,984	72,270
Vehicles	7,509,877	-	461,512	7,971,389	3,768,971
Construction in progress	22,593,821	-	226,817	22,820,638	-
Less accumulated depreciation	(199,813,603)	-	(2,161,184)	(201,974,787)	(935,616)
Total capital assets, net of accumulated depreciation	327,976,910	-	6,123,850	334,100,760	2,907,367
Total noncurrent assets	485,715,281	722,481	6,123,850	492,561,612	2,907,367
Total assets	571,203,924	3,041,572	15,832,316	590,077,812	20,154,934

Business-type Activities - Enterprise Funds

	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
LIABILITIES					
Current liabilities:					
Accounts payable	3,223,185	1,550,533	307,181	5,080,899	12,829
Accrued liabilities	630,988	-	28,606	659,594	-
Due to other funds	622,467	173,953	2,420	798,840	-
Interfund payable	-	-	92,006	92,006	-
Compensated absences	272,937	-	8,749	281,686	-
Intergovernmental payable	3,388,645	-	2,657	3,391,302	-
Current liabilities payable from restricted assets:					
Revenue bonds payable	5,850,000	-	-	5,850,000	-
Accrued interest payable	5,826,169	-	-	5,826,169	-
Total current liabilities	19,814,391	1,724,486	441,619	21,980,496	12,829
Noncurrent liabilities:					
Revenue bonds payable (net of unamortized discounts, premiums and deferred amount on refunding)	222,055,039	-	-	222,055,039	-
Compensated absences	3,537,430	-	176,053	3,713,483	-
Other post employment benefits	3,199,010	-	224,554	3,423,564	-
Retiree subsidy	3,438,742	-	336,249	3,774,991	-
Advances from other funds	-	-	418,933	418,933	-
Claims and judgments	-	-	-	-	4,513,480
Unearned revenue	36,331	24,005	1,061,987	1,122,323	-
Noncurrent liabilities payable from restricted assets:					
Retainage payable	391,053	-	-	391,053	-
Customer deposits payable	8,033,965	722,481	-	8,756,446	-
Total noncurrent liabilities	240,691,570	746,486	2,217,776	243,655,832	4,513,480
Total liabilities	260,505,961	2,470,972	2,659,395	265,636,328	4,526,309
NET ASSETS					
Invested in capital assets, net of related debt	200,890,723	-	6,093,384	206,984,107	2,907,367
Restricted for:					
Renewal and replacement	34,261,281	-	-	34,261,281	-
Operations and maintenance	12,024,390	-	-	12,024,390	-
Unrestricted	63,521,569	570,600	7,079,537	71,171,706	12,721,258
Total net assets	\$ 310,697,963	\$ 570,600	\$ 13,172,921	324,441,484	\$ 15,628,625
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				1,347,004	
Net assets of business-type activities				\$ 325,788,488	

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, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
Operating revenues:					
Charges for sales and services:					
Water sales	\$ 40,025,177	\$ -	\$ -	\$ 40,025,177	\$ -
Wastewater service	43,794,204	-	-	43,794,204	-
Gas sales	6,994,302	-	-	6,994,302	-
Fees	-	11,446,027	5,403,381	16,849,408	-
Service charges	659,518	-	-	659,518	3,521,215
Guaranteed revenues	777,459	-	-	777,459	-
Administrative charges	689,425	-	-	689,425	-
Total operating revenues	92,940,085	11,446,027	5,403,381	109,789,493	3,521,215
Operating expenses:					
Costs of sales and services:					
Power, water and wastewater purchases	3,775,960	-	104,481	3,880,441	32,238
Natural gas purchases	1,922,315	-	-	1,922,315	-
Chemical purchases	2,711,204	-	108,260	2,819,464	-
Solid waste/sludge removal	887,347	11,446,027	-	12,333,374	-
Recycling charges	-	-	490,406	490,406	-
Materials and supplies	854,476	-	43,329	897,805	5,884
Repairs and maintenance	2,493,555	-	315,183	2,808,738	26,374
Salaries, wages and employee benefits	20,868,526	-	1,181,111	22,049,637	-
Insurance and other expenses	9,237,183	23,780	1,587,155	10,848,118	427,775
Claims expense	-	-	-	-	655,206
Administrative fees	4,907,604	782,311	581,242	6,271,157	-
Depreciation and amortization	16,940,015	-	320,076	17,260,091	447,149
Total operating expenses	64,598,185	12,252,118	4,731,243	81,581,546	1,594,626
Operating income (loss)	28,341,900	(806,091)	672,138	28,207,947	1,926,589

Business-type Activities - Enterprise Funds

	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
Non-operating revenues (expenses):					
Investment earnings	1,246,726	4,289	48,802	1,299,817	156,424
Interest expense	(11,354,721)	(1,849)	(31,414)	(11,387,984)	-
Gain (loss) on sale of capital assets	(5,294,708)	-	(44,453)	(5,339,161)	(23,206)
Sale of recyclable materials	-	-	295,232	295,232	-
Other	2,379,961	85,745	779,406	3,245,112	1,378
Total non-operating revenues (expenses)	(13,022,742)	88,185	1,047,573	(11,886,984)	134,596
Income (loss) before contributions and transfers	15,319,158	(717,906)	1,719,711	16,320,963	2,061,185
Capital contributions	337,687	-	-	337,687	-
Transfers in	-	782,311	1,000,106	1,782,417	-
Transfers out	(3,706,610)	-	-	(3,706,610)	(1,008,926)
Change in net assets	11,950,235	64,405	2,719,817	14,734,457	1,052,259
Total net assets - beginning	298,747,728	506,195	10,453,104		14,576,366
Total net assets - ending	\$ 310,697,963	\$ 570,600	\$ 13,172,921		\$ 15,628,625
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				222,605	
Change in net assets of business-type activities				\$ 14,957,062	

37

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, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 93,509,229	\$ 11,584,733	\$ 7,000,684	\$ 112,094,646	\$ 3,521,215
Receipts from interfund services provided	689,425	-	-	689,425	-
Payments to suppliers	(21,296,878)	(11,637,845)	(2,258,741)	(35,193,464)	(1,482,564)
Payments to and for employees	(15,902,123)	-	(848,180)	(16,750,303)	-
Payments for interfund services used	(5,312,809)	(782,311)	(627,476)	(6,722,596)	-
Net cash provided (used) by operating activities	<u>51,686,844</u>	<u>(835,423)</u>	<u>3,266,287</u>	<u>54,117,708</u>	<u>2,038,651</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	-	782,311	1,000,106	1,782,417	-
Transfer to other funds	(3,706,610)	-	-	(3,706,610)	(1,008,926)
Net cash provided (used) by noncapital financing activities	<u>(3,706,610)</u>	<u>782,311</u>	<u>1,000,106</u>	<u>(1,924,193)</u>	<u>(1,008,926)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	181,345	-	-	181,345	-
Acquisition and construction of capital assets	(18,926,378)	-	(696,678)	(19,623,056)	(956,900)
Principal paid on capital debt	(7,185,000)	-	-	(7,185,000)	-
Interest paid on capital debt	(10,997,465)	-	(31,414)	(11,028,879)	-
Proceeds from sales of capital assets	96,323	-	4,701	101,024	1,013
Advances from other funds	-	-	(87,417)	(87,417)	-
Net cash (used) by capital and related financing activities	<u>(36,831,175)</u>	<u>-</u>	<u>(810,808)</u>	<u>(37,641,983)</u>	<u>(955,887)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	65,376,488	728,237	3,167,880	69,272,605	8,564,878
Purchase of investments	(99,204,287)	(717,800)	(8,248,788)	(108,170,875)	(15,545,103)
Interest and dividends received	568,719	3,016	7,414	579,149	25,047
Net cash provided (used) by investing activities	<u>(33,259,080)</u>	<u>13,453</u>	<u>(5,073,494)</u>	<u>(38,319,121)</u>	<u>(6,955,178)</u>
Net (decrease) in cash and cash equivalents	(22,110,021)	(39,659)	(1,617,909)	(23,767,589)	(6,881,340)
Cash and cash equivalents, October 1 (including \$151,499,556 and \$13,680 for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>173,137,049</u>	<u>268,374</u>	<u>3,432,833</u>	<u>176,838,256</u>	<u>8,935,909</u>
Cash and cash equivalents, September 30 (including \$124,905,204 and \$3,999 for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>\$ 151,027,028</u>	<u>\$ 228,715</u>	<u>\$ 1,814,924</u>	<u>\$ 153,070,667</u>	<u>\$ 2,054,569</u>

Business-type Activities - Enterprise Funds

	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 28,341,900	\$ (806,091)	\$ 672,138	\$ 28,207,947	\$ 1,926,589
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Miscellaneous operating income from re-evaluation of capital assets	354,318	-	-	354,318	-
Miscellaneous non-operating income from by-products of recycling activities	-	-	295,232	295,232	-
Miscellaneous non-operating income	2,380,468	83,896	779,406	3,243,770	1,378
Depreciation and amortization expense	16,940,015	-	320,076	17,260,091	447,149
(Increase) decrease in accounts receivable	(876,669)	152,853	(9,458)	(733,274)	-
(Increase) decrease in other receivables	(1,847)	(23,780)	16	(25,611)	-
(Increase) decrease in due from other funds	102,511	-	(3,000)	99,511	-
(Increase) decrease in intergovernmental receivables	122,012	-	(265,844)	(143,832)	-
(Increase) decrease in inventories	60,428	-	(3,940)	56,488	-
Decrease in prepaid items	3,187,241	-	178,762	3,366,003	-
Increase (decrease) in customer deposits	198,971	(19,019)	-	179,952	-
Increase (decrease) in accounts payable	90,302	(168,038)	135,041	57,305	1,358
Increase in accrued liabilities	134,038	-	5,064	139,102	-
Increase (decrease) in due to other funds	(994,737)	(6,778)	363	(1,001,152)	-
Increase (decrease) in intergovernmental payables	82,812	-	(188)	82,624	-
Increase (decrease) in unearned revenue	-	(48,466)	1,060,104	1,011,638	-
increase in retainage payable	329,945	-	-	329,945	-
Increase in compensated absences payable	27,625	-	5,812	33,437	-
Increase in other post employment benefits payable	447,412	-	30,493	477,905	-
Increase in retiree subsidy payable	760,099	-	66,210	826,309	-
(Decrease) in claims and judgments	-	-	-	-	(337,823)
Total adjustments	<u>23,344,944</u>	<u>(29,332)</u>	<u>2,594,149</u>	<u>25,909,761</u>	<u>112,062</u>
Net cash provided by (used in) operating activities	\$ <u>51,686,844</u>	\$ <u>(835,423)</u>	\$ <u>3,266,287</u>	\$ <u>54,117,708</u>	\$ <u>2,038,651</u>
Noncash investing, capital and financing activities:					
Contributions of capital assets	\$ 156,342	\$ -	\$ -	\$ 156,342	\$ -
Capital asset trade-ins	2,926	-	-	2,926	-
Net increase in fair value of investments	527,558	1,452	12,167	541,177	70,036

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, 2012**

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalents	\$ 6,651,241
Receivable from sale of securities	546,289
Interest and dividends receivable	690,705
Due from other funds	338,483
Other receivables	17,688
Investments, at fair value:	
U.S. government and agency securities	29,271,019
Corporate bonds	23,625,483
Mutual funds	76,880,617
Common stocks	139,547,040
International equity funds	30,179,360
Total investments	<u>299,503,519</u>
Prepaid items	9,891
Total assets	<u>307,757,816</u>
LIABILITIES	
Accounts payable	685,550
Payable for securities purchased	512,077
Total liabilities	<u>1,197,627</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 306,560,189</u>

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

**CITY OF SUNRISE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 18,199,975
Plan members	5,067,047
Other sources	1,299,161
Total contributions	<u>24,566,183</u>
Investment earnings:	
Interest	2,377,828
Dividends	4,270,584
Net increase in fair value of investments	44,376,675
Other	11,528
Total investment earnings	<u>51,036,615</u>
Less investment expense	<u>1,481,356</u>
Net investment earnings	<u>49,555,259</u>
Total additions	<u>74,121,442</u>
DEDUCTIONS	
Benefits	19,606,310
Refunds of contributions	262,104
Administrative expenses	561,533
Total deductions	<u>20,429,947</u>
Change in net assets	53,691,495
Net assets - beginning	<u>252,868,694</u>
Net assets - ending	<u><u>\$ 306,560,189</u></u>

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

CITY OF SUNRISE, FLORIDA
INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

Note	Topic	Page
I. Summary of Significant Accounting Policies		
A.	Reporting entity.....	44
B.	Government-wide and fund financial statements.....	45
C.	Measurement focus, basis of accounting and financial statement presentation	46
D.	Assets, liabilities and net assets or equity	
1.	Cash and cash equivalents	48
2.	Investments	49
3.	Receivables and payables	50
4.	Inventories and prepaid items	50
5.	Restricted assets	50
6.	Capital assets.....	51
7.	Compensated absences.....	51
8.	Long-term obligations.....	52
9.	Net assets or fund equity.....	52
10.	Revenue stabilization	53
11.	Use of estimates	53
E.	Deficit fund balances	53
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	54
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.....	54
III. Stewardship, Compliance and Accountability		
A.	Budgetary information	56
IV. Detailed Notes on all Funds		
A.	Deposits and investments.....	57
B.	Receivables.....	60
C.	Capital assets.....	62
D.	Construction commitments	64
E.	Encumbrances.....	64
F.	Interfund receivables, payables and transfers	64
G.	Leases.....	66
H.	Long-term debt.....	66
I.	Property taxes	71

CITY OF SUNRISE, FLORIDA
INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS-(Continued)
SEPTEMBER 30, 2012

Note	Topic	Page
V.	Other Information	
	A. Risk management.....	72
	B. Contingent liabilities	73
	C. Employee retirement systems and pension plans	74
	D. Other post-employment benefits	80

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.

Metropica Improvement District (the District) was created by Ordinance 909-X. The District provides or assists in the provision of land and public improvements within its territorial boundaries or outside its boundaries which benefit property 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 for the two special recreation districts and ad valorem taxes for the Special Tax District No. 1. If necessitated, the City Commission would establish the ad valorem tax rate for the Metropica Improvement District.

CITY OF SUNRISE, FLORIDA

Separate financial statements are not required or prepared for the special districts. If financial balances exist or financial activity occurs, it is reported 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

In November 2010, the GASB issued *The Financial Reporting Entity: Omnibus--an amendment of GASB Statements No. 14 and No. 34* (Statement No. 61). In December 2010, the GASB issued *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (Statement No. 62). In June 2011, the GASB issued *Derivative Instruments: Application of Hedge Accounting Termination Provisions--an amendment of GASB Statement No. 53* (Statement No. 64). The City has early implemented the requirements, as applicable, of Statement No. 61 and Statement No. 62. Statement No. 61 and Statement No. 64 had no impact to the City's 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. The financial statements of the City follow the guidance of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* for both the government wide and proprietary fund financial statements. 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 wastewater function and various other functions of the City. The net residual amounts due between governmental and business-type activities are presented as internal balances in the statement of net assets. Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net assets as receivable from and payable to external parties, rather than as internal balances.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or

CITY OF SUNRISE, FLORIDA

segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement focus, basis of accounting and financial statement presentation

Measurement focus is commonly used to describe the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The economic resources measurement focus is on the determination of net income and capital maintenance. All fund assets and liabilities, current and non-current, are accounted for in the fund. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The current financial resources measurement focus is on the determination of and changes in financial position. This concept emphasizes the acquisition, use and balance of governmental fund expendable available financial resources and related current liabilities. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. The exception to this general rule is that principal and interest on general long-term debt and compensated absences are recognized when due.

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

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

CITY OF SUNRISE, FLORIDA

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

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

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

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

The City reports the following major proprietary funds:

The Water, Wastewater, and Gas Utility System enterprise fund accounts for the provision of water, wastewater and natural gas services to residents inside and outside the City.

The Sanitation enterprise fund accounts for the provision of solid waste disposal services to City residents.

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

Additionally, the City reports the following fund types:

The internal service funds are used to account for goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City operates two internal service funds for the purpose of worker compensation services and vehicle replacement.

The pension trust funds account for the activities of the City's general employees', police officers' and firefighters' pension plans, which accumulate resources for pension benefit payments to qualified employees.

Amounts reported as program revenues include 1) charges to customers for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues, rather than as program revenues. Taxes and other items not classified as program revenues are reported as general revenues.

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 funds 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/amortization on capital assets. Operating expenses for the internal service funds

CITY OF SUNRISE, FLORIDA

include claims, general expenses and depreciation/amortization on capital assets. 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. In the governmental funds, when both restricted resources and other resources (committed, assigned, and unassigned) can be used, the spending priority is committed, assigned, then unassigned, except in the general fund where the spending priority is assigned, unassigned, then committed.

D. Assets, liabilities and net assets or equity

1. Cash and cash equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, short-term investments (including restricted assets) with original maturities at time of purchase of three months or less, Florida State Board of Administration's (SBA) Florida PRIME Investment Pool, mutual funds, and equity in the City's pooled cash.

Pooled cash is an investment tool employed by the City that maximizes earning potential by investing large amounts of idle cash for short periods of time. It is available for use by all funds except those whose cash and investments must be segregated due to bond covenants or other legal restrictions. The City maintains pooled cash accounts in all of its funds except for the pension trust funds, the Water, Wastewater and Gas Utility System enterprise fund, all debt service funds and the Special Tax District No. 1 capital projects fund. Interest income is distributed monthly based on average daily balances. Each fund's equity in the City's pooled cash is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

The City invests surplus funds in a variety of investment vehicles. One such vehicle is the Florida PRIME, an external investment pool. The City owns shares of the pool, not the underlying securities. This fund is administered by the SBA, who provides regulatory oversight, and managed by Federated Investors since February 2008. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for administration of the investment pool. Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the SBA has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in Florida PRIME is equal to the value of the pool shares. The investments in Florida PRIME are not insured by FDIC or any other governmental agency.

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

CITY OF SUNRISE, FLORIDA

2. Investments

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

Investments are stated at fair value (quoted market price or the best available estimate thereof). However, money market investments, including short-term, highly liquid investments with a remaining maturity at time of purchase of one year or less, are reported at amortized cost.

Bond ordinances authorize trust account investments in deposit accounts of any banks that are fully insured by federal depository insurance or fully collateralized by federal securities, repurchase agreements and general obligation or full faith credit bonds, notes or obligations of any state or subdivision provided such obligations meet certain rating requirements. The bond ordinances also provide that monies on deposit in the reserve account may be invested only in federal securities.

The City's pension funds' investment policies are determined by the respective Boards of Trustees. Their portfolios may consist of obligations guaranteed by the U.S. government, time or savings accounts, corporate bonds, common or preferred stocks, international equity funds (up to 25% of portfolios) and mutual funds. Fair values of investments are determined as follows: securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year at current exchange rates; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the past reported bid and asked prices; and investments that do not have an established market are reported at estimated fair value as determined by the Board of Trustees. Time deposits and short-term investment pools are valued at cost that approximates market.

SBA's Fund B is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of Fund B. The fund is accounted for as a fluctuating NAV pool. Fund B principally consists of segregated securities, which are securities originally purchased for the Florida PRIME that (1) defaulted in the payment of principal and interest; (2) were extended; (3) were restructured or otherwise subject to workout; (4) experienced elevated market illiquidity; or (5) did not meet the criteria of the nationally recognized statistical rating organization (NRSRO). Fund B is not subject to participant withdrawal requests. Fund B's primary objective is to maximize the present value of distributions from Fund B. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME. The investments in Fund B are not insured by FDIC or any other governmental agency. As of September 30, 2012, the fair value factor for Fund B was \$.94896811 per share.

CITY OF SUNRISE, FLORIDA

3. Receivables and payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances to other funds (an asset), as reported in the governmental fund financial statements, are classified as nonspendable fund balance to indicate they are not available for appropriation.

Customer receivables are shown net of an allowance for uncollectibles. All assessments are reported, including delinquencies.

4. Inventories and prepaid items

All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged as an expenditure/expense as the items are consumed. The reported governmental fund type inventories are offset by a fund balance classified as nonspendable that indicates unavailability of 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. In addition, the governmental fund financial statements consider prepaid items to be nonspendable fund balance.

