



Comprehensive Annual
Financial Report
Fiscal Year Ended September 30, 2013

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

**Fiscal Year Ended
September 30, 2013**



**prepared by the
Finance Department**

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

CITY OF SUNRISE, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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Section I
City of Sunrise, Florida
Introductory Section



February 12, 2014

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, 2013. 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, 2013, 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 unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2013, 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, making Sunrise the 26th largest city in Florida. The City is convenient to three international airports and three 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 based budgeting has been implemented for the General Fund departments and all funds 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 continued uncertainties surrounding the national and global economies, 2013, although improved from a lingering recession, was once again a challenging year for business expansion in most municipalities. In spite of less than ideal economic conditions, Sunrise was able to attract some sizable business expansions and new employment opportunities. The net new business licenses issued in fiscal year 2013 was 239. The City also processed an

impressive 6,373 building permits valued at over \$440 million worth of development this year. Some of the more notable activity for 2013 follows:

- *Parallon Business Solutions*, leased an additional 24,000 square feet of space, expanding its existing headquarters to 62,000 square feet, and are adding 70 employees. *Fanatics* announced its intentions to expand their presence in the City by leasing a 160,000 square foot facility and creating an additional 85 new jobs; *Baptist Healthcare* opened an urgent care medical treatment facility; and *Sawgrass Mutual Insurance* relocated to Sunrise with 8,000 square feet and 25 employees. Additionally, *Rick Case Automotive Group* announced plans to build a \$19 million headquarters and a state-of-the-art auto dealership for 205 employees.
- 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 one of the largest in the State of Florida. In 2013, Fifteen Capital Group purchased 12 buildings totaling 600,000 square feet at Sawgrass Technology Park for \$52 million. The overall office vacancy rate in the City's business parks is close to reaching single digits. Vacancy rates below 10% haven't occurred in nearly two decades, which bodes well for the prospect of new construction in the City as demand for office and industrial space continues and supply becomes tighter.
- 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. With the most amount of leasable retail space under one roof, Sawgrass Mills is the largest mall in the United States. The success of Sawgrass Mills continued in 2013 with the mall planning additional retail space and the development of several structured parking decks. In addition to Sawgrass Mills, another major amenity drawing visitors to Sunrise 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. In 2013, the Panthers franchise and its operating arm, Sunrise Sports and Entertainment, was sold to an investment group. 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 20 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 excluding debt service (a ten-year increase of 17.6 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

Although the economic environment and the uncertainty surrounding the Affordable Healthcare Act and its impact on business presents challenges to business expansion, the City should see moderate, yet steady growth over the next few years. Growth in the commercial sectors and demand for office space in Sunrise is expected to continue and the City will remain a leading destination for both visitors and business travelers. The multifamily housing market continues to be the strongest sector for new development. Multifamily real estate projects are expected to see continued robust activity, with the addition of Portico at Metropica and its 419 luxury units that will break ground next year.

Ongoing construction continues on Artesia, an upscale, gated community which, upon completion, will be comprised of approximately 1,400 residences. The 26-story, residential condominium project, called Tao, features 396 luxury units. Sales and rental activity at Tao remained strong in 2013, with most of the units being rented or sold.

The City continues to play host to many community and regional events, including festivals, concerts and sporting events. In support 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 third consecutive year. The festival attracts film enthusiasts, directors, producers, writers and actors to the City. Additionally, on the hospitality front for 2013, was the sale of a prime hotel site in the City's Sawgrass Business and Entertainment District.

The culmination of these transactions, developments, events and activities will help the City continue to attract major corporate relocations, tourists and investors to Sunrise. Significant developments for the City are likely to be announced within the next 12 months.

Another major initiative was the optional defeasance of Public Facilities Revenue Bonds, Series 1992B. These bonds were Capital Appreciation bonds (CABs), bearing interest rates ranging from 6.7% to 6.8% with a final maturity date of October 1, 2022 with payments of \$4,340,000 due annually. This defeasance made available public service tax revenues of \$4,340,000 on an annual basis.

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, 2012. 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 Dunbar
Assistant Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

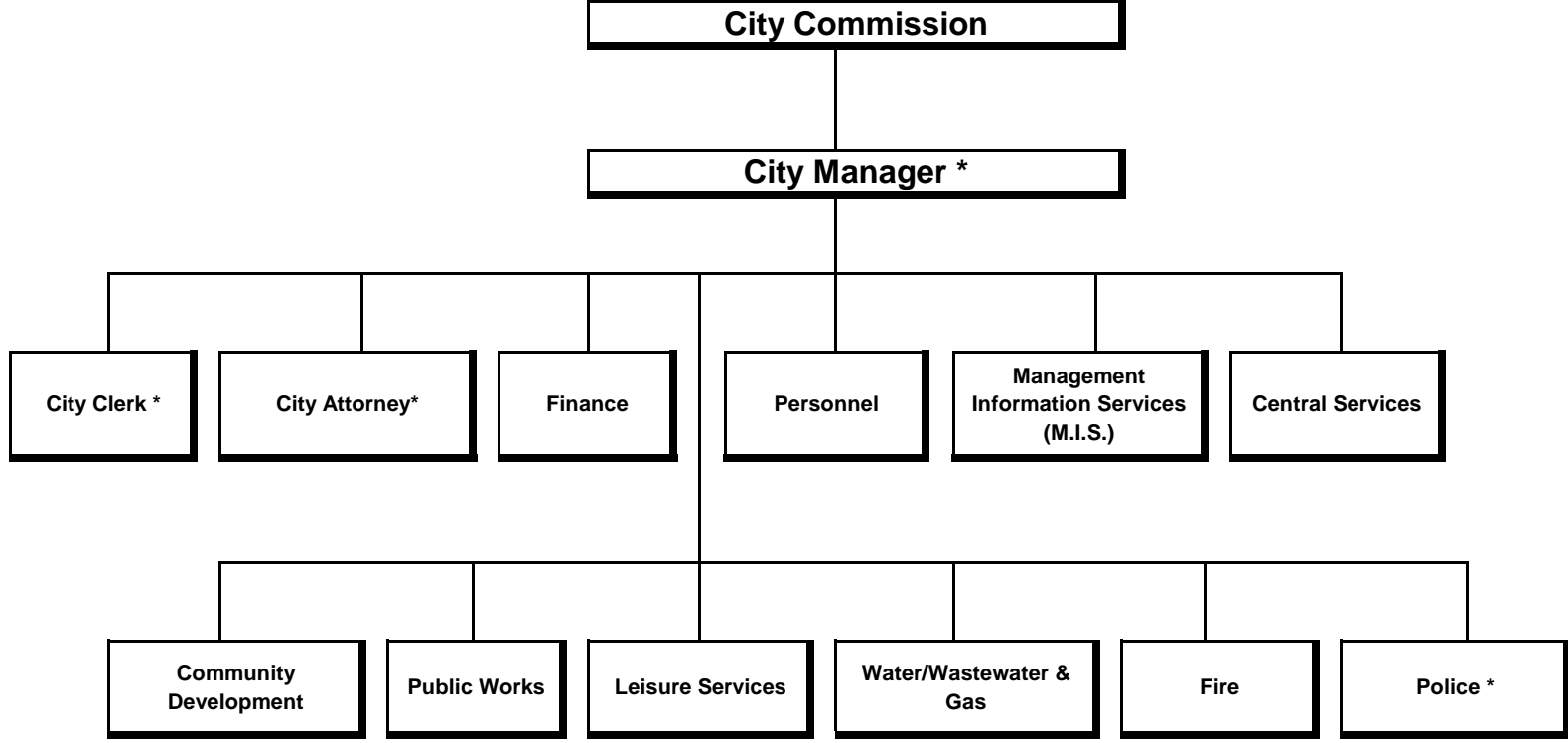
**City of Sunrise
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

**City of Sunrise
Departmental Organizational Chart
Fiscal Year 2012/2013**



∞

* Charter Officer

**City of Sunrise, Florida
List of City Officials
September 30, 2013**

Elected Officials

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

**Michael J. Ryan
Neil C. Kerch
Lawrence A. Sofield
Donald K. Rosen
Joseph A. Scutto**

Principal Officials

**Manager
Attorney
Clerk
Director of Central Services
Director of Finance
Director of Finance & Administrative Svcs
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**

**Alan Cohen
Kimberly A. Kisslan
Felicia Bravo
Tariq Riaz
Laura Toebe
Minal Shah
Beth Zickar
William Falce
Richard Fischer
Mark Lubelski
Richard Salamon
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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 86%, 89% and 77%, respectively, of the assets, net position and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2013, 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 accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of October 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 25, the Schedules of Funding Progress on pages 83 and 84, and the Schedule of Employer Contributions on page 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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 purposes of additional analysis and are not a required part of the basic financial statements.

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* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, 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* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The introductory and statistical sections have 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2014 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* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
February 12, 2014

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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, 2013. 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 \$54,657,506. Of this balance, \$632,503 for inventories, prepaid items and advances was nonspendable; \$6,766,019 was restricted for building department expenditures; \$29,382,905 was committed for revenue stabilization, contingency, economic and job growth, and reforestation replacement; and \$813,745 was assigned for subsequent year's expenditures, encumbrances, and Tennis Center capital. The balance of \$17,062,334 was unassigned and available for new spending.
- At the end of the fiscal year, the unassigned fund balance was \$17,062,334 or 17.5% of general fund revenues and 12.4% of general fund expenditures.
- General fund revenues and other financing sources increased by \$18,289,500, an increase of 17.3% from fiscal year 2012. This was primarily due to increases in the fire assessment rates and increased transfer activity.
- General fund expenditures and other financing uses increased by \$36,074,173, or 35% more than last fiscal year due to the payment of \$35,550,829 to the bond escrow agent for the defeasance of the Public Facilities Revenue Bonds, Series 1992B.

Governmental Activities

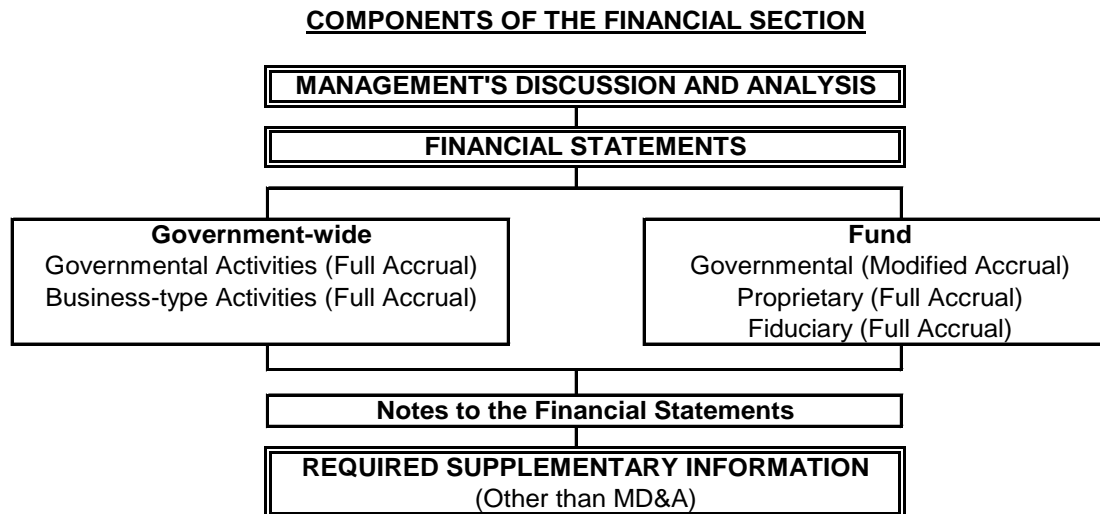
- On a government-wide basis for governmental activities, the City's general revenues of \$65,153,045 were \$7,852,993 less than the \$73,006,038 of expenses net of program revenue. In addition, the City recorded a special item loss of \$6,879,604 due to the bond defeasance noted earlier.
- As of September 30, 2013, the City's governmental activities reported total ending net position of \$253,232,721. Approximately 28.5% of this total amount, \$72,083,680, is unrestricted and available for use within the City's policies.

Government-wide

- The City's total net position, on a government-wide basis, totaled \$589,579,849 at September 30, 2013, an increase of 1.5% from September 30, 2012 restated. Of this amount, \$153,015,717 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 Position 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 Position presents financial and capital resources of the City. It includes all of the City's assets, liabilities and deferred inflows/outflows of resources 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 position and the changes in net position. The City's net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - are one way to measure the financial health, or financial position, of the City. Over time, increases or decreases in net position is 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 2013, 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. 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 Position and Statement of Changes in Fiduciary Net Position. 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 Position

The following table presents the condensed comparative Statement of Net Position, restated for fiscal year 2012:

Summary of Statement of Net Position
As of September 30, 2013 and 2012
(in thousands), as restated

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 125,805	\$ 150,468	\$ 256,910	\$ 254,174	\$ 382,715	\$ 404,642
Capital assets	<u>191,625</u>	<u>206,069</u>	<u>341,780</u>	<u>334,101</u>	<u>533,405</u>	<u>540,170</u>
Total assets	<u>317,430</u>	<u>356,537</u>	<u>598,690</u>	<u>588,275</u>	<u>916,120</u>	<u>944,812</u>
Deferred outflows of resources	-	-	1,714	1,820	1,714	1,820
Current and other liabilities	12,560	17,563	33,704	31,118	46,264	48,681
Long-term liabilities	<u>49,704</u>	<u>80,557</u>	<u>230,353</u>	<u>235,069</u>	<u>280,057</u>	<u>315,626</u>
Total liabilities	<u>62,264</u>	<u>98,120</u>	<u>264,057</u>	<u>266,187</u>	<u>326,321</u>	<u>364,307</u>
Deferred inflows of resources	<u>1,933</u>	<u>1,626</u>	-	-	<u>1,933</u>	<u>1,626</u>
Net position:						
Net investment in capital assets	172,579	149,535	195,615	205,104	368,194	354,639
Restricted	8,570	12,971	59,800	46,285	68,370	59,256
Unrestricted	<u>72,084</u>	<u>94,285</u>	<u>80,932</u>	<u>72,519</u>	<u>153,016</u>	<u>166,804</u>
Total net position	<u>\$ 253,233</u>	<u>\$ 256,791</u>	<u>\$ 336,347</u>	<u>\$ 323,908</u>	<u>\$ 589,580</u>	<u>\$ 580,699</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2013, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$589,580 thousand.

The majority of the City's net position (62.5%) reflect its investment in capital assets, less any outstanding related debt and deferred outflows/inflows 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 position (11.6%) 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 position (25.9%) 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 position, 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 position of \$12,439 thousand for business-type activities and a decrease of \$3,558 thousand for governmental activities for the current fiscal year, resulting in a combined increase of \$8,881 thousand in net position. The increase for business-type activities is primarily due to an overall increase in revenues. The decrease for governmental activities is due to the defeasance of Public Facilities Revenue Bonds, Series 1992B coupled with an overall increase in transfers from other funds.

Statement of Activities

The following table provides a condensed comparative summary of the City's operations for the fiscal years ended September 30, 2013 and 2012, as restated:

	Changes in Net Position					
	For the Fiscal Years Ended September 30, 2013 and 2012					
	(in thousands), as restated					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Program revenues:						
Charges for services	\$ 44,889	\$ 40,759	\$118,861	\$110,372	\$163,750	\$151,131
Operating grants and contributions	7,811	8,465	-	-	7,811	8,465
Capital grants and contributions	2,179	1,488	1,019	338	3,198	1,826
General revenues:						
Property taxes	30,726	30,485	-	-	30,726	30,485
Utility service tax	8,392	7,929	-	-	8,392	7,929
Communications services tax	4,251	4,238	-	-	4,251	4,238
Local business tax	2,352	2,139	-	-	2,352	2,139
Franchise fees	8,790	8,829	-	-	8,790	8,829
Grants and contributions not restricted to specific programs	7,557	7,176	-	-	7,557	7,176
Unrestricted investment earnings	776	1,415	846	1,300	1,622	2,715
Miscellaneous	2,279	1,148	2,758	3,540	5,037	4,688
Gain on sale of capital assets	29	-	-	-	29	-
Total revenues	<u>120,031</u>	<u>114,071</u>	<u>123,484</u>	<u>115,550</u>	<u>243,515</u>	<u>229,621</u>
Expenses						
General government	21,972	22,165	-	-	21,972	22,165
Public safety	73,438	73,392	-	-	73,438	73,392
Economic development	2,163	3,510	-	-	2,163	3,510
Human services	6	38	-	-	6	38
Transportation	13,416	15,109	-	-	13,416	15,109
Culture and recreation	13,903	14,325	-	-	13,903	14,325
Interest on long-term debt	2,986	3,309	-	-	2,986	3,309
Water and wastewater	-	-	76,928	75,556	76,928	75,556
Gas	-	-	6,502	6,075	6,502	6,075
Sanitation	-	-	11,876	12,254	11,876	12,254
Recycling	-	-	571	519	571	519
Stormwater	-	-	2,061	2,372	2,061	2,372
Golf Course	-	-	1,933	1,893	1,933	1,893
Total expenses	<u>127,884</u>	<u>131,848</u>	<u>99,871</u>	<u>98,669</u>	<u>227,755</u>	<u>230,517</u>
Increase (decrease) in net position before transfers and special item loss on defeasance of debt	(7,853)	(17,777)	23,613	16,881	15,760	(896)
Transfers	11,174	1,924	(11,174)	(1,924)	-	-
Change in net position	(3,558)	(15,853)	12,439	14,957	8,881	(896)
Net position – beginning	<u>256,791</u>	<u>272,749</u>	<u>323,908</u>	<u>310,831</u>	<u>580,699</u>	<u>583,580</u>
Net position – ending, as previously stated	253,233	256,896	336,347	325,788	589,580	582,684
Restatement of net position	-	(105)	-	(1,880)	-	(1,985)
Net position – ending, as restated	<u>\$253,233</u>	<u>\$256,791</u>	<u>\$336,347</u>	<u>\$323,908</u>	<u>\$589,580</u>	<u>\$580,699</u>

Revenues

For the fiscal year ended September 30, 2013, revenues from governmental activities totaled \$120,031 thousand.

General property taxes were \$30,726 thousand, an increase of \$241 thousand as compared to fiscal year 2012. Assessed property values increased slightly compared to 2012 while the City maintained its previous year's millage rate.

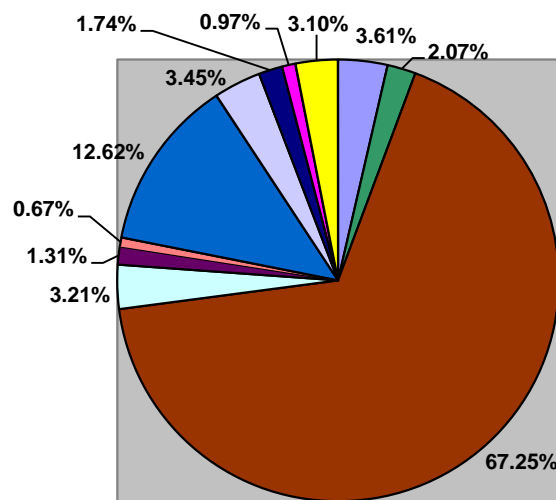
Charges for services increased by \$12,619 thousand mainly due to an increase in building permit fees collected as well as an increase in fire assessment rates. Additionally, water and wastewater revenues increased due to a 6.7% CPI rate adjustment on October 1, 2012, an increase in turn on/turn off fees and the imposition of late payment penalties approved in March 2013.

Operating grants and contributions decreased by \$654 thousand primarily due to a decrease in various grant revenues.

Capital grants and contributions increased by \$1,372 thousand primarily due to a donation of various parcels of land from Broward County that will be used for a passive park.

Unrestricted investment earnings decreased by \$1,093 thousand due to "mark-to-market" accounting resulting in lower unrealized investment gains compared to fiscal year 2012 and a decrease in the average interest rate from .4% in fiscal year 2012 to .3% in fiscal year 2013.