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

CITY OF SUNRISE, FLORIDA

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, intangibles and infrastructure assets (e.g., roads, bridges, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Generally, the City, with the exception of the firefighters' pension fund, defines capital assets as assets with an initial, individual cost of \$1,000 or greater and an estimated useful life in excess of one year. The firefighters' pension fund has established a capital threshold of \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed assets are recorded at estimated fair market value as of the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs are capitalized when incurred in the business-type activities on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of specified qualifying assets is offset against interest costs in determining the amount to be capitalized. The City capitalizes interest as a component of capital assets constructed for its own use.

Capital assets are depreciated and amortized 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

CITY OF SUNRISE, FLORIDA

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 except that the premium on the Series 2010 bonds in the Water, Wastewater and Gas Utility System enterprise fund is amortized using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amounts on refunding.

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

9. Net assets or fund equity

The governmental funds' financial statements report five categories of fund balance: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balances include amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution (which are both equal and the highest level of decision making authority) are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. With the exception of the general fund, this is the residual fund balance classification for all governmental funds with positive balances. Unassigned fund balance is the residual classification that has not been restricted, committed or assigned. This number must be positive in the general fund but other governmental funds may report a negative balance, as the result of overspending for specific purposes for which amounts have been restricted, committed or assigned.

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.

CITY OF SUNRISE, FLORIDA

10. Revenue stabilization

A general fund revenue stabilization account was approved by City Commission through resolution to mitigate the impacts of future revenue shortfalls. Minimum funding level is five percent (5%) of audited actual operating expenditures based on the most recent year in which audited operating expenditures are available. Disbursements from the revenue stabilization account may be made by the City Commission if the following criteria is met: the revenue shortfall in a fiscal year results from revenue collections short of the amount budgeted by five percent (5%) or more or the revenue shortfall results from projected budgeted revenues for any ensuing year that are less than the previous year's adopted revenue budget and the revenue shortfall is expected to persist through the end of the fiscal year. Appropriations from the revenue stabilization account shall be by enactment of an ordinance requiring a majority plus one vote.

11. Use of estimates

The preparation of the financial statements in conformity with GAAP in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

E. Deficit fund balances

At September 30, 2012, the City had deficit fund balances in various nonmajor special revenue funds as follows: Broward County Home Consortium Grant \$8,164; Broward County Disaster Recovery Initiative Grant \$161,762; and Energy Efficiency Grant \$33,718. These deficits are expected to be eliminated by reimbursements from granting agencies in future years.

CITY OF SUNRISE, FLORIDA

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net assets of governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds”. The details of this \$75,866,820 are as follows:

Bonds payable	\$ 50,833,786
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(177,324)
Compensated absences	10,954,353
Other post-employment benefits	9,507,468
Retiree subsidy	<u>4,748,537</u>
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net assets of governmental activities</i>	<u>\$ 75,866,820</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *change in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$9,546,285 difference are as follows:

Capital outlay	\$ 11,926,264
Depreciation expense	(19,923,710)
Capitalized operating expenditures	25,038
Non-capitalized capital outlay expenditures	<u>(1,573,877)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ (9,546,285)</u>

CITY OF SUNRISE, FLORIDA

Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, write-offs and donations) is to increase/ (decrease) net assets”. The details of this \$781,980 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.	\$ 1,715
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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.	61,959
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Trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	450
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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>(846,104)</u>
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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>\$ (781,980)</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 \$4,157,707 difference are as follows:

Amortization of bond issuance costs	\$ (19,703)
Capital appreciation bonds accretion	(2,252,590)
Bond principal repayments	<u>6,430,000</u>

Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net assets of governmental activities</i>	<u>\$ 4,157,707</u>
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Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds". This \$(2,168,340) represents the increase in other post employment benefits (\$1,274,599) and retiree subsidy (\$933,262) and the decrease in compensated absences (\$39,521).

CITY OF SUNRISE, FLORIDA

Another element of that reconciliation states that “revenues reported in the funds that relate to prior periods are not reported in the statement of activities”. The details of this \$(551,356) are as follows:

Special Recreation District Phase I special assessment	\$ (268,697)
Special Recreation District Phase II special assessment	<u>(282,659)</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>\$ (551,356)</u>

III. Stewardship, Compliance and Accountability

A. Budgetary information

Budgets are legally adopted for all governmental and proprietary fund types. Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Project-length budgets are adopted in the capital projects funds. All unencumbered annual appropriations lapse at fiscal year-end. Significant appropriations outstanding at year-end are reappropriated in the following year.

The appropriated budget is prepared by fund, function, and department. The city manager may make transfers of appropriations among programs within a department, office or agency. Transfers of appropriations between departments require the approval of the city commission.

Expenditures/expenses may not legally exceed appropriations at the individual fund level; exception is the general fund expenditures, which may not exceed appropriations at the department level. Supplemental appropriations for operating and capital expenditures of \$974,803 for the general fund and \$1,172,571 for the special revenue 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 assigned fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

CITY OF SUNRISE, FLORIDA

IV. Detailed Notes on all Funds

A. Deposits and investments

As of September 30, 2012, the fair value of the City’s deposits and investments, exclusive of the Pension trust funds, was \$8,385,986 in U.S. Treasuries, \$120,602,496 in U.S. Government sponsored enterprises; \$50,000,000 in certificates of deposit, \$96,375,460 in the SBA Florida PRIME, \$7,312,297 in the Florida Surplus Asset Fund Trust (FLSAFE), \$4,859,072 in the SBA Fund B investment pool, \$27,963,669 in four money market mutual funds (PFM Prime Fund, PFM Government Series Fund, Fidelity Institutional Prime Money Market fund with Wells Fargo Securities and Fidelity Institutional Treasury Money Market fund with Bank of New York Mellon). The investments in the Florida PRIME, the FLSAFE and four mutual funds are classified as cash and cash equivalents. Additionally, cash and cash equivalents are comprised of \$67,200 on hand, \$48,844,299 with qualified public depositories and \$11,676,169 with authorized depositories pursuant to fiduciary agreements related to its utility bonds. Total cash and cash equivalents at September 30, 2012 are \$192,239,094. Total investments, including restricted and unrestricted, amount to \$183,847,554.

The SBA’s Fund B has a maturity of greater than one year. This investment with a cost basis of \$5,120,372 was adjusted to a fair value of \$4,859,072, resulting in a total unrealized loss of \$261,300. As the City recognized an unrealized loss of \$1,512,911 in prior years, an unrealized gain of \$1,251,611 was recognized in this current fiscal year. The actual realized loss cannot be determined until full maturity, liquidation, or sales of the investments occur.

As of September 30, 2012, the City had the following investments in the General Employees’ Pension trust fund:

Investment Maturities (In Years)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Bond mutual funds	\$45,093,300	\$6,829,069	\$23,465,469	\$7,113,706	\$7,685,056

The City’s Police Officers’ Pension trust fund contained the following investments as of September 30, 2012:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration (Years)</u>	<u>Bond Rating</u>
U.S. treasuries	\$ 1,372,301	1.31	AA
U.S. agencies	16,021,684	0.92	AA
Corporate bonds	13,920,573	3.10	A-AAA
Total fair value	<u>\$ 31,314,558</u>		
Portfolio weighted average duration		1.91	

CITY OF SUNRISE, FLORIDA

At September 30, 2012, 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	\$ 7,058,410	\$ 947,000	\$ 1,654,375	\$ 2,134,413	\$ 2,322,622
U.S. agencies	4,818,624	-	2,027,070	713,172	2,078,382
Corporate bonds	9,704,910	507,068	3,892,969	3,701,879	1,602,994
	<u>\$ 21,581,944</u>	<u>\$ 1,454,068</u>	<u>\$ 7,574,414</u>	<u>\$ 6,549,464</u>	<u>\$ 6,003,998</u>

Interest rate risk. The City, exclusive of the Pension trust funds, manages its exposure to declines in fair value by limiting the weighted average duration of its investment portfolio to less than 18 months. The single U.S. Treasury investment that is in the City’s investment portfolio at September 30, 2012 matures in 157 days. The weighted average days to maturity of the SBA Florida PRIME is 39 days. The weighted average maturity of the FLSAFE is 26 days. The weighted average maturity for PFM Prime Series is 47 days. The weighted maturity average for PFM Government Series is 52 days. The weighted average maturity for Fidelity Institutional Prime Money Market is 54 days. The City may withdraw its funds from any of the above mentioned investment vehicles, other than the U.S. Treasury investment, upon one day’s notice. The weighted average maturity for Fidelity Institutional Treasury Money Market is 56 days. The weighted average life of SBA Fund B is 4.08 years. To limit exposure to interest rate risk, the City and its three Pension Plans: the General Employees’, Firefighters’ and Police Officers’ diversify investments by security type and institution, and limit holdings in any one type of investment with any one issuer with various durations of maturity. In addition, the Police Officers’ Pension Plan manages its exposure to declines in fair values by limiting the effective duration of its investment portfolio through the adoption of the Barclays Capital Government/Credit Intermediate Index.

Credit risk. The City’s investments, exclusive of the Pension trust funds, that are invested in U.S. government obligations are considered to have no credit risk. Consistent with State law, the SBA Florida PRIME, the General Employees’ Pension Plan and the Police Officers’ Pension Plans’ investment guidelines limit corporate bonds to the top three ratings issued by one of the nationally recognized statistical rating organizations. Florida PRIME, PFM Prime Series Fund, PFM Government Series Fund and FLSAFE are rated AAAM by Standard and Poor’s; Fund B is not rated by a nationally recognized statistical rating agency. Fidelity Institutional Prime Money Market Fund and Fidelity Institutional Treasury Money Market Fund (money market mutual funds) are rated AAAM by Standard and Poor’s and Aaa by Moodys. Of the General Employees’ Pension Plan’s investments at September 30, 2012, \$32,669,978 were rated AAA, \$4,439,560 were rated AA, \$6,655,715 were rated A, \$1,070,259 were rated Baa and \$257,788 were rated B. The credit ratings of investments in the corporate bonds of the Firefighters’ Pension Plan at September 30, 2012 were \$309,752 rated AAA, \$397,213 rated AA+, \$766,710 rated AA, \$730,308 rated AA-, \$3,343,517 rated A+, \$1,569,228 rated A, \$2,289,987 rated A-, and \$298,195 rated BBB. U.S. Government guaranteed obligations of \$11,877,034 are considered to have no credit risk.

CITY OF SUNRISE, FLORIDA

Concentration of credit risk. The City's investment policy limits the investment in any single issuer to no more than 10% of the value of the portfolio, except for U.S. Government and Agency instruments, Government Sponsored Enterprise (GSE) securities or certificates of deposit backed by the State of Florida qualified public depositories (QPDs). As of September 30, 2012, the City's investment in Federal Home Loan Mortgage Corporation (FHLMC) amounted to \$35,051,214, which represents 10% of the total portfolio; Federal National Mortgage Association (FNMA) amounted to \$45,535,125, which represents 14% of the total portfolio; Federal Farm Credit Bank Funding Corporation (FFCBFC) amounted to \$30,006,785, which represents 9% of the total portfolio; Fifth Third Bank amounted to \$30,000,000 of certificates of deposit, which amounted to 9% of the total portfolio; and Branch Banking & Trust (BB&T) amounted to \$20,000,000 of certificates of deposit, which amounted to 6% of the total portfolio. The investment policy limits the investment in Florida PRIME fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Florida Statute 163.01 (FLSAFE), to no more than 60% of the value of the portfolio. The Florida PRIME fund investment pool's exposure to a single non-governmental issuer is limited to 5% and exposure to any single money market mutual fund will not exceed 10% of the Florida PRIME assets. The General Employees', Police Officers' and Firefighters' Pension Plans' investment policies do not allow for an investment in any one issuer that is five percent or more of the Plans' net assets available for benefits.

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 or collateralized.

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.

Foreign currency risk – investments. For an investment, this is the risk that changes in the exchange rates will adversely affect the fair value of an investment. The investment policy does not permit general obligations issued by a foreign government and is therefore, not exposed to foreign currency risk. The foreign pension investments that are held by the General Employees', Police Officers' and Firefighters' pension funds are not subject to foreign currency risk as they are denominated in U.S. currency so there is no foreign currency risk.

CITY OF SUNRISE, FLORIDA

B. Receivables

Receivables at September 30, 2012, are as follows:

	<u>Interest</u>	Taxes/Franchise <u>Fees</u>	<u>Accounts</u>	Special <u>Assessments</u>	<u>Other</u>	Intergov- <u>ernmental</u>	Total <u>Receivables</u>
Governmental activities:							
General	\$ 458,391	\$ 1,035,841	\$ 386,241	\$ -	\$ -	\$ 1,524,423	\$ 3,404,896
Public Service Tax	33	527,414	-	-	-	-	527,447
Capital Improvements	192,104	-	-	-	-	584,772	776,876
Internal Service	89,151	-	-	-	-	-	89,151
Other governmental	<u>48,019</u>	<u>-</u>	<u>-</u>	<u>1,982,237</u>	<u>3,134</u>	<u>911,133</u>	<u>2,944,523</u>
Total – governmental Activities	<u>\$ 787,698</u>	<u>\$ 1,563,255</u>	<u>\$ 386,241</u>	<u>\$ 1,982,237</u>	<u>\$ 3,134</u>	<u>\$ 3,020,328</u>	<u>\$ 7,742,893</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,435,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,435,708</u>
Business-type activities:							
Water, Wastewater & Gas Utility System							
Unrestricted	\$ 182,004	\$ -	\$ 15,458,261	\$ 35,977	\$ 1,847	\$ -	\$ 15,678,089
Restricted	39,714	-	-	-	-	-	39,714
Sanitation							
Unrestricted	-	-	2,064,957	-	23,780	-	2,088,737
Restricted	682	-	-	-	-	-	682
Other proprietary	<u>36,311</u>	<u>-</u>	<u>393,337</u>	<u>-</u>	<u>-</u>	<u>326,452</u>	<u>756,100</u>
Gross receivables	258,711	-	17,916,555	35,977	25,627	326,452	18,563,322
Less:							
Uncollectibles	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
	<u>\$ 258,711</u>	<u>\$ -</u>	<u>\$ 17,766,555</u>	<u>\$ 35,977</u>	<u>\$ 25,627</u>	<u>\$ 326,452</u>	<u>\$ 18,413,322</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	\$ 57,427
Uncollectibles related to gas sales	4,455
Uncollectibles related to recycling services	90
Uncollectibles related to stormwater services	<u>2,515</u>
Total uncollectibles for the current fiscal year	<u>\$ 64,487</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 (unavailable) 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)	\$1,705,800	\$ -
Special assessments not yet due (Special Recreation District Phase II)	276,437	-
Prepaid license fees (general fund)	-	1,626,136
Prepaid inspection fees (general fund)	-	527,521
Prepaid sidewalk replacement fees (Fuel and Roadway special revenue fund)		8,823
Grant proceeds prior to meeting all eligibility requirements (general fund)	-	<u>130,576</u>
Total deferred/unearned revenue for governmental funds	<u>\$1,982,237</u>	<u>\$2,293,056</u>

CITY OF SUNRISE, FLORIDA

C. Capital assets

Capital asset activity for the year ended September 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 14,756,884	\$ 40,940	\$ -	\$ 14,797,824
Construction in progress	10,128,369	9,042,779	(5,692,617)	13,478,531
Total capital assets, not being depreciated or amortized	<u>24,885,253</u>	<u>9,083,719</u>	<u>(5,692,617)</u>	<u>28,276,355</u>
Capital assets, being depreciated or amortized:				
Intangibles	1,275,664	92,964	(4,402)	1,364,226
Buildings and system	122,811,578	359,334	(1,260,172)	121,910,740
Improvements other than buildings	38,016,745	4,783,880	-	42,800,625
Machinery and equipment	15,089,599	1,596,877	(405,192)	16,281,284
Vehicles	19,632,565	1,174,337	(1,239,787)	19,567,115
Infrastructure	331,893,532	-	-	331,893,532
Total capital assets, being depreciated or amortized	528,719,683	8,007,392	(2,909,553)	533,817,522
Less accumulated depreciation/ amortization for:				
Intangibles	(716,988)	(208,672)	4,402	(921,258)
Buildings and system	(24,944,699)	(3,619,238)	420,058	(28,143,879)
Improvements other than buildings	(19,977,535)	(3,294,010)	-	(23,271,545)
Machinery and equipment	(8,710,429)	(1,581,174)	399,156	(9,892,447)
Vehicles	(12,940,957)	(1,555,957)	1,215,568	(13,281,346)
Infrastructure	(270,402,376)	(10,111,808)	-	(280,514,184)
Total accumulated depreciation/ amortization	<u>(337,692,984)</u>	<u>(20,370,859)</u>	<u>2,039,184</u>	<u>(356,024,659)</u>
Total capital assets, being depreciated or amortized, net	<u>191,026,699</u>	<u>(12,363,467)</u>	<u>(870,369)</u>	<u>177,792,863</u>
Governmental activities capital assets, net	<u>\$215,911,952</u>	<u>\$ (3,279,748)</u>	<u>\$ (6,562,986)</u>	<u>\$206,069,218</u>

CITY OF SUNRISE, FLORIDA

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 10,985,086	\$ 1,096,315	\$ -	\$ 12,081,401
Construction in progress	17,205,794	13,418,653	(7,803,809)	22,820,638
Total capital assets, not being depreciated or amortized	<u>28,190,880</u>	<u>14,514,968</u>	<u>(7,803,809)</u>	<u>34,902,039</u>
Capital assets, being depreciated or amortized:				
Intangibles	1,005,664	119,826	(100,885)	1,024,605
Buildings and system	471,463,511	9,277,319	(8,278,981)	472,461,849
Improvements other than buildings	10,020,268	854,728	(7,315)	10,867,681
Machinery and equipment	7,930,626	1,221,879	(304,521)	8,847,984
Vehicles	7,333,424	1,278,723	(640,758)	7,971,389
Total capital assets, being depreciated or amortized	<u>497,753,493</u>	<u>12,752,475</u>	<u>(9,332,460)</u>	<u>501,173,508</u>
Less accumulated depreciation/ amortization for:				
Intangibles	(733,272)	(154,159)	100,885	(786,546)
Buildings and system	(175,186,484)	(15,103,704)	2,903,338	(187,386,850)
Improvements other than buildings	(2,651,868)	(724,292)	3,816	(3,372,344)
Machinery and equipment	(5,053,245)	(662,915)	239,570	(5,476,590)
Vehicles	(4,977,890)	(615,021)	640,454	(4,952,457)
Total accumulated depreciation/ amortization	<u>(188,602,759)</u>	<u>(17,260,091)</u>	<u>3,888,063</u>	<u>(201,974,787)</u>
Total capital assets, being depreciated or amortized, net	<u>309,150,734</u>	<u>(4,507,616)</u>	<u>(5,444,397)</u>	<u>299,198,721</u>
Business-type activities capital assets, net	<u>\$ 337,341,614</u>	<u>\$ 10,007,352</u>	<u>\$ (13,248,206)</u>	<u>\$ 334,100,760</u>

At September 30, 2012, amounts included in governmental activities recorded under capital leases include original amounts of \$22,393 of improvements other than buildings, \$842,337 of machinery and equipment and \$1,727,663 of vehicles; those included in business-type activities include \$153,134 of machinery and equipment and \$198,012 of vehicles.

At September 30, 2012, the capital assets of the pension trust funds consist of machinery, equipment, furniture and fixtures of \$27,482 less accumulated depreciation of \$27,482. Depreciation expense for the year ended September 30, 2012 is \$178.

As of September 30, 2012, the total amount of interest costs incurred related to business-type activities is \$12,057,371, of which \$702,650 has been capitalized.

CITY OF SUNRISE, FLORIDA

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

Governmental activities:	
General government	\$ 1,385,455
Public safety	4,356,560
Transportation, including depreciation of general infrastructure assets	10,453,411
Culture and recreation	4,175,433
Total depreciation or amortization expense - governmental activities	<u>\$ 20,370,859</u>
Business-type activities:	
Water, wastewater, and gas	\$ 16,940,015
Recycling	363
Stormwater	233,969
Golf course	85,744
Total depreciation or amortization expense - business-type activities	<u>\$ 17,260,091</u>

D. Construction commitments

At September 30, 2012, the City had in process various uncompleted construction projects with remaining balances totaling \$28,011,331. Funding of these projects is to be made primarily through the proceeds of the related bond issues.

E. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Encumbrances as of September 30, 2012 are as follows:

Major funds:	
General Fund	\$ 571,847
Capital Improvements capital projects fund	<u>5,706,196</u>
Total Major funds:	6,278,043
Non-major Governmental Funds	<u>310,570</u>
Total Encumbrances	<u>\$ 6,588,613</u>

F. 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 recognizes the advance as an asset and the noncurrent portion of the loan, \$418,933, as nonspendable fund balance. The current portion of the loan in the amount of \$92,006 is recorded as an interfund receivable/payable.

The general fund advanced \$100,000 to the CDBG Grant special revenue fund. This advance was made to enable expenditures in this fund prior to grant reimbursement. The general fund recognizes the advance as an asset with a corresponding nonspendable fund balance.

The general fund advanced \$394,250 to the Urban Area Security Initiative grant special revenue fund as a short-term loan to fund operations.

CITY OF SUNRISE, FLORIDA

The general fund advanced \$21,972 to the Broward County Home Consortium grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$195,236 to the Broward County Disaster Recovery Initiative grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$84,334 to the Energy Efficiency grant special revenue fund as a short-term loan to fund operations.

The composition of interfund balances as of September 30, 2012, is as follows.

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 787,798	\$ -
Non-major governmental funds:		
Special revenue funds:		
Urban Area Security Initiative Grant	-	394,250
Broward County Home Consortium Grant	-	21,972
Broward County Disaster Recovery Initiative Grant	-	195,236
Energy Efficiency Grant	-	84,334
Total non-major governmental funds	-	695,792
Non-major enterprise fund:		
Stormwater	-	92,006
Total interfund receivables/payables	\$ 787,798	\$ 787,798

<u>Fund</u>	<u>Advance from</u>	<u>Advance to</u>
General fund	\$ 518,933	\$ -
Non-major governmental fund:		
Special revenue fund: CDBG Grant	-	100,000
Non-major enterprise fund:		
Stormwater	-	418,933
Total advances	\$ 518,933	\$ 518,933

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Purpose</u>
General fund	\$ 1,742,753	\$ 1,149,595	1,2,3,4,5,6
Debt service fund:			
Public Service Tax	802,865	1,003,626	2,6
Capital projects fund:			
Capital Improvements	-	1,467	3
Non-major governmental funds:			
Special revenue funds:			
Community Development Block Grant	-	732	3
Broward County Disaster Recovery Init. Grant	-	298	3
Neighborhood Stabilization Program Grant	-	424	3
Fuel and Roadway	16,333	103	1,3
Police Confiscation	-	1,681	1,3
Debt service funds:			
Sunrise Lakes Phase I	183	-	6
Sunrise Lakes Phase II	236	-	6
Special Tax District No. 1	104	-	6
Total non-major governmental funds	16,856	3,238	
Enterprise funds:			
Water, Wastewater, and Gas Utility System	52,809	622,467	1,2,3
Sanitation	-	173,953	4
Non-major enterprise funds:			
Stormwater	3,000	2,420	1,3

CITY OF SUNRISE, FLORIDA

Pension trust funds:

General Employees' Pension	100,069	-	3
Police Officers' Pension	66,547	-	3
Firefighters' Pension	<u>171,867</u>	<u>-</u>	3
Total pension trust funds	<u>338,483</u>	<u>-</u>	
Total due to/due from	<u>\$ 2,956,766</u>	<u>\$ 2,956,766</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
- 6) Interest

Interfund transfers:

	Transfer out:						Total
	General fund	Public Service Tax debt service fund	Capital Improvements capital projects fund	Non-major governmental funds	Water, Waste-water and Gas Utility System enterprise fund	Workers' Compensation internal service fund	
Transfer in:							
General fund	\$ -	\$ 7,900,000 a	\$ 1,690,697 d	-	\$ 3,706,610	\$ 1,008,926 a	\$ 14,306,233
Capital Improvements							
capital projects fund	750,000 b	-	-	885,000 b	-	-	1,635,000
Sanitation enterprise fund	782,311 c	-	-	-	-	-	782,311
Non-major enterprise funds	<u>1,000,106 c</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,106</u>
Total	<u>\$ 2,532,417</u>	<u>\$ 7,900,000</u>	<u>\$ 1,690,697</u>	<u>\$ 885,000</u>	<u>\$ 3,706,610</u>	<u>\$ 1,008,926</u>	<u>\$ 17,723,650</u>

The reasons for these transfers are set forth below:

- a) Move unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations
- b) Provide funds for capital outlay
- c) Subsidize operations
- d) Transfer restricted revenues not used for capital purposes

G. Leases

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

H. 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

CITY OF SUNRISE, FLORIDA

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.

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
2013	\$ 4,340,000	\$ -	\$ 5,850,000	\$ 11,648,764
2014	4,340,000	-	5,860,000	11,387,789
2015	4,340,000	-	6,070,000	11,126,264
2016	4,340,000	-	4,425,000	10,850,439
2017	4,340,000	-	4,550,000	10,693,239
2018-2022	21,700,000	-	40,300,000	50,112,435
2023-2027	-	-	68,400,000	35,639,645
2028-2032	-	-	51,140,000	19,725,496
2033-2035	-	-	35,515,000	4,251,447
	<u>43,400,000</u>	<u>-</u>	<u>222,110,000</u>	<u>165,435,518</u>
Plus/(less):				
Unappreciated accretion	(12,781,214)	-	(445,554)	-
Sub-total	<u>30,618,786</u>	<u>-</u>	<u>221,664,446</u>	<u>165,435,518</u>
Bond premium	-	-	2,231,905	-
Bond discount	-	-	(21,173)	-
Deferred amount on refunding	-	-	(1,820,139)	-
	<u>\$ 30,618,786</u>	<u>\$ -</u>	<u>\$ 222,055,039</u>	<u>\$ 165,435,518</u>

*Does not take into account 35% Build America Bonds interest subsidy.

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

Year Ending September 30	Principal	Interest
2013	\$ 2,175,000	\$ 947,226
2014	1,995,000	852,330
2015	2,085,000	763,272
2016	2,170,000	668,323
2017	2,635,000	568,073
2018-2021	<u>9,155,000</u>	<u>1,146,410</u>
Total	<u>\$ 20,215,000</u>	<u>\$ 4,945,634</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>
Governmental activities				
Public Facilities refunding revenue bonds, Series 1992A and 1992B	Refunding and fund certain municipal capital improvements			
Serial bonds		\$ 21,865,000	\$ -	3.30-6.20%
Term bonds		11,490,000	-	6.55%
Capital appreciation serial bonds		14,184,465	30,618,786	6.70-6.80%
Sunrise Lakes Phase I Special Recreation District public improvement refunding bonds, Series 1998	Refunding			
Bank Note		3,635,000	1,475,000	4.413%
Sunrise Lakes Phase II Special Recreation District public improvement refunding bonds, Series 1998	Refunding			
Bank note		3,125,000	265,000	4.316%
Special Tax District No. 1 ad valorem tax refunding bonds, Series 2001	Refunding			
Serial bonds		26,660,000	14,550,000	2.70%-5.00%
ad valorem tax bonds, Series 2003	Fund certain District capital improvements			
Serial bonds		<u>6,770,000</u>	<u>3,925,000</u>	1.25-4.60%
Total governmental activities bonds		<u>\$ 87,729,465</u>	<u>\$ 50,833,786</u>	

The City has pledged future utility taxes revenues and communications services tax revenues to repay \$47,539,465 in revenue refunding bonds issued in 1992. Proceeds from the 1992A bonds were used to refund the City’s Public Service Tax Revenue Bonds, Series 1987 and proceeds from the 1992B bonds were used to fund public capital improvements. The bonds are payable solely from utility service taxes and communications services taxes. The Series 1992B bonds are payable through 2022. Total principal and interest remaining to be paid on the bonds is \$43,400,000. For the current year, principal and interest of \$4,340,000 was paid. Utility service tax revenues and communications services tax revenues were \$7,928,732 and \$3,426,561, respectively. The pledged revenues are expected to continue through maturity of the debt.

CITY OF SUNRISE, FLORIDA

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

	Purpose of Issue	Amount Issued	Principal Outstanding	Interest Rate
Business-type activities				
Utility revenue bonds:				
Series 1993	Refunding			
Serial bonds		\$ 11,100,000	\$ -	3.25-5.20%
Term bonds		1,855,000	-	5.60%
Capital appreciation bonds		7,194,299	3,314,446	5.55-5.80%
Series 1998	Refunding and fund			
Serial bonds	utility system	13,935,000	-	3.60-5.50%
Term bonds	improvements	143,650,000	88,295,000	5.06-5.20%
Series 1998A	Refunding and fund			
Term bonds	utility system			
	improvements	15,195,000	14,515,000	5.50%
Series 2010A	Fund utility system			
Serial bonds	improvements	19,960,000	19,960,000	4.00%
Series 2010B	Fund utility system			
Term bonds	improvements	93,915,000	93,915,000	5.813-5.913%
Series 2010C	Refunding			
Term bonds		<u>4,740,000</u>	<u>1,665,000</u>	3.00%-4.00%
Total business-type activities bonds		<u>\$ 311,544,299</u>	<u>\$ 221,664,446</u>	

The City has pledged future net water, wastewater, and gas revenues to repay \$311,544,299 of utility bonds issued in 1993, 1998 and 2010. Proceeds from the 1993 bonds were used to refund the City’s Public Improvement Revenue Bonds Series 1989; proceeds from the 1998 bonds were used to refund the City’s Utility System Revenue Bonds, Series 1986A, Series 1996, Series 1996A, and Series 1997 and to fund improvements to the City’s water, sewer and gas utility system; proceeds from the 1998A bonds were used to refund a portion of the Series 1986A and fund capital improvements to the utility system; proceeds from the Series 2010A bonds and Series 2010B bonds were issued to fund construction, acquisition or equipping of certain capital improvements to the City’s water/wastewater utility facilities; and proceeds from the Series 2010C bonds were issued to refund a portion of the City’s Utility System Revenue Refunding Bonds Series 1993 and Utility System Revenue Refunding Bonds, Series 1996. The Series 1993 bonds are payable through 2016; the Series 1998 bonds are payable through 2028; the Series 1998A bonds are payable through 2015; the Series 2010A bonds are payable through 2020; the Series 2010B bonds are payable through 2035; and the Series 2010C bonds are payable through 2019. Total principal and interest remaining to be paid on the utility bonds is \$387,545,518. Principal and interest paid for the current year and total customer net revenue were \$17,502,339 and \$45,281,915, respectively. The pledged revenues are expected to continue through maturity of the debt.

CITY OF SUNRISE, FLORIDA

Defeased and refunded debt

The City has a number of bond issues that have been refunded. Refunding provides for an irrevocable deposit with an escrow agent (a third party banking institution) of sufficient funds to pay the principal and interest, when due, on the refunded bonds to the earliest call date. On the earliest call date, all bonds outstanding are redeemed and interest subsequent to the refunding date will cease. Bonds are typically refunded for either economic gain to the governmental unit or to eliminate restrictive and antiquated covenants often associated therewith. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City's books.

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 9/30/12</u>
Utility System revenue bonds	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
	1998	2010	<u>60,215,000</u>
Total outstanding defeased debt		<u>\$ 67,245,000</u>	

CITY OF SUNRISE, FLORIDA

Change in long-term liabilities

Long-term liability activity for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 55,011,196	\$ 2,252,590 *	\$ (6,430,000)	\$ 50,833,786	\$ 6,515,000
Compensated absences	10,993,874	6,976,282	(7,015,803)	10,954,353	808,579
Other post employment benefits	8,232,869	1,673,846	(399,247)	9,507,468	-
Retiree subsidy	3,815,275	1,442,096	(508,834)	4,748,537	-
Claims and judgments	4,851,303	655,206	(993,029)	4,513,480	1,781,803
Governmental activity long-term liabilities	<u>\$ 82,904,517</u>	<u>\$ 13,000,020</u>	<u>\$(15,346,913)</u>	<u>\$ 80,557,624</u>	<u>\$ 9,105,382</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 227,015,393	\$ 499,053 *	\$ (5,850,000)	\$ 221,664,446	\$ 5,850,000
Less deferred amounts:					
For issuance discounts	(26,465)	5,292	-	(21,173)	-
For issuance premiums	2,607,976	-	(376,071)	2,231,905	-
On refunding	(1,972,425)	152,286	-	(1,820,139)	-
Total bonds payable	<u>227,624,479</u>	<u>656,631</u>	<u>(6,226,071)</u>	<u>222,055,039</u>	<u>5,850,000</u>
Compensated absences	3,961,732	2,025,963	(1,992,526)	3,995,169	281,686
Other post employment benefits	2,945,659	627,604	(149,699)	3,423,564	-
Retiree subsidy	2,948,682	1,063,721	(237,412)	3,774,991	-
Business-type activity long-term liabilities	<u>\$ 237,480,552</u>	<u>\$ 4,373,919</u>	<u>\$(8,605,708)</u>	<u>\$ 233,248,763</u>	<u>\$ 6,131,686</u>

* includes future appreciated principal accretion

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

I. 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 2011-2012 fiscal year is 6.0543 mills. On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held during 2007 and became effective October 1, 2008. Amendment 1 increased the current \$25,000 homestead exemption by an additional \$25,000 (for property values between \$50,000 - \$75,000), except for school district taxes. Amendment 1 also provided "portability", allowing property owners to transfer up to \$500,000 of their "Save Our Homes" benefits to their next homestead when they move. "Save Our Homes" became effective in 1995 and limits (caps) the annual increase in assessed value for homesteaded property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less. Amendment 1 also provided a \$25,000 exemption for tangible personal property. Current tax collections for the year ended September 30, 2012 were approximately 98% of the total tax levy, net of discounts allowed.

CITY OF SUNRISE, FLORIDA

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.

The City Commission establishes the tax levy of the City. The adoption of the final millage rate occurred September 22, 2011. Property tax collections are governed by Chapter 197, Florida Statutes. The Broward County Tax Collector (Tax Collector) bills and collects all property taxes levied within the County. The Tax Collector remits current taxes collected through four distributions to the City in the first quarter of the tax year and at least one distribution each month thereafter. The City recognizes property tax revenue in the period in which they are levied.

The property tax calendar for revenues billed and received for the fiscal year ended September 30, 2012 is shown as follows:

Lien date	January 1, 2011
Levy date, tax bills mailed	November 1, 2011
Last date for 4% discount on taxes paid	November 30, 2011
Last date for 3% discount on taxes paid	December 31, 2011
Last date for 2% discount on taxes paid	January 31, 2012
Last date for 1% discount on taxes paid	February 29, 2012
Final due date of payment of taxes	March 31, 2012
Date for auctioning tax certificates on delinquent accounts	On or before June 1, 2012

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 and incurred but not reported claims). The claims liability of \$4,513,480, which is discounted at 4%, is reported in the fund at September 30, 2012 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

CITY OF SUNRISE, FLORIDA

indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim can be reasonably estimated.

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

	Year ended <u>9/30/11</u>	Year ended <u>9/30/12</u>
Unpaid claims, beginning of fiscal year	\$ 4,430	\$ 4,851
Incurred claims (and estimate changes)	1,281	655
Claim payments	<u>(860)</u>	<u>(993)</u>
Unpaid claims, end of fiscal year	<u>\$ 4,851</u>	<u>\$ 4,513</u>

B. Contingent liabilities

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

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

CITY OF SUNRISE, FLORIDA

C. Employee retirement systems and pension plans

Plan descriptions: The City of Sunrise contributes to three single-employer defined benefit pension plans: General Employees' Pension Plan, Police Officers' Pension Plan and Firefighters' Pension Plan and one defined contribution plan: Governmental Money Purchase Plan and Trust. Additionally, the City maintains a retiree subsidy for general employees and a preservation of benefits plan.

In addition to normal retirement benefits, all three of the defined benefit pension plans provide for long-term disability and survivor benefits, as well as deferred pensions for former employees, dependent upon length of service or years of contributions and age upon death or disability. State Statute 112 and City ordinance provide the authority to establish and amend benefit provisions for all three defined benefit pension plans.

A deferred retirement option plan (DROP) was implemented in the Police Officers' Pension Plan (the Plan). Upon participation in the DROP, the participant becomes a retiree for all Plan purposes and any further benefits under the pension plan cease to accrue. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon termination of employment. Effective July 10, 2007, an eligible member who elects to participate in the DROP within five years following the member's earliest normal retirement date may participate in the DROP for a maximum of six years. Effective August 9, 2011, 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 seven years. There were thirty-three members in the DROP as of September 30, 2012. Members of the plan who terminate employment and begin receiving normal retirement benefits subsequent to December 31, 2005 will receive a 2% cost of living adjustment. Members who begin receiving normal retirement benefits or enter the DROP on or after October 1, 2008 will receive a 2.5% cost of living adjustment. The Plan provides for supplemental pension distributions based on the cumulative net actuarial gain as identified in the most recent actuarial report for eligible participants who have retired prior to December 13, 2004. Any participant immediately eligible for early or normal retirement benefits or entered the DROP between August 14, 2001 and December 12, 2004 is eligible for a 13th check, the amount of which cannot exceed 100% of a participant's monthly retirement benefit. In the event that the cumulative net actuarial gain exceeds the amount distributed by the 13th check and the City's required contributions to the Plan, a 14th check will be distributed to eligible participants – those eligible for a 13th check, except for DROP participants.

City Ordinance 124-X-02-B, approved March 12, 2002, established a retirement incentive program for firefighters. During a "window period" of thirty calendar days, beginning February 27, 2002, eligible firefighters could have made an irrevocable election to participate in this program. The eligible firefighters must have retired and separated from City employment no later than April 15, 2002. Eligible firefighters who elected the program could have also elected to participate in a DROP for up to thirty-six months or, alternatively, elect a BAC-DROP option for up to eighteen months. Beginning four years after retirement or entry into the DROP, a 2% annual increase in retirement benefits is applicable for all members. As of June 10, 2008, eligible firefighters can participate in the DROP for a maximum period of 72 months. Effective September 25, 2012, eligible firefighters who elect

CITY OF SUNRISE, FLORIDA

to participate in the DROP program can participate for up to 84 months; eligible firefighters may elect a "BAC – DROP" option of up to 24 months, which will reduce the maximum 84 month DROP period by the same amount of time. As of September 30, 2012, forty 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 72 months prior to termination of employment. As of September 30, 2012, there were 89 participants in the DROP. Beginning one year after retirement or entry into the DROP, an annual increase in retirement benefits of 2% for management members and 2.5% for senior management who reach early or normal retirement age and begin receiving benefits after June 12, 2001, is applicable. For eligible general employees, a supplemental pension distribution in the form of an optional 13th check, based on the cumulative net actuarial gain is available; effective January 1, 2004, a minimum of one-half of the 13th check is guaranteed payable, notwithstanding actuarial gains; effective October 1, 2007, a minimum of 75% of the 13th check is guaranteed payable, notwithstanding actuarial gains.

The Governmental Money Purchase Plan and Trust (Purchase Plan) was established for senior managers who are members of the General Employees' Pension Plan. The Purchase Plan was subsequently amended on March 12, 2003 by Ordinance 715-X-03-A, to additionally include all management employees with more than 10 years of City service and city commissioners. The City contributes 3% of earnings each plan year (calendar year) on behalf of each eligible management employee and 6% of earnings each plan year on behalf of each senior management employee and each city commissioner; the eligible employees are not required to make contributions. The ICMA Retirement Corporation serves as administrator for this Purchase Plan. The City recognized expenditures/expenses of \$323,359 for the fiscal year ended September 30, 2012 for the eighty-one employees covered under the plan. City ordinance provides the authority to establish and amend benefit provisions and contribution requirements for the Governmental Money Purchase Plan and Trust. The Purchase Plan was amended with Ordinance No. 715-X-09-A, effective May 1, 2009, which eliminated the benefit for employees newly hired, rehired, or promoted from a general employee position into a management position.