**Sources of Revenue: Government-wide
for FY 2013**

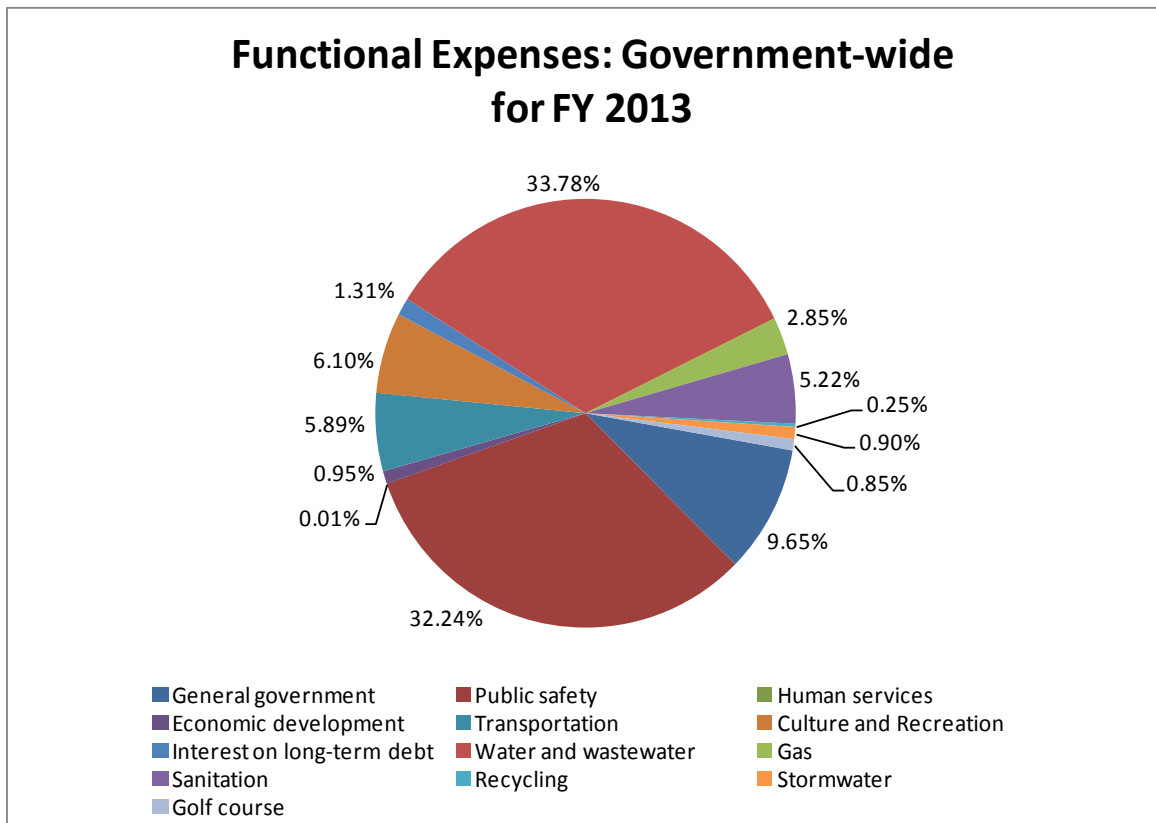


Franchise fees	Miscellaneous
Charges for services	Operating grants and contributions
Capital grants and contributions	Unrestricted investment earnings and other
Property taxes	Utility service taxes
Communications services tax	Local business tax
Unrestricted grants/ contributions	

Expenses

For the fiscal year ended September 30, 2013, expenses for governmental activities totaled \$127,884 thousand, a decrease of \$3,964 thousand, mainly due to decreases in expenses for grant programs, culture and recreation, and depreciation.

Expenses for the City's business-type activities, which provide water, wastewater and gas, sanitation, recycling and stormwater services and golf course operations, totaled \$99,871 thousand, an increase of \$1,202 thousand from fiscal year 2012. This increase is due to an increase in operational expenses for the Water/Wastewater and Gas Utility System.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended September 30, 2013, the governmental funds reflect a combined fund balance of \$96,628,514, a decrease of \$16,708,339 in comparison with the prior year. Approximately 99.3 percent of this total amount (\$95,954,448) 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 (\$422,096), prepaid items (\$13,419) and inventories (\$238,551). This year's decrease in fund balance is due to a number of reasons. Construction on the Public Works Facility and greenspace improvements primarily contributed to the \$2,429,120 decrease in fund balance in the Capital Improvements capital projects fund. The fund balance of the Public Service Tax debt service fund increased by \$139,852 due to increased collections for utility service and communications services taxes. The other governmental funds fund balance increased by \$923,577 primarily due to a reduction in expenditures for grant programs as compared to the previous year. The general fund's expenditures and other financing uses were \$15,342,648 in excess of its revenues and other financing sources. Differences between actual revenues and the final budget occurred in various revenue sources: insurance premium taxes increased \$283 thousand due higher than anticipated receipts of fire and police insurance premium taxes; local business tax revenues increased approximately \$242 thousand; permits and fees increased approximately \$3,124 thousand due to increased development; charges for services increased by \$1,606 thousand primarily due to ambulance service fees and cost recovery charges; judgments, fines, and forfeitures increased \$712 thousand due to higher than anticipated collections related to the red light camera program; special assessments increased by \$165 due to an increase in fire assessment fees; miscellaneous revenues increased by approximately \$2,331 thousand primarily due to the lien amnesty program (\$237 thousand), higher than anticipated code liens inquiry fees (\$212 thousand), insurance receipts (\$81 thousand), solid waste loyalty bonus (\$623 thousand), distribution of excess resource recovery system funds (\$1,032), and foreclosure registry fees (\$114 thousand). In addition, total expenditures were approximately \$10.4 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 payment for defeasance of the Public Facilities Revenue Bonds, Series 1992B, were also less than anticipated.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget amounted to a \$38,935,188 increase in appropriations. Of this increase, \$269,034 was funded through various grants, \$6,320 was funded from donations, \$88,168 was funded from building and planning permit fees, \$29,488,625 was funded from the general fund unassigned fund balance, and \$9,083,041 was funded from operating transfers. Highlights of the supplemental appropriation follow:

- \$106,891 in decreases for general government activities. The decrease was comprised of budget reductions for appropriations to the fire department and building division in the amounts of \$151,506 and \$35,145, respectively, as well as budgetary increases of \$50,000 for donation to Rebuilding Together Broward County and \$29,760 for salary and benefits in the Planning Division of the Community Development Department.
- \$514,093 in increases allocated to public safety. Included in this amount was a supplemental appropriation of \$179,484 to fund salaries, benefits and operating supplies, \$269,034 for public safety related grants, and \$65,575 to fund fire equipment.

- \$6,320 in increases for culture and recreation for operating supplies for senior programs.
- \$38,521,666 in increases for debt service expenditures related to the defeasance of the Public Facilities Revenue Bonds, Series 1992B.

**General Fund
FY 2013
(in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues			
Taxes	\$ 32,410	\$ 32,410	\$ 32,959
Permits and fees	3,863	3,893	7,018
Franchise fees	8,933	8,933	8,870
Intergovernmental	7,741	8,010	7,910
Charges for services	18,489	18,547	20,153
Other	<u>16,973</u>	<u>16,979</u>	<u>20,319</u>
Total	<u>88,409</u>	<u>88,772</u>	<u>97,229</u>
Expenditures	<u>109,373</u>	<u>148,308</u>	<u>137,912</u>
Deficiency of revenues under expenditures	<u>(20,964)</u>	<u>(59,536)</u>	<u>(40,683)</u>
Other financing sources (uses)			
Transfers in	17,539	26,622	26,657
Transfers out	(1,351)	(1,351)	(1,351)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>34</u>
Total	<u>16,188</u>	<u>25,271</u>	<u>25,340</u>
Net change in fund balance	<u>\$ (4,776)</u>	<u>\$ (34,265)</u>	<u>\$ (15,343)</u>

Actual general fund revenues exceeded original budgeted revenues by \$8,820 thousand. This increase is primarily due to receipt of \$3,082 thousand in building permit fees, \$917 thousand for cost recovery charges, \$274 in ambulance service fees, \$623 thousand for a solid waste loyalty bonus, \$1,032 for distribution of excess resource recovery system funds, \$237 thousand for lien amnesty program, \$712 red light fines, and \$165 thousand in fire assessment fees. The original budget was amended to account for an additional \$30 thousand in planning permit fees, \$58 thousand in fire inspection fees, \$6 thousand in donations, and \$269 thousand in additional grant awards. Actual revenue collections exceeded the final budget by \$8,457 thousand. Actual general fund expenditures were more than the original budget by \$28.5 million primarily due to the defeasance of the Public Facilities Revenue Bonds, Series 1992B.

CAPITAL ASSETS

At the end of fiscal year 2013, the City's governmental activities had invested \$191,625,025 in a variety of capital assets and infrastructure, which represents a net decrease of \$14,444,193 from the prior year. The City's investment in capital assets for its business-type activities amounted to \$341,780,081, which represents a net increase of \$7,679,321 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		
	Balance 10/1/12	Net Additions/ Deletions	Balance 9/30/13	Balance 10/1/12	Net Additions/ Deletions	Balance 9/30/13
Non-depreciable assets:						
Land	\$ 14,798	\$ 1,380	\$ 16,178	\$ 12,081	\$ 66	\$ 12,147
Construction in progress	13,478	(7,249)	6,229	22,821	22,763	45,584
Other capital assets:						
Intangibles	1,364	(16)	1,348	1,025	(23)	1,002
Buildings and system Improvements other than buildings	121,911	6,417	128,328	472,462	1,499	473,961
Machinery and equipment	42,801	1,511	44,312	10,868	336	11,204
Vehicles	16,281	888	17,169	8,848	(298)	8,550
Infrastructure	19,567	221	19,788	7,971	176	8,147
	331,894	-	331,894	-	-	-
Accumulated depreciation on other capital assets	(356,025)	(17,596)	(373,621)	(201,975)	(16,840)	(218,815)
Totals	<u>\$ 206,069</u>	<u>\$ (14,444)</u>	<u>\$ 191,625</u>	<u>\$ 334,101</u>	<u>\$ 7,679</u>	<u>\$ 341,780</u>

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

- Construction of the new public works facility including a City vehicle automotive repair garage and leisure services warehouse was completed.
- The City purchased three transportation buses for \$352,426. Additionally, the City made several public safety purchases including 11 police vehicles at a cost of \$294,920.
- Energy efficient LED lighting upgrades using \$698,714 grant funds were completed at several City locations including four fire stations, the Civic Center, Senior Center, Nob Hill Soccer Club, and the Sunrise Athletic Complex.

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

- Park Improvements: Four new parks on over 25 acres are in process and will increase the City's total park acreage by over 16%.
- Various system additions and improvements are under construction in the Water/Wastewater Utility System.

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 \$234,047,980. Of this amount, \$216,007,980 represents bonds secured solely by specified revenue sources, \$1,270,000 comprises public improvement bonds (bank notes), and \$16,770,000 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 ad valorem tax bonds have an insured rating of "A2" by Moody's Investors Service and an insured rating of "AA-" by Standard and Poor's. 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.

In September 2013, the City defeased its Public Facilities Revenue Bonds, Series 1992B. This defeasance made available public service tax revenues in the amount of \$4,340,000 annually.

ECONOMIC FACTORS

According to the U.S. Department of Labor, Bureau of Labor Statistics, the City's total resident employment as of September 2013 was 47,271 compared to 44,746 as of September 2012. The City's resident unemployment rate decreased from 7.4% in September 2012 to 5.7% in September 2013. The State of Florida's unemployment rate at September 2013 was 6.8%.

As of September 2013 (the latest data available from the U. S. Census Bureau), the City's median household income was \$50,097, while the State's median household income was \$45,040, 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.

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BASIC FINANCIAL STATEMENTS

**CITY OF SUNRISE, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 55,079,385	\$ 25,488,470	\$ 80,567,855
Investments	63,276,428	48,416,191	111,692,619
Receivables, net of allowance for uncollectibles	7,370,564	19,312,517	26,683,081
Internal balances	(238,290)	238,290	-
Inventories	238,551	2,376,719	2,615,270
Prepays	78,637	34,300	112,937
Restricted assets:			
Cash and cash equivalents	-	126,477,241	126,477,241
Investments	-	34,559,514	34,559,514
Interest receivable on investments	-	6,467	6,467
Capital assets not being depreciated:			
Land	16,178,664	12,147,246	28,325,910
Construction in progress	6,228,739	45,583,742	51,812,481
Capital assets (net of accumulated depreciation):			
Intangibles	260,854	122,372	383,226
Buildings and system	96,472,630	271,311,306	367,783,936
Improvements other than buildings	17,760,914	7,060,871	24,821,785
Machinery and equipment	6,485,008	2,864,670	9,349,678
Vehicles	5,673,946	2,689,874	8,363,820
Infrastructure	42,564,270	-	42,564,270
Total assets	<u>317,430,300</u>	<u>598,689,790</u>	<u>916,120,090</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	1,714,231	1,714,231
Total deferred outflows of resources	<u>-</u>	<u>1,714,231</u>	<u>1,714,231</u>
LIABILITIES			
Accounts payable and other current liabilities	2,640,968	7,397,793	10,038,761
Retainage payable	23,435	-	23,435
Intergovernmental payable	268,702	2,698,539	2,967,241
Matured bonds and interest payable	2,648,613	-	2,648,613
Accrued liabilities	2,913,458	840,357	3,753,815
Unearned revenue	725,055	856,693	1,581,748
Other liabilities	3,340,531	-	3,340,531
Liabilities payable from restricted assets	-	21,910,895	21,910,895
Non-current liabilities:			
Due within one year	4,610,631	6,117,140	10,727,771
Due in more than one year	45,093,359	224,235,476	269,328,835
Total liabilities	<u>62,264,752</u>	<u>264,056,893</u>	<u>326,321,645</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-business license tax	1,932,827	-	1,932,827
Total deferred inflows of resources	<u>1,932,827</u>	<u>-</u>	<u>1,932,827</u>
NET POSITION			
Net investment in capital assets	172,578,594	195,615,586	368,194,180
Restricted:			
Debt service	5,529,576	-	5,529,576
Renewal and replacement	-	46,156,126	46,156,126
Operations and maintenance	-	13,643,379	13,643,379
Capital projects	347,293	-	347,293
Transportation	2,179,609	-	2,179,609
Impact fees	513,969	-	513,969
Unrestricted	72,083,680	80,932,037	153,015,717
Total net position	<u>\$ 253,232,721</u>	<u>\$ 336,347,128</u>	<u>\$ 589,579,849</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, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 21,971,961	\$ 6,664,836	\$ -	\$ -	\$ (15,307,125)	\$ -	\$ (15,307,125)
Public safety	73,437,952	23,379,743	3,956,721	193,701	(45,907,787)	-	(45,907,787)
Physical environment	26	13,400,272	-	-	13,400,246	-	13,400,246
Economic development	2,163,364	-	2,690,491	58,086	585,213	-	585,213
Human services	5,891	-	5,891	-	-	-	-
Transportation	13,415,518	52,509	1,106,108	543,589	(11,713,312)	-	(11,713,312)
Culture and recreation	13,903,513	1,391,195	51,461	1,383,648	(11,077,209)	-	(11,077,209)
Interest on long-term debt	2,986,064	-	-	-	(2,986,064)	-	(2,986,064)
Total governmental activities	127,884,289	44,888,555	7,810,672	2,179,024	(73,006,038)	-	(73,006,038)
Business-type activities:							
Water and wastewater	76,928,227	93,518,987	-	1,018,658	-	17,609,418	17,609,418
Gas	6,501,671	7,318,596	-	-	-	816,925	816,925
Sanitation	11,875,547	11,545,708	-	-	-	(329,839)	(329,839)
Recycling	571,219	1,068,927	-	-	-	497,708	497,708
Stormwater	2,060,696	4,303,188	-	-	-	2,242,492	2,242,492
Golf course	1,933,471	1,106,185	-	-	-	(827,286)	(827,286)
Total business-type activities	99,870,831	118,861,591	-	1,018,658	-	20,009,418	20,009,418
Total	\$ 227,755,120	\$ 163,750,146	\$ 7,810,672	\$ 3,197,682	(73,006,038)	20,009,418	(52,996,620)
General revenues:							
Property taxes					30,726,477	-	30,726,477
Utility service tax					8,392,172	-	8,392,172
Communications services tax					4,251,293	-	4,251,293
Local business tax					2,352,391	-	2,352,391
Franchise fees based on gross receipts					8,790,155	-	8,790,155
Contributions not restricted to specific programs					7,556,493	-	7,556,493
Unrestricted investment earnings					775,628	846,136	1,621,764
Miscellaneous					2,279,063	2,757,597	5,036,660
Gain on sale of capital assets					29,373	-	29,373
Special item - loss on defeasance of debt					(6,879,604)	-	(6,879,604)
Transfers					11,174,321	(11,174,321)	-
Total general revenues and transfers					69,447,762	(7,570,588)	61,877,174
Change in net position					(3,558,276)	12,438,830	8,880,554
Net position - beginning, as previously stated					256,895,742	325,788,488	582,684,230
Restatement of net position due to implementation of GASB 63 & 65					(104,745)	(1,880,190)	(1,984,935)
Net position - beginning, as restated					256,790,997	323,908,298	580,699,295
Net position - ending					\$ 253,232,721	\$ 336,347,128	\$ 589,579,849

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

CITY OF SUNRISE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Public Service Tax	Capital Improvements		
ASSETS					
Cash and cash equivalents	\$ 35,036,723	\$ 136,100	\$ 637,653	\$ 17,455,515	\$ 53,265,991
Investments	22,166,180	-	26,662,495	1,492,256	50,320,931
Receivables, net of allowance for uncollectibles:					
Interest	272,040	19	89,600	6,514	368,173
Taxes	-	638,106	-	-	638,106
Franchise fees	1,059,634	-	-	-	1,059,634
Accounts receivable	544,374	-	-	-	544,374
Special assessments	-	-	-	1,435,708	1,435,708
Other	-	-	-	23,378	23,378
Due from other funds	1,211,729	-	-	14,814	1,226,543
Interfund	305,471	-	-	-	305,471
Intergovernmental	2,639,865	-	-	612,726	3,252,591
Prepaid items	13,419	-	-	703	14,122
Inventories	196,988	-	-	41,563	238,551
Advances to other funds	422,096	-	-	-	422,096
Total assets	<u>\$ 63,868,519</u>	<u>\$ 774,225</u>	<u>\$ 27,389,748</u>	<u>\$ 21,083,177</u>	<u>\$ 113,115,669</u>
LIABILITIES					
Accounts payable	1,213,708	1,470	156,748	195,985	1,567,911
Accrued liabilities	2,885,717	-	11,492	16,249	2,913,458
Retainage payable	-	-	-	23,435	23,435
Intergovernmental payable	267,659	-	-	1,043	268,702
Due to other funds	1,130,543	132,435	1,172	58,131	1,322,281
Interfund payable	-	-	-	208,634	208,634
Matured bonds payable	-	-	-	2,175,000	2,175,000
Matured interest payable	-	-	-	473,613	473,613
Unearned revenue	707,780	-	-	17,275	725,055
Other	1,072,779	-	-	2,267,752	3,340,531
Advances from other funds	-	-	-	100,000	100,000
Total liabilities	<u>7,278,186</u>	<u>133,905</u>	<u>169,412</u>	<u>5,537,117</u>	<u>13,118,620</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-business license tax	1,932,827	-	-	-	1,932,827
Unavailable revenue-special assessments	-	-	-	1,435,708	1,435,708
Total deferred inflows of resources	<u>1,932,827</u>	<u>-</u>	<u>-</u>	<u>1,435,708</u>	<u>3,368,535</u>
FUND BALANCES					
Nonspendable:					
Inventories	196,988	-	-	41,563	238,551
Prepaid items	13,419	-	-	-	13,419
Advances	422,096	-	-	-	422,096
Restricted for:					
Building Department	6,766,019	-	-	-	6,766,019
Recreation	-	-	-	17,792	17,792
Public safety	-	-	-	6,077,140	6,077,140
Fire equipment	-	-	-	200,856	200,856
Median strips	-	-	-	195,237	195,237
Housing	-	-	-	540,653	540,653
Transportation	-	-	-	1,944,327	1,944,327
Committed:					
Revenue stabilization	4,965,806	-	-	-	4,965,806
Contingency	14,897,417	-	-	-	14,897,417
Economic & job growth	9,455,000	-	-	-	9,455,000
Reforestation replacement	64,682	-	-	-	64,682
Assigned to:					
Subsequent year's expenditures	547,563	-	16,875,069	110,000	17,532,632
Other purposes	257,796	-	-	-	257,796
Construction contracts	-	-	1,762,647	-	1,762,647
Landscaping improvements	-	-	500,000	-	500,000
Transportation	-	-	-	193,719	193,719
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	-	640,320	-	3,354,576	3,994,896
Capital projects funds	-	-	1,622,620	1,474,802	3,097,422
Unassigned					
General fund	17,062,334	-	-	-	17,062,334
Special revenue funds	-	-	-	(40,313)	(40,313)
Total fund balances	<u>54,657,506</u>	<u>640,320</u>	<u>27,220,336</u>	<u>14,110,352</u>	<u>96,628,514</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 63,868,519</u>	<u>\$ 774,225</u>	<u>\$ 27,389,748</u>	<u>\$ 21,083,177</u>	<u>\$ 113,115,669</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 POSITION -
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

Fund balances - total governmental funds	\$	96,628,514
 Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		188,536,939
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows in the funds.		1,435,708
The internal service funds are used by management to charge the costs of workers' compensation and vehicle replacement to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		11,658,407
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(45,026,847)</u>
 Net position of governmental activities	 \$	 <u>253,232,721</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, 2013

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Public Service Tax	Capital Improvements		
REVENUES					
Taxes:					
Property	\$ 28,281,531	\$ -	\$ -	\$ 2,444,946	\$ 30,726,477
Local option fuel	-	-	-	1,454,297	1,454,297
Insurance premium	1,433,000	-	-	-	1,433,000
Utility service	-	8,392,172	-	-	8,392,172
Communications services	891,756	3,359,537	-	-	4,251,293
Local business	2,352,391	-	-	-	2,352,391
Permits and fees	7,017,560	-	-	-	7,017,560
Franchise fees	8,870,063	-	-	-	8,870,063
Intergovernmental	7,910,289	-	-	2,885,076	10,795,365
Charges for services	20,153,149	-	-	89,022	20,242,171
Administrative charges	5,653,003	-	-	-	5,653,003
Judgments, fines and forfeitures	1,666,445	-	-	2,070,924	3,737,369
Special assessments	8,827,359	-	-	547,500	9,374,859
Impact fees	-	-	-	46,473	46,473
Investment earnings	447,444	1,129	238,630	47,767	734,970
Contributions and donations	33,368	-	-	-	33,368
Miscellaneous	3,691,674	-	613	354,797	4,047,084
Total revenues	<u>97,229,032</u>	<u>11,752,838</u>	<u>239,243</u>	<u>9,940,802</u>	<u>119,161,915</u>
EXPENDITURES					
Current:					
General government	19,860,339	-	-	-	19,860,339
Public safety	69,364,258	-	-	1,637,763	71,002,021
Economic development	-	-	-	2,163,364	2,163,364
Human services	-	-	-	5,891	5,891
Transportation	2,778,731	-	-	984,423	3,763,154
Culture and recreation	9,651,561	-	-	-	9,651,561
Debt service:					
Principal	-	-	-	2,175,000	2,175,000
Payment to refunded bond escrow agent	35,550,829	3,978,334	-	-	39,529,163
Interest	-	-	-	947,226	947,226
Other	80,996	2,186	-	49,614	132,796
Capital outlay	625,777	-	1,968,363	727,944	3,322,084
Total expenditures	<u>137,912,491</u>	<u>3,980,520</u>	<u>1,968,363</u>	<u>8,691,225</u>	<u>152,552,599</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,683,459)</u>	<u>7,772,318</u>	<u>(1,729,120)</u>	<u>1,249,577</u>	<u>(33,390,684)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	26,657,418	-	-	-	26,657,418
Transfers out	(1,350,631)	(7,632,466)	(700,000)	(326,000)	(10,009,097)
Sale of capital assets	34,024	-	-	-	34,024
Total other financing sources (uses)	<u>25,340,811</u>	<u>(7,632,466)</u>	<u>(700,000)</u>	<u>(326,000)</u>	<u>16,682,345</u>
Net change in fund balances	<u>(15,342,648)</u>	<u>139,852</u>	<u>(2,429,120)</u>	<u>923,577</u>	<u>(16,708,339)</u>
Fund balances - beginning	<u>70,000,154</u>	<u>500,468</u>	<u>29,649,456</u>	<u>13,186,775</u>	<u>113,336,853</u>
Fund balances - ending	<u>\$ 54,657,506</u>	<u>\$ 640,320</u>	<u>\$ 27,220,336</u>	<u>\$ 14,110,352</u>	<u>\$ 96,628,514</u>

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

CITY OF SUNRISE, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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

Net change in fund balances -- total governmental funds	\$ (16,708,339)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(15,919,634)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, write-offs and donations) is to increase/(decrease) net position.	1,294,723
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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	32,785,721
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.	(1,841,004)
Revenues reported in the funds that relate to prior periods are not reported in the statement of activities.	(546,529)
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>(2,623,214)</u>
Change in net position of governmental activities	<u>\$ (3,558,276)</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, 2013

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Taxes:				
Property	\$ 28,309,704	\$ 28,309,704	\$ 28,281,531	\$ (28,173)
Insurance premium	1,150,000	1,150,000	1,433,000	283,000
Communications services	840,000	840,000	891,756	51,756
Local business	2,110,000	2,110,000	2,352,391	242,391
Permits and fees	3,863,250	3,893,010	7,017,560	3,124,550
Franchise fees	8,933,525	8,933,525	8,870,063	(63,462)
Intergovernmental	7,740,593	8,009,627	7,910,289	(99,338)
Charges for services	18,488,545	18,546,953	20,153,149	1,606,196
Administrative charges	5,653,003	5,653,003	5,653,003	-
Judgments, fines and forfeitures	953,700	953,700	1,666,445	712,745
Special assessments	8,661,600	8,661,600	8,827,359	165,759
Investment earnings	326,824	326,824	447,444	120,620
Contributions and donations	17,500	23,820	33,368	9,548
Miscellaneous	1,360,354	1,360,354	3,691,674	2,331,320
Total revenues	88,408,598	88,772,120	97,229,032	8,456,912
EXPENDITURES				
Current:				
General government:				
City Commission	649,681	649,681	574,184	75,497
City Manager	1,046,355	1,046,355	862,132	184,223
City Clerk	487,634	487,070	419,323	67,747
City Attorney	648,425	648,425	612,319	36,106
Finance	2,397,230	2,422,554	2,273,322	149,232
Personnel	998,819	998,819	963,440	35,379
Management Information Services	3,167,836	3,167,836	2,688,734	479,102
Central Services	5,145,528	5,173,690	4,242,514	931,176
Planning and Development	2,652,672	2,717,577	2,387,792	329,785
Non-departmental	6,121,744	5,887,850	4,836,579	1,051,271
Total general government	23,315,924	23,199,857	19,860,339	3,339,518
Public safety:				
Police	40,269,345	40,092,474	38,396,394	1,696,080
Fire	26,829,295	26,956,157	26,927,320	28,837
Building	3,035,765	3,070,620	2,890,766	179,854
Code Enforcement	1,307,453	1,307,453	1,149,778	157,675
Total public safety	71,441,858	71,426,704	69,364,258	2,062,446
Transportation:				
Public Works	3,238,792	3,238,792	2,778,731	460,061
Culture and recreation:				
Leisure Services	10,784,963	10,605,288	9,651,561	953,727

(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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital outlay:				
General government:				
City Clerk	-	564	564	-
Finance	-	4,500	-	4,500
Management Information Services	343,997	343,997	73,779	270,218
Central Services	65,000	66,662	50,702	15,960
Non-departmental	2,164	4,614	964	3,650
Public safety:				
Police	31,774	407,645	189,024	218,621
Fire	96,191	249,277	240,796	8,481
Building	-	290	287	3
Culture and recreation:				
Leisure Services	52,318	238,313	69,661	168,652
Total capital outlay	<u>591,444</u>	<u>1,315,862</u>	<u>625,777</u>	<u>690,085</u>
Debt service:				
Payment to refunded bond escrow agent	-	38,439,416	35,550,829	2,888,587
Other	-	82,250	80,996	1,254
Total expenditures	<u>109,372,981</u>	<u>148,308,169</u>	<u>137,912,491</u>	<u>10,395,678</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,964,383)</u>	<u>(59,536,049)</u>	<u>(40,683,459)</u>	<u>18,852,590</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	17,538,955	26,621,996	26,657,418	35,422
Transfers out	(1,350,631)	(1,350,631)	(1,350,631)	-
Sale of capital assets	-	-	34,024	34,024
Total other financing sources (uses)	<u>16,188,324</u>	<u>25,271,365</u>	<u>25,340,811</u>	<u>69,446</u>
Net change in fund balances	<u>(4,776,059)</u>	<u>(34,264,684)</u>	<u>(15,342,648)</u>	<u>18,922,036</u>
Fund balances - beginning	<u>70,000,154</u>	<u>70,000,154</u>	<u>70,000,154</u>	<u>-</u>
Fund balances - ending	<u>\$ 65,224,095</u>	<u>\$ 35,735,470</u>	<u>\$ 54,657,506</u>	<u>\$ 18,922,036</u>

CITY OF SUNRISE, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	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	\$ 23,131,011	\$ 179,461	\$ 2,177,998	\$ 25,488,470	\$ 1,813,394
Investments	39,812,726	3,081	8,600,384	48,416,191	12,955,497
Interest receivable	132,100	-	26,645	158,745	48,600
Accounts receivable, net of allowance for uncollectibles	16,617,418	1,919,983	559,780	19,097,181	-
Assessments receivable, net	29,981	-	-	29,981	-
Other receivables	-	2,079	24,053	26,132	-
Due from other funds	69,027	-	-	69,027	-
Intergovernmental receivable	478	-	-	478	-
Inventories	2,303,966	-	72,753	2,376,719	-
Prepaid items	31,300	-	3,000	34,300	-
Restricted cash and cash equivalents:					
Revenue bond covenant accounts	11,674,382	-	-	11,674,382	-
Total current assets	93,802,389	2,104,604	11,464,613	107,371,606	14,817,491
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents:					
Customer deposits	351,571	13,929	-	365,500	-
Revenue bond covenant accounts	114,437,359	-	-	114,437,359	-
Investments:					
Customer deposits	7,895,707	703,974	-	8,599,681	-
Revenue bond covenant accounts	25,959,833	-	-	25,959,833	-
Interest receivable on investments:					
Customer deposits	5,938	529	-	6,467	-
Capital assets:					
Land	10,858,101	-	1,289,145	12,147,246	-
Intangibles	999,377	-	2,425	1,001,802	1,742
Buildings and system	473,275,685	-	685,480	473,961,165	-
Improvements other than buildings	7,607,890	-	3,596,027	11,203,917	-
Machinery and equipment	6,428,297	-	2,121,512	8,549,809	73,474
Vehicles	7,726,486	-	420,380	8,146,866	4,482,739
Construction in progress	45,141,900	-	441,842	45,583,742	-
Less accumulated depreciation	(216,370,206)	-	(2,444,260)	(218,814,466)	(1,469,869)
Total capital assets, net of accumulated depreciation	335,667,530	-	6,112,551	341,780,081	3,088,086
Total noncurrent assets	484,317,938	718,432	6,112,551	491,148,921	3,088,086
Total assets	578,120,327	2,823,036	17,577,164	598,520,527	17,905,577

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	1,714,231	-	-	1,714,231	-
Total deferred outflows of resources	1,714,231	-	-	1,714,231	-
LIABILITIES					
Current liabilities:					
Accounts payable	5,947,014	1,277,707	129,702	7,354,423	16,011
Accrued liabilities	811,753	-	28,604	840,357	-
Due to other funds	817,088	200,485	56,132	1,073,705	-
Interfund payable	-	-	96,837	96,837	-
Compensated absences	250,890	-	6,250	257,140	-
Intergovernmental payable	2,695,141	-	3,398	2,698,539	-
Current liabilities payable from restricted assets:					
Revenue bonds payable	5,850,000	-	-	5,850,000	-
Accrued interest payable	5,824,382	-	-	5,824,382	-
Total current liabilities	22,196,268	1,478,192	320,923	23,995,383	16,011
Noncurrent liabilities:					
Revenue bonds payable (net of unamortized discounts/premiums)	217,847,932	-	-	217,847,932	-
Compensated absences	3,561,781	-	176,395	3,738,176	-
Other post employment benefits	3,635,596	-	254,229	3,889,825	-
Retiree subsidy	4,221,015	-	398,528	4,619,543	-
Advances from other funds	-	-	322,096	322,096	-
Claims and judgments	-	-	-	-	4,612,628
Unearned revenue	29,981	30,335	796,377	856,693	-
Noncurrent liabilities payable from restricted assets:					
Retainage payable	1,264,865	-	-	1,264,865	-
Customer deposits payable	8,253,216	718,432	-	8,971,648	-
Total noncurrent liabilities	238,814,386	748,767	1,947,625	241,510,778	4,612,628
Total liabilities	261,010,654	2,226,959	2,268,548	265,506,161	4,628,639
NET POSITION					
Net investment in capital assets	189,503,035	-	6,112,551	195,615,586	3,088,086
Restricted for:					
Renewal and replacement	46,156,126	-	-	46,156,126	-
Operations and maintenance	13,643,379	-	-	13,643,379	-
Unrestricted	69,521,364	596,077	9,196,065	79,313,506	10,188,852
Total net position	\$ 318,823,904	\$ 596,077	\$ 15,308,616	334,728,597	\$ 13,276,938
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				1,618,531	
Net position of business-type activities				\$ 336,347,128	

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 POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	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	\$ 43,023,244	\$ -	\$ -	\$ 43,023,244	\$ -
Wastewater service	46,932,951	-	-	46,932,951	-
Gas sales	7,282,418	-	-	7,282,418	-
Fees	-	11,545,708	6,478,300	18,024,008	-
Service charges	1,538,607	-	-	1,538,607	4,650,058
Guaranteed revenues	757,085	-	-	757,085	-
Administrative charges	706,515	-	-	706,515	-
Total operating revenues	100,240,820	11,545,708	6,478,300	118,264,828	4,650,058
Operating expenses:					
Costs of sales and services:					
Power, water and wastewater purchases	3,539,063	-	104,271	3,643,334	44,989
Natural gas purchases	2,288,275	-	-	2,288,275	-
Chemical purchases	2,347,607	-	140,045	2,487,652	-
Solid waste/sludge removal	1,102,722	11,048,831	-	12,151,553	-
Recycling charges	-	-	500,062	500,062	-
Materials and supplies	799,201	-	81,860	881,061	3,572
Repairs and maintenance	9,004,819	-	71,643	9,076,462	468
Salaries, wages and employee benefits	21,456,971	-	1,148,373	22,605,344	-
Insurance and other expenses	9,827,016	23,485	1,593,308	11,443,809	441,235
Claims expense	-	-	-	-	590,391
Administrative fees	4,972,809	802,343	584,366	6,359,518	-
Depreciation and amortization	17,325,689	-	353,004	17,678,693	534,253
Total operating expenses	72,664,172	11,874,659	4,576,932	89,115,763	1,614,908
Operating income (loss)	27,576,648	(328,951)	1,901,368	29,149,065	3,035,150

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	804,654	3,044	38,438	846,136	87,163
Interest expense	(10,185,626)	(888)	(26,824)	(10,213,338)	-
Gain (loss) on sale of capital assets	(227,256)	-	10,762	(216,494)	-
Sale of recyclable materials	-	-	261,654	261,654	-
Other	2,170,808	46,806	278,329	2,495,943	-
Total non-operating revenues (expenses)	(7,437,420)	48,962	562,359	(6,826,099)	87,163
Income (loss) before contributions and transfers	20,139,228	(279,989)	2,463,727	22,322,966	3,122,313
Capital contributions	1,018,658	-	-	1,018,658	-
Transfers in	-	802,343	548,288	1,350,631	276,000
Transfers out	(11,151,755)	(496,877)	(876,320)	(12,524,952)	(5,750,000)
Change in net position	10,006,131	25,477	2,135,695	12,167,303	(2,351,687)
Total net position - beginning (restatement-see Note J)	308,817,773	570,600	13,172,921		15,628,625
Total net position - ending	\$ 318,823,904	\$ 596,077	\$ 15,308,616		\$ 13,276,938
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				271,527	
Change in net position of business-type activities				\$ 12,438,830	

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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, 2013

	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	\$ 99,893,780	\$ 11,741,928	\$ 6,682,119	\$ 118,317,827	\$ 4,650,058
Receipts from interfund services provided	706,515	-	-	706,515	-
Payments to suppliers	(20,391,256)	(11,299,956)	(2,394,537)	(34,085,749)	(978,325)
Payments to and for employees	(19,485,890)	-	(1,005,828)	(20,491,718)	-
Payments for interfund services used	(5,409,417)	(802,343)	(634,210)	(6,845,970)	-
Net cash provided (used) by operating activities	<u>55,313,732</u>	<u>(360,371)</u>	<u>2,647,544</u>	<u>57,600,905</u>	<u>3,671,733</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer from other funds	-	802,343	548,288	1,350,631	276,000
Transfer to other funds	(11,151,755)	(496,877)	(876,320)	(12,524,952)	(5,750,000)
Net cash provided (used) by noncapital financing activities	<u>(11,151,755)</u>	<u>305,466</u>	<u>(328,032)</u>	<u>(11,174,321)</u>	<u>(5,474,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	916,154	-	-	916,154	-
Acquisition and construction of capital assets	(30,260,067)	-	(341,705)	(30,601,772)	(714,972)
Principal paid on capital debt	(5,850,000)	-	-	(5,850,000)	-
Interest paid on capital debt	(10,258,751)	-	(26,824)	(10,285,575)	-
Proceeds from sales of capital assets	5,179	-	10,762	15,941	-
Advances from other funds	-	-	(92,006)	(92,006)	-
Net cash (used) by capital and related financing activities	<u>(45,447,485)</u>	<u>-</u>	<u>(449,773)</u>	<u>(45,897,258)</u>	<u>(714,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	64,028,437	721,021	5,709,469	70,458,927	11,223,903
Purchase of investments	(64,862,212)	(703,974)	(7,263,787)	(72,829,973)	(9,053,613)
Interest and dividends received	686,578	2,533	47,653	736,764	105,774
Net cash provided (used) by investing activities	<u>(147,197)</u>	<u>19,580</u>	<u>(1,506,665)</u>	<u>(1,634,282)</u>	<u>2,276,064</u>
Net increase (decrease) in cash and cash equivalents	(1,432,705)	(35,325)	363,074	(1,104,956)	(241,175)
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>
Cash and cash equivalents, September 30 (including \$126,463,312 and \$13,929 for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>\$ 149,594,323</u>	<u>\$ 193,390</u>	<u>\$ 2,177,998</u>	<u>\$ 151,965,711</u>	<u>\$ 1,813,394</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)	\$ 27,576,648	\$ (328,951)	\$ 1,901,368	\$ 29,149,065	\$ 3,035,150
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Miscellaneous operating income from re-evaluation of capital assets	5,071,910	-	-	5,071,910	-
Miscellaneous non-operating income from by-products of recycling activities	-	-	261,654	261,654	-
Miscellaneous non-operating income	2,170,454	45,918	278,329	2,494,701	-
Depreciation and amortization expense	17,325,689	-	353,004	17,678,693	534,253
(Increase) decrease in accounts receivable	(1,305,397)	144,974	(166,443)	(1,326,866)	-
(Increase) decrease in other receivables	1,847	21,701	(24,053)	(505)	-
(Increase) decrease in due from other funds	(19,908)	-	3,000	(16,908)	-
(Increase) decrease in intergovernmental receivables	(478)	-	326,452	325,974	-
(Increase) decrease in inventories	(263,703)	-	13,274	(250,429)	-
(Increase) decrease in prepaid items	400	-	(200)	200	-
Increase (decrease) in customer deposits	219,251	(4,049)	-	215,202	-
Increase (decrease) in accounts payable	2,723,829	(272,826)	(177,479)	2,273,524	3,182
Increase (decrease) in accrued liabilities	180,765	-	(2)	180,763	-
Increase in due to other funds	230,954	26,532	53,712	311,198	-
Increase (decrease) in intergovernmental payables	(693,504)	-	741	(692,763)	-
Increase (decrease) in unearned revenue	-	6,330	(265,610)	(259,280)	-
Increase in retainage payable	873,812	-	-	873,812	-
Increase (decrease) in compensated absences payable	2,304	-	(2,157)	147	-
Increase in other post employment benefits payable	436,586	-	29,675	466,261	-
Increase in retiree subsidy payable	782,273	-	62,279	844,552	-
Increase in claims and judgments	-	-	-	-	99,148
Total adjustments	27,737,084	(31,420)	746,176	28,451,840	636,583
Net cash provided by (used in) operating activities	\$ 55,313,732	\$ (360,371)	\$ 2,647,544	\$ 57,600,905	\$ 3,671,733
Noncash investing, capital and financing activities:					
Contributions of capital assets	\$ 102,504	\$ -	\$ -	\$ 102,504	\$ -
Capital asset trade-ins	4,200	-	-	4,200	-
Net increase in fair value of investments	207,270	664	451	208,385	21,940

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

**CITY OF SUNRISE, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2013**

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalents	\$ 7,847,461
Receivable from sale of securities	567,141
Interest and dividends receivable	553,218
Due from other funds	1,100,416
Other receivables	110,867
Investments, at fair value:	
U.S. government and agency securities	30,871,464
Corporate bonds	24,569,572
Mutual funds	83,690,919
Common stocks	165,659,906
International equity funds	37,762,494
Total investments	<u>342,554,355</u>
Prepaid items	<u>10,621</u>
Total assets	<u>352,744,079</u>
LIABILITIES	
Accounts payable	1,082,364
Prepaid employer contribution	12,319
Payable for securities purchased	498,097
Total liabilities	<u>1,592,780</u>
NET POSITION	
Held in trust for pension benefits	<u>\$ 351,151,299</u>

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

**CITY OF SUNRISE, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 20,247,013
Plan members	5,042,316
Other sources	1,433,000
Total contributions	<u>26,722,329</u>
Investment earnings:	
Interest	1,947,295
Dividends	4,457,592
Net increase in fair value of investments	37,894,026
Other	152,411
Total investment earnings	<u>44,451,324</u>
Less investment expense	<u>1,694,319</u>
Net investment earnings	<u>42,757,005</u>
Total additions	<u>69,479,334</u>
DEDUCTIONS	
Benefits	24,139,254
Refunds of contributions	247,732
Administrative expenses	501,238
Total deductions	<u>24,888,224</u>
Change in net position	44,591,110
Net position - beginning	<u>306,560,189</u>
Net position - ending	<u>\$ 351,151,299</u>

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

CITY OF SUNRISE, FLORIDA
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SEPTEMBER 30, 2013

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CITY OF SUNRISE, FLORIDA

I. Summary of Significant Accounting Policies

A. Reporting entity

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

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

Blended component units

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

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

Special Tax District No. 1 (the District) was created by Ordinance 373. The District provides, or assists in the provision of, public works lying within its territorial limits. All elected and appointed officials and employees of the City are, ex officio, the officials and employees of the District.