The City, under Ordinance No. 715-X-99-A and amended by Ordinance No. 715-X-00-C and Ordinance No. 715-X-03-A, established a retiree subsidy of \$200 per month for all general executive management and supervisory/professional employees who retired on or after September 28, 1999, except that senior managers who retired directly from the City after January 1, 2001, receive an amount equivalent to 80% of the total cost of family coverage under the City's health insurance program. Effective October 1, 1999, the City agreed to establish a subsidy of \$200 per month for all general employees, per the Collective Bargaining Agreement between the City and the Federation of Public Employees. The subsidy commenced at the same time the General Employees' Retirement Plan member began to receive normal or early retirement benefits and continues until the plan member reaches age 65. Upon attaining age 65, bargaining unit employees will receive 75% of the \$200 per month subsidy, except that senior managers will receive 75% of the benefit received immediately prior to attaining age 65. If a general executive management or supervisory/professional employee dies before age 65, the health insurance subsidy continues

CITY OF SUNRISE, FLORIDA

to be paid to that member's spouse until the date that member would have reached age 65. Effective October 1, 2006, eligible general employees who retire and separate employment will be paid a monthly subsidy of \$250, which shall continue for the life of the retiree. Eligible general employees who retire and separate employment after February 26, 2008 will be paid a monthly subsidy of \$350, which shall continue for the life of the retiree. Effective under Ordinance No. 715-X-09-A, all management and supervisory/ professional employees who separate and retire from the City after May 1, 2009, whose health benefit at retirement is less than the benefit provided to general employees under the applicable collective bargaining agreement in effect at the time of separation, will receive a retiree subsidy equal to the general employee's benefit. There were 193 participants during the fiscal year ended September 30, 2012.

Effective September 28, 1999, under Ordinance No. 715-X-99-A, the City established a preservation of benefits plan as a deferred compensation plan for managers and senior managers who are members of the General Employees' Pension Plan. This plan, which is administered by the City, was established as a qualified governmental excess benefits arrangement pursuant to section 415(m) of the U. S. Internal Revenue Code. For each eligible payee, the City will provide a supplemental retirement benefit equal to the reduction of retirement benefits due to the application of section 401(a) (17) or section 415(b) of the U.S. Internal Revenue Code. There were four eligible participants covered during the fiscal year ended September 30, 2012.

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

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

Funding policy and annual pension cost: The contribution requirements of plan members and the City for the City's three single-employer defined benefit pension plans are established and may be amended by City Ordinance. Plan member contributions are

CITY OF SUNRISE, FLORIDA

recognized in the period in which the contributions are due. The City contributes an actuarially determined amount to fully fund benefits for active members. Any unfunded actuarial liability is amortized as a level percent of projected member payroll over a period of thirty years for the Police Officers', Firefighters', and General Employees' Pension Plans. City contributions to the plans, as calculated by the plans' actuaries, are recognized as revenue when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. If the City's calculated contribution, excluding the cost of post September 13, 1999 management and senior management benefits, exceeds 14% for the General Employees' Pension Plan, member contributions, as well as the City contribution, are increased by half of the excess percentage of payroll except that the total maximum contribution for general employees is capped at 9.51% until a new bargaining unit contract is negotiated and the maximum contribution for management and senior management hired prior to October 1, 2009 is 11.75%. Effective October 1, 2009, general employees, including management and senior management, hired on or after October 1, 2009 contribute 8%. The following schedule summarizes the required contribution rates for the City and its plan members:

	<u>General Employees' Pension Plan</u>	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Contributions:			
Contribution rates:			
City	30.96%	44.53%	33.60%
Plan members		9.84%	10.63%
General employees	9.51%		
Management, senior management	11.75%		
Employees hired after 10/1/09	8.00%		
Annual pension costs	\$ 11,071,530	\$ 7,811,540	\$ 5,683,113
Contributions made:			
City	\$ 8,377,259	\$ 6,015,383	\$ 3,807,333
Plan members	2,694,271	1,268,969	1,103,807
Other	-	527,188 ¹	771,973 ¹

¹The Police Officers' and Firefighters' Pension Plans are partially funded by contributions from the State of Florida under Chapters 185 and 175, respectively, of the Florida Statutes. This contribution consists of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City. This amount totaled \$1,299,161 for the year ended September 30, 2012: \$771,973 for property insurance contracts for firefighters under Chapter 175 and \$527,188 for casualty insurance contracts for police officers under Chapter 185. These amounts are recognized as insurance premium revenues and public safety expenditures in the General Fund.

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

CITY OF SUNRISE, FLORIDA

Actuarial methods and assumptions: The annual required contributions for the current year were determined as part of the October 1, 2010 actuarial valuation for the Firefighters', General Employees', and Police Officers' Pension Plans. Additional information as of the latest actuarial valuation date of October 1, 2011 for the Firefighters', General Employees' and Police Officers' Pension Plans follows.

	<u>General Employees' Pension Plan</u>	<u>Police Officers' Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Actuarial cost method	Entry age normal	Entry age normal	Entry age
Amortization method	Level percent, closed	Level percent, closed	Level percent, closed
Remaining amortization period	25 years	27 years	26 years
Actuarial assumptions:			
Investment rate of return	8.0%	8.2%	8.0%
Inflation rate	3.5%	3%	4.0%
Projected salary increases *	5.9%	5.2%-8.5%	6%-13%
Cost of living adjustments	2% for eligible management employees and commissioners, 2.5% for eligible senior management employees	2.5% for eligible employees	2% for eligible employees
Asset valuation:			
Reporting	Fair value	Fair value	Fair value
Actuarial valuation	5 year smoothed market without phase-in	5 year smoothed market	5 year smoothing
Non-government investment in excess of 5%	None	None	None

*Projected salary increases include inflation.

The actuarial accrued liability (AAL) for the retirees' subsidy plan was projected to September 30, 2012 based on the assumptions presented below. The results are not based on the assumption that all members terminate service as of the valuation date but rather on the assumptions about future disablement, future mortality, future termination of employment, and future retirement continuing to be operative. Benefits are assumed to be unfunded.

Actuarial valuation date	October 1, 2011
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	26 years
Actuarial assumptions:	
Investment rate of return	4.0%
Inflation rate	3.0%
Projected salary increases	7.0%-7.5%
Asset valuation method	n/a

CITY OF SUNRISE, FLORIDA

Funded status and funding progress: The funded status of the three defined benefit pension plans as of October 1, 2011 was as follows (dollar amounts in thousands):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
General Employees' Pension Fund						
10/1/11	\$ 120,143	\$ 189,893	\$ 69,750	63.3%	\$ 27,618	252.5%
Police Officers' Pension Fund						
10/1/11	\$ 64,271	\$ 120,139	\$ 55,868	53.5%	\$ 13,521	413.2%
Firefighters' Pension Fund						
10/1/11	\$ 80,235	\$ 124,003	\$ 43,768	64.7%	\$ 11,010	397.5%

The funded status of the retirees' subsidy plan as of October 1, 2011 was as follows (dollar amounts in thousands):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
10/01/11	-	\$ 20,581	\$ 20,581	0.0%	\$ 32,941	62.5%

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

For the fiscal year ended September 30, 2012, the annual cost of the retirees' subsidy plan of \$2,505,817 is not equal to the annual required contribution, which is \$2,495,411 due to interest and an adjustment to the annual required contribution. The contributions made by the City were \$746,246 resulting in an increase in the net pension obligation of \$1,759,571.

CITY OF SUNRISE, FLORIDA

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

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
General Employees' Pension Plan:	9/30/10	\$ 9,750,051	100%	\$0
	9/30/11	10,568,229	100	0
	9/30/12	11,071,530	100	0
Police Officers' Pension Plan:	9/30/10	\$ 7,009,595	100%	\$0
	9/30/11	7,756,543	100	0
	9/30/12	7,811,540	100	0
Firefighters' Pension Plan:	9/30/10	\$ 3,829,131	100%	\$0
	9/30/11	5,107,144	100	0
	9/30/12	5,683,113	100	0
	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Retiree Pension Obligation</u>
Retirees' subsidy plan	9/30/10	\$ 1,905,331	25.2%	\$ 5,371,489
	9/30/11	1,997,312	30.3	6,763,957
	9/30/12	2,505,817	29.8	8,523,528

D. Other post-employment benefits

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

Plan description: The City has previously established and maintains an employee group medical insurance plan, an employee group life insurance plan, and an employee group long-term care insurance plan that it makes available to eligible retirees in accordance with State of Florida law and City ordinance. The medical and life insurance plans are single-employer, experience-rated insurance plans that provide benefits to eligible retirees and their eligible dependents. The long-term care insurance plan is a single-employer, statewide filed and rated insurance plan available to eligible retirees and their eligible dependents. These plans are not accounted for in a trust fund, as an irrevocable trust has not been established.

CITY OF SUNRISE, FLORIDA

Funding policy: To date, the City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses. The contribution requirements, if any, of plan members are established by the City. The City pays any remaining required amounts after contributions of plan members are taken into account. Currently, eligible retirees do not pay for life insurance or long-term care insurance plans provided by the City, but do pay the premiums associated with the medical plan elected - no direct City subsidy is currently applicable. However, there are implicit costs of medical and direct costs of life and long-term care insurance plan benefits. Retiree’s spouses and other eligible dependents are also eligible under the City’s medical and life insurance plans and the retiree is responsible for the payment of the applicable medical and life insurance premiums.

State of Florida law prohibits the City from separately rating retirees and active employees for medical plan benefits. The City therefore assigns to both groups equal, blended-rate premiums and makes available to both groups the same plan options. Although both groups are assigned the same blended-rate premiums, GAAP requires the actuarial liabilities to be calculated using age-adjusted premiums approximating claim costs for eligible retirees separate from active eligible members. The use of age-adjusted premiums results in the full expected retiree obligation recognized in this disclosure.

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

Annual required contribution	\$ 2,284,252
Interest on net OPEB obligation	447,141
Adjustment to annual required contribution	<u>(429,943)</u>
Annual OPEB cost (expense)	2,301,450
Contributions made	<u>(548,946)</u>
Increase in net OPEB obligation	1,752,504
Net OPEB obligation – beginning of year	<u>11,178,528</u>
Net OPEB obligation – ending of year	<u><u>\$12,931,032</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2012 is listed below.

Fiscal Year	Annual	Percentage of OPEB	Net OPEB
<u>Ending</u>	<u>OPEB Cost</u>	<u>Cost Contributed</u>	<u>Obligation</u>
09/30/10	\$2,834,670	21.0%	\$ 8,941,989
09/30/11	2,970,211	24.7	11,178,528
09/30/12	2,301,450	23.9	12,931,032

CITY OF SUNRISE, FLORIDA

Funded status and funding progress: The funded status of the plan as of October 1, 2011 was as follows:

Actuarial accrued liability (AAL)	\$19,970,186
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	\$19,970,186
Funded ratio	0.00%
Annual covered payroll*	\$57,450,602
Unfunded actuarial accrued liability as a percentage of covered payroll	34.76%

*Annual assumed payroll growth of 4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future disablement, future mortality, future termination of employment, future retirement, and healthcare cost trend. Amounts determined regarding the status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial calculations reflect a long-term perspective. The annual health care cost projected trend rate is 6% effective January 1, 2012, 8% for the next year, followed by a .5% decrease in the rate each successive year until reaching an annual trend rate of 5% per year. Benefits are assumed to be unfunded.

Actuarial valuation date	October 1, 2011
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	26 years
Actuarial assumptions:	
Investment rate of return	4.0%
Inflation rate	3.0%
Projected salary increases	5.2%-13.0%
Asset valuation method	n/a

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>
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General Employees' Pension Fund

10/1/09	\$113,739	\$ 163,887	\$ 50,148	69.4%	\$ 25,457	197.0%
10/1/10	117,662	177,684	60,022	66.2	26,014	230.7
10/1/11	120,143	189,893	69,750	63.3	27,618	252.5

Police Officers' Pension Fund

10/1/09	\$ 50,806	\$ 97,673	\$ 46,867	52.0%	\$ 13,936	336.3%
10/1/10	57,736	108,374	50,638	53.3	13,238	382.5
10/1/11	64,271	120,139	55,868	53.5	13,521	413.2

Firefighters' Pension Fund

10/1/09	\$ 74,486	\$ 106,708	\$ 32,222	69.8%	\$ 10,646	302.7%
10/1/10	76,423	115,403	38,980	66.2	10,927	356.7
10/1/11	80,235	124,003	43,768	64.7	11,010	397.5

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
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Retirees' Subsidy Plan

10/1/08	-	\$ 18,766	\$ 18,766	0.0%	\$ 53,339	35.2%
10/1/09	-	16,253	16,253	0.0	29,136	55.8
10/1/11	-	20,581	20,581	0.0	32,941	62.5

CITY OF SUNRISE, FLORIDA

(unaudited)

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
10/1/08	-	\$ 43,112	\$ 43,112	0.0%	\$ 53,339	80.8%
10/1/09	-	25,051	25,051	0.0	51,716	48.4
10/1/11	-	19,970	19,970	0.0	57,451	34.8

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Other Post-Employment Benefit Plan

<u>Fiscal Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
09/30/10	\$ 594,591	\$ 2,788,257	21.3%
09/30/11	733,672	2,920,067	25.1
09/30/12	548,946	2,284,252	24.0

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

<i>Community Development Block Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Community Development Block Grant funds.</i>
<i>Impact Fees Fund</i>	<i>Accounts for the receipts and disbursements of impact fees received from developers.</i>
<i>Urban Area Security Initiative Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Urban Area Security Initiative Grant funds.</i>
<i>Broward County Home Consortium Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Broward County Home Consortium Grant funds.</i>
<i>Broward County Disaster Recovery Initiative Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Broward County Disaster Recovery Initiative Grant funds.</i>
<i>Neighborhood Stabilization Program Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Neighborhood Stabilization Grant funds.</i>
<i>Energy Efficiency Grant Fund</i>	<i>Accounts for the receipts and disbursements of the Energy Efficiency and Conservation Grant funds.</i>
<i>Fuel & Roadway Fund</i>	<i>Accounts for the government's share of motor fuel tax revenues that are legally restricted to the maintenance of, and improvements to, the streets, roadways, median strips, and street lights within the City.</i>
<i>State Housing Initiative Partnership Grant Fund</i>	<i>Accounts for the receipts and disbursements of the State Housing Initiative Partnership Grant funds.</i>
<i>Police Confiscation Fund</i>	<i>Accounts for the receipts and disbursements of police confiscation funds.</i>

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

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.

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, 2012

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,468,491	\$ 6,300,616	\$ 1,471,153	\$ 10,240,260
Investments	8,178,002	-	-	8,178,002
Interest receivable	47,971	48	-	48,019
Special assessments receivable	-	1,982,237	-	1,982,237
Other receivables	3,134	-	-	3,134
Due from other funds	16,333	419	104	16,856
Intergovernmental receivable	911,133	-	-	911,133
Prepaid items	703	-	-	703
Inventories	53,101	-	-	53,101
Total assets	<u>\$ 11,678,868</u>	<u>\$ 8,283,320</u>	<u>\$ 1,471,257</u>	<u>\$ 21,433,445</u>
LIABILITIES				
Accounts payable	579,326	50,048	-	629,374
Accrued liabilities	21,045	-	-	21,045
Retainage payable	33,718	-	-	33,718
Intergovernmental payable	4,334	-	-	4,334
Due to other funds	3,238	-	-	3,238
Interfund payable	695,792	-	-	695,792
Matured bonds payable	-	2,090,000	-	2,090,000
Matured interest payable	-	518,255	-	518,255
Unearned revenue	8,823	-	-	8,823
Deferred revenue	-	1,982,237	-	1,982,237
Other	2,159,854	-	-	2,159,854
Advances from other funds	100,000	-	-	100,000
Total liabilities	<u>3,606,130</u>	<u>4,640,540</u>	<u>-</u>	<u>8,246,670</u>
FUND BALANCES				
Nonspendable:				
Inventories	53,101	-	-	53,101
Restricted:				
Recreation	16,624	-	-	16,624
Public safety	5,603,699	-	-	5,603,699
Fire equipment	438,484	-	-	438,484
Median strips	185,315	-	-	185,315
Housing	143,139	-	-	143,139
Transportation	1,593,042	-	-	1,593,042
Assigned to:				
Subsequent year's expenditures	-	120,810	-	120,810
Transportation	242,978	-	-	242,978
Debt service	-	3,521,970	-	3,521,970
Capital projects	-	-	1,471,257	1,471,257
Unassigned	(203,644)	-	-	(203,644)
Total fund balances	<u>8,072,738</u>	<u>3,642,780</u>	<u>1,471,257</u>	<u>13,186,775</u>
Total liabilities and fund balances	<u>\$ 11,678,868</u>	<u>\$ 8,283,320</u>	<u>\$ 1,471,257</u>	<u>\$ 21,433,445</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes:				
Property	\$ -	\$ 2,444,934	\$ -	\$ 2,444,934
Local option fuel	1,453,852	-	-	1,453,852
Intergovernmental	3,441,756	-	-	3,441,756
Charges for services	145,874	-	-	145,874
Judgments, fines and forfeitures	1,961,520	-	-	1,961,520
Special assessments	-	550,500	-	550,500
Impact fees	79,550	-	-	79,550
Investment earnings	84,609	1,302	1,289	87,200
Miscellaneous	1,030,077	-	-	1,030,077
Total revenues	<u>8,197,238</u>	<u>2,996,736</u>	<u>1,289</u>	<u>11,195,263</u>
EXPENDITURES				
Current:				
Public safety	1,979,128	-	-	1,979,128
Economic development	3,509,823	-	-	3,509,823
Human services	38,434	-	-	38,434
Transportation	948,962	-	-	948,962
Debt service:				
Principal	-	2,090,000	-	2,090,000
Interest	-	1,036,509	-	1,036,509
Other	-	44,783	-	44,783
Capital outlay	1,830,636	-	-	1,830,636
Total expenditures	<u>8,306,983</u>	<u>3,171,292</u>	<u>-</u>	<u>11,478,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(109,745)</u>	<u>(174,556)</u>	<u>1,289</u>	<u>(283,012)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Capital projects fund:				
Capital Improvement	(885,000)	-	-	(885,000)
Sale of capital assets	10,655	-	-	10,655
Total other financing sources and (uses)	<u>(874,345)</u>	<u>-</u>	<u>-</u>	<u>(874,345)</u>
Net change in fund balances	(984,090)	(174,556)	1,289	(1,157,357)
Fund balances - beginning	<u>9,056,828</u>	<u>3,817,336</u>	<u>1,469,968</u>	<u>14,344,132</u>
Fund balances - ending	<u>\$ 8,072,738</u>	<u>\$ 3,642,780</u>	<u>\$ 1,471,257</u>	<u>\$ 13,186,775</u>

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2012

	Community Development Block Grant	Impact Fees	Urban Area Security Initiative Grant	Broward County Home Consortium Grant	Broward County Disaster Recovery Initiative Grant
ASSETS					
Cash and cash equivalents	\$ 51,350	\$ 203,136	\$ -	\$ -	\$ -
Investments	-	506,343	-	-	-
Interest receivable	-	3,967	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Intergovernmental receivable	66,717	-	394,250	14,596	77,102
Prepaid items	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 118,067</u>	<u>\$ 713,446</u>	<u>\$ 394,250</u>	<u>\$ 14,596</u>	<u>\$ 77,102</u>
LIABILITIES					
Accounts payable	2,396	-	-	788	40,503
Accrued liabilities	10,605	-	-	-	2,827
Retainage payable	-	-	-	-	-
Intergovernmental payable	4,334	-	-	-	-
Due to other funds	732	-	-	-	298
Interfund payable	-	-	394,250	21,972	195,236
Unearned revenue	-	-	-	-	-
Other	-	-	-	-	-
Advances from other funds	100,000	-	-	-	-
Total liabilities	<u>118,067</u>	<u>-</u>	<u>394,250</u>	<u>22,760</u>	<u>238,864</u>
FUND BALANCES					
Nonspendable:					
Inventories					
	-	-	-	-	-
Restricted:					
Recreation					
	-	16,624	-	-	-
Public safety					
	-	73,023	-	-	-
Fire equipment					
	-	438,484	-	-	-
Median strips					
	-	185,315	-	-	-
Housing					
	-	-	-	-	-
Transportation					
	-	-	-	-	-
Assigned to:					
Transportation					
	-	-	-	-	-
Unassigned					
	-	-	-	(8,164)	(161,762)
Total fund balances	<u>-</u>	<u>713,446</u>	<u>-</u>	<u>(8,164)</u>	<u>(161,762)</u>
Total liabilities and fund balances	<u>\$ 118,067</u>	<u>\$ 713,446</u>	<u>\$ 394,250</u>	<u>\$ 14,596</u>	<u>\$ 77,102</u>