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 *Accounting and Financial Reporting for Service Concession Arrangements* (Statement No. 60). In June 2011, the GASB issued *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (Statement No. 63). In March 2012, the GASB issued *Items Previously Reported as Assets and Liabilities* (Statement No. 65). The City has applied the requirements, as applicable, of Statements No. 60 and No. 63 effective October 1, 2012. Additionally, the City has early implemented the requirements, as applicable, of Statement No. 65. GASB Statement No. 61, issued November 2010, *The Financial Reporting Entity: Omnibus--an amendment of GASB Statements No. 14 and No. 34* and GASB Statement No. 62, issued December 2010, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* were early implemented last fiscal year, as applicable.

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, proprietary fund financial statements and to a certain extent, governmental funds. 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 position 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 position. Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net position as receivable from and payable to external parties, rather than as internal balances.

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

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

CITY OF SUNRISE, FLORIDA

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.

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

CITY OF SUNRISE, FLORIDA

The Public Service Tax debt service fund was created to accumulate public service tax monies for Public Facilities Revenue Bonds, Series 1992A, 1992B and Series 1999. In September 2013, the last component of these bonds outstanding, Series 1992B, were defeased.

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 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)

CITY OF SUNRISE, FLORIDA

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, deferred outflows/inflows of resources, and net position/fund balance

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 invests in Fidelity Institutional Prime, Fidelity Institutional Treasury, and PFM's Prime Funds, three money market mutual funds.

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.

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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, 2013, the fair value factor for Fund B was \$1.13262284 per share.

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.

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4. Inventories and prepaid items

All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged as an expenditure/expense as the items are consumed. The reported governmental fund type inventories are offset by a fund balance 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 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

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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 position.

7. Deferred outflows/inflows of resources

The Statement of Net Position includes a separate section for deferred outflows of resources. This represents a consumption of net position applicable to future periods and will not be recognized as an expense/expenditure until the future period to which it applies. Currently, the only item in this category is the deferred charge on refunding reported on the Government-wide Statement of Net Position. A deferred charge on refunding is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

The Statement of Net Position also includes a separate section, listed below total liabilities, for deferred inflows of resources. This represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. Currently, the only item in this category is unavailable revenue, which is reported only in the Governmental Funds Balance Sheet using the modified accrual basis of accounting. The source of the unavailable revenue is local business tax and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from City service if certain criteria are met. The accumulated compensated absences and associated employee-related costs are accrued when incurred in the government-wide and proprietary fund financial statements. The current portion is the amount estimated to be used in the following fiscal year. The compensated absences for governmental funds represents a reconciling item between the fund and the government-wide presentations.

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9. 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 position. Bond premiums/discounts 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.

10. Net position or fund equity

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets represent the City's investment in capital assets. Net position is 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.

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. Funds can only be assigned by City Commission. 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.

11. 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.

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12. 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, 2013, the City had a deficit fund balance of \$51,634 in the Broward County Disaster Recovery Initiative Grant special revenue fund. This deficit is expected to be eliminated by reimbursement from granting agency in future years.

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 position

The governmental fund balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. 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 \$45,026,847 are as follows:

Bonds payable	\$ 18,040,000
Less: Bond insurance costs	(64,515)
Compensated absences	10,655,891
Other post-employment benefits	10,746,623
Retiree subsidy	<u>5,648,848</u>
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 45,026,847</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 position 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 \$15,919,634 difference are as follows:

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Capital outlay	\$ 3,322,084
Depreciation expense	(18,479,613)
Capitalized operating expenditures	7,703
Non-capitalized capital outlay expenditures	<u>(769,808)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ (15,919,634)</u>

Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, write-offs and donations) is to increase/ (decrease) net position”. The details of this \$1,294,723 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 position differs from the change in fund balance by the cost of the capital assets sold.	\$ (105,482)
Donations of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources.	1,380,840
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.	24,016
The statement of activities reports losses arising from the write-off of capital assets. Governmental funds do not report any loss resulting from a capital asset write-off.	<u>(4,651)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 1,294,723</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position”. The details of this \$32,785,721 difference are as follows:

Amortization of bond insurance costs	\$ (8,064)
Capital appreciation bonds accretion	(2,030,774)
Bond principal repayments	2,175,000
Payment to refunded bond escrow agent	<u>32,649,559</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 32,785,721</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 \$(1,841,004) represents the increase in other post employment benefits (\$1,239,155) and retiree subsidy (\$900,311) and the decrease in compensated absences (\$298,462).

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 \$(546,529) are as follows:

Special Recreation District Phase I special assessment	\$ (270,092)
Special Recreation District Phase II special assessment	<u>(276,437)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ (546,529)</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 \$38,935,188 for the general fund, \$863,084 for the special revenue funds, and \$888,861 for the capital projects funds were approved during the year and are included in the final budget. The City follows these procedures in establishing the legally adopted budgetary data:

1. Prior to August 1, the city manager submits to the city commission a proposed annual budget, budget message and capital program for the fiscal year commencing on October 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through the passage of an ordinance as required by City charter.

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

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IV. Detailed Notes on all Funds

A. Deposits and investments

As of September 30, 2013, the fair value of the City’s deposits and investments, exclusive of the Pension trust funds, was \$8,599,682 in U.S. Treasuries, \$89,997,464 in U.S. Government sponsored enterprises; \$45,000,000 in certificates of deposit, \$96,320,500 in the SBA Florida PRIME, \$2,654,987 in the SBA Fund B investment pool, \$18,364,015 in three money market mutual funds (PFM Prime Fund, Fidelity Institutional Prime Money Market fund with Wells Fargo Securities and Fidelity Institutional Money Market Treasury fund with Bank of New York Mellon). The investments in Florida PRIME and three money market mutual funds are classified as cash and cash equivalents. Additionally, cash and cash equivalents are comprised of \$69,245 on hand, \$80,616,954 with qualified public depositories and \$11,674,382 with authorized depositories pursuant to fiduciary agreements related to its utility bonds. Total restricted and unrestricted cash and cash equivalents at September 30, 2013 are \$207,045,096. Total investments, including restricted and unrestricted, amount to \$146,252,133.

The SBA’s Fund B has a maturity of greater than one year. This investment with a cost basis of \$2,344,105 was adjusted to a fair value of \$2,654,987, resulting in a total unrealized gain of \$310,882. As the City recognized an unrealized loss of \$261,300 in prior years, an unrealized gain of \$572,182 was recognized in this current fiscal year. The actual realized gain cannot be determined until full maturity, liquidation, or sales of the investments occur.

As of September 30, 2013, the City had the following investments in the General Employees’ Pension trust fund:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Bond mutual funds	\$44,316,842	\$10,514	\$30,688,714	\$10,686,211	\$2,931,403

The City’s Police Officers’ Pension trust fund contained the following investments as of September 30, 2013:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration (Years)</u>	<u>Bond Rating</u>
U.S. treasuries	\$ 2,868,436	2.90	AA
U.S. agencies	19,382,915	3.20	AA
Corporate bonds	14,332,808	4.60	A-AAA
Total fair value	<u>\$ 36,584,159</u>		
Portfolio weighted average duration		3.73	

At September 30, 2013, 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	\$ 409,319	\$ -	\$ -	\$ 166,457	\$ 242,862
U.S. agencies	8,210,794	410,537	4,194,667	538,741	3,066,849
Corporate bonds	10,236,764	101,428	3,996,310	5,436,120	702,906
	<u>\$ 18,856,877</u>	<u>\$ 511,965</u>	<u>\$ 8,190,977</u>	<u>\$ 6,141,318</u>	<u>\$ 4,012,617</u>

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Interest rate risk. The City, exclusive of the Pension trust funds, manages its exposure to declines in fair value by limiting the weighted average duration of its investment portfolio to less than 18 months. The single U.S. Treasury investment that is in the City's investment portfolio at September 30, 2013 matures in 156 days. The weighted average days to maturity of the SBA Florida PRIME is 44 days. The weighted average maturity for PFM Prime Series is 56 days. The weighted average maturity for Fidelity Institutional Prime Money Market is 51 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 Money Market Treasury Class III is 45 days. The weighted average life of SBA Fund B is 4.04 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 and PFM Prime Series Funds are rated AAAM by Standard and Poor's; Fund B is not rated by a nationally recognized statistical rating agency. Fidelity Institutional Money Market Treasury Class III Fund is rated AAAM by Standard and Poor's and AAA-mf by Moodys. Of the General Employees' Pension Plan's investments at September 30, 2013, \$32,811,169 were rated AAA, \$2,363,895 were rated AA, \$4,313,865 were rated A, \$4,326,863 were rated BAA, \$160,764 were rated BB and \$340,286 were rated B. The credit ratings of investments in the corporate bonds of the Firefighters' Pension Plan at September 30, 2013 were \$749,868 rated AAA, \$617,506 rated AA+, \$934,995 rated AA, \$704,132 rated AA-, \$2,552,248 rated A+, \$2,237,616 rated A, \$2,344,823 rated A-, and \$95,576 rated BBB+. U.S. Government guaranteed obligations of \$8,620,113 are considered to have no credit risk.

Concentration of credit risk. The City's investment policy limits the investment in any single issuer to no more than 10% of the value of the portfolio, except for U.S. Government and Agency instruments, Government Sponsored Enterprise (GSE) securities or certificates of deposit backed by the State of Florida qualified public depositories (QPDs). As of September 30, 2013, the City's investment in Federal National Mortgage Association (FNMA) amounted to \$20,003,720, which represents 6.3% of the total portfolio; Federal Farm Credit Bank Funding Corporation (FFCBFC) amounted to \$50,027,030, which represents 15.7% of the total portfolio; and Fifth Third Bank amounted to \$20,000,000 of certificates of deposit, which amounted to 6.3% 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.

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Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes Chapter 280, “Florida Security for Public Deposits Act”. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository’s collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository’s financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to a public depositor not covered by insurance provided by the Federal Depository Insurance Corporation (FDIC) and the proceeds from the sale of collateral pledged by the defaulting depository, will be assessed against other qualified public depositories of the same type as the depository in default. Accordingly, all deposits are deemed insured 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.

B. Receivables

Receivables at September 30, 2013, are as follows:

	Interest	Taxes/Franchise Fees	Accounts	Special Assessments	Other	Intergov- ernmental	Total Receivables
Governmental activities:							
General	\$ 272,040	\$1,059,634	\$ 544,374	\$ -	\$ -	\$2,639,865	\$ 4,515,913
Public Service Tax	19	638,106	-	-	-	-	638,125
Capital Improvements	89,600	-	-	-	-	-	89,600
Internal Service	48,600	-	-	-	-	-	48,600
Other governmental	<u>6,514</u>	<u>-</u>	<u>-</u>	<u>1,435,708</u>	<u>23,378</u>	<u>612,726</u>	<u>2,078,326</u>
Total – governmental Activities	<u>\$ 416,773</u>	<u>\$1,697,740</u>	<u>\$ 544,374</u>	<u>\$1,435,708</u>	<u>\$ 23,378</u>	<u>\$3,252,591</u>	<u>\$ 7,370,564</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,164,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,164,663</u>
Business-type activities:							
Water, Wastewater & Gas Utility System							
Unrestricted	\$ 132,100	\$ -	\$16,767,418	\$ 29,981	\$ -	\$ 478	\$ 16,929,977
Restricted	5,938	-	-	-	-	-	5,938
Sanitation							
Unrestricted	-	-	1,919,983	-	2,079	-	1,922,062
Restricted	529	-	-	-	-	-	529
Other proprietary	<u>26,645</u>	<u>-</u>	<u>559,780</u>	<u>-</u>	<u>24,053</u>	<u>-</u>	<u>610,478</u>
Gross receivables	165,212	-	19,247,181	29,981	26,132	478	19,468,984
Less:							
Uncollectibles	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
	<u>\$ 165,212</u>	<u>\$ -</u>	<u>\$19,097,181</u>	<u>\$ 29,981</u>	<u>\$ 26,132</u>	<u>\$ 478</u>	<u>\$ 19,318,984</u>

CITY OF SUNRISE, FLORIDA

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

Uncollectibles related to water and wastewater sales	\$122,374
Uncollectibles related to gas sales	15,108
Uncollectibles related to recycling services	216
Uncollectibles related to stormwater services	<u>6,894</u>
Total uncollectibles for the current fiscal year	<u>\$144,592</u>

Governmental funds report deferred inflows of resources 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 inflows of resources (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)	\$1,435,708	\$ -
Prepaid local business license tax (general fund)	1,932,827	-
Prepaid inspection fees (general fund)	-	597,838
Prepaid sidewalk replacement fees (Fuel and Roadway special revenue fund)	-	17,275
Grant proceeds prior to meeting all eligibility requirements (general fund)	<u>-</u>	<u>109,942</u>
Total deferred/unearned revenue for governmental funds	<u>\$3,368,535</u>	<u>\$ 725,055</u>

CITY OF SUNRISE, FLORIDA

C. Capital assets

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 14,797,824	\$ 1,380,840	\$ -	\$ 16,178,664
Construction in progress	13,478,531	1,781,828	(9,031,620)	6,228,739
Total capital assets, not being depreciated or amortized	<u>28,276,355</u>	<u>3,162,668</u>	<u>(9,031,620)</u>	<u>22,407,403</u>
Capital assets, being depreciated or amortized:				
Intangibles	1,364,226	-	(15,606)	1,348,620
Buildings and system	121,910,740	6,417,359	-	128,328,099
Improvements other than buildings	42,800,625	1,511,454	-	44,312,079
Machinery and equipment	16,281,284	1,737,610	(850,097)	17,168,797
Vehicles	19,567,115	786,958	(566,239)	19,787,834
Infrastructure	331,893,532	-	-	331,893,532
Total capital assets, being depreciated or amortized	533,817,522	10,453,381	(1,431,942)	542,838,961
Less accumulated depreciation/ amortization for:				
Intangibles	(921,258)	(182,115)	15,606	(1,087,766)
Buildings and system	(28,143,879)	(3,711,590)	-	(31,855,469)
Improvements other than buildings	(23,271,545)	(3,279,620)	-	(26,551,165)
Machinery and equipment	(9,892,447)	(1,626,683)	835,341	(10,683,789)
Vehicles	(13,281,346)	(1,398,780)	566,239	(14,113,888)
Infrastructure	(280,514,184)	(8,815,078)	-	(289,329,262)
Total accumulated depreciation/ amortization	<u>(356,024,659)</u>	<u>(19,013,866)</u>	<u>1,417,186</u>	<u>(373,621,339)</u>
Total capital assets, being depreciated or amortized, net	<u>177,792,863</u>	<u>(8,560,485)</u>	<u>(14,756)</u>	<u>169,217,622</u>
Governmental activities capital assets, net	<u>\$206,069,218</u>	<u>\$ (5,397,817)</u>	<u>\$ (9,046,376)</u>	<u>\$191,625,025</u>

CITY OF SUNRISE, FLORIDA

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 12,081,401	\$ 65,845	\$ -	\$ 12,147,246
Construction in progress	<u>22,820,638</u>	<u>27,206,183</u>	<u>(4,443,079)</u>	<u>45,583,742</u>
Total capital assets, not being depreciated or amortized	<u>34,902,039</u>	<u>27,272,028</u>	<u>(4,443,079)</u>	<u>57,730,988</u>
Capital assets, being depreciated or amortized:				
Intangibles	1,024,605	1,800	(24,603)	1,001,802
Buildings and system	472,461,849	2,003,889	(504,573)	473,961,165
Improvements other than buildings	10,867,681	338,054	(1,818)	11,203,917
Machinery and equipment	8,847,984	142,298	(440,473)	8,549,809
Vehicles	<u>7,971,389</u>	<u>281,483</u>	<u>(106,006)</u>	<u>8,146,866</u>
Total capital assets, being depreciated or amortized	501,173,508	2,767,524	(1,077,473)	502,863,559
Less accumulated depreciation/ amortization for:				
Intangibles	(786,546)	(117,487)	24,603	(879,430)
Buildings and system	(187,386,850)	(15,566,496)	303,487	(202,649,859)
Improvements other than buildings	(3,372,344)	(772,520)	1,818	(4,143,046)
Machinery and equipment	(5,476,590)	(612,945)	404,396	(5,685,139)
Vehicles	<u>(4,952,457)</u>	<u>(609,245)</u>	<u>104,710</u>	<u>(5,456,992)</u>
Total accumulated depreciation/ amortization	<u>(201,974,787)</u>	<u>(17,678,693)</u>	<u>839,014</u>	<u>(218,814,466)</u>
Total capital assets, being depreciated or amortized, net	<u>299,198,721</u>	<u>(14,911,169)</u>	<u>(238,459)</u>	<u>284,049,093</u>
Business-type activities capital assets, net	<u>\$ 334,100,760</u>	<u>\$ 12,360,859</u>	<u>\$ (4,681,538)</u>	<u>\$ 341,780,081</u>

At September 30, 2013, amounts included in governmental activities recorded under capital leases include original amounts of \$22,393 of improvements other than buildings, \$648,851 of machinery and equipment and \$1,491,959 of vehicles; those included in business-type activities include \$49,975 of machinery and equipment and \$178,875 of vehicles.

At September 30, 2013, the capital assets of the pension trust funds consist of machinery, equipment, furniture and fixtures of \$27,482 less accumulated depreciation of \$27,482.