Neighborhood Stabilization Program Grant	Energy Efficiency Grant	Fuel and Roadway	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
\$ 91,735	\$ -	\$ 471,653	\$ 37,154	\$ 1,613,463	\$ 2,468,491
-	-	1,449,483	106,179	6,115,997	8,178,002
-	-	8,839	758	34,407	47,971
-	-	3,134	-	-	3,134
-	-	16,333	-	-	16,333
17,511	84,334	253,423	-	3,200	911,133
-	-	-	-	703	703
-	-	53,101	-	-	53,101
<u>\$ 109,246</u>	<u>\$ 84,334</u>	<u>\$ 2,255,966</u>	<u>\$ 144,091</u>	<u>\$ 7,767,770</u>	<u>\$ 11,678,868</u>
104,580	-	356,896	952	73,211	579,326
4,242	-	1,023	-	2,348	21,045
-	33,718	-	-	-	33,718
-	-	-	-	-	4,334
424	-	103	-	1,681	3,238
-	84,334	-	-	-	695,792
-	-	8,823	-	-	8,823
-	-	-	-	2,159,854	2,159,854
-	-	-	-	-	100,000
<u>109,246</u>	<u>118,052</u>	<u>366,845</u>	<u>952</u>	<u>2,237,094</u>	<u>3,606,130</u>
-	-	53,101	-	-	53,101
-	-	-	-	-	16,624
-	-	-	-	5,530,676	5,603,699
-	-	-	-	-	438,484
-	-	-	-	-	185,315
-	-	-	143,139	-	143,139
-	-	1,593,042	-	-	1,593,042
-	-	242,978	-	-	242,978
-	(33,718)	-	-	-	(203,644)
-	<u>(33,718)</u>	<u>1,889,121</u>	<u>143,139</u>	<u>5,530,676</u>	<u>8,072,738</u>
<u>\$ 109,246</u>	<u>\$ 84,334</u>	<u>\$ 2,255,966</u>	<u>\$ 144,091</u>	<u>\$ 7,767,770</u>	<u>\$ 11,678,868</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Community Development Block Grant	Impact Fees	Urban Area Security Initiative Grant	Broward County Home Consortium Grant	Broward County Disaster Recovery Initiative Grant
REVENUES					
Local option fuel tax	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	843,259	-	83,923	131,230	717,079
Charges for services	-	-	-	-	-
Judgments, fines and forfeitures	-	-	-	-	-
Impact fees	-	79,550	-	-	-
Investment earnings	-	15,418	-	-	-
Miscellaneous	15,583	-	-	326,363	8,583
Total revenues	<u>858,842</u>	<u>94,968</u>	<u>83,923</u>	<u>457,593</u>	<u>725,662</u>
EXPENDITURES					
Current:					
Public safety	66,631	-	78,720	-	-
Economic development	702,304	-	-	344,233	757,611
Human services	38,434	-	-	-	-
Transportation	51,473	-	-	-	-
Capital outlay	-	-	5,203	-	-
Total expenditures	<u>858,842</u>	<u>-</u>	<u>83,923</u>	<u>344,233</u>	<u>757,611</u>
Excess (deficiency) of revenues over (under) expenditures	-	94,968	-	113,360	(31,949)
OTHER FINANCING SOURCES					
Transfers out:					
Capital projects fund:					
Capital Improvement	-	(885,000)	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>(885,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(790,032)	-	113,360	(31,949)
Fund balances - beginning	<u>-</u>	<u>1,503,478</u>	<u>-</u>	<u>(121,524)</u>	<u>(129,813)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 713,446</u>	<u>\$ -</u>	<u>\$ (8,164)</u>	<u>\$ (161,762)</u>

Neighborhood Stabilization Program	Energy Efficiency Grant	Fuel and Roadway	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 1,453,852	\$ -	\$ -	\$ 1,453,852
871,416	719,095	75,754	-	-	3,441,756
-	-	67,674	-	78,200	145,874
-	-	-	-	1,961,520	1,961,520
-	-	-	-	-	79,550
-	-	15,240	9,268	44,683	84,609
624,763	-	35,039	19,065	681	1,030,077
<u>1,496,179</u>	<u>719,095</u>	<u>1,647,559</u>	<u>28,333</u>	<u>2,085,084</u>	<u>8,197,238</u>
-	-	-	-	1,833,777	1,979,128
1,496,179	-	-	209,496	-	3,509,823
-	-	-	-	-	38,434
-	-	897,489	-	-	948,962
-	752,250	881,243	-	191,940	1,830,636
<u>1,496,179</u>	<u>752,250</u>	<u>1,778,732</u>	<u>209,496</u>	<u>2,025,717</u>	<u>8,306,983</u>
-	(33,155)	(131,173)	(181,163)	59,367	(109,745)
-	-	-	-	-	(885,000)
-	-	-	-	10,655	10,655
-	-	-	-	10,655	(874,345)
-	(33,155)	(131,173)	(181,163)	70,022	(984,090)
-	(563)	2,020,294	324,302	5,460,654	9,056,828
<u>\$ -</u>	<u>\$ (33,718)</u>	<u>\$ 1,889,121</u>	<u>\$ 143,139</u>	<u>\$ 5,530,676</u>	<u>\$ 8,072,738</u>

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 SEPTEMBER 30, 2012

	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
ASSETS				
Cash and cash equivalents	\$ 232,137	\$ 271,608	\$ 5,796,871	\$ 6,300,616
Interest receivable	-	-	48	48
Special assessments receivable	1,705,800	276,437	-	1,982,237
Due from other funds	183	236	-	419
Total assets	<u>\$ 1,938,120</u>	<u>\$ 548,281</u>	<u>\$ 5,796,919</u>	<u>\$ 8,283,320</u>
LIABILITIES				
Accounts payable	-	-	50,048	50,048
Matured bonds payable	195,000	260,000	1,635,000	2,090,000
Matured interest payable	36,849	11,330	470,076	518,255
Deferred revenue	1,705,800	276,437	-	1,982,237
Total liabilities	<u>1,937,649</u>	<u>547,767</u>	<u>2,155,124</u>	<u>4,640,540</u>
FUND BALANCES				
Assigned to:				
Subsequent year's expenditures	-	-	120,810	120,810
Debt service	471	514	3,520,985	3,521,970
Total fund balances	<u>471</u>	<u>514</u>	<u>3,641,795</u>	<u>3,642,780</u>
Total liabilities and fund balances	<u>\$ 1,938,120</u>	<u>\$ 548,281</u>	<u>\$ 5,796,919</u>	<u>\$ 8,283,320</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ 2,444,934	\$ 2,444,934
Special assessments	268,800	281,700	-	550,500
Investment earnings	345	418	539	1,302
Total revenues	<u>269,145</u>	<u>282,118</u>	<u>2,445,473</u>	<u>2,996,736</u>
EXPENDITURES				
Debt service:				
Principal	195,000	260,000	1,635,000	2,090,000
Interest	73,697	22,659	940,153	1,036,509
Other	362	172	44,249	44,783
Total expenditures	<u>269,059</u>	<u>282,831</u>	<u>2,619,402</u>	<u>3,171,292</u>
Excess (deficiency) of revenues over (under) expenditures	86	(713)	(173,929)	(174,556)
Fund balances - beginning	<u>385</u>	<u>1,227</u>	<u>3,815,724</u>	<u>3,817,336</u>
Fund balances - ending	<u>\$ 471</u>	<u>\$ 514</u>	<u>\$ 3,641,795</u>	<u>\$ 3,642,780</u>

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2012

	<u>Special Tax District No. 1 Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS		
Cash and cash equivalents	\$ 1,471,153	\$ 1,471,153
Due from other funds	104	104
Total assets	<u><u>\$ 1,471,257</u></u>	<u><u>\$ 1,471,257</u></u>
LIABILITIES		
Accounts payable	<u>-</u>	<u>-</u>
FUND BALANCES		
Assigned to:		
Capital projects	<u>1,471,257</u>	<u>1,471,257</u>
Total liabilities and fund balances	<u><u>\$ 1,471,257</u></u>	<u><u>\$ 1,471,257</u></u>

**CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Special Tax District No. 1 Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES		
Investment earnings	<u>\$ 1,289</u>	<u>\$ 1,289</u>
Excess of revenues over expenditures	1,289	1,289
Fund balances - beginning	<u>1,469,968</u>	<u>1,469,968</u>
Fund balances - ending	<u><u>\$ 1,471,257</u></u>	<u><u>\$ 1,471,257</u></u>

CITY OF SUNRISE, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 1,405,939	\$ 843,259	\$ (562,680)
Miscellaneous	-	15,583	15,583
Total revenues	<u>1,405,939</u>	<u>858,842</u>	<u>(547,097)</u>
EXPENDITURES			
Current:			
Public safety	67,563	66,631	932
Economic development	1,239,479	702,304	537,175
Human services	41,000	38,434	2,566
Transportation	57,897	51,473	6,424
Total expenditures	<u>1,405,939</u>	<u>858,842</u>	<u>547,097</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SUNRISE, FLORIDA
IMPACT FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Impact fees	\$ 48,700	\$ 79,550	\$ 30,850
Investment earnings	-	15,418	15,418
Total revenues	<u>48,700</u>	<u>94,968</u>	<u>46,268</u>
Excess of revenues over expenditures	48,700	94,968	46,268
OTHER FINANCING SOURCES			
Transfers out	<u>(885,000)</u>	<u>(885,000)</u>	-
Net change in fund balances	(836,300)	(790,032)	46,268
Fund balances - beginning	<u>1,503,478</u>	<u>1,503,478</u>	-
Fund balances - ending	<u>\$ 667,178</u>	<u>\$ 713,446</u>	<u>\$ 46,268</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, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 457,013	\$ 83,923	\$ (373,090)
EXPENDITURES			
Current:			
Public safety	130,000	78,720	51,280
Capital outlay	332,216	5,203	327,013
Total expenditures	462,216	83,923	378,293
Excess (deficiency) of revenues over (under) expenditures	(5,203)	-	5,203
Fund balances - beginning	-	-	-
Fund balances - ending	\$ (5,203)	\$ -	\$ 5,203

CITY OF SUNRISE, FLORIDA
 BROWARD COUNTY HOME CONSORTIUM GRANT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 513,524	\$ 131,230	\$ (382,294)
Miscellaneous	300,000	326,363	26,363
Total revenues	<u>813,524</u>	<u>457,593</u>	<u>(355,931)</u>
EXPENDITURES			
Current:			
Economic development	<u>813,524</u>	<u>344,233</u>	<u>469,291</u>
Excess of revenues over expenditures	-	113,360	113,360
Fund balances - beginning	<u>(121,524)</u>	<u>(121,524)</u>	-
Fund balances - ending	<u>\$ (121,524)</u>	<u>\$ (8,164)</u>	<u>\$ 113,360</u>

CITY OF SUNRISE, FLORIDA
BROWARD COUNTY DISASTER RECOVERY INITIATIVE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 1,824,800	\$ 717,079	\$ (1,107,721)
Miscellaneous	-	8,583	8,583
Total revenues	<u>1,824,800</u>	<u>725,662</u>	<u>(1,099,138)</u>
EXPENDITURES			
Current:			
Economic development	<u>1,824,800</u>	<u>757,611</u>	<u>1,067,189</u>
Deficiency of revenues under expenditures	-	(31,949)	(31,949)
Fund balances - beginning	<u>(129,813)</u>	<u>(129,813)</u>	<u>-</u>
Fund balances - ending	<u>\$ (129,813)</u>	<u>\$ (161,762)</u>	<u>\$ (31,949)</u>

CITY OF SUNRISE, FLORIDA
NEIGHBORHOOD STABILIZATION PROGRAM GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 2,528,128	\$ 871,416	\$ (1,656,712)
Miscellaneous	408,513	624,763	216,250
Total revenues	<u>2,936,641</u>	<u>1,496,179</u>	<u>(1,440,462)</u>
EXPENDITURES			
Current:			
Economic development	<u>2,936,641</u>	<u>1,496,179</u>	<u>1,440,462</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SUNRISE, FLORIDA
ENERGY EFFICIENCY GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 776,618	\$ 719,095	\$ (57,523)
EXPENDITURES			
Capital outlay	776,618	752,250	24,368
Deficiency of revenues under expenditures	-	(33,155)	(33,155)
Fund balances - beginning	(563)	(563)	-
Fund balances - ending	\$ (563)	\$ (33,718)	\$ (33,155)

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, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Local option fuel tax	\$ 1,515,000	\$ 1,453,852	\$ (61,148)
Intergovernmental	75,000	75,754	754
Charges for services	-	67,674	67,674
Investment earnings	10,000	15,240	5,240
Miscellaneous	42,000	35,039	(6,961)
Total revenues	1,642,000	1,647,559	5,559
EXPENDITURES			
Current:			
Transportation	1,137,634	897,489	240,145
Capital outlay	1,244,750	881,243	363,507
Total expenditures	2,382,384	1,778,732	603,652
Excess (deficiency) of revenues over (under) expenditures	(740,384)	(131,173)	609,211
Fund balances - beginning	2,020,294	2,020,294	-
Fund balances - ending	\$ 1,279,910	\$ 1,889,121	\$ 609,211

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, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	\$ -	\$ 9,268	\$ 9,268
Miscellaneous	-	19,065	19,065
Total revenues	<u>-</u>	<u>28,333</u>	<u>28,333</u>
EXPENDITURES			
Current:			
Economic development	<u>292,807</u>	<u>209,496</u>	<u>83,311</u>
Excess (deficiency) of revenues over (under) expenditures	(292,807)	(181,163)	111,644
Fund balances - beginning	<u>324,302</u>	<u>324,302</u>	<u>-</u>
Fund balances - ending	<u>\$ 31,495</u>	<u>\$ 143,139</u>	<u>\$ 111,644</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, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ -	\$ 78,200	\$ 78,200
Judgments, fines and forfeitures	-	1,961,520	1,961,520
Investment earnings	-	44,683	44,683
Miscellaneous	-	681	681
Total revenues	<u>-</u>	<u>2,085,084</u>	<u>2,085,084</u>
EXPENDITURES			
Current:			
Public safety	2,229,056	1,833,777	395,279
Capital outlay	342,988	191,940	151,048
Total expenditures	<u>2,572,044</u>	<u>2,025,717</u>	<u>546,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,572,044)</u>	<u>59,367</u>	<u>2,631,411</u>
OTHER FINANCING SOURCES			
Transfers out	(110,000)	-	110,000
Sale of capital assets	-	10,655	10,655
Net change in fund balances	<u>(2,682,044)</u>	<u>70,022</u>	<u>2,752,066</u>
Fund balances - beginning	<u>5,460,654</u>	<u>5,460,654</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,778,610</u>	<u>\$ 5,530,676</u>	<u>\$ 2,752,066</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, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Special assessments	\$ 268,997	\$ 268,800	\$ (197)
Investment earnings	200	345	145
Total revenues	<u>269,197</u>	<u>269,145</u>	<u>(52)</u>
EXPENDITURES			
Debt service:			
Principal	195,000	195,000	-
Interest	73,697	73,697	-
Other	500	362	138
Total expenditures	<u>269,197</u>	<u>269,059</u>	<u>138</u>
Excess of revenues over expenditures	-	86	86
Fund balances - beginning	<u>385</u>	<u>385</u>	-
Fund balances - ending	<u>\$ 385</u>	<u>\$ 471</u>	<u>\$ 86</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, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Special assessments	\$ 282,784	\$ 281,700	\$ (1,084)
Investment earnings	200	418	218
Total revenues	<u>282,984</u>	<u>282,118</u>	<u>(866)</u>
EXPENDITURES			
Debt service:			
Principal	260,000	260,000	-
Interest	22,659	22,659	-
Other	325	172	153
Total expenditures	<u>282,984</u>	<u>282,831</u>	<u>153</u>
Deficiency of revenues under expenditures	-	(713)	(713)
Fund balances - beginning	<u>1,227</u>	<u>1,227</u>	-
Fund balances - ending	<u>\$ 1,227</u>	<u>\$ 514</u>	<u>\$ (713)</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, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 2,497,438	\$ 2,444,934	\$ (52,504)
Investment earnings	-	539	539
Total revenues	<u>2,497,438</u>	<u>2,445,473</u>	<u>(51,965)</u>
EXPENDITURES			
Debt service:			
Principal	1,635,000	1,635,000	-
Interest	940,153	940,153	-
Other	44,900	44,249	651
Total expenditures	<u>2,620,053</u>	<u>2,619,402</u>	<u>651</u>
Deficiency of revenues under expenditures	(122,615)	(173,929)	(51,314)
Fund balances - beginning	<u>3,815,724</u>	<u>3,815,724</u>	-
Fund balances - ending	<u><u>\$ 3,693,109</u></u>	<u><u>\$ 3,641,795</u></u>	<u><u>\$ (51,314)</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, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Utility service taxes	\$ 7,580,000	\$ 7,928,732	\$ 348,732
Communications services taxes	3,767,550	3,426,561	(340,989)
Investment earnings	-	1,489	1,489
Total revenues	<u>11,347,550</u>	<u>11,356,782</u>	<u>9,232</u>
EXPENDITURES			
Debt service:			
Principal	4,340,000	4,340,000	-
Other	14,550	10,592	3,958
Total expenditures	<u>4,354,550</u>	<u>4,350,592</u>	<u>3,958</u>
Excess of revenues over expenditures	6,993,000	7,006,190	13,190
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(7,900,000)</u>	<u>(7,900,000)</u>	-
Net change in fund balances	(907,000)	(893,810)	13,190
Fund balances - beginning	<u>1,394,278</u>	<u>1,394,278</u>	-
Fund balances - ending	<u>\$ 487,278</u>	<u>\$ 500,468</u>	<u>\$ 13,190</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, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	\$ -	\$ 1,289	\$ 1,289
Excess of revenues over expenditures	-	1,289	1,289
Fund balances - beginning	1,469,968	1,469,968	-
Fund balances - ending	<u>\$ 1,469,968</u>	<u>\$ 1,471,257</u>	<u>\$ 1,289</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, 2012

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 500,000	\$ 136,398	\$ (363,602)
Investment earnings	300,000	497,128	197,128
Miscellaneous	-	41,770	41,770
Total revenues	<u>800,000</u>	<u>675,296</u>	<u>(124,704)</u>
EXPENDITURES			
Capital outlay	<u>30,562,422</u>	<u>8,755,209</u>	<u>21,807,213</u>
Excess (deficiency) of revenues over (under) expenditures	(29,762,422)	(8,079,913)	21,682,509
OTHER FINANCING SOURCES (USES)			
Transfers in	1,635,000	1,635,000	-
Transfers out	(1,690,697)	(1,690,697)	-
Total other financing sources (uses)	<u>(55,697)</u>	<u>(55,697)</u>	<u>-</u>
Net change in fund balances	(29,818,119)	(8,135,610)	21,682,509
Fund balances - beginning	<u>37,785,066</u>	<u>37,785,066</u>	<u>-</u>
Fund balances - ending	<u>\$ 7,966,947</u>	<u>\$ 29,649,456</u>	<u>\$ 21,682,509</u>

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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, 2012

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 437,158	\$ 1,221,153	\$ 156,613	\$ 1,814,924
Investments	1,239,266	5,552,127	254,222	7,045,615
Interest receivable	3,995	28,955	3,361	36,311
Accounts receivable, net of allowance for uncollectibles	12,346	380,991	-	393,337
Due from other funds	-	3,000	-	3,000
Intergovernmental receivable	72,442	254,010	-	326,452
Inventories	-	84,252	1,775	86,027
Prepaid items	-	-	2,800	2,800
Total current assets	1,765,207	7,524,488	418,771	9,708,466
Noncurrent assets:				
Capital assets:				
Land	-	-	1,223,300	1,223,300
Intangibles	-	2,425	-	2,425
Buildings and system Improvements other than buildings	-	685,480	-	685,480
Machinery and equipment	4,120	1,343,568	777,914	2,125,602
Vehicles	-	461,512	-	461,512
Construction in progress	-	226,817	-	226,817
Less accumulated depreciation	(848)	(1,844,695)	(315,641)	(2,161,184)
Total capital assets, net of accumulated depreciation	3,272	4,277,034	1,843,544	6,123,850
Total assets	1,768,479	11,801,522	2,262,315	15,832,316
LIABILITIES				
Current liabilities:				
Accounts payable	205,017	34,015	68,149	307,181
Accrued liabilities	-	28,606	-	28,606
Due to other funds	-	2,420	-	2,420
Interfund payable	-	92,006	-	92,006
Compensated absences	-	8,749	-	8,749
Intergovernmental payable	-	-	2,657	2,657
Total current liabilities	205,017	165,796	70,806	441,619
Noncurrent liabilities:				
Compensated absences	-	176,053	-	176,053
Other post employment benefits	-	224,554	-	224,554
Retiree subsidy	-	272,356	63,893	336,249
Advances from other funds	-	418,933	-	418,933
Unearned revenue	1,059,904	-	2,083	1,061,987
Total noncurrent liabilities	1,059,904	1,091,896	65,976	2,217,776
Total liabilities	1,264,921	1,257,692	136,782	2,659,395
NET ASSETS				
Invested in capital assets, net of related debt	3,272	4,264,268	1,825,844	6,093,384
Unrestricted	500,286	6,279,562	299,689	7,079,537
Total net assets	\$ 503,558	\$ 10,543,830	\$ 2,125,533	\$ 13,172,921

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Recycling</u>	<u>Stormwater</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:				
Charges for sales and services:				
Fees	\$ 178,435	\$ 4,237,157	\$ 987,789	\$ 5,403,381
Operating expenses:				
Costs of sales and services:				
Power, water and wastewater purchases	-	6,567	97,914	104,481
Chemical purchases	-	26,103	82,157	108,260
Recycling charges	490,406	-	-	490,406
Materials and supplies	-	28,778	14,551	43,329
Repairs and maintenance	-	310,678	4,505	315,183
Salaries, wages and employee benefits	-	1,155,356	25,755	1,181,111
Insurance and other expenses	1,140	190,191	1,395,824	1,587,155
Administrative fees	29,124	364,769	187,349	581,242
Depreciation and amortization	363	233,969	85,744	320,076
Total operating expenses	<u>521,033</u>	<u>2,316,411</u>	<u>1,893,799</u>	<u>4,731,243</u>
Operating income (loss)	<u>(342,598)</u>	<u>1,920,746</u>	<u>(906,010)</u>	<u>672,138</u>
Non-operating revenues (expenses):				
Investment earnings	8,511	35,175	5,116	48,802
Interest expense	-	(31,414)	-	(31,414)
Gain (loss) on sale of capital assets	2,304	(47,234)	477	(44,453)
Sale of recyclable materials	295,232	-	-	295,232
Other	264,976	424,111	90,319	779,406
Total non-operating revenues (expenses)	<u>571,023</u>	<u>380,638</u>	<u>95,912</u>	<u>1,047,573</u>
Income (loss) before transfers	<u>228,425</u>	<u>2,301,384</u>	<u>(810,098)</u>	<u>1,719,711</u>
Transfers in	<u>197,006</u>	<u>-</u>	<u>803,100</u>	<u>1,000,106</u>
Change in net assets	<u>425,431</u>	<u>2,301,384</u>	<u>(6,998)</u>	<u>2,719,817</u>
Total net assets - beginning	<u>78,127</u>	<u>\$ 8,242,446</u>	<u>\$ 2,132,531</u>	<u>10,453,104</u>
Total net assets - ending	<u>\$ 503,558</u>	<u>\$ 10,543,830</u>	<u>\$ 2,125,533</u>	<u>\$ 13,172,921</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,785,698	\$ 4,226,109	\$ 988,877	\$ 7,000,684
Payments to suppliers	(317,889)	(400,688)	(1,540,164)	(2,258,741)
Payments to and for employees	-	(824,281)	(23,899)	(848,180)
Payments for interfund services used	(29,124)	(411,003)	(187,349)	(627,476)
Net cash provided (used) by operating activities	<u>1,438,685</u>	<u>2,590,137</u>	<u>(762,535)</u>	<u>3,266,287</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	<u>197,006</u>	<u>-</u>	<u>803,100</u>	<u>1,000,106</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(3,635)	(446,566)	(246,477)	(696,678)
Interest paid on capital debt	-	(31,414)	-	(31,414)
Proceeds from sales of capital assets	2,304	1,920	477	4,701
Advances from other funds	-	(87,417)	-	(87,417)
Net cash (used) by capital and related financing activities	<u>(1,331)</u>	<u>(563,477)</u>	<u>(246,000)</u>	<u>(810,808)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	147,420	2,375,686	644,774	3,167,880
Purchase of investments	(1,372,503)	(6,410,091)	(466,194)	(8,248,788)
Interest and dividends received	1,475	4,254	1,685	7,414
Net cash provided (used) by investing activities	<u>(1,223,608)</u>	<u>(4,030,151)</u>	<u>180,265</u>	<u>(5,073,494)</u>
Net increase (decrease) in cash and cash equivalents	410,752	(2,003,491)	(25,170)	(1,617,909)
Cash and cash equivalents, October 1	<u>26,406</u>	<u>3,224,644</u>	<u>181,783</u>	<u>3,432,833</u>
Cash and cash equivalents, September 30	<u>\$ 437,158</u>	<u>\$ 1,221,153</u>	<u>\$ 156,613</u>	<u>\$ 1,814,924</u>

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (342,598)	\$ 1,920,746	\$ (906,010)	\$ 672,138
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Miscellaneous non-operating income from by-products of recycling activities	295,232	-	-	295,232
Miscellaneous non-operating income	264,976	424,111	90,319	779,406
Depreciation and amortization expense	363	233,969	85,744	320,076
(Increase) in accounts receivable	(925)	(8,533)	-	(9,458)
Decrease in other receivables	-	-	16	16
(Increase) in due from other funds	-	(3,000)	-	(3,000)
(Increase) in intergovernmental receivables	(11,834)	(254,010)	-	(265,844)
(Increase) in inventories	-	(2,971)	(969)	(3,940)
Decrease in prepaid items	-	178,762	-	178,762
Increase (decrease) in accounts payable	173,567	(5,023)	(33,503)	135,041
Increase in accrued liabilities	-	5,064	-	5,064
Increase in due to other funds	-	363	-	363
(Decrease) in intergovernmental payables	-	-	(188)	(188)
Increase in unearned revenue	1,059,904	-	200	1,060,104
Increase in compensated absences payable	-	5,812	-	5,812
Increase in other post employment benefits payable	-	30,493	-	30,493
Increase in retiree subsidy payable	-	64,354	1,856	66,210
Total adjustments	<u>1,781,283</u>	<u>669,391</u>	<u>143,475</u>	<u>2,594,149</u>
Net cash provided by (used in) operating activities	<u>\$ 1,438,685</u>	<u>\$ 2,590,137</u>	<u>\$ (762,535)</u>	<u>\$ 3,266,287</u>
Noncash investing activities:				
Net increase in fair value of investments	\$ 3,323	\$ 7,260	\$ 1,584	\$ 12,167

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Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and other government units, on a cost reimbursement basis.

Workers' Compensation Fund *Accounts for the provision of workers' compensation services to departments.*

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

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2012

	Workers' Compensation	Vehicle Replacement	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,169,121	\$ 885,448	\$ 2,054,569
Investments	8,171,828	6,932,019	15,103,847
Interest receivable	48,078	41,073	89,151
Total current assets	9,389,027	7,858,540	17,247,567
Noncurrent assets:			
Capital assets:			
Intangibles	-	1,742	1,742
Machinery and equipment	-	72,270	72,270
Vehicles	-	3,768,971	3,768,971
Less accumulated depreciation	-	(935,616)	(935,616)
Total capital assets, net of accumulated depreciation	-	2,907,367	2,907,367
Total assets	9,389,027	10,765,907	20,154,934
LIABILITIES			
Current liabilities:			
Accounts payable	8,029	4,800	12,829
Noncurrent liabilities:			
Claims and judgments	4,513,480	-	4,513,480
Total liabilities	4,521,509	4,800	4,526,309
NET ASSETS			
Invested in capital assets, net of related debt	-	2,907,367	2,907,367
Unrestricted	4,867,518	7,853,740	12,721,258
Total net assets	\$ 4,867,518	\$ 10,761,107	\$ 15,628,625

**CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Workers'</u> <u>Compensation</u>	<u>Vehicle</u> <u>Replacement</u>	<u>Total</u>
Operating revenues:			
Charges for sales and services:			
Service charges	\$ 2,083,847	\$ 1,437,368	\$ 3,521,215
Operating expenses:			
Costs of sales and services:			
Power, water and wastewater purchases	-	32,238	32,238
Materials and supplies	-	5,884	5,884
Repairs and maintenance	-	26,374	26,374
Insurance and other expenses	408,526	19,249	427,775
Claims expense	655,206	-	655,206
Depreciation and amortization	-	447,149	447,149
Total operating expenses	<u>1,063,732</u>	<u>530,894</u>	<u>1,594,626</u>
Operating income	<u>1,020,115</u>	<u>906,474</u>	<u>1,926,589</u>
Non-operating revenues:			
Investment earnings	78,654	77,770	156,424
Loss on sale of capital assets	-	(23,206)	(23,206)
Other	-	1,378	1,378
Total non-operating revenues	<u>78,654</u>	<u>55,942</u>	<u>134,596</u>
Income before contributions	<u>1,098,769</u>	<u>962,416</u>	<u>2,061,185</u>
Transfers out	<u>(1,008,926)</u>	<u>-</u>	<u>(1,008,926)</u>
Change in net assets	<u>89,843</u>	<u>962,416</u>	<u>1,052,259</u>
Total net assets - beginning	<u>4,777,675</u>	<u>\$ 9,798,691</u>	<u>14,576,366</u>
Total net assets - ending	<u>\$ 4,867,518</u>	<u>\$ 10,761,107</u>	<u>\$ 15,628,625</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Workers' Compensation	Vehicle Replacement	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,083,847	\$ 1,437,368	\$ 3,521,215
Payments to suppliers	(1,400,308)	(82,256)	(1,482,564)
Net cash provided by operating activities	<u>683,539</u>	<u>1,355,112</u>	<u>2,038,651</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer to other funds	(1,008,926)	-	(1,008,926)
Net cash (used) by noncapital financing activities	<u>(1,008,926)</u>	<u>-</u>	<u>(1,008,926)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(956,900)	(956,900)
Proceeds from sales of capital assets	-	1,013	1,013
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(955,887)</u>	<u>(955,887)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	4,631,063	3,933,815	8,564,878
Purchase of investments	(8,732,858)	(6,812,245)	(15,545,103)
Interest and dividends received	12,908	12,139	25,047
Net cash (used) by investing activities	<u>(4,088,887)</u>	<u>(2,866,291)</u>	<u>(6,955,178)</u>
Net (decrease) in cash and cash equivalents	(4,414,274)	(2,467,066)	(6,881,340)
Cash and cash equivalents, October 1	<u>5,583,395</u>	<u>3,352,514</u>	<u>8,935,909</u>
Cash and cash equivalents, September 30	<u>\$ 1,169,121</u>	<u>\$ 885,448</u>	<u>\$ 2,054,569</u>

	<u>Workers' Compensation</u>	<u>Vehicle Replacement</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,020,115	\$ 906,474	\$ 1,926,589
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous non-operating income	-	1,378	1,378
Depreciation and amortization expense	-	447,149	447,149
Increase in accounts payable	1,247	111	1,358
(Decrease) in claims and judgments	(337,823)	-	(337,823)
Total adjustments	(336,576)	448,638	112,062
Net cash provided by operating activities	\$ 683,539	\$ 1,355,112	\$ 2,038,651
Noncash investing activities:			
Net increase in fair value of investments	\$ 31,660	\$ 38,376	\$ 70,036

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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, 2012

	<u>Employee Retirement Funds</u>			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
ASSETS				
Cash and cash equivalents	\$ 1,870,877	\$ 2,195,546	\$ 2,584,818	\$ 6,651,241
Receivable from sale of securities	-	270,098	276,191	546,289
Interest and dividends receivable	161,235	366,713	162,757	690,705
Due from other funds	100,069	66,547	171,867	338,483
Other receivables	1,821	15,867	-	17,688
Investments, at fair value:				
U.S. government and agency securities	-	17,393,985	11,877,034	29,271,019
Corporate bonds	-	13,920,573	9,704,910	23,625,483
Mutual funds	55,625,557	-	21,255,060	76,880,617
Common stocks	61,068,820	43,837,790	34,640,430	139,547,040
International equity funds	17,453,658	5,962,335	6,763,367	30,179,360
Total investments	<u>134,148,035</u>	<u>81,114,683</u>	<u>84,240,801</u>	<u>299,503,519</u>
Prepaid items	-	9,891	-	9,891
Total assets	<u>136,282,037</u>	<u>84,039,345</u>	<u>87,436,434</u>	<u>307,757,816</u>
LIABILITIES				
Accounts payable	185,748	125,722	374,080	685,550
Payable for purchase of securities	126,299	385,778	-	512,077
Total liabilities	<u>312,047</u>	<u>511,500</u>	<u>374,080</u>	<u>1,197,627</u>
NET ASSETS				
Held in trust for pension benefits	<u>\$ 135,969,990</u>	<u>\$ 83,527,845</u>	<u>\$ 87,062,354</u>	<u>\$ 306,560,189</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
ADDITIONS				
Contributions:				
Employer	\$ 8,377,259	\$ 6,015,383	\$ 3,807,333	\$ 18,199,975
Plan members	2,694,271	1,268,969	1,103,807	5,067,047
Other sources	-	527,188	771,973	1,299,161
Total contributions	11,071,530	7,811,540	5,683,113	24,566,183
Investment earnings:				
Interest	375	1,672,826	704,627	2,377,828
Dividends	2,402,583	1,211,402	656,599	4,270,584
Net increase in fair value of investments	18,925,060	12,134,031	13,317,584	44,376,675
Other	2,317	5,899	3,312	11,528
Total investment earnings	21,330,335	15,024,158	14,682,122	51,036,615
Less investment expense	606,114	436,235	439,007	1,481,356
Net investment earnings	20,724,221	14,587,923	14,243,115	49,555,259
Total additions	31,795,751	22,399,463	19,926,228	74,121,442
DEDUCTIONS				
Benefits	9,456,145	4,757,417	5,392,748	19,606,310
Refunds of contributions	229,129	32,975	-	262,104
Administrative expenses	160,314	247,498	153,721	561,533
Total deductions	9,845,588	5,037,890	5,546,469	20,429,947
Change in net assets	21,950,163	17,361,573	14,379,759	53,691,495
Net assets - beginning	114,019,827	\$ 66,166,272	\$ 72,682,595	252,868,694
Net assets - ending	\$ 135,969,990	\$ 83,527,845	\$ 87,062,354	\$ 306,560,189

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Section III
City of Sunrise, Florida
Statistical Section
(unaudited)

Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

CONTENTS

	<u>Page</u>
Financial Trends	132
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	138
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	142
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	146
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	148
<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 TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	\$ 164,268,482	\$ 165,271,477	\$ 151,152,286	\$ 142,898,601	\$ 140,513,904	\$ 128,420,363	\$ 123,216,601	\$ 142,039,078	\$ 155,481,156	\$ 149,639,403
Restricted	9,689,016	9,598,418	12,064,472	13,272,982	11,935,865	16,197,224	14,247,059	14,748,436	14,338,760	12,970,864
Unrestricted	106,482,615	112,476,433	126,209,452	146,486,034	158,620,682	166,333,000	160,417,231	131,178,114	102,909,539	94,285,475
Total governmental activities net assets	\$ 280,440,113	\$ 287,346,328	\$ 289,426,210	\$ 302,657,617	\$ 311,070,451	\$ 310,950,587	\$ 297,880,891	\$ 287,965,628	\$ 272,729,455	\$ 256,895,742
Business-type activities:										
Invested in capital assets, net of related debt	\$ 155,695,678	\$ 157,063,189	\$ 156,539,235	\$ 157,516,304	\$ 159,819,328	\$ 159,866,417	\$ 165,211,690	\$ 225,849,507	\$ 215,951,117	\$ 206,984,107
Restricted	22,469,209	24,746,175	24,745,436	24,017,536	16,824,604	13,782,270	15,107,507	31,477,214	34,052,302	46,285,671
Unrestricted	92,708,563	94,262,479	99,351,532	102,097,084	108,328,663	103,375,663	108,312,854	34,252,389	60,828,007	72,518,710
Total business-type activities net assets	\$ 270,873,450	\$ 276,071,843	\$ 280,636,203	\$ 283,630,924	\$ 284,972,595	\$ 277,024,350	\$ 288,632,051	\$ 291,579,110	\$ 310,831,426	\$ 325,788,488
Total:										
Invested in capital assets, net of related debt	\$ 319,964,160	\$ 322,334,666	\$ 307,691,521	\$ 300,414,905	\$ 300,333,232	\$ 288,286,780	\$ 288,428,291	\$ 367,888,585	\$ 371,432,273	\$ 356,623,510
Restricted	32,158,225	34,344,593	36,809,908	37,290,518	28,760,469	29,979,494	29,354,566	46,225,650	48,391,062	59,256,535
Unrestricted	199,191,178	206,738,912	225,560,984	248,583,118	266,949,345	269,708,663	268,730,085	165,430,503	163,737,546	166,804,185
Total net assets	\$ 551,313,563	\$ 563,418,171	\$ 570,062,413	\$ 586,288,541	\$ 596,043,046	\$ 587,974,937	\$ 586,512,942	\$ 579,544,738	\$ 583,560,881	\$ 582,684,230