As of September 30, 2013, the total amount of interest costs incurred related to business-type activities is \$11,605,138, of which \$1,391,800 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	\$ 1,502,529
Public safety	4,250,414
Transportation, including depreciation of general infrastructure assets	9,222,591
Culture and recreation	4,038,332
Total depreciation or amortization expense - governmental activities	<u>\$ 19,013,866</u>
Business-type activities:	
Water, wastewater, and gas	\$ 17,325,689
Recycling	727
Stormwater	239,713
Golf course	112,564
Total depreciation or amortization expense - business-type activities	<u>\$ 17,678,693</u>

D. Construction commitments

At September 30, 2013, the City had in process various uncompleted construction projects with remaining balances totaling \$29,528,624. 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, 2013 are as follows:

Major funds:	
General Fund	\$ 257,796
Capital Improvements capital projects fund	<u>1,762,647</u>
Total Major funds:	2,020,443
Non-major Governmental Funds	<u>1,707,859</u>
Total Encumbrances	<u>\$ 3,728,302</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, \$322,096, as nonspendable fund balance. The current portion of the loan in the amount of \$96,837 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 \$107,707 to the Urban Area Security Initiative grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$51,634 to the Broward County Disaster Recovery Initiative grant special revenue fund as a short-term loan to fund operations.

CITY OF SUNRISE, FLORIDA

The general fund advanced \$49,293 to the Neighborhood Stabilization Program grant special revenue fund as a short-term loan to fund operations.

The composition of interfund balances as of September 30, 2013, is as follows.

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 305,471	\$ -
Non-major governmental funds:		
Special revenue funds:		
Urban Area Security Initiative Grant	-	107,707
Broward County Disaster Recovery Initiative Grant	-	51,634
Neighborhood Stabilization Program Grant	-	49,293
Total non-major governmental funds	-	208,634
Non-major enterprise fund:		
Stormwater	-	96,837
Total interfund receivables/payables	<u>\$ 305,471</u>	<u>\$ 305,471</u>

<u>Fund</u>	<u>Advance from</u>	<u>Advance to</u>
General fund	\$ 422,096	\$ -
Non-major governmental fund:		
Special revenue fund: CDBG Grant	-	100,000
Non-major enterprise fund:		
Stormwater	-	322,096
Total advances	<u>\$ 422,096</u>	<u>\$ 422,096</u>

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Purpose</u>
General fund	\$ 1,211,729	\$ 1,130,543	1,2,3,4,5,6
Debt service fund:			
Public Service Tax	-	132,435	2,6
Capital projects fund:			
Capital Improvements	-	1,172	3
Non-major governmental funds:			
Special revenue funds:			
Community Development Block Grant	-	656	3
Fuel and Roadway	-	111	1,3
Police Confiscation	14,624	52,614	1,3
Debt service funds:			
Sunrise Lakes Phase I	82	-	6
Sunrise Lakes Phase II	88	-	6
Special Tax District No. 1	-	4,750	1
Capital projects funds:			
Special Tax District No. 1	20	-	6
Total non-major governmental funds	14,814	58,131	
Enterprise funds:			
Water, Wastewater, and Gas Utility System	69,027	817,088	1,2,3
Sanitation	-	200,485	4
Non-major enterprise funds:			
Recycling	-	53,869	1,3
Stormwater	-	2,263	1,3
Total non-major enterprise funds	-	56,132	
General Employees' Pension	105,819	-	3
Police Officers' Pension	69,991	-	3
Firefighters' Pension	924,606	-	3
Total pension trust funds	1,100,416	-	
Total due to/due from	<u>\$ 2,395,986</u>	<u>\$ 2,395,986</u>	

CITY OF SUNRISE, FLORIDA

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

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

Interfund transfers:

	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	Sanitation enterprise fund	Non-major enterprise funds	Internal service funds	Total
Transfer in:									
General fund	\$ -	\$ 7,632,466 a	\$ 700,000 a	\$ 50,000 a	\$ 11,151,755 a	\$ 496,877 a	\$ 876,320 a	\$ 5,750,000 a	\$ 26,657,418
Sanitation enterprise fund	802,343 c	-	-	-	-	-	-	-	802,343
Non-major enterprise funds	548,288 c	-	-	-	-	-	-	-	548,288
Internal service funds	-	-	-	276,000 b	-	-	-	-	276,000
Total	<u>\$ 1,350,631</u>	<u>\$ 7,632,466</u>	<u>\$ 700,000</u>	<u>\$ 326,000</u>	<u>\$ 11,151,755</u>	<u>\$ 496,877</u>	<u>\$ 876,320</u>	<u>\$ 5,750,000</u>	<u>\$ 28,284,049</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

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 Sunrise Lakes Phase I and Phase II Special Recreation Districts' public improvement refunding bonds are collateralized by a general obligation pledge by the Districts of their full faith and credit; if the payments to the City as paying agent are insufficient to meet the bond requirements, the bonds will be paid from taxes to be levied and collected on all property in the respective Districts. The Special Tax District No. 1 ad valorem tax bonds and ad valorem tax refunding bonds are collateralized by voted debt service ad valorem taxes to be levied upon all taxable property within the District.

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

CITY OF SUNRISE, FLORIDA

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

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ -	\$ -	\$ 5,860,000	\$ 11,387,789
2015	-	-	6,070,000	11,126,264
2016	-	-	4,425,000	10,850,439
2017	-	-	4,550,000	10,693,239
2018	-	-	4,715,000	10,511,239
2019-2023	-	-	49,335,000	48,174,575
2024-2028	-	-	64,140,000	32,152,776
2029-2033	-	-	53,055,000	16,738,988
2034-2035	-	-	24,110,000	2,151,445
	-	-	216,260,000	153,786,754
Plus/(less):				
Unappreciated accretion	-	-	(252,020)	-
Sub-total	-	-	216,007,980	153,786,754
Bond premium	-	-	1,855,832	-
Bond discount	-	-	(15,880)	-
Deferred amount on refunding	-	-	(1,714,231)	-
Total	\$ -	\$ -	\$ 216,133,701	\$ 153,786,754

*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
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	2,130,000	446,090
2019-2021	7,025,000	700,320
Total	\$ 18,040,000	\$ 3,998,408

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				
Sunrise Lakes Phase I Special Recreation District public improvement refunding bonds, Series 1998 Bank Note	Refunding	\$ 3,635,000	\$ 1,270,000	4.413%
Special Tax District No. 1 ad valorem tax refunding bonds, Series 2001 Serial bonds	Refunding	26,660,000	13,215,000	2.70%-5.00%
ad valorem tax bonds, Series 2003 Serial bonds	Fund certain District capital improvements	<u>6,770,000</u>	<u>3,555,000</u>	1.25-4.60%
Total governmental activities bonds		<u>\$ 37,065,000</u>	<u>\$ 18,040,000</u>	

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	2,402,980	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	9,770,000	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>\$ 216,007,980</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 \$370,046,754. Principal and interest paid for the current year and total customer net revenue were \$16,106,964 and \$44,902,337, 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. An advanced refunding provides for an irrevocable deposit with an escrow agent (a third party banking institution) of sufficient funds to pay the principal and interest, when due, on the refunded bonds to the earliest call date. On the earliest call date, all bonds outstanding are redeemed and interest subsequent to the refunding date will cease. Bonds are typically refunded for either economic gain to the governmental unit or to eliminate restrictive and antiquated covenants often associated therewith. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City’s books.

On September 18, 2013, the City cash defeased the Public Facilities Revenue Bonds, Series 1992B, Capital Appreciation bonds (CABs), with a maturity date of October, 1 2022, by placing in an irrevocable trust sufficient investments to provide for all future debt service payments. The bonds were defeased in order to make \$4,340,000 public service tax revenues available annually. As a result of the defeasance, an accounting loss of \$6,879,604 was recognized for the statement of activities. However, the present value of the debt defeased was \$39,421,667, resulting in an economic gain of \$3,788,588.

Summarized below are the refunded bonds of the City’s governmental and business-type activities:

<u>Type</u>	<u>Series</u>	<u>Year Refunded</u>	<u>Outstanding as of 9/30/13</u>
Governmental activities:			
Public Facilities revenue bonds	1992B	2013	\$ 38,167,000
Business-type activities:			
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>57,850,000</u>
Total outstanding defeased, refunded debt			<u>\$ 103,047,000</u>

CITY OF SUNRISE, FLORIDA

Change in long-term liabilities

Long-term liability activity for the year ended September 30, 2013, was as follows:

	Beginning Balance as Previously Stated	Restatement for GASB 65	Beginning Balance as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:							
Bonds payable	\$ 50,833,786	\$ -	\$ 50,833,786	\$ 2,030,774	\$ (34,824,560)	\$ 18,040,000	\$ 1,995,000
Compensated absences	10,954,353	-	10,954,353	7,118,171	(7,416,633)	10,655,891	848,679
Other post employment benefits	9,507,468	-	9,507,468	1,739,399	(500,244)	10,746,623	-
Retiree subsidy	4,748,537	-	4,748,537	1,501,608	(601,297)	5,648,848	-
Claims and judgments	4,513,480	-	4,513,480	590,392	(491,244)	4,612,628	1,766,952
Governmental activity long-term liabilities	\$ 80,557,624	\$ -	\$ 80,557,624	\$ 12,980,344	\$ (43,833,978)	\$ 49,703,990	\$ 4,610,631
Business-type activities:							
Bonds payable:							
Revenue bonds	\$ 221,664,446	\$ -	\$ 221,664,446	\$ 193,534	* \$ (5,850,000)	\$ 216,007,980	\$ 5,860,000
Less deferred amounts:							
For issuance discounts	(21,173)	-	(21,173)	5,293	-	(15,880)	-
For issuance premiums	2,231,905	-	2,231,905	-	(376,073)	1,855,832	-
On refunding	(1,820,139)	1,820,139	-	-	-	-	-
Total bonds payable	222,055,039	1,820,139	223,875,178	198,827	(6,226,073)	217,847,932	5,860,000
Compensated absences	3,995,169	-	3,995,169	2,043,803	(2,043,656)	3,995,316	257,140
Other post employment benefits	3,423,564	-	3,423,564	654,489	(188,228)	3,889,825	-
Retiree subsidy	3,774,991	-	3,774,991	1,114,889	(270,337)	4,619,543	-
Business-type activity long-term liabilities	\$ 233,248,763	\$ 1,820,139	\$ 235,068,902	\$ 4,012,008	\$ (8,728,294)	\$ 230,352,616	\$ 6,117,140

*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 2012-2013 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, 2013 were approximately 99% 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 25, 2012. 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, 2013 is shown as follows:

Lien date	January 1, 2012
Levy date, tax bills mailed	November 1, 2012
Last date for 4% discount on taxes paid	November 30, 2012
Last date for 3% discount on taxes paid	December 31, 2012
Last date for 2% discount on taxes paid	January 31, 2013
Last date for 1% discount on taxes paid	February 28, 2013
Final due date of payment of taxes	March 31, 2013
Date for auctioning tax certificates on delinquent accounts	On or before June 1, 2013

J. Restatement of prior year balances

The October 1, 2012 beginning net position of each of the following was restated due to the implementation of GASB Statements 63 and 65:

<i>Governmental Activities</i>	
Net position, October 1, 2012, as previously stated	\$256,895,742
Restatement of net position due to implementation of GASB 63 and 65	<u>(104,745)</u>
Net position, October 1, 2012, restated	<u>\$256,790,997</u>
 <i>Business-type Activities</i>	
Net position, October 1, 2012, as previously stated	\$325,788,488
Restatement of net position due to implementation of GASB 63 and 65	<u>(1,880,190)</u>
Net position, October 1, 2012, restated	<u>\$323,908,298</u>

The October 1, 2012 beginning balance on the long term debt schedule for business-type activities for deferred amounts on refunding were restated due to the implementation of GASB Statements No. 63 and No. 65 and are disclosed in Note H Long-term debt section of the notes to the financial statements on page 71.

CITY OF SUNRISE, FLORIDA

V. Other Information

A. Risk management

The City is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions, injuries to employees and natural disasters. During the 1994-1995 fiscal year, the City established a Workers' Compensation fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Workers' Compensation fund self-insures losses up to \$250,000 per occurrence. The City purchases excess insurance through the Florida Municipal Insurance Trust, an intergovernmental pool, for claims in excess of coverage provided by the fund. The City also participates in intergovernmental pooling or carries commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

All departments of the City participate in the program and make payments to the fund based on actuarial estimates of the amounts needed to pay prior and current year claims (including allocated loss adjustment expenses and incurred but not reported claims). The claims liability of \$4,612,628, which is discounted at 4%, is reported in the fund at September 30, 2013 and is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the claim can be reasonably estimated.

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

	Year ended <u>9/30/12</u>	Year ended <u>9/30/13</u>
Unpaid claims, beginning of fiscal year	\$ 4,851	\$ 4,513
Incurred claims (and estimate changes)	655	591
Claim payments	<u>(993)</u>	<u>(491)</u>
Unpaid claims, end of fiscal year	<u>\$ 4,513</u>	<u>\$ 4,613</u>

B. Contingent liabilities

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

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

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C. Employee retirement systems and pension plans

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

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

A deferred retirement option plan (DROP) was implemented in the Police Officers' Pension Plan (the Plan). Upon participation in the DROP, the participant becomes a retiree for all Plan purposes and any further benefits under the pension plan cease to accrue. Normal retirement payments that would have been payable to the participant as a result of retirement are accumulated and invested in the DROP to be distributed to the participant upon termination of employment. Effective July 10, 2007, an eligible member who elects to participate in the DROP within five years following the member's earliest normal retirement date may participate in the DROP for a maximum of six years. 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-five members in the DROP as of September 30, 2013. 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 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, 2013, thirty-three firefighters were participating in this program.

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Effective September 13, 1999, the General Employees' Pension Plan distinguished between general employees, management and senior management. DROP was implemented for management and senior management effective June 12, 2001 and for general employees effective January 1, 2004. Participation in the DROP is limited to a maximum 72 months prior to termination of employment. As of September 30, 2013, there were 91 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, 6% of earnings each plan year on behalf of each senior management employee and each city commissioner, and the calendar year maximum for the City Manager; 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 \$293,238 for the fiscal year ended September 30, 2013 for the seventy-six 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 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

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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 231 participants during the fiscal year ended September 30, 2013.

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 six eligible participants covered during the fiscal year ended September 30, 2013.

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

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Funding policy and annual pension cost: The contribution requirements of plan members and the City for the City's three single-employer defined benefit pension plans are established and may be amended by City Ordinance. Plan member contributions are recognized in the period in which the contributions are due. The City contributes an actuarially determined amount to fully fund benefits for active members. Any unfunded actuarial liability is amortized as a level percent of projected member payroll over a period of thirty years for the Police Officers', Firefighters', and General Employees' Pension Plans. City contributions to the plans, as calculated by the plans' actuaries, are recognized as revenue when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in 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	31.97%	49.24%	37.60%
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	\$ 11,756,060	\$ 8,692,290	\$ 6,273,979
Contributions made:			
City	\$ 9,183,372	\$ 6,863,371	\$ 4,200,270
Plan members	2,572,688	1,260,531	1,209,097
Other	-	568,388 ¹	864,612 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 \$1,433,000 for the year ended September 30, 2013: \$864,612 for property insurance contracts for firefighters under Chapter 175 and \$568,388 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.

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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. The City follows a pay-as-you-go funding policy for the retirees’ subsidy plan, contributing only those amounts necessary to provide current year benefits.

Actuarial methods and assumptions: The annual required contributions for the current year were determined as part of the October 1, 2011 actuarial valuation for the Firefighters’, General Employees’, and Police Officers’ Pension Plans. Additional information as of the latest actuarial valuation date of October 1, 2012 for the Firefighters’, General Employees’ and Police Officers’ Pension Plans follows.

	General Employees’ Pension Plan	Police Officers’ Pension Plan	Firefighters’ Pension Plan
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	24 years	26 years	26 years
Actuarial assumptions:			
Investment rate of return	8.0%	8.1%	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 & 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

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Funded status and funding progress: The funded status of the three defined benefit pension plans as of October 1, 2012 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						
10/1/12	\$ 123,608	\$ 199,171	\$ 75,563	62.1%	\$ 26,991	280.0%
Police Officers' Pension Fund						
10/1/12	\$ 72,267	\$ 131,526	\$ 59,259	54.9%	\$ 13,359	443.6%
Firefighters' Pension Fund						
10/1/12	\$ 83,655	\$ 134,573	\$ 50,918	62.2%	\$ 10,762	473.1%

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.

The following table shows the components of the City's annual retirees' subsidy cost for the year, the amount actually contributed to the plan, and changes in the City's net pension obligation.

Annual required contribution	\$ 2,603,384
Interest on net pension obligation	340,941
Adjustment to annual required contribution	<u>(327,828)</u>
Annual pension cost (expense)	2,616,497
Contributions made	<u>(871,634)</u>
Increase in net pension obligation	1,744,863
Net pension obligation – beginning of year	<u>8,523,528</u>
Net pension obligation – ending of year	<u><u>\$10,268,391</u></u>

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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:	9/30/11	\$ 10,568,229	100%	\$0
	9/30/12	11,071,530	100	0
	9/30/13	11,756,060	100	0
Police Officers’ Pension Plan:	9/30/11	\$ 7,756,543	100%	\$0
	9/30/12	7,811,540	100	0
	9/30/13	8,692,290	100	0
Firefighters’ Pension Plan:	9/30/11	\$ 5,107,144	100%	\$0
	9/30/12	5,683,113	100	0
	9/30/13	6,273,979	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	9/30/11	\$ 1,997,312	30.3%	\$ 6,763,957
	9/30/12	2,505,817	29.8	8,523,528
	9/30/13	2,616,497	33.3	10,268,391

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.