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

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES										
Governmental activities:										
General government	\$ 14,229,369	\$ 12,728,139	\$ 20,725,080	\$ 22,398,846	\$ 17,106,530	\$ 17,448,298	\$ 18,173,477	\$ 20,082,293	\$ 19,697,928	\$ 22,165,444
Public safety	38,025,336	40,380,723	43,259,422	48,553,871	55,627,059	60,152,949	63,489,700	64,437,920	69,634,438	73,391,974
Physical environment	3,085,732	4,032,579	4,038,713	3,894,066	3,825,714	5,616,096	4,449,634	-	58,450	-
Economic development	1,334,180	1,356,125	1,599,428	1,220,839	1,309,622	1,918,783	3,344,301	4,809,338	3,394,166	3,509,823
Human services	52,064	53,100	53,309	50,112	5,212	42,441	43,625	30,911	5,709	38,434
Transportation	11,588,816	11,890,181	12,997,637	13,860,838	13,339,526	14,231,150	14,391,264	16,280,932	16,038,739	15,108,537
Culture and recreation	10,472,065	10,803,739	11,786,699	12,736,376	14,079,998	15,106,718	15,215,151	13,564,626	13,672,035	14,325,266
Interest on long-term debt	5,268,949	5,240,076	4,989,173	4,834,649	4,683,165	4,599,747	4,393,765	4,173,836	3,766,241	3,308,802
Total governmental activities expenses	84,056,511	86,484,662	99,449,461	107,549,597	109,976,826	119,116,182	123,500,917	123,379,856	126,267,706	131,848,280
Business-type activities:										
Water and wastewater	55,269,517	55,057,974	57,507,387	61,235,920	63,377,515	68,032,116	60,752,251	66,756,884	70,525,696	75,555,668
Gas	6,080,350	6,789,424	8,018,044	8,373,066	8,023,304	9,248,540	6,772,874	6,871,911	6,591,254	6,074,455
Sanitation	11,076,177	11,503,114	12,863,087	15,954,628	15,821,262	14,889,338	14,705,325	14,508,602	14,048,290	12,253,967
Recycling	294,905	275,659	367,695	430,064	519,441	564,707	604,604	559,919	545,524	518,729
Stormwater	1,453,683	1,470,516	1,439,906	2,028,070	1,634,407	1,842,738	1,924,842	2,181,131	2,169,113	2,372,426
Golf course	874,593	1,106,687	1,301,732	1,283,287	1,449,282	1,537,059	1,449,494	832,053	1,848,000	1,893,322
Total business-type activities expenses	75,049,225	76,203,374	81,497,851	89,305,035	90,825,211	96,114,498	86,209,390	91,710,500	95,727,877	98,668,567
Total expenses	\$ 159,105,736	\$ 162,688,036	\$ 180,947,312	\$ 196,854,632	\$ 200,802,037	\$ 215,230,680	\$ 209,710,307	\$ 215,090,356	\$ 221,995,583	\$ 230,516,847
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 5,942,012	\$ 6,414,067	\$ 6,726,315	\$ 6,211,713	\$ 6,687,788	\$ 6,221,654	\$ 5,941,060	\$ 5,752,065	\$ 6,461,395	\$ 6,714,210
Public safety	9,952,259	11,157,111	13,211,164	15,739,691	14,982,473	13,886,094	16,015,292	15,803,017	17,010,389	20,243,787
Physical environment	7,289,397	7,505,414	7,554,593	7,988,216	7,995,686	8,316,019	9,638,883	11,953,369	11,966,332	12,470,134
Transportation	22,780	22,333	22,526	17,456	17,796	18,997	17,025	25,005	56,145	80,922
Culture and recreation	1,028,431	1,167,287	1,202,142	1,154,083	1,231,116	1,300,725	1,187,904	1,115,163	1,158,463	1,249,751
Operating grants and contributions	4,270,507	4,623,175	4,435,546	12,861,054	5,142,577	10,904,960	7,170,963	5,717,742	10,163,701	8,465,070
Capital grants and contributions	9,003,291	2,586,429	1,503,241	1,313,595	1,835,698	1,813,574	1,363,767	1,731,426	2,055,863	1,487,777
Total governmental activities program revenues	37,508,677	33,475,816	34,655,527	45,285,808	37,893,134	42,462,023	41,334,894	42,097,787	48,872,288	50,711,651
Business-type activities:										
Charges for services:										
Water and wastewater	51,216,884	52,027,790	52,462,626	52,853,098	52,454,892	56,115,889	65,397,327	81,881,749	82,899,507	86,481,462
Gas	6,658,908	7,013,495	7,900,934	9,591,125	8,832,133	9,779,418	8,290,006	7,808,387	7,524,819	7,041,104
Sanitation	10,719,375	11,153,684	12,545,084	15,433,205	14,997,289	14,189,961	13,977,607	13,729,802	13,272,614	11,446,027
Recycling	144,211	152,392	153,154	153,142	161,604	170,265	178,433	175,078	175,689	178,435
Stormwater	1,231,066	1,671,287	1,717,023	2,010,632	2,021,492	2,013,498	2,927,086	4,072,545	4,054,391	4,237,157
Golf course	328,475	364,268	552,802	508,397	595,702	565,554	493,963	36,176	893,641	987,789
Operating grants and contributions	41,906	105,917	143,486	821,187	240,685	82,488	20,911	-	-	-
Capital grants and contributions	5,703,599	7,288,180	6,860,165	3,457,391	2,534,123	3,272,683	2,416,271	998,783	1,952,079	337,687
Total business-type activities program revenues	76,044,424	79,777,013	82,335,274	84,828,177	81,837,920	86,189,756	93,701,604	108,702,520	110,772,740	110,709,661
Total program revenues	\$ 113,553,101	\$ 113,252,829	\$ 116,990,801	\$ 130,113,985	\$ 119,731,054	\$ 128,651,779	\$ 135,036,498	\$ 150,800,307	\$ 159,645,028	\$ 161,421,312
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (46,547,834)	\$ (53,008,846)	\$ (64,793,934)	\$ (62,263,789)	\$ (72,083,692)	\$ (76,654,159)	\$ (82,166,023)	\$ (81,282,069)	\$ (77,395,418)	\$ (81,136,629)
Business-type activities	995,199	3,573,639	837,423	(4,476,858)	(8,987,291)	(9,924,742)	7,492,214	16,992,020	15,044,863	12,041,094
Total (expense)/revenue	\$ (45,552,635)	\$ (49,435,207)	\$ (63,956,511)	\$ (66,740,647)	\$ (81,070,983)	\$ (86,578,901)	\$ (74,673,809)	\$ (64,290,049)	\$ (62,350,555)	\$ (69,095,535)

(continued)

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

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Taxes:										
Property taxes	\$ 25,746,842	\$ 27,977,882	\$ 30,235,087	\$ 33,661,644	\$ 38,094,551	\$ 35,683,030	\$ 36,391,545	\$ 36,137,516	\$ 31,323,739	\$ 30,485,081
Insurance premium taxes	789,625	982,897	1,025,038	1,088,921	1,374,674	1,508,690	1,438,573	1,372,490	1,277,851	-
Utility service tax	6,426,592	6,405,548	6,543,281	6,616,716	6,588,897	6,764,876	6,956,486	7,688,446	7,656,725	7,928,732
Communications services tax	3,954,630	4,048,653	4,219,407	4,490,037	4,381,503	5,896,566	4,746,093	4,880,665	4,365,158	4,237,582
Local business tax	1,760,897	1,807,780	1,934,455	1,998,601	2,116,164	2,161,515	2,190,433	2,158,770	2,196,298	2,138,637
Franchise fees	7,493,198	8,036,229	8,870,918	9,930,871	9,949,711	9,916,270	9,898,820	9,765,447	9,007,930	8,829,581
Grants and contributions not restricted to specific programs	7,115,228	7,356,386	8,143,618	8,595,154	8,289,334	7,726,461	6,914,110	7,248,078	7,177,354	7,176,366
Unrestricted investment earnings	1,821,562	1,715,265	3,858,495	7,463,841	9,541,466	3,782,898	1,353,077	2,647,362	1,197,371	1,414,724
Miscellaneous	105,341	1,048,071	1,229,848	1,360,116	1,674,423	1,334,886	532,834	1,105,735	1,018,796	1,148,317
Gain on sale of capital assets	-	-	-	22,929	69,974	94,230	42,435	30,341	38,873	-
Transfers	6,498,620	536,350	813,669	266,366	(1,584,171)	1,664,873	(1,368,079)	(1,668,044)	(312,864)	1,924,193
Total governmental activities	61,712,535	59,915,061	66,873,816	75,495,196	80,496,526	76,534,295	69,096,327	71,366,806	64,947,231	65,283,213
Business-type activities:										
Unrestricted investment earnings	2,258,665	1,928,288	4,163,362	7,322,643	8,165,982	2,920,620	736,911	1,812,363	949,692	1,299,817
Miscellaneous	493,526	232,816	377,244	415,302	578,809	720,750	2,010,497	1,176,194	2,944,897	3,540,344
Extraordinary loss on early extinguishment of debt	-	-	-	-	-	-	-	(18,701,562)	-	-
Transfers	(6,498,620)	(536,350)	(813,669)	(266,366)	1,584,171	(1,664,873)	1,368,079	1,668,044	312,864	(1,924,193)
Total business-type activities	(3,746,429)	1,624,754	3,726,937	7,471,579	10,328,962	1,976,497	4,115,487	(14,044,961)	4,207,453	2,915,968
Total	\$ 57,966,106	\$ 61,539,815	\$ 70,600,753	\$ 82,966,775	\$ 90,825,488	\$ 78,510,792	\$ 73,211,814	\$ 57,321,845	\$ 69,154,684	\$ 68,199,181
CHANGE IN NET ASSETS										
Governmental activities	\$ 15,164,701	\$ 6,906,215	\$ 2,079,882	\$ 13,231,407	\$ 8,412,834	\$ (119,864)	\$ (13,069,696)	\$ (9,915,263)	\$ (12,448,187)	\$ (15,853,416)
Business-type activities	(2,751,230)	5,198,393	4,564,360	2,994,721	1,341,671	(7,948,245)	11,607,701	2,947,059	19,252,316	14,957,062
Total	\$ 12,413,471	\$ 12,104,608	\$ 6,644,242	\$ 16,226,128	\$ 9,754,505	\$ (8,068,109)	\$ (1,461,995)	\$ (6,968,204)	\$ 6,804,129	\$ (896,354)

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

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Taxes	\$ 40,324,133	\$ 42,893,805	\$ 45,631,850	\$ 49,542,416	\$ 54,209,097	\$ 52,418,963	\$ 54,091,176	\$ 54,123,339	\$ 48,563,152	\$ 47,591,108
Permits and fees	4,023,318	4,096,212	6,148,918	7,882,904	6,374,505	5,051,122	4,015,896	3,195,176	4,506,666	6,460,836
Franchise fees	7,493,198	8,036,229	8,870,918	9,930,871	9,949,711	9,916,270	9,956,320	9,856,813	9,091,636	8,905,875
Intergovernmental	9,757,317	11,375,915	11,100,519	19,316,393	11,527,526	11,184,237	10,284,225	12,484,748	13,729,502	11,289,965
Charges for services	11,414,114	12,135,714	12,635,252	13,224,635	13,529,185	13,654,942	15,096,127	17,544,176	18,045,527	19,185,483
Administrative charges	4,381,711	4,476,018	4,320,031	4,552,456	5,000,000	4,692,231	4,965,668	5,103,573	5,280,317	5,581,732
Judgments, fines and forfeitures	1,205,272	1,167,604	968,624	953,751	927,842	7,592,902	2,999,253	1,341,017	4,420,158	2,977,201
Special assessments	4,671,832	5,656,950	5,636,307	4,903,789	5,350,078	5,366,421	7,501,909	7,558,901	7,542,173	7,553,494
Impact fees	268,215	51,351	204,408	346,571	184,880	138,514	38,128	11,126	134,266	79,550
Investment earnings	1,783,009	1,762,267	3,963,045	7,641,401	9,683,248	3,877,039	1,441,684	2,544,657	1,148,747	1,342,780
Contributions and donations	-	-	-	-	-	-	84,889	17,822	18,053	8,560
Miscellaneous	1,241,880	1,886,830	2,057,288	2,610,919	3,467,993	2,616,691	2,148,045	2,045,547	2,522,855	3,472,958
Total revenues	86,563,999	93,538,895	101,537,160	120,906,106	120,204,065	116,509,332	112,623,320	115,826,895	115,003,052	114,449,542
EXPENDITURES										
General government	11,185,998	12,127,408	13,479,575	21,641,863	16,599,655	16,003,721	15,544,084	18,160,966	18,028,188	19,210,450
Public safety	35,458,207	38,043,714	41,130,920	46,056,731	53,965,850	55,089,106	58,289,107	62,852,805	66,635,145	69,311,638
Physical environment	2,440,773	2,555,451	2,897,245	2,873,367	3,407,318	3,748,891	3,486,746	-	58,450	-
Economic development	1,262,414	1,351,080	1,597,849	1,159,943	1,307,126	1,881,096	3,313,051	4,723,402	3,394,166	3,509,823
Human services	51,951	53,100	53,309	50,112	5,212	42,441	43,625	30,911	5,709	38,434
Transportation	844,718	850,358	866,615	834,399	916,432	876,030	958,354	3,673,074	3,763,258	3,784,499
Culture and recreation	7,975,533	8,178,149	8,852,681	9,301,665	10,291,099	10,342,798	10,597,706	9,439,482	9,780,996	9,937,616
Capital outlay	10,801,736	17,663,643	9,111,365	7,566,421	13,333,051	11,203,292	13,330,725	34,358,816	20,173,184	11,926,264
Debt service:										
Interest	3,244,866	3,101,227	2,731,027	2,422,956	2,107,375	1,848,578	1,750,965	1,646,525	1,362,316	1,036,509
Principal	7,060,958	7,565,000	7,796,191	7,943,085	6,658,084	6,875,000	6,975,000	7,070,000	7,180,000	6,430,000
Principal repayment due to refunding	-	-	-	-	-	-	-	-	8,175,000	-
Bond issuance costs	379,053	-	-	-	-	-	-	-	-	-
Other	94,651	92,179	78,765	80,756	84,497	88,471	62,057	55,023	51,997	55,375
Total expenditures	80,800,858	91,581,309	88,595,542	99,931,298	108,675,699	107,999,424	114,351,420	142,011,004	138,608,409	125,240,608
Excess (deficiency) of revenues over (under) expenditures	5,763,141	1,957,586	12,941,618	20,974,808	11,528,366	8,509,908	(1,728,100)	(26,184,109)	(23,605,357)	(10,791,066)
OTHER FINANCING SOURCES (USES)										
Ad valorem tax bonds issued	6,770,000	-	-	-	-	-	-	-	-	-
Discount on ad valorem tax bonds	(63,749)	-	-	-	-	-	-	-	-	-
Sale of capital assets	1,627,145	47,220	71,142	87,527	90,716	168,932	53,734	53,873	77,377	113,195
Transfers in	22,447,491	15,723,309	14,657,202	33,214,851	20,430,298	27,533,964	39,343,749	31,881,105	32,429,194	15,941,233
Transfers out	(15,931,607)	(15,186,959)	(13,843,533)	(32,948,485)	(22,014,469)	(23,669,091)	(40,711,828)	(33,549,149)	(32,742,058)	(13,008,114)
Total other financing sources (uses)	14,849,280	583,570	884,811	353,893	(1,493,455)	4,033,805	(1,314,345)	(1,614,171)	(235,487)	3,046,314
Net change in fund balances	\$ 20,612,421	\$ 2,541,156	\$ 13,826,429	\$ 21,328,701	\$ 10,034,911	\$ 12,543,713	\$ (3,042,445)	\$ (27,798,280)	\$ (23,840,844)	\$ (7,744,752)
Debt service as a percentage of noncapital expenditures	15.2%	14.2%	13.0%	11.0%	9.2%	8.8%	8.5%	8.1%	13.9%	6.5%

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

FISCAL YEAR	PROPERTY TAX ^a	LOCAL BUSINESS TAX	INSURANCE PREMIUM TAX	COMMUNICATIONS SERVICES TAX	LOCAL OPTION FUEL TAX	UTILITY SERVICE TAX	TOTAL
2003	\$ 25,746,842	\$ 1,760,897	\$ 789,625	\$ 3,954,630	\$ 1,645,547	\$ 6,426,592	\$ 40,324,133
2004	27,977,882	1,807,780	982,897	4,048,653	1,671,045	6,405,548	42,893,805
2005	30,235,087	1,934,455	1,025,038	4,219,407	1,674,582	6,543,281	45,631,850
2006	33,661,644	1,998,601	1,088,921	4,490,037	1,686,497	6,616,716	49,542,416
2007	38,094,551	2,116,164	1,374,674	4,381,503	1,653,308	6,588,897	54,209,097
2008	35,683,030	2,161,515	1,508,690	4,676,356	1,624,496	6,764,876	52,418,963
2009	36,391,545	2,190,433	1,438,573	5,533,736	1,580,403	6,956,486	54,091,176
2010	36,137,516	2,158,770	1,372,490	5,072,917	1,693,200	7,688,446	54,123,339
2011	31,323,739	2,196,298	1,277,851	4,557,410	1,551,129	7,656,725	48,563,152
2012	30,485,081	2,138,637	1,299,161	4,285,645	1,453,852	7,928,732	47,591,108
Change 2003-2012	18.4%	21.5%	64.5%	8.4%	-11.6%	23.4%	18.0%

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

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

FISCAL YEAR	REAL PROPERTY				LESS EXEMPTIONS:		TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE	ASSESSSED VALUE AS A PERCENTAGE OF ESTIMATED ACTUAL VALUE
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY				
2003	\$ 2,884,455	\$ 1,699,896	\$ 262,818	\$ 379,161	\$ 1,358,074	\$ 337	\$ 3,867,919	6.2500	\$ 5,226,330	74.01%
2004	3,360,001	1,824,965	272,795	426,984	1,580,825	273	4,303,647	6.2370	5,884,745	73.13%
2005	3,876,930	2,122,925	305,828	432,174	2,084,960	457	4,652,440	6.2240	6,737,857	69.05%
2006	4,706,346	2,288,922	338,339	427,150	2,557,520	925	5,202,312	6.2100	7,760,757	67.03%
2007	6,079,698	2,557,213	372,884	428,874	3,338,191	1,067	6,099,411	6.1100	9,438,669	64.62%
2008	6,789,546	2,888,822	425,349	397,691	3,767,781	738	6,732,889	5.1232	10,501,408	64.11%
2009	6,104,566	2,994,643	465,670	424,880	3,494,777	38,961	6,456,021	5.4397	9,989,759	64.63%
2010	4,495,068	3,135,996	500,958	431,049	2,676,154	40,800	5,846,117	6.0543	8,563,071	68.27%
2011	3,431,438	3,018,307	426,934	411,900	2,180,507	40,821	5,067,251	6.0543	7,288,579	69.52%
2012	3,450,008	2,850,819	410,149	408,908	2,224,362	40,031	4,855,491	6.0543	7,119,884	68.20%

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
2003	2002	\$ 6.2500	\$ 8.2000	\$ 7.3650	\$ 8.8825	\$ 0.3316	\$ 0.6970	\$ 0.0385	\$ 2.4803
2004	2003	6.2370	6.4869	7.1880	8.4176	0.3920	0.6970	0.0385	2.5000
2005	2004	6.2240	5.6525	7.0230	8.2695	0.4231	0.6970	0.0385	2.4803
2006	2005	6.2100	5.5069	6.7830	8.0623	0.4231	0.6970	0.0385	2.1746
2007	2006	6.1100	5.1572	6.0661	7.8687	0.4073	0.6970	0.0385	1.8317
2008	2007	5.1232	4.7113	5.2868	7.6484	0.3572	0.6240	0.0345	1.6255
2009	2008	5.4397	4.6137	5.3145	7.4170	0.3754	0.6240	0.0345	1.7059
2010	2009	6.0543	4.7426	5.3889	7.4310	0.4243	0.6240	0.0345	1.7059
2011	2010	6.0543	4.1217	5.5530	7.6310	0.4696	0.6240	0.0345	1.8750
2012	2011	6.0543	4.2222	5.5530	7.4180	0.4789	0.4363	0.0345	1.8750

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	2012			2003		
	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	\$ 319,146,170	1	7.11%	\$ 258,760,500	1	6.68%
Sawgrass Mills Phase III LP	83,457,740	2	1.86%	68,926,730	2	1.78%
N/S Sawgrass Office Associates LLC	56,450,130	3	1.26%	-	-	-
Florida Power & Light Co.	49,031,112	4	1.09%	37,870,447	7	0.97%
F6 Sawgrass LLC	47,917,090	5	1.07%			
MGI Flamingo Palms LTD Partner	40,356,370	6	0.90%	32,888,805	8	0.85%
Liberty Property LTD Partnership	37,411,110	7	0.83%	-	-	-
Research In Motion	33,348,855	8	0.74%	-	-	-
Sawgrass Lakes Center LLC	32,302,320	9	0.72%	-	-	-
HBO Latin America Production	27,032,724	10	0.60%	-	-	-
Teachers Ins & Annuity Assn of America	-	-	-	49,899,580	3	1.28%
Southern Bell Tel Co.	-	-	-	49,154,929	4	1.27%
Metro PCS California/Florida	-	-	-	48,557,662	5	1.25%
American Capital Partners Office I LLC	-	-	-	47,364,410	6	1.22%
Wal-Mart Stores Inc.	-	-	-	32,280,560	9	0.85%
L/M #3	-	-	-	30,493,391	10	0.79%
Totals	<u>\$ 726,453,621</u>		<u>16.18%</u>	<u>\$ 656,197,014</u>		<u>16.94%</u>

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
2003	2002	\$ 23,683,909	\$ 23,509,371	99.3%	\$ 58,803	\$ 23,568,174	99.5%
2004	2003	26,226,056	26,063,547	99.4%	51,525	26,115,072	99.6%
2005	2004	28,601,183	28,398,767	99.3%	19,996	28,418,763	99.4%
2006	2005	32,173,202	31,962,583	99.3%	68,834	32,031,417	99.6%
2007	2006	36,867,170	36,667,960	99.5%	113,250	36,781,210	99.8%
2008	2007	34,357,047	34,021,196	99.0%	129,227	34,150,423	99.4%
2009	2008	34,980,436	34,507,051	98.6%	148,268	34,655,319	99.1%
2010	2009	35,498,126	34,468,708	97.1%	(140,731)	34,327,977	96.7%
2011	2010	30,712,669	29,996,725	97.7%	(286,172)	29,710,553	96.7%
2012	2011	29,421,567	28,912,601	98.3%	-	28,912,601	98.3%

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

Source: Broward County Revenue Collection Division

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

FISCAL YEAR	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES			TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF REAL PROPERTY ^a	PER CAPITA ^b
	PUBLIC IMPROVEMENT REVENUE BONDS	PUBLIC FACILITIES REVENUE BONDS	PUBLIC IMPROVEMENT BONDS	AD VALOREM TAX BONDS	SPECIAL ASSESSMENT BONDS	CAPITAL LEASES	UTILITY SYSTEM REVENUE BONDS	CAPITAL LEASES				
2003	\$ 4,150,000	\$ 60,108,540	\$ 5,275,000	\$ 31,250,000	\$ -	\$ 937,360	\$ 222,452,843	\$ 1,218,397	\$ 325,392,140	6.71%	3,719	
2004	2,850,000	58,078,284	4,940,000	30,005,000	-	377,360	217,363,501	803,651	314,417,796	5.76%	3,534	
2005	1,470,000	55,791,727	4,595,000	28,725,000	-	111,169	212,021,998	410,000	303,124,894	4.81%	3,378	
2006	-	53,473,717	4,230,000	27,410,000	-	28,084	206,416,408	-	291,558,209	3.98%	3,251	
2007	-	51,139,803	3,850,000	26,050,000	-	-	200,515,523	-	281,555,326	3.12%	3,141	
2008	-	48,791,269	3,460,000	24,645,000	-	-	194,302,948	-	271,199,217	2.68%	3,011	
2009	-	46,304,366	3,050,000	23,190,000	-	-	187,750,768	-	260,295,134	2.72%	2,917	
2010	-	43,671,974	2,630,000	21,680,000	-	-	233,506,041	-	301,488,015	3.71%	3,570	
2011	-	32,706,196	2,195,000	20,110,000	-	-	227,015,393	-	282,026,589	4.10%	3,343	
2012	-	30,618,786	1,740,000	18,475,000	-	-	221,664,446	-	272,498,232	4.06%	3,163	

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

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

^bSee Schedule 13 for population data.

**SCHEDULE 11
CITY OF SUNRISE, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2012**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE*</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt repaid with property taxes			
Broward County School Board	\$ 1,834,975,000	3.87%	\$ 71,013,533
Broward County	322,785,000	3.87%	<u>12,491,780</u>
Subtotal, overlapping debt			83,505,313
City direct debt			<u>50,833,786</u>
Total direct and overlapping debt			<u>\$ 134,339,099</u>

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

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

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

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

UTILITY SYSTEM REVENUE BONDS

FISCAL YEAR	OPERATING REVENUES	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE		COVERAGE	R & R TRANSFER	NET	COVERAGE AFTER R & R
				PRINCIPAL	INTEREST			AVAILABLE AFTER R & R TRANSFER	
2003	\$ 58,393,801	\$ 33,355,809	\$ 25,037,992	\$ 6,125,000	\$ 10,703,908	1.49	\$ 2,843,436	\$ 22,194,556	1.32
2004	59,418,209	34,856,640	24,561,569	6,350,000	10,477,269	1.46	3,008,642	21,552,927	1.28
2005	61,512,753	37,224,030	24,288,723	6,595,000	10,235,038	1.44	3,019,429	21,269,294	1.26
2006	64,491,864	40,671,062	23,820,802	6,850,000	9,975,723	1.42	3,203,700	20,617,102	1.23
2007	63,629,661	38,947,095	24,682,566	7,050,000	9,777,567	1.47	3,219,289	21,463,277	1.28
2008	66,955,767	42,025,822	24,929,945	7,260,000	9,565,498	1.48	4,869,537	20,060,408	1.19
2009	73,825,926	40,932,145	32,893,781	7,490,000	9,338,173	1.95	3,573,243	29,320,538	1.74
2010	89,140,021	47,213,431	41,926,590	7,726,190	8,719,183	2.55	4,747,986	37,178,604	2.26
2011	89,855,154	48,252,823	41,602,331	7,185,000	11,747,889	2.20	4,808,699	36,793,632	1.94
2012	92,940,085	47,658,170	45,281,915	5,850,000	11,652,339	2.59	5,008,788	40,273,127	2.30

PUBLIC IMPROVEMENT REVENUE BONDS^a

	<u>FRANCHISE FEES</u>			
2003	\$ 4,257,169	\$1,195,000	\$ 270,375	2.91
2004	4,639,444	1,300,000	211,820	3.07
2005	5,292,515	1,380,000	146,820	3.47
2006	5,928,168	1,470,000	76,440	3.83
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-

PUBLIC FACILITIES REVENUE BONDS^b

	<u>UTILITY SERVICE TAXES</u>			
2003	\$ 9,745,647	\$3,715,000	\$ 1,498,745	1.87
2004	9,685,829	4,125,000	1,294,005	1.79
2005	9,996,948	4,525,000	1,060,880	1.79
2006	10,368,556	4,710,000	884,635	1.85
2007	10,188,206	4,890,000	705,655	1.82
2008	10,636,509	5,080,000	510,055	1.90
2009	11,689,661	5,110,000	480,455	2.09
2010	11,960,608	5,140,000	448,885	2.14
2011	11,397,306	5,175,000	242,250	2.10
2012	11,355,293	4,340,000	-	2.62

PUBLIC IMPROVEMENT BONDS

	<u>SPECIAL ASSESSMENT COLLECTIONS</u>			
2003	\$ 550,440	\$ 310,000	\$ 244,094	0.99
2004	563,040	335,000	230,584	1.00
2005	559,680	345,000	215,985	1.00
2006	560,280	365,000	200,949	0.99
2007	555,300	380,000	185,045	0.98
2008	549,000	390,000	168,485	0.98
2009	551,905	410,000	151,487	0.98
2010	553,671	420,000	133,617	1.00
2011	551,869	435,000	115,313	1.00
2012	550,500	455,000	96,356	1.00

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

AD VALOREM TAX BONDS^c

SPECIAL TAX DISTRICT NO. 1
PROPERTY TAX
COLLECTIONS

2003	\$ 2,969,782	\$ 925,000	\$ 1,154,298	1.43
2004	2,727,033	1,245,000	1,329,398	1.06
2005	2,542,561	1,280,000	1,295,214	0.99
2006	2,493,444	1,315,000	1,257,840	0.97
2007	2,444,361	1,360,000	1,216,240	0.95
2008	2,397,365	1,405,000	1,170,038	0.93
2009	2,368,532	1,455,000	1,119,023	0.92
2010	2,433,946	1,510,000	1,064,023	0.95
2011	2,440,121	1,570,000	1,004,753	0.95
2012	2,444,934	1,635,000	940,153	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.

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

^bPublic Facilities revenue bonds are collateralized by a lien on and pledge of a tax upon purchases within the City of electricity, metered and bottled gas, water service and telegraph and telecommunications service.

^cAd valorem tax bonds are collateralized by voted debt service ad valorem taxes levied upon all taxable property within the Special Tax District No. 1.

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

YEAR	POPULATION	TOTAL POPULATION INCOME (AMOUNTS IN THOUSANDS)	PER CAPITA INCOME	UNEMPLOYMENT RATE
2003	87,489	\$ 1,699,299	\$ 19,423	5.6%
2004	88,976	1,772,580	19,922	4.6%
2005	89,736	1,922,055	21,419	3.4%
2006	89,669	2,094,040	23,353	3.1%
2007	89,633	2,094,096	23,363	3.6%
2008	90,081	2,223,469	24,683	6.0%
2009	89,242	2,202,760	24,683	9.4%
2010	84,439	2,006,946	23,768	10.1%
2011	84,375	1,994,034	23,633	9.6%
2012	86,154	Not available	Not available	7.8%

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 SEVEN YEARS AGO

EMPLOYER	2012			2005		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Broward County School Board	1,590	1	3.52%	-	-	-
City of Sunrise	1,006	2	2.23%	-	-	-
Coventry Healthcare of Florida	900	3	1.99%	-	-	-
United Healthcare	750	4	1.66%	750	2	1.57%
AT & T	700	5	1.55%	500	3	1.05%
Mednax	500	6	1.11%	325	7	0.68%
Research in Motion	500	7	1.11%	-	-	-
General Dynamics	360	8	0.80%	-	-	-
Comcast	350	9	0.78%	-	-	-
Publix	300	10	0.66%	-	-	-
ABN Amro Financial	-	-	-	824	1	1.73%
Nortel	-	-	-	400	4	0.84%
Foundation Healthcare	-	-	-	400	5	0.84%
BHA Engineering	-	-	-	325	6	0.68%
Precision Response	-	-	-	300	8	0.63%
Metro One Communications	-	-	-	300	9	0.63%
Sunrise Auto Mall	-	-	-	250	10	0.52%
Total	6,956		15.41%	4,374		9.17%

Source: City Economic Development Office and Broward County Schools.

Note: Information prior to 2005 is not available.

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

FUNCTION	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Management Information Services	14	14	15	14	12	16	16	15	14	13
Finance	26	28	27	26	27	25	22	20	20	20
Central Services	18	16	18	18	17	17	19	22	22	21
Planning	29	28	30	29	31	31	31	29	27	31
Other ^a	29	30	29	30	29	28	28	26	27	26
Public safety										
Police										
Officers	167	174	171	170	167	175	175	171	176	177
Civilians	81	75	72	78	79	83	89	86	86	82
Fire										
Firefighters and officers	134	130	137	139	139	146	146	139	145	149
Civilians	12	13	12	14	15	15	6	6	8	8
Building	24	24	26	26	27	31	29	28	26	25
Code Enforcement	11	11	13	16	15	15	15	15	15	15
Physical environment										
Public Works	29	31	33	29	32	34	33	34	34	34
Other	7	9	10	8	10	10	10	13	13	12
Culture and recreation										
Water	96	91	104	99	111	112	100	94	94	87
Wastewater	88	90	87	91	92	94	93	94	105	107
Gas	25	24	25	23	24	25	22	21	20	19
Golf Course	10	16	17	16	16	15	11	-	-	-
Recycling	1	1	1	1	1	1	-	-	-	-
Stormwater	9	8	7	6	6	7	7	7	6	7

^aOther includes City Commission, City Manager, City Clerk, City Attorney, Personnel

*Not available

Source: City Finance Department

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

		FISCAL YEAR									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
FUNCTION											
Public safety											
Police											
	Physical arrests	3,974	2,460	2,305	2,269	3,196	3,044	3,066	2,661	2,855	2,115
	Parking violations	1,852	1,841	1,039	1,299	1,084	742	558	532	466	367
	Traffic violations	24,241	21,459	16,636	15,867	11,293	13,490	11,843	10,845	12,874	19,471
Fire											
	Number of calls answered	11,501	11,649	12,013	12,274	11,766	11,807	11,776	11,970	11,647	12,015
	Inspections	7,964	7,774	7,654	5,916	8,297	9,057	9,613	9,662	10,101	10,578
Transportation											
	Street resurfacing (miles)	12	30	15	13	18	15	6	15	10	12
	Potholes repaired	156	104	26	20	51	61	351	398	186	295
Culture and recreation											
	Participants-youth athletic programs	3,461	3,974	3,500	2,868	2,983	2,846	2,787	2,702	2,923	2,816
	Theatre performance attendance	9,817	6,092	7,791	6,202	5,350	5,128	4,182	3,682	3,674	5,287
	Senior center memberships	1,700	1,757	1,788	1,574	1,678	1,320	1,385	1,391	1,479	1,676
	Athletic club memberships	271	300	328	321	261	290	220	193	291	296
Water											
	New connections	634	908	620	222	189	143	35	142	157	62
	Water main breaks	42	19	59	52	66	34	38	56	46	56
	Average daily consumption (thousands of gallons)	23,810	21,593	24,121	24,527	22,775	21,546	21,469	20,400	20,672	19,746
Wastewater											
	Average daily sewage treatment (thousands of gallons)	21,573	21,302	22,420	22,011	22,489	24,265	26,062	25,851	21,664	24,445
Gas											
	Average daily usage (CCF's)	12,481	12,758	12,456	12,313	12,459	12,499	11,843	12,544	12,180	10,995
Golf course											
	Memberships	91	114	80	154	101	95	55	321	217	192
	Rounds of golf played	32,880	26,216	29,419	33,349	29,624	17,137	9,602	1,054	36,992	37,399
Stormwater											
	Commercial equivalent residential units (ERU's)	31,328	32,147	34,683	34,830	35,206	34,994	37,070	37,070	37,327	37,062
	Residential equivalent residential units (ERU's)	36,191	36,385	36,626	36,686	37,113	37,619	37,787	37,900	38,158	38,386

*Not available

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

FUNCTION	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	3	3	3	3	3	3	3	3	1	1
Patrol units	211	211	215	215	215	216	226	249	258	252
Fire stations	5	5	5	5	5	5	5	5	5	5
Transportation										
Streets (miles)	186	186	186	186	186	186	186	186	186	186
Street lights (FPL and City owned)	3,790	3,790	3,790	3,790	3,792	3,792	3,797	3,797	3,863	3,868
Culture and recreation										
Parks	10	12	12	13	13	13	13	13	13	13
Park acreage	145	145	169	177	177	177	177	177	177	177
Swimming pools	4	4	5	5	5	5	5	5	5	5
Tennis courts	21	21	21	21	21	21	21	21	21	21
Community centers	7	7	7	7	7	8	8	8	8	9
Water										
Water mains (miles)	592	624	631	636	636	636	636	636	637	637
Maximum daily capacity (thousands of gallons)	41,500	47,500	47,500	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Wastewater										
Sanitary sewers (miles)	536	536	536	536	536	536	536	536	536	536
Maximum daily treatment capacity (thousands of gallons)	30,990	30,990	30,990	30,450	30,450	30,450	30,450	30,450	30,450	30,450
Gas mains (miles)	174	175	175	176	177	178	180	181	181	184
Golf Course	1	1	1	1	1	1	1	1	1	1
Stormwater										
Pump stations	7	7	7	7	7	7	7	7	8	8
Storm sewers (miles)	390	390	390	390	390	390	392	392	392	392

Sources: Various city departments.

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

Section IV

City of Sunrise, Florida

Compliance Audit Section

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited the financial statements of the governmental activities, the business-type activities, 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, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 19, 2013. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Firefighter's Retirement Plan and the financial statements of the Police Officers' Retirement Plan were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective 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 opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Fort Lauderdale, FL
February 19, 2013

Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited the City of Sunrise, Florida (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2012. The City's major federal programs are identified in the summary of auditors' 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 is the responsibility of 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 of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 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 of the City's compliance with those requirements.

In our opinion, the City, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Marcum LLP

Fort Lauderdale, FL
February 19, 2013

CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

Federal Agency, Pass-through Entity Federal Program Project	ARRA	CFDA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
FEDERAL					
United States Department of Homeland Security					
Indirect Programs:					
Passed through State of Florida Division of Emergency Management - Hazard Mitigation Grant	No	97.039	09HM-5G-11-16-02-001	\$ 224,389	\$ -
Passed through State of Florida Division of Emergency Management - Homeland Security Grant Program	No	97.067	2010-SS-T0-0092	4,902	-
Passed through City of Miramar - Homeland Security Grant Program	No	97.067	11DS-A1-11-16-02-487	78,720	-
Passed through State of Florida Dept of Financial Services - Homeland Security Grant Program	No	97.067	FM278	7,550	-
				<u>91,172</u>	<u>-</u>
Total United States Department of Homeland Security				<u>315,561</u>	<u>-</u>
United States Department of Housing and Urban Development					
Direct Programs:					
Community Development Block Grants ARRA Entitlement Grants (CDBG-R)	Yes	14.253	B-09-MY-120035	9,078	-
Community Development Block Grants/Entitlement Grants	No	14.218	B-10-MC-120035	703,453	-
Community Development Block Grants/Entitlement Grants	No	14.218	B-11-MC-120035	130,728	-
Neighborhood Stabilization Program	No	14.218	B-08-MN-12-0027	249,535	135,370
Neighborhood Stabilization Program	No	14.218	B-11-MN-12-0027	621,881	621,881
				<u>1,705,597</u>	<u>757,251</u>
				<u>1,714,675</u>	<u>757,251</u>
Indirect Programs:					
Passed through State of Florida Department of Community Affairs and Broward County - Community Development Block Grants State's Program and Non-Entitlement Grants in Hawaii	No	14.228	08DB-D3-11-16-01-A06	749,029	-
Passed through Broward County - Home Investment Partnerships Program	No	14.239	2009 - 2010 Minor Home Repair	74,764	-
				<u>823,793</u>	<u>-</u>
Total United States Department of Housing and Urban Development				<u>2,538,468</u>	<u>757,251</u>
United States Department of Justice					
Direct Programs:					
Federal Equitable Sharing	No	16.922		1,129,260	-
Bulletproof Vest Partnership Program	No	16.607		9,835	-
Community Oriented Policing Services (COPS) Technology Grant	No	16.710	2009CKWX0207	11,972	-
				<u>1,151,067</u>	<u>-</u>
Indirect Programs:					
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	Yes	16.804	2009-SB-B9-3324	33,295	-
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	No	16.738	2010-DJ-BX-0414	3,947	-
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	No	16.738	2009-DJ-BX-1425	40,312	-
				<u>44,259</u>	<u>-</u>
Passed through Palm Beach County Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	Yes	16.803		8,237	-
				<u>85,791</u>	<u>-</u>
Total United States Department of Justice				<u>1,236,858</u>	<u>-</u>

See notes to schedule.

(Continued)

CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards
(Continued)
Year Ended September 30, 2012

Federal Agency, Pass-through Entity Federal Program Project	ARRA	CFDA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
United States Department of Transportation					
Indirect Programs:					
Passed through Florida Department of Transportation - Florida Child Safety Seat Distribution Program	No	20.000		150	-
Total United States Department of Transportation				<u>150</u>	<u>-</u>
United States Department of Treasury					
Direct Program:					
Federal Equitable Sharing	No	21.000		15,496	-
Total United States Department of Treasury				<u>15,496</u>	<u>-</u>
United States Department of Energy					
Direct Program:					
Energy Efficiency and Conservation Block Grant	Yes	81.128	DE-SC0003133	752,250	-
Total United States Department of Energy				<u>752,250</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 4,858,783</u>	<u>\$ 757,251</u>

See notes to schedule.

CITY OF SUNRISE, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED SEPTEMBER 30, 2012

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Sunrise, Florida under programs of the federal government for the year ended September 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City of Sunrise, Florida, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City of Sunrise, Florida.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

CITY OF SUNRISE, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED SEPTEMBER 30, 2012

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

Internal control over major programs:

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 programs:

Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 and Section .510(a)

___ Yes X No

Identification of major programs:

<u>Federal Awards Programs</u>	<u>CFDA No.</u>
United States Department of Housing and Urban Development - Community Development Block Grants/ State’s Program and Non-Entitlement Grants in Hawaii	14.228
United States Department of Energy - Energy Efficiency and Conservation Block Grant	81.128

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$300,000

Auditee qualified as low-risk auditee?

X Yes ___ No

CITY OF SUNRISE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CITY OF SUNRISE, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FISCAL YEAR ENDED SEPTEMBER 30, 2012

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

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 financial statements of the City of Sunrise, Florida, as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated February 19, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control over Compliance in Accordance with OMB Circular A-133; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 19, 2013, should be considered in conjunction with this management letter.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. As disclosed in Note 1, the City was established under Chapter 61-2902 Laws of Florida in 1961. The City included the following blended component units: (Special Recreation District Phase I, Special Recreation District Phase II, Special Tax District No.1 and Metropica Improvement District).
- 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, 2012, 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, 2012. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. This assessment was done as of the fiscal year end.

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

Marcum LLP

Fort Lauderdale, FL
February 19, 2013