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

CITY OF SUNRISE, FLORIDA

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	\$ 2,373,994
Interest on net OPEB obligation	517,241
Adjustment to annual required contribution	<u>(497,347)</u>
Annual OPEB cost (expense)	2,393,888
Contributions made	<u>(688,472)</u>
Increase in net OPEB obligation	1,705,416
Net OPEB obligation – beginning of year	<u>12,931,032</u>
Net OPEB obligation – ending of year	<u>\$14,636,448</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, 2013 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>
09/30/11	\$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 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>
General Employees' Pension Fund						
10/1/10	\$117,662	\$ 177,684	\$ 60,022	66.2%	\$ 26,014	2307.0%
10/1/11	120,143	189,893	69,750	63.3	27,618	252.5
10/1/12	123,608	199,171	75,563	62.1	26,991	280.0
Police Officers' Pension Fund						
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
10/1/12	72,267	131,526	59,259	54.9	13,359	443.6
Firefighters' Pension Fund						
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
10/1/12	83,655	134,573	50,918	62.2	10,762	473.1

*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>
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>
09/30/11	\$ 733,672	\$ 2,920,067	25.1%
09/30/12	548,946	2,284,252	24.0
09/30/13	688,472	2,373,994	29.0

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, 2013

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 9,806,814	\$ 6,173,919	\$ 1,474,782	\$ 17,455,515
Investments	1,492,256	-	-	1,492,256
Interest receivable	6,467	47	-	6,514
Special assessments receivable	-	1,435,708	-	1,435,708
Other receivables	23,378	-	-	23,378
Due from other funds	14,624	170	20	14,814
Intergovernmental receivable	612,726	-	-	612,726
Prepaid items	703	-	-	703
Inventories	41,563	-	-	41,563
Total assets	\$ 11,998,531	\$ 7,609,844	\$ 1,474,802	\$ 21,083,177
LIABILITIES				
Accounts payable	139,788	56,197	-	195,985
Accrued liabilities	16,249	-	-	16,249
Retainage payable	23,435	-	-	23,435
Intergovernmental payable	1,043	-	-	1,043
Due to other funds	53,381	4,750	-	58,131
Interfund payable	208,634	-	-	208,634
Matured bonds payable	-	2,175,000	-	2,175,000
Matured interest payable	-	473,613	-	473,613
Unearned revenue	17,275	-	-	17,275
Other	2,267,752	-	-	2,267,752
Advances from other funds	100,000	-	-	100,000
Total liabilities	2,827,557	2,709,560	-	5,537,117
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	-	1,435,708	-	1,435,708
FUND BALANCES				
Nonspendable:				
Inventories	41,563	-	-	41,563
Restricted:				
Recreation	17,792	-	-	17,792
Public safety	6,077,140	-	-	6,077,140
Fire equipment	200,856	-	-	200,856
Median strips	195,237	-	-	195,237
Housing	540,653	-	-	540,653
Transportation	1,944,327	-	-	1,944,327
Assigned to:				
Subsequent year's expenditures	-	110,000	-	110,000
Transportation	193,719	-	-	193,719
Debt service	-	3,354,576	-	3,354,576
Capital projects	-	-	1,474,802	1,474,802
Unassigned	(40,313)	-	-	(40,313)
Total fund balances	9,170,974	3,464,576	1,474,802	14,110,352
Total liabilities, deferred inflow of resources and fund balances	\$ 11,998,531	\$ 7,609,844	\$ 1,474,802	\$ 21,083,177

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes:				
Property	\$ -	\$ 2,444,946	\$ -	\$ 2,444,946
Local option fuel	1,454,297	-	-	1,454,297
Intergovernmental	2,885,076	-	-	2,885,076
Charges for services	89,022	-	-	89,022
Judgments, fines and forfeitures	2,070,924	-	-	2,070,924
Special assessments	-	547,500	-	547,500
Impact fees	46,473	-	-	46,473
Investment earnings	43,032	1,190	3,545	47,767
Miscellaneous	354,797	-	-	354,797
Total revenues	<u>6,943,621</u>	<u>2,993,636</u>	<u>3,545</u>	<u>9,940,802</u>
EXPENDITURES				
Current:				
Public safety	1,637,763	-	-	1,637,763
Economic development	2,163,364	-	-	2,163,364
Human services	5,891	-	-	5,891
Transportation	984,423	-	-	984,423
Debt service:				
Principal	-	2,175,000	-	2,175,000
Interest	-	947,226	-	947,226
Other	-	49,614	-	49,614
Capital outlay	727,944	-	-	727,944
Total expenditures	<u>5,519,385</u>	<u>3,171,840</u>	<u>-</u>	<u>8,691,225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,424,236</u>	<u>(178,204)</u>	<u>3,545</u>	<u>1,249,577</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General fund	(50,000)	-	-	(50,000)
Internal service fund:				
Vehicle Replacement	(276,000)	-	-	(276,000)
Total other financing sources and (uses)	<u>(326,000)</u>	<u>-</u>	<u>-</u>	<u>(326,000)</u>
Net change in fund balances	1,098,236	(178,204)	3,545	923,577
Fund balances - beginning	<u>8,072,738</u>	<u>3,642,780</u>	<u>1,471,257</u>	<u>13,186,775</u>
Fund balances - ending	<u>\$ 9,170,974</u>	<u>\$ 3,464,576</u>	<u>\$ 1,474,802</u>	<u>\$ 14,110,352</u>

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2013

	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	\$ 476	\$ 101,336	\$ -	\$ 328,584	\$ -
Investments	-	387,546	-	-	-
Interest receivable	-	1,652	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Intergovernmental receivable	136,670	-	107,707	4,575	-
Prepaid items	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 137,146</u>	<u>\$ 490,534</u>	<u>\$ 107,707</u>	<u>\$ 333,159</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	12,909	-	-	43,707	-
Accrued liabilities	11,217	-	-	-	-
Retainage payable	-	-	-	-	-
Intergovernmental payable	1,043	-	-	-	-
Due to other funds	656	-	-	-	-
Interfund payable	-	-	107,707	-	51,634
Unearned revenue	-	-	-	-	-
Other	-	-	-	-	-
Advances from other funds	100,000	-	-	-	-
Total liabilities	<u>125,825</u>	<u>-</u>	<u>107,707</u>	<u>43,707</u>	<u>51,634</u>
FUND BALANCES					
Nonspendable:					
Inventories					
Inventories	-	-	-	-	-
Restricted:					
Recreation					
Recreation	-	17,792	-	-	-
Public safety					
Public safety	-	76,649	-	-	-
Fire equipment					
Fire equipment	-	200,856	-	-	-
Median strips					
Median strips	-	195,237	-	-	-
Housing					
Housing	-	-	-	289,452	-
Transportation					
Transportation	-	-	-	-	-
Assigned to:					
Transportation					
Transportation	-	-	-	-	-
Unassigned					
Unassigned	11,321	-	-	-	(51,634)
Total fund balances	<u>11,321</u>	<u>490,534</u>	<u>-</u>	<u>289,452</u>	<u>(51,634)</u>
Total liabilities and fund balances	<u>\$ 137,146</u>	<u>\$ 490,534</u>	<u>\$ 107,707</u>	<u>\$ 333,159</u>	<u>\$ -</u>

Neighborhood Stabilization Program Grant	Energy Efficiency Grant	Fuel and Roadway	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 832,134	\$ 197,945	\$ 8,346,339	\$ 9,806,814
-	-	1,056,788	47,922	-	1,492,256
-	-	4,652	163	-	6,467
-	-	23,278	-	100	23,378
-	-	-	-	14,624	14,624
82,379	-	276,941	-	4,454	612,726
-	-	-	-	703	703
-	-	41,563	-	-	41,563
<u>\$ 82,379</u>	<u>\$ -</u>	<u>\$ 2,235,356</u>	<u>\$ 246,030</u>	<u>\$ 8,366,220</u>	<u>\$ 11,998,531</u>
25,810	-	13,823	736	42,803	139,788
1,369	-	1,103	-	2,560	16,249
-	-	23,435	-	-	23,435
-	-	-	-	-	1,043
-	-	111	-	52,614	53,381
49,293	-	-	-	-	208,634
-	-	17,275	-	-	17,275
-	-	-	-	2,267,752	2,267,752
-	-	-	-	-	100,000
<u>76,472</u>	<u>-</u>	<u>55,747</u>	<u>736</u>	<u>2,365,729</u>	<u>2,827,557</u>
-	-	41,563	-	-	41,563
-	-	-	-	-	17,792
-	-	-	-	6,000,491	6,077,140
-	-	-	-	-	200,856
-	-	-	-	-	195,237
5,907	-	-	245,294	-	540,653
-	-	1,944,327	-	-	1,944,327
-	-	193,719	-	-	193,719
-	-	-	-	-	(40,313)
<u>5,907</u>	<u>-</u>	<u>2,179,609</u>	<u>245,294</u>	<u>6,000,491</u>	<u>9,170,974</u>
<u>\$ 82,379</u>	<u>\$ -</u>	<u>\$ 2,235,356</u>	<u>\$ 246,030</u>	<u>\$ 8,366,220</u>	<u>\$ 11,998,531</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, 2013

	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	788,879	-	241,031	299,603	285,861
Charges for services	-	-	-	-	-
Judgments, fines and forfeitures	-	-	-	-	-
Impact fees	-	46,473	-	-	-
Investment earnings	-	6,615	-	-	-
Miscellaneous	18,074	-	-	167,830	-
Total revenues	<u>806,953</u>	<u>53,088</u>	<u>241,031</u>	<u>467,433</u>	<u>285,861</u>
EXPENDITURES					
Current:					
Public safety	66,343	-	89,327	-	-
Economic development	672,577	-	-	169,817	175,733
Human services	5,891	-	-	-	-
Transportation	50,821	-	-	-	-
Capital outlay	-	-	151,704	-	-
Total expenditures	<u>795,632</u>	<u>-</u>	<u>241,031</u>	<u>169,817</u>	<u>175,733</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,321</u>	<u>53,088</u>	<u>-</u>	<u>297,616</u>	<u>110,128</u>
OTHER FINANCING SOURCES (USES)					
Transfers out:					
General fund	-	-	-	-	-
Internal service fund:					
Vehicle Replacement	-	(276,000)	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>(276,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	11,321	(222,912)	-	297,616	110,128
Fund balances - beginning	-	713,446	-	(8,164)	(161,762)
Fund balances - ending	<u>\$ 11,321</u>	<u>\$ 490,534</u>	<u>\$ -</u>	<u>\$ 289,452</u>	<u>\$ (51,634)</u>

Neighborhood Stabilization Program	Energy Efficiency Grant	Fuel and Roadway	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 1,454,297	\$ -	\$ -	\$ 1,454,297
983,788	58,086	74,254	153,574	-	2,885,076
-	-	30,472	-	58,550	89,022
-	-	-	-	2,070,924	2,070,924
-	-	-	-	-	46,473
-	-	8,870	4,040	23,507	43,032
88,633	-	48,728	23,264	8,268	354,797
<u>1,072,421</u>	<u>58,086</u>	<u>1,616,621</u>	<u>180,878</u>	<u>2,161,249</u>	<u>6,943,621</u>
-	-	-	-	1,482,093	1,637,763
1,066,514	-	-	78,723	-	2,163,364
-	-	-	-	-	5,891
-	-	933,602	-	-	984,423
-	24,368	342,531	-	209,341	727,944
<u>1,066,514</u>	<u>24,368</u>	<u>1,276,133</u>	<u>78,723</u>	<u>1,691,434</u>	<u>5,519,385</u>
<u>5,907</u>	<u>33,718</u>	<u>340,488</u>	<u>102,155</u>	<u>469,815</u>	<u>1,424,236</u>
-	-	(50,000)	-	-	(50,000)
-	-	-	-	-	(276,000)
-	-	(50,000)	-	-	(326,000)
5,907	33,718	290,488	102,155	469,815	1,098,236
-	(33,718)	1,889,121	143,139	5,530,676	8,072,738
<u>\$ 5,907</u>	<u>\$ -</u>	<u>\$ 2,179,609</u>	<u>\$ 245,294</u>	<u>\$ 6,000,491</u>	<u>\$ 9,170,974</u>

CITY OF SUNRISE, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 SEPTEMBER 30, 2013

	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	\$ 238,161	\$ 272,128	\$ 5,663,630	\$ 6,173,919
Interest receivable	-	-	47	47
Special assessments receivable	1,435,708	-	-	1,435,708
Due from other funds	82	88	-	170
Total assets	<u>\$ 1,673,951</u>	<u>\$ 272,216</u>	<u>\$ 5,663,677</u>	<u>\$ 7,609,844</u>
LIABILITIES				
Accounts payable	-	-	56,197	56,197
Due to other funds	-	-	4,750	4,750
Matured bonds payable	205,000	265,000	1,705,000	2,175,000
Matured interest payable	32,546	5,718	435,349	473,613
Total liabilities	<u>237,546</u>	<u>270,718</u>	<u>2,201,296</u>	<u>2,709,560</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	1,435,708	-	-	1,435,708
Total deferred inflows of resources	<u>1,435,708</u>	<u>-</u>	<u>-</u>	<u>1,435,708</u>
FUND BALANCES				
Assigned to:				
Subsequent year's expenditures	-	-	110,000	110,000
Debt service	697	1,498	3,352,381	3,354,576
Total fund balances	<u>697</u>	<u>1,498</u>	<u>3,462,381</u>	<u>3,464,576</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 1,673,951</u>	<u>\$ 272,216</u>	<u>\$ 5,663,677</u>	<u>\$ 7,609,844</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, 2013

	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ 2,444,946	\$ 2,444,946
Special assessments	270,300	277,200	-	547,500
Investment earnings	314	355	521	1,190
Total revenues	<u>270,614</u>	<u>277,555</u>	<u>2,445,467</u>	<u>2,993,636</u>
EXPENDITURES				
Debt service:				
Principal	205,000	265,000	1,705,000	2,175,000
Interest	65,092	11,437	870,697	947,226
Other	296	134	49,184	49,614
Total expenditures	<u>270,388</u>	<u>276,571</u>	<u>2,624,881</u>	<u>3,171,840</u>
Excess (deficiency) of revenues over (under) expenditures	226	984	(179,414)	(178,204)
Fund balances - beginning	<u>471</u>	<u>514</u>	<u>3,641,795</u>	<u>3,642,780</u>
Fund balances - ending	<u>\$ 697</u>	<u>\$ 1,498</u>	<u>\$ 3,462,381</u>	<u>\$ 3,464,576</u>

CITY OF SUNRISE, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2013

	Special Tax District No. 1 Capital Projects	Total Nonmajor Capital Projects Funds
ASSETS		
Cash and cash equivalents	\$ 1,474,782	\$ 1,474,782
Due from other funds	20	20
Total assets	<u>\$ 1,474,802</u>	<u>\$ 1,474,802</u>
LIABILITIES		
Accounts payable	-	-
FUND BALANCE		
Assigned to:		
Capital projects	<u>1,474,802</u>	<u>1,474,802</u>
Total liabilities and fund balance	<u>\$ 1,474,802</u>	<u>\$ 1,474,802</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, 2013**

	<u>Special Tax District No. 1 Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES		
Investment earnings	<u>\$ 3,545</u>	<u>\$ 3,545</u>
Excess of revenues over expenditures	3,545	3,545
Fund balance - beginning	<u>1,471,257</u>	<u>1,471,257</u>
Fund balance - ending	<u><u>\$ 1,474,802</u></u>	<u><u>\$ 1,474,802</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 1,043,285	\$ 788,879	\$ (254,406)
Miscellaneous	-	18,074	18,074
Total revenues	<u>1,043,285</u>	<u>806,953</u>	<u>(236,332)</u>
EXPENDITURES			
Current:			
Public safety	68,111	66,343	1,768
Economic development	914,898	672,577	242,321
Human services	8,000	5,891	2,109
Transportation	52,276	50,821	1,455
Total expenditures	<u>1,043,285</u>	<u>795,632</u>	<u>247,653</u>
Excess of revenues over expenditures	-	11,321	11,321
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 11,321</u>	<u>\$ 11,321</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Impact fees	\$ 28,000	\$ 46,473	\$ 18,473
Investment earnings	-	6,615	6,615
Total revenues	<u>28,000</u>	<u>53,088</u>	<u>25,088</u>
Excess of revenues over expenditures	28,000	53,088	25,088
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(276,000)</u>	<u>(276,000)</u>	-
Net change in fund balances	(248,000)	(222,912)	25,088
Fund balances - beginning	<u>713,446</u>	<u>713,446</u>	-
Fund balances - ending	<u>\$ 465,446</u>	<u>\$ 490,534</u>	<u>\$ 25,088</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 400,710	\$ 241,031	\$ (159,679)
EXPENDITURES			
Current:			
Public safety	138,893	89,327	49,566
Capital outlay	313,097	151,704	161,393
Total expenditures	451,990	241,031	210,959
Excess (deficiency) of revenues over (under) expenditures	(51,280)	-	51,280
Fund balances - beginning	-	-	-
Fund balances - ending	\$ (51,280)	\$ -	\$ 51,280

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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 479,685	\$ 299,603	\$ (180,082)
Miscellaneous	146,549	167,830	21,281
Total revenues	<u>626,234</u>	<u>467,433</u>	<u>(158,801)</u>
EXPENDITURES			
Current:			
Economic development	<u>626,234</u>	<u>169,817</u>	<u>456,417</u>
Excess of revenues over expenditures	-	297,616	297,616
Fund balances - beginning	<u>(8,164)</u>	<u>(8,164)</u>	-
Fund balances - ending	<u>\$ (8,164)</u>	<u>\$ 289,452</u>	<u>\$ 297,616</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 240,992	\$ 285,861	\$ 44,869
EXPENDITURES			
Current:			
Economic development	240,992	175,733	65,259
Excess of revenues over expenditures	-	110,128	110,128
Fund balances - beginning	(161,762)	(161,762)	-
Fund balances - ending	\$ (161,762)	\$ (51,634)	\$ 110,128

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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 1,656,740	\$ 983,788	\$ (672,952)
Miscellaneous	-	88,633	88,633
Total revenues	<u>1,656,740</u>	<u>1,072,421</u>	<u>(584,319)</u>
EXPENDITURES			
Current:			
Economic development	<u>1,656,740</u>	<u>1,066,514</u>	<u>590,226</u>
Excess of revenues over expenditures	-	5,907	5,907
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 5,907</u>	<u>\$ 5,907</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 58,086	\$ 58,086
EXPENDITURES			
Capital outlay	24,368	24,368	-
Excess (deficiency) of revenues over (under) expenditures	(24,368)	33,718	58,086
Fund balances - beginning	(33,718)	(33,718)	-
Fund balances - ending	\$ (58,086)	\$ -	\$ 58,086

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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Local option fuel tax	\$ 1,410,000	\$ 1,454,297	\$ 44,297
Intergovernmental	70,000	74,254	4,254
Charges for services	-	30,472	30,472
Investment earnings	9,900	8,870	(1,030)
Miscellaneous	38,000	48,728	10,728
Total revenues	1,527,900	1,616,621	88,721
EXPENDITURES			
Current:			
Transportation	1,185,815	933,602	252,213
Capital outlay	1,148,299	342,531	805,768
Total expenditures	2,334,114	1,276,133	1,057,981
Excess (deficiency) of revenues over (under) expenditures	(806,214)	340,488	1,146,702
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(50,000)	-
Net change in fund balances	(856,214)	290,488	1,146,702
Fund balances - beginning	1,889,121	1,889,121	-
Fund balances - ending	\$ 1,032,907	\$ 2,179,609	\$ 1,146,702

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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 453	\$ 153,574	\$ 153,121
Investment earnings	-	4,040	4,040
Miscellaneous	-	23,264	23,264
Total revenues	<u>453</u>	<u>180,878</u>	<u>180,425</u>
EXPENDITURES			
Current:			
Economic development	<u>143,592</u>	<u>78,723</u>	<u>64,869</u>
Excess (deficiency) of revenues over (under) expenditures	(143,139)	102,155	245,294
Fund balances - beginning	<u>143,139</u>	<u>143,139</u>	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 245,294</u>	<u>\$ 245,294</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ -	\$ 58,550	\$ 58,550
Judgments, fines and forfeitures	-	2,070,924	2,070,924
Investment earnings	-	23,507	23,507
Miscellaneous	-	8,268	8,268
Total revenues	<u>-</u>	<u>2,161,249</u>	<u>2,161,249</u>
EXPENDITURES			
Current:			
Public safety	2,369,184	1,482,093	887,091
Capital outlay	1,504,551	209,341	1,295,210
Total expenditures	<u>3,873,735</u>	<u>1,691,434</u>	<u>2,182,301</u>
Excess (deficiency) of revenues over (under) expenditures	(3,873,735)	469,815	4,343,550
Fund balances - beginning	<u>5,530,676</u>	<u>5,530,676</u>	-
Fund balances - ending	<u>\$ 1,656,941</u>	<u>\$ 6,000,491</u>	<u>\$ 4,343,550</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Special assessments	\$ 270,492	\$ 270,300	\$ (192)
Investment earnings	100	314	214
Total revenues	<u>270,592</u>	<u>270,614</u>	<u>22</u>
EXPENDITURES			
Debt service:			
Principal	205,000	205,000	-
Interest	65,092	65,092	-
Other	500	296	204
Total expenditures	<u>270,592</u>	<u>270,388</u>	<u>204</u>
Excess of revenues over expenditures	-	226	226
Fund balances - beginning	<u>471</u>	<u>471</u>	-
Fund balances - ending	<u>\$ 471</u>	<u>\$ 697</u>	<u>\$ 226</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Special assessments	\$ 276,612	\$ 277,200	\$ 588
Investment earnings	150	355	205
Total revenues	<u>276,762</u>	<u>277,555</u>	<u>793</u>
EXPENDITURES			
Debt service:			
Principal	265,000	265,000	-
Interest	11,437	11,437	-
Other	325	134	191
Total expenditures	<u>276,762</u>	<u>276,571</u>	<u>191</u>
Excess of revenues over expenditures	-	984	984
Fund balances - beginning	<u>514</u>	<u>514</u>	-
Fund balances - ending	<u>\$ 514</u>	<u>\$ 1,498</u>	<u>\$ 984</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 2,506,637	\$ 2,444,946	\$ (61,691)
Investment earnings	-	521	521
Total revenues	<u>2,506,637</u>	<u>2,445,467</u>	<u>(61,170)</u>
EXPENDITURES			
Debt service:			
Principal	1,705,000	1,705,000	-
Interest	870,697	870,697	-
Other	51,750	49,184	2,566
Total expenditures	<u>2,627,447</u>	<u>2,624,881</u>	<u>2,566</u>
Deficiency of revenues under expenditures	(120,810)	(179,414)	(58,604)
Fund balances - beginning	<u>3,641,795</u>	<u>3,641,795</u>	-
Fund balances - ending	<u><u>\$ 3,520,985</u></u>	<u><u>\$ 3,462,381</u></u>	<u><u>\$ (58,604)</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Utility service taxes	\$ 7,915,000	\$ 8,392,172	\$ 477,172
Communications services taxes	3,200,000	3,359,537	159,537
Investment earnings	-	1,129	1,129
Total revenues	<u>11,115,000</u>	<u>11,752,838</u>	<u>637,838</u>
EXPENDITURES			
Debt service:			
Principal	361,666	-	361,666
Payment to bond escrow agent	3,978,334	3,978,334	-
Other	4,200	2,186	2,014
Total expenditures	<u>4,344,200</u>	<u>3,980,520</u>	<u>363,680</u>
Excess of revenues over expenditures	6,770,800	7,772,318	1,001,518
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(7,632,466)</u>	<u>(7,632,466)</u>	-
Net change in fund balances	(861,666)	139,852	1,001,518
Fund balances - beginning	<u>500,468</u>	<u>500,468</u>	-
Fund balances - ending	<u>\$ (361,198)</u>	<u>\$ 640,320</u>	<u>\$ 1,001,518</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Investment earnings	\$ -	\$ 3,545	\$ 3,545
Excess of revenues over expenditures	-	3,545	3,545
Fund balances - beginning	1,471,257	1,471,257	-
Fund balances - ending	<u>\$ 1,471,257</u>	<u>\$ 1,474,802</u>	<u>\$ 3,545</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, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 677,057	\$ -	\$ (677,057)
Investment earnings	124,995	238,630	113,635
Miscellaneous	-	613	613
Total revenues	<u>802,052</u>	<u>239,243</u>	<u>(562,809)</u>
EXPENDITURES			
Capital outlay	<u>20,881,866</u>	<u>1,968,363</u>	<u>18,913,503</u>
Excess (deficiency) of revenues over (under) expenditures	(20,079,814)	(1,729,120)	18,350,694
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(700,000)</u>	<u>(700,000)</u>	-
Net change in fund balances	(20,779,814)	(2,429,120)	18,350,694
Fund balances - beginning	<u>29,649,456</u>	<u>29,649,456</u>	-
Fund balances - ending	<u>\$ 8,869,642</u>	<u>\$ 27,220,336</u>	<u>\$ 18,350,694</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 POSITION
 NONMAJOR ENTERPRISE FUNDS
 SEPTEMBER 30, 2013

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 320,335	\$ 1,729,703	\$ 127,960	\$ 2,177,998
Investments	1,081,350	7,460,538	58,496	8,600,384
Interest receivable	4,038	21,693	914	26,645
Accounts receivable, net of allowance for uncollectibles	141,057	418,723	-	559,780
Other receivables	24,053	-	-	24,053
Inventories	-	71,222	1,531	72,753
Prepaid items	-	-	3,000	3,000
Total current assets	1,570,833	9,701,879	191,901	11,464,613
Noncurrent assets:				
Capital assets:				
Land	-	65,845	1,223,300	1,289,145
Intangibles	-	2,425	-	2,425
Buildings and system Improvements other than buildings	-	685,480	-	685,480
Machinery and equipment	4,120	1,338,888	778,504	2,121,512
Vehicles	-	420,380	-	420,380
Construction in progress	-	441,842	-	441,842
Less accumulated depreciation	(1,575)	(2,038,596)	(404,089)	(2,444,260)
Total capital assets, net of accumulated depreciation	2,545	4,318,191	1,791,815	6,112,551
Total assets	1,573,378	14,020,070	1,983,716	17,577,164
LIABILITIES				
Current liabilities:				
Accounts payable	53,295	13,007	63,400	129,702
Accrued liabilities	-	28,604	-	28,604
Due to other funds	53,869	2,263	-	56,132
Interfund payable	-	96,837	-	96,837
Compensated absences	-	6,250	-	6,250
Intergovernmental payable	-	-	3,398	3,398
Total current liabilities	107,164	146,961	66,798	320,923
Noncurrent liabilities:				
Compensated absences	-	176,395	-	176,395
Other post employment benefits	-	254,229	-	254,229
Retiree subsidy	-	331,717	66,811	398,528
Advances from other funds	-	322,096	-	322,096
Unearned revenue	794,928	-	1,449	796,377
Total noncurrent liabilities	794,928	1,084,437	68,260	1,947,625
Total liabilities	902,092	1,231,398	135,058	2,268,548
NET POSITION				
Net investment in capital assets	2,545	4,318,191	1,791,815	6,112,551
Unrestricted	668,741	8,470,481	56,843	9,196,065
Total net position	\$ 671,286	\$ 12,788,672	\$ 1,848,658	\$ 15,308,616

CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Recycling</u>	<u>Stormwater</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:				
Charges for sales and services:				
Fees	\$ 1,068,927	\$ 4,303,188	\$ 1,106,185	\$ 6,478,300
Operating expenses:				
Costs of sales and services:				
Power, water and wastewater purchases	-	5,018	99,253	104,271
Chemical purchases	-	40,714	99,331	140,045
Recycling charges	500,062	-	-	500,062
Materials and supplies	40,376	28,116	13,368	81,860
Repairs and maintenance	-	71,643	-	71,643
Salaries, wages and employee benefits	-	1,121,556	26,817	1,148,373
Insurance and other expenses	216	190,161	1,402,931	1,593,308
Administrative fees	29,838	369,657	184,871	584,366
Depreciation and amortization	727	239,713	112,564	353,004
Total operating expenses	571,219	2,066,578	1,939,135	4,576,932
Operating income (loss)	497,708	2,236,610	(832,950)	1,901,368
Non-operating revenues (expenses):				
Investment earnings	6,633	29,958	1,847	38,438
Interest expense	-	(26,824)	-	(26,824)
Gain (loss) on sale of capital assets	-	5,098	5,664	10,762
Sale of recyclable materials	261,654	-	-	261,654
Other	278,053	-	276	278,329
Total non-operating revenues (expenses)	546,340	8,232	7,787	562,359
Income (loss) before transfers	1,044,048	2,244,842	(825,163)	2,463,727
Transfers in	-	-	548,288	548,288
Transfers out	(876,320)	-	-	(876,320)
Change in net position	167,728	2,244,842	(276,875)	2,135,695
Total net position - beginning	503,558	\$ 10,543,830	\$ 2,125,533	13,172,921
Total net position - ending	\$ 671,286	\$ 12,788,672	\$ 1,848,658	\$ 15,308,616

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,316,989	\$ 4,258,562	\$ 1,106,568	\$ 6,682,119
Payments to suppliers	(692,160)	(82,789)	(1,619,588)	(2,394,537)
Payments to and for employees	-	(981,929)	(23,899)	(1,005,828)
Payments for interfund services used	(29,838)	(419,501)	(184,871)	(634,210)
Net cash provided (used) by operating activities	<u>594,991</u>	<u>2,774,343</u>	<u>(721,790)</u>	<u>2,647,544</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from other funds	-	-	548,288	548,288
Transfer to other funds	(876,320)	-	-	(876,320)
Net cash provided (used) by noncapital financing activities	<u>(876,320)</u>	<u>-</u>	<u>548,288</u>	<u>(328,032)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(280,870)	(60,835)	(341,705)
Interest paid on capital debt	-	(26,824)	-	(26,824)
Proceeds from sales of capital assets	-	5,098	5,664	10,762
Advances from other funds	-	(92,006)	-	(92,006)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(394,602)</u>	<u>(55,171)</u>	<u>(449,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	949,826	4,403,386	356,257	5,709,469
Purchase of investments	(791,204)	(6,312,624)	(159,959)	(7,263,787)
Interest and dividends received	5,884	38,047	3,722	47,653
Net cash provided (used) by investing activities	<u>164,506</u>	<u>(1,871,191)</u>	<u>200,020</u>	<u>(1,506,665)</u>
Net increase (decrease) in cash and cash equivalents	(116,823)	508,550	(28,653)	363,074
Cash and cash equivalents, October 1	<u>437,158</u>	<u>1,221,153</u>	<u>156,613</u>	<u>1,814,924</u>
Cash and cash equivalents, September 30	<u>\$ 320,335</u>	<u>\$ 1,729,703</u>	<u>\$ 127,960</u>	<u>\$ 2,177,998</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)	\$ 497,708	\$ 2,236,610	\$ (832,950)	\$ 1,901,368
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Miscellaneous non-operating income from by-products of recycling activities	261,654	-	-	261,654
Miscellaneous non-operating income	278,053	-	276	278,329
Depreciation and amortization expense	727	239,713	112,564	353,004
(Increase) in accounts receivable	(128,711)	(37,732)	-	(166,443)
(Increase) in other receivables	(24,053)	-	-	(24,053)
Decrease in due from other funds	-	3,000	-	3,000
Decrease in intergovernmental receivables	72,442	254,010	-	326,452
Decrease in inventories	-	13,030	244	13,274
(Increase) in prepaid items	-	-	(200)	(200)
(Decrease) in accounts payable	(151,722)	(21,008)	(4,749)	(177,479)
(Decrease) in accrued liabilities	-	(2)	-	(2)
Increase (decrease) in due to other funds	53,869	(157)	-	53,712
Increase in intergovernmental payables	-	-	741	741
(Decrease) in unearned revenue	(264,976)	-	(634)	(265,610)
(Decrease) in compensated absences payable	-	(2,157)	-	(2,157)
Increase in other post employment benefits payable	-	29,675	-	29,675
Increase in retiree subsidy payable	-	59,361	2,918	62,279
Total adjustments	<u>97,283</u>	<u>537,733</u>	<u>111,160</u>	<u>746,176</u>
Net cash provided by (used in) operating activities	<u>\$ 594,991</u>	<u>\$ 2,774,343</u>	<u>\$ (721,790)</u>	<u>\$ 2,647,544</u>
Noncash investing activities:				
Net increase (decrease) in fair value of investments	\$ 706	\$ (827)	\$ 572	\$ 451

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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 POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2013**

	Workers' Compensation	Vehicle Replacement	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 557,854	\$ 1,255,540	\$ 1,813,394
Investments	6,745,331	6,210,166	12,955,497
Interest receivable	25,652	22,948	48,600
Total current assets	7,328,837	7,488,654	14,817,491
Noncurrent assets:			
Capital assets:			
Intangibles	-	1,742	1,742
Machinery and equipment	-	73,474	73,474
Vehicles	-	4,482,739	4,482,739
Less accumulated depreciation	-	(1,469,869)	(1,469,869)
Total capital assets, net of accumulated depreciation	-	3,088,086	3,088,086
Total assets	7,328,837	10,576,740	17,905,577
LIABILITIES			
Current liabilities:			
Accounts payable	11,541	4,470	16,011
Noncurrent liabilities:			
Claims and judgments	4,612,628	-	4,612,628
Total liabilities	4,624,169	4,470	4,628,639
NET POSITION			
Net investment in capital assets	-	3,088,086	3,088,086
Unrestricted	2,704,668	7,484,184	10,188,852
Total net position	\$ 2,704,668	\$ 10,572,270	\$ 13,276,938

**CITY OF SUNRISE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Workers'</u> <u>Compensation</u>	<u>Vehicle</u> <u>Replacement</u>	<u>Total</u>
Operating revenues:			
Charges for sales and services:			
Service charges	\$ 2,246,525	\$ 2,403,533	\$ 4,650,058
Operating expenses:			
Costs of sales and services:			
Power, water and wastewater purchases	-	44,989	44,989
Materials and supplies	-	3,572	3,572
Repairs and maintenance	-	468	468
Insurance and other expenses	411,826	29,409	441,235
Claims expense	590,391	-	590,391
Depreciation and amortization	-	534,253	534,253
Total operating expenses	<u>1,002,217</u>	<u>612,691</u>	<u>1,614,908</u>
Operating income	<u>1,244,308</u>	<u>1,790,842</u>	<u>3,035,150</u>
Non-operating revenues:			
Investment earnings	<u>42,842</u>	<u>44,321</u>	<u>87,163</u>
Income before contributions	1,287,150	1,835,163	3,122,313
Transfers in	-	276,000	276,000
Transfers out	<u>(3,450,000)</u>	<u>(2,300,000)</u>	<u>(5,750,000)</u>
Change in net position	(2,162,850)	(188,837)	(2,351,687)
Total net position - beginning	<u>4,867,518</u>	<u>\$ 10,761,107</u>	<u>15,628,625</u>
Total net position - ending	<u>\$ 2,704,668</u>	<u>\$ 10,572,270</u>	<u>\$ 13,276,938</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Workers' Compensation	Vehicle Replacement	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,246,525	\$ 2,403,533	\$ 4,650,058
Payments to suppliers	(899,557)	(78,768)	(978,325)
Net cash provided by operating activities	<u>1,346,968</u>	<u>2,324,765</u>	<u>3,671,733</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	-	276,000	276,000
Transfer to other funds	(3,450,000)	(2,300,000)	(5,750,000)
Net cash (used) by noncapital financing activities	<u>(3,450,000)</u>	<u>(2,024,000)</u>	<u>(5,474,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(714,972)	(714,972)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(714,972)</u>	<u>(714,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	5,992,808	5,231,095	11,223,903
Purchase of investments	(4,557,251)	(4,496,362)	(9,053,613)
Interest and dividends received	56,208	49,566	105,774
Net cash provided by investing activities	<u>1,491,765</u>	<u>784,299</u>	<u>2,276,064</u>
Net increase (decrease) in cash and cash equivalents	(611,267)	370,092	(241,175)
Cash and cash equivalents, October 1	<u>1,169,121</u>	<u>885,448</u>	<u>2,054,569</u>
Cash and cash equivalents, September 30	<u>\$ 557,854</u>	<u>\$ 1,255,540</u>	<u>\$ 1,813,394</u>

	<u>Workers'</u> <u>Compensation</u>	<u>Vehicle</u> <u>Replacement</u>	<u>Total</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,244,308	\$ 1,790,842	\$ 3,035,150
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization expense	-	534,253	534,253
Increase (decrease) in accounts payable	3,512	(330)	3,182
Increase in claims and judgments	99,148	-	99,148
Total adjustments	102,660	533,923	636,583
Net cash provided by operating activities	\$ 1,346,968	\$ 2,324,765	\$ 3,671,733
Noncash investing activities:			
Net increase in fair value of investments	\$ 9,060	\$ 12,880	\$ 21,940

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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 POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2013

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
ASSETS				
Cash and cash equivalents	\$ 2,181,401	\$ 2,973,808	\$ 2,692,252	\$ 7,847,461
Receivable from sale of securities	-	92,763	474,378	567,141
Interest and dividends receivable	93,205	313,065	146,948	553,218
Due from other funds	105,819	69,991	924,606	1,100,416
Other receivables	109,470	1,397	-	110,867
Investments, at fair value:				
U.S. government and agency securities	-	22,251,351	8,620,113	30,871,464
Corporate bonds	-	14,332,808	10,236,764	24,569,572
Mutual funds	57,575,537	-	26,115,382	83,690,919
Common stocks	73,990,770	48,808,758	42,860,378	165,659,906
International equity funds	22,174,326	7,865,380	7,722,788	37,762,494
Total investments	<u>153,740,633</u>	<u>93,258,297</u>	<u>95,555,425</u>	<u>342,554,355</u>
Prepaid items	-	10,621	-	10,621
Total assets	<u>156,230,528</u>	<u>96,719,942</u>	<u>99,793,609</u>	<u>352,744,079</u>
LIABILITIES				
Accounts payable	209,983	127,195	745,186	1,082,364
Prepaid employer contribution	-	-	12,319	12,319
Payable for purchase of securities	400,551	97,546	-	498,097
Total liabilities	<u>610,534</u>	<u>224,741</u>	<u>757,505</u>	<u>1,592,780</u>
NET POSITION				
Held in trust for pension benefits	<u>\$ 155,619,994</u>	<u>\$ 96,495,201</u>	<u>\$ 99,036,104</u>	<u>\$ 351,151,299</u>

CITY OF SUNRISE, FLORIDA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Employee Retirement Funds</u>			
	<u>General Employees' Pension</u>	<u>Police Officers' Pension</u>	<u>Firefighters' Pension</u>	<u>Total Pension Trust Funds</u>
ADDITIONS				
Contributions:				
Employer	\$ 9,183,372	\$ 6,863,371	\$ 4,200,270	\$ 20,247,013
Plan members	2,572,688	1,260,531	1,209,097	5,042,316
Other sources	-	568,388	864,612	1,433,000
Total contributions	<u>11,756,060</u>	<u>8,692,290</u>	<u>6,273,979</u>	<u>26,722,329</u>
Investment earnings:				
Interest	126	1,448,845	498,324	1,947,295
Dividends	2,498,332	1,174,594	784,666	4,457,592
Net increase in fair value of investments	17,478,826	7,443,469	12,971,731	37,894,026
Other	132,980	19,431	-	152,411
Total investment earnings	<u>20,110,264</u>	<u>10,086,339</u>	<u>14,254,721</u>	<u>44,451,324</u>
Less investment expense	717,707	497,857	478,755	1,694,319
Net investment earnings	<u>19,392,557</u>	<u>9,588,482</u>	<u>13,775,966</u>	<u>42,757,005</u>
Total additions	<u>31,148,617</u>	<u>18,280,772</u>	<u>20,049,945</u>	<u>69,479,334</u>
DEDUCTIONS				
Benefits	11,224,948	5,022,234	7,892,072	24,139,254
Refunds of contributions	104,563	86,289	56,880	247,732
Administrative expenses	169,102	204,893	127,243	501,238
Total deductions	<u>11,498,613</u>	<u>5,313,416</u>	<u>8,076,195</u>	<u>24,888,224</u>
Change in net position	19,650,004	12,967,356	11,973,750	44,591,110
Net position - beginning	<u>135,969,990</u>	<u>\$ 83,527,845</u>	<u>\$ 87,062,354</u>	<u>306,560,189</u>
Net position - ending	<u>\$ 155,619,994</u>	<u>\$ 96,495,201</u>	<u>\$ 99,036,104</u>	<u>\$ 351,151,299</u>

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

Statistical Section

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

CONTENTS

	<u>Page</u>
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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Net investment in capital assets	\$ 165,271,477	\$ 151,152,286	\$ 142,898,601	\$ 140,513,904	\$ 128,420,363	\$ 123,216,601	\$ 142,039,078	\$ 155,481,156	\$ 149,534,658	\$ 172,578,594
Restricted	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	8,570,447
Unrestricted	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	72,083,680
Total governmental activities net position	\$ 287,346,328	\$ 289,426,210	\$ 302,657,617	\$ 311,070,451	\$ 310,950,587	\$ 297,880,891	\$ 287,965,628	\$ 272,729,455	\$ 256,790,997	\$ 253,232,721
Business-type activities:										
Net investment in capital assets	\$ 157,063,189	\$ 156,539,235	\$ 157,516,304	\$ 159,819,328	\$ 159,866,417	\$ 165,211,690	\$ 225,849,507	\$ 215,951,117	\$ 205,103,917	\$ 195,615,586
Restricted	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	59,799,505
Unrestricted	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	80,932,037
Total business-type activities net position	\$ 276,071,843	\$ 280,636,203	\$ 283,630,924	\$ 284,972,595	\$ 277,024,350	\$ 288,632,051	\$ 291,579,110	\$ 310,831,426	\$ 323,908,298	\$ 336,347,128
Total:										
Net investment in capital assets (1)	\$ 322,334,666	\$ 307,691,521	\$ 300,414,905	\$ 300,333,232	\$ 288,286,780	\$ 288,428,291	\$ 367,888,585	\$ 371,432,273	\$ 354,743,320	\$ 368,194,180
Restricted	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	68,369,952
Unrestricted	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	153,015,717
Total net position	\$ 563,418,171	\$ 570,062,413	\$ 586,288,541	\$ 596,043,046	\$ 587,974,937	\$ 586,512,942	\$ 579,544,738	\$ 583,560,881	\$ 580,699,295	\$ 589,579,849

(1) Fiscal year 2012 net investment in capital assets has been restated due to the implementation of GASB 63 and 65.

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

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental activities:										
General government	\$ 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	\$ 21,971,961
Public safety	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	73,437,952
Physical environment	4,032,579	4,038,713	3,894,066	3,825,714	5,616,096	4,449,634	-	58,450	-	26
Economic development	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	2,163,364
Human services	53,100	53,309	50,112	5,212	42,441	43,625	30,911	5,709	38,434	5,891
Transportation	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	13,415,518
Culture and recreation	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	13,903,513
Interest on long-term debt	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	2,986,064
Total governmental activities expenses	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	127,884,289
Business-type activities:										
Water and wastewater	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	76,928,227
Gas	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	6,501,671
Sanitation	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	11,875,547
Recycling	275,659	367,695	430,064	519,441	564,707	604,604	559,919	545,524	518,729	571,219
Stormwater	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	2,060,696
Golf course	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	1,933,471
Total business-type activities expenses	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	99,870,831
Total expenses	\$ 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	\$ 227,755,120
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 6,664,836
Public safety	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	23,379,743
Physical environment	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	13,400,272
Transportation	22,333	22,526	17,456	17,796	18,997	17,025	25,005	56,145	80,922	52,509
Culture and recreation	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	1,391,195
Operating grants and contributions	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	7,810,672
Capital grants and contributions	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	2,179,024
Total governmental activities program revenues	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	54,878,251
Business-type activities:										
Charges for services:										
Water and wastewater	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	93,518,987
Gas	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	7,318,596
Sanitation	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	11,545,708
Recycling	152,392	153,154	153,142	161,604	170,265	178,433	175,078	175,689	178,435	1,068,927
Stormwater	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	4,303,188
Golf course	364,268	552,802	508,397	595,702	565,554	493,963	36,176	893,641	987,789	1,106,185
Operating grants and contributions	105,917	143,486	821,187	240,685	82,488	20,911	-	-	-	-
Capital grants and contributions	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	1,018,658
Total business-type activities program revenues	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	119,880,249
Total program revenues	\$ 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	\$ 174,758,500
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (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)	\$ (73,006,038)
Business-type activities	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	20,009,418
Total (expense)/revenue	\$ (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)	\$ (52,996,620)

(continued)

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

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 30,726,477
Insurance premium taxes	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	6,405,548	6,543,281	6,616,716	6,588,897	6,764,876	6,956,486	7,688,446	7,656,725	7,928,732	8,392,172
Communications services tax	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	4,251,293
Local business tax	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	2,352,391
Franchise fees	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	8,790,155
Grants and contributions not restricted to specific programs	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	7,556,493
Unrestricted investment earnings	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	775,628
Miscellaneous	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	2,279,063
Gain on sale of capital assets	-	-	22,929	69,974	94,230	42,435	30,341	38,873	-	29,373
Extraordinary loss on defeasance of debt	-	-	-	-	-	-	-	-	-	(6,879,604)
Transfers	536,350	813,669	266,366	(1,584,171)	1,664,873	(1,368,079)	(1,668,044)	(312,864)	1,924,193	11,174,321
Total governmental activities	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	69,447,762
Business-type activities:										
Unrestricted investment earnings	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	846,136
Miscellaneous	232,816	377,244	415,302	578,809	720,750	2,010,497	1,176,194	2,944,897	3,540,344	2,757,597
Extraordinary loss on early extinguishment of debt	-	-	-	-	-	-	(18,701,562)	-	-	-
Transfers	(536,350)	(813,669)	(266,366)	1,584,171	(1,664,873)	1,368,079	1,668,044	312,864	(1,924,193)	(11,174,321)
Total business-type activities	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	(7,570,588)
Total	\$ 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	\$ 61,877,174
CHANGE IN NET POSITION										
Governmental activities	\$ 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)	\$ (3,558,276)
Business-type activities	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	12,438,830
Total	\$ 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)	\$ 8,880,554

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

	Pre-GASB 54						
	2004	2005	2006	2007	2008	2009	2010
General fund							
Reserved	\$ 1,566,180	\$ 1,543,783	\$ 1,075,367	\$ 1,223,176	\$ 1,126,038	\$ 906,751	\$ 781,078
Unreserved	52,984,220	62,965,388	66,826,236	74,017,655	54,581,311	46,969,831	76,930,022
Total general fund	\$ 54,550,400	\$ 64,509,171	\$ 67,901,603	\$ 75,240,831	\$ 55,707,349	\$ 47,876,582	\$ 77,711,100
All other governmental funds							
Reserved	\$ 5,780,628	\$ 6,066,066	\$ 6,061,626	\$ 6,439,674	\$ 691,999	\$ 742,431	\$ 1,395,685
Unreserved, reported in:							
Special revenue funds	20,080,788	20,762,692	20,880,009	16,213,389	50,690,054	43,728,427	4,569,356
Debt service funds	3,650,096	4,957,563	6,937,339	6,592,050	10,284,203	13,071,464	14,338,516
Capital projects funds	40,581,913	42,174,762	58,018,378	65,347,922	65,003,974	73,916,230	46,907,792
Total all other governmental funds	\$ 70,093,425	\$ 73,961,083	\$ 91,897,352	\$ 94,593,035	\$ 126,670,230	\$ 131,458,552	\$ 67,211,349
	Post-GASB 54						
	2011	2012	2013				
General fund							
Nonspendable	\$ 15,345,639	631,062	632,503				
Spendable:							
Restricted	1,199,657	4,408,916	6,766,019				
Committed	28,615,342	28,628,942	29,382,905				
Assigned	10,067,923	4,784,445	813,745				
Unassigned	12,329,568	31,546,789	17,062,334				
Total general fund	\$ 67,558,129	\$ 70,000,154	\$ 54,657,506				
All other governmental funds							
Nonspendable	\$ 46,009	53,101	41,563				
Spendable:							
Restricted	10,938,716	7,980,303	8,976,005				
Assigned	42,790,651	35,506,939	32,993,753				
Unassigned	(251,900)	(203,644)	(40,313)				
Total all other governmental funds	\$ 53,523,476	\$ 43,336,699	\$ 41,971,008				

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

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes	\$ 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	\$ 48,609,630
Permits and fees	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	7,017,560
Franchise fees	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	8,870,063
Intergovernmental	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	10,795,365
Charges for services	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	20,242,171
Administrative charges	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	5,653,003
Judgments, fines and forfeitures	1,167,604	968,624	953,751	927,842	7,592,902	2,999,253	1,341,017	4,420,158	2,977,201	3,737,369
Special assessments	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	9,374,859
Impact fees	51,351	204,408	346,571	184,880	138,514	38,128	11,126	134,266	79,550	46,473
Investment earnings	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	734,970
Contributions and donations	-	-	-	-	-	84,889	17,822	18,053	8,560	33,368
Miscellaneous	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	4,047,084
Total revenues	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	119,161,915
EXPENDITURES										
General government	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	19,860,339
Public safety	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	71,002,021
Physical environment	2,555,451	2,897,245	2,873,367	3,407,318	3,748,891	3,486,746	-	58,450	-	-
Economic development	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	2,163,364
Human services	53,100	53,309	50,112	5,212	42,441	43,625	30,911	5,709	38,434	5,891
Transportation	850,358	866,615	834,399	916,432	876,030	958,354	3,673,074	3,763,258	3,784,499	3,763,154
Culture and recreation	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	9,651,561
Debt service:										
Principal	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	2,175,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	39,529,163
Interest	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	947,226
Principal repayment due to refunding	-	-	-	-	-	-	-	8,175,000	-	-
Other	92,179	78,765	80,756	84,497	88,471	62,057	55,023	51,997	55,375	132,796
Capital outlay	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	3,322,084
Total expenditures	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	152,552,599
Excess (deficiency) of revenues over (under) expenditures	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)	(33,390,684)
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	47,220	71,142	87,527	90,716	168,932	53,734	53,873	77,377	113,195	34,024
Transfers in	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	26,657,418
Transfers out	(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)	(10,009,097)
Total other financing sources (uses)	583,570	884,811	353,893	(1,493,455)	4,033,805	(1,314,345)	(1,614,171)	(235,487)	3,046,314	16,682,345
Net change in fund balances	\$ 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)	\$ (16,708,339)
Debt service as a percentage of noncapital expenditures	14.2%	13.0%	11.0%	9.2%	8.8%	8.5%	8.1%	13.9%	6.5%	28.5%

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
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	48,563,152
2013	30,726,477	2,352,391	1,433,000	4,251,293	1,454,297	8,392,172	48,609,630
Change 2004-2013	9.8%	30.1%	45.8%	5.0%	-13.0%	31.0%	13.3%

^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
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(in thousands of dollars)

FISCAL YEAR	REAL PROPERTY				LESS EXEMPTIONS:		TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE	ASSESSED VALUE AS A PERCENTAGE OF ESTIMATED ACTUAL VALUE
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY				
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%
2013	3,394,080	2,899,101	414,860	416,962	2,205,005	40,448	4,879,550	6.0543	7,125,003	68.48%

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
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
2013	2012	6.0543	4.2098	5.5530	7.4560	0.4902	0.4289	0.0345	1.8564

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	2013			2004		
	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	7.09%	\$ 270,720,810	1	6.29%
Sawgrass Mills Phase III LP	83,457,740	2	1.85%	73,494,130	2	1.71%
N/S Sawgrass Office Associates LLC	56,450,130	3	1.25%	-	-	-
Florida Power & Light Co.	49,031,112	4	1.09%	38,595,578	7	0.90%
F6 Sawgrass LLC	51,686,200	5	1.15%			
MGI Flamingo Palms LTD Partner	40,356,370	6	0.90%	34,929,605	8	0.81%
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	-	-	-	50,140,270	3	1.17%
Southern Bell Tel Co.	-	-	-	44,943,989	4	1.04%
American Capital Partners Office I LLC	-	-	-	43,840,010	5	1.02%
Metro PCS California/Florida	-	-	-	42,425,560	6	0.99%
Bit Investments Twenty Six LLC	-	-	-	34,343,990	9	0.80%
L/M #3	-	-	-	33,369,931	10	0.78%
Totals	<u>\$ 730,222,731</u>		<u>16.22%</u>	<u>\$ 666,803,873</u>		<u>15.51%</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
2004	2003	\$ 26,226,056	\$ 26,063,547	99.4%	\$ 51,906	\$ 26,115,453	99.6%
2005	2004	28,601,183	28,398,767	99.3%	20,482	28,419,249	99.4%
2006	2005	32,173,202	31,962,583	99.3%	69,770	32,032,353	99.6%
2007	2006	36,867,170	36,667,960	99.5%	114,500	36,782,460	99.8%
2008	2007	34,357,047	34,021,196	99.0%	131,813	34,153,009	99.4%
2009	2008	34,980,436	34,507,051	98.6%	149,928	34,656,979	99.1%
2010	2009	35,498,126	34,468,708	97.1%	(142,897)	34,325,811	96.7%
2011	2010	30,712,669	29,996,725	97.7%	(217,766)	29,778,959	97.0%
2012	2011	29,421,567	28,912,601	98.3%	(193,629)	28,718,972	97.6%
2013	2012	29,567,455	29,230,024	98.9%	-	29,230,024	98.9%

*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				
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	
2013	-	-	1,270,000	16,770,000	-	-	216,007,980	-	234,047,980	3.49%	2,700	

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, 2013**

<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	\$ 1,888,062,000	3.84%	\$ 72,501,581
Broward County	300,930,000	3.84%	<u>11,555,712</u>
Subtotal, overlapping debt			84,057,293
City direct debt			<u>18,040,000</u>
Total direct and overlapping debt			<u><u>\$ 102,097,293</u></u>

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

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

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

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

UTILITY SYSTEM REVENUE BONDS

FISCAL YEAR	OPERATING REVENUES	LESS:	NET	DEBT SERVICE		COVERAGE	R & R TRANSFER	COVERAGE AFTER R & R TRANSFER
		OPERATING EXPENSES	AVAILABLE REVENUE	PRINCIPAL	INTEREST			
2004	\$ 59,418,209	\$ 34,856,640	\$ 24,561,569	\$ 6,350,000	\$ 10,477,269	1.46	\$ 3,008,642	1.24
2005	61,512,753	37,224,030	24,288,723	6,595,000	10,235,038	1.44	3,019,429	1.22
2006	64,491,864	40,671,062	23,820,802	6,850,000	9,975,723	1.42	3,203,700	1.19
2007	63,629,661	38,947,095	24,682,566	7,050,000	9,777,567	1.47	3,219,289	1.23
2008	66,955,767	42,025,822	24,929,945	7,260,000	9,565,498	1.48	4,869,537	1.15
2009	73,825,926	40,932,145	32,893,781	7,490,000	9,338,173	1.95	3,573,243	1.61
2010	89,140,021	47,213,431	41,926,590	7,726,190	8,719,183	2.55	4,747,986	1.98
2011	89,855,154	48,252,823	41,602,331	7,185,000	11,496,899	2.23	4,808,699	1.77
2012	92,940,085	47,658,170	45,281,915	5,850,000	10,949,689	2.70	4,954,591	2.08
2013	100,240,820	55,338,483	44,902,337	5,850,000	10,256,964	2.79	5,028,457	2.12

PUBLIC IMPROVEMENT REVENUE BONDS^a

	<u>FRANCHISE FEES</u>			
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	-	-	-	-
2013	-	-	-	-

PUBLIC FACILITIES REVENUE BONDS^b

	<u>UTILITY SERVICE TAXES</u>			
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
2013	11,751,709	-	-	-

PUBLIC IMPROVEMENT BONDS

	<u>SPECIAL ASSESSMENT COLLECTIONS</u>			
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
2013	547,500	470,000	76,529	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

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
2013	2,444,946	1,705,000	870,697	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 were collateralized by a lien on and pledge of electric franchise fees.

^bPublic Facilities revenue bonds were 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. The last component of these bonds, Series 1992B, were defeased in September 2013.

^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
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	9.5%
2010	84,439	2,006,946	23,768	10.1%
2011	84,375	1,994,034	23,633	9.3%
2012	86,154	2,066,834	23,990	7.4%
2013	86,685	Not available	Not available	5.7%

Sources: Population information provided by the University of Florida, Bureau of Economic & Business Research. Per capita income provided by U.S. Census Bureau. Unemployment rate information provided by U.S. Department of Labor, Bureau of Labor Statistics

SCHEDULE 14
CITY OF SUNRISE, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND EIGHT YEARS AGO

EMPLOYER	2013			2005		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Broward County School Board	1,590	1	3.36%	-	-	-
City of Sunrise	1,007	2	2.13%	-	-	-
Coventry Healthcare of Florida	900	3	1.90%	-	-	-
United Healthcare	750	4	1.59%	750	2	1.57%
AT & T	700	5	1.48%	500	3	1.05%
Mednax	500	6	1.06%	325	7	0.68%
Research in Motion	400	7	0.85%	-	-	-
Sunshine State Health Plan	350	8	0.74%	-	-	-
General Dynamics	330	9	0.70%	-	-	-
Publix	300	10	0.63%	-	-	-
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	6,827		14.44%	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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Management Information Services	14	15	14	12	16	16	15	14	13	17
Finance	28	27	26	27	25	22	20	20	20	21
Central Services	16	18	18	17	17	19	22	22	21	21
Planning	28	30	29	31	31	31	29	27	31	29
Other ^a	30	29	30	29	28	28	26	27	26	29
Public safety										
Police										
Officers	174	171	170	167	175	175	171	176	177	176
Civilians	75	72	78	79	83	89	86	86	82	82
Fire										
Firefighters and officers	130	137	139	139	146	146	139	145	149	145
Civilians	13	12	14	15	15	6	6	8	8	9
Building	24	26	26	27	31	29	28	26	25	24
Code Enforcement	11	13	16	15	15	15	15	15	15	13
Physical environment										
Public Works	31	33	29	32	34	33	34	34	34	29
Other	9	10	8	10	10	10	13	13	12	13
Culture and recreation										
Water	97	94	99	99	101	100	102	100	102	102
Wastewater	90	87	91	92	94	93	94	105	107	106
Gas	24	25	23	24	25	22	21	20	19	20
Golf Course	16	17	16	16	15	11	-	-	-	-
Recycling	1	1	1	1	1	-	-	-	-	-
Stormwater	8	7	6	6	7	7	7	6	7	7

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

*Not available

Source: City Finance Department

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

		FISCAL YEAR									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
FUNCTION											
Public safety											
Police											
	Physical arrests	2,460	2,305	2,269	3,196	3,044	3,066	2,661	2,855	2,115	2,629
	Parking violations	1,841	1,039	1,299	1,084	742	558	532	466	367	761
	Traffic violations	21,459	16,636	15,867	11,293	13,490	11,843	10,845	12,874	19,471	12,714
Fire											
	Number of calls answered	11,649	12,013	12,274	11,766	11,807	11,776	11,970	11,647	12,015	13,131
	Inspections	7,774	7,654	5,916	8,297	9,057	9,613	9,662	10,101	10,578	10,577
Transportation											
	Street resurfacing (miles)	30	15	13	18	15	6	15	10	12	8
	Potholes repaired	104	26	20	51	61	351	398	186	295	317
Culture and recreation											
	Participants-youth athletic programs	3,974	3,500	2,868	2,983	2,846	2,787	2,702	2,923	2,816	2,880
	Theatre performance attendance	6,092	7,791	6,202	5,350	5,128	4,182	3,682	3,674	5,287	12,901
	Senior center memberships	1,757	1,788	1,574	1,678	1,320	1,385	1,391	1,479	1,676	1,228
	Athletic club memberships	300	328	321	261	290	220	193	291	296	461
Water											
	New connections	908	620	222	189	143	35	142	157	62	149
	Water main breaks	19	59	52	66	34	38	56	46	56	67
	Average daily consumption (thousands of gallons)	21,593	24,121	24,527	22,775	21,546	21,469	20,400	20,672	19,746	19,797
Wastewater											
	Average daily sewage treatment (thousands of gallons)	21,302	22,420	22,011	22,489	24,265	26,062	25,851	21,664	24,445	21,423
Gas											
	Average daily usage (CCF's)	12,758	12,456	12,313	12,459	12,499	11,843	12,544	12,180	10,995	10,802
Golf course											
	Memberships	114	80	154	101	95	55	321	217	192	165
	Rounds of golf played	26,216	29,419	33,349	29,624	17,137	9,602	1,054	36,992	37,399	39,649
Stormwater											
	Commercial equivalent residential units (ERU's)	32,147	34,683	34,830	35,206	34,994	37,070	37,070	37,327	37,062	37,231
	Residential equivalent residential units (ERU's)	36,385	36,626	36,686	37,113	37,619	37,787	37,900	38,158	38,386	38,695

*Not available

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

FUNCTION	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	3	3	3	3	3	3	3	1	1	1
Patrol units	211	215	215	215	216	226	249	258	252	246
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	3,792	3,792	3,797	3,797	3,863	3,868	3,917
Culture and recreation										
Parks	12	12	13	13	13	13	13	13	13	13
Park acreage	145	169	177	177	177	177	177	177	177	177
Swimming pools	4	5	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	8	8	8	8	9	9
Water										
Water mains (miles)	624	631	636	636	636	636	636	637	637	637
Maximum daily capacity (thousands of gallons)	47,500	47,500	44,000	44,000	44,000	44,000	44,000	44,000	44,000	50,000
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	30,450	30,450	30,450	30,450	30,450	30,450	30,450	30,450
Gas mains (miles)	175	175	176	177	178	180	181	181	185	185
Golf Course	1	1	1	1	1	1	1	1	1	1
Stormwater										
Pump stations	7	7	7	7	7	7	7	8	8	8
Storm sewers (miles)	390	390	390	390	390	392	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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 12, 2014. Our report includes a reference to other auditors who audited the financial statements of the Pension Trust Funds, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported separately by those auditors. 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

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, FL
February 12, 2014

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited the City of Sunrise, Florida's (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, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Marum LLP

Fort Lauderdale, FL
February 12, 2014

CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

Federal Agency, Pass-through Entity Federal Program Project	ARRA	CFDA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<u>FEDERAL</u>					
United States Department of Homeland Security					
Indirect Programs:					
Passed through City of Miramar - Homeland Security Grant Program	No	97.067	11DS-A1-11-16-02-487	\$ 211,489	\$ -
Passed through City of Miramar - Homeland Security Grant Program	No	97.067	12DS-22-11-23-02-236	29,542	-
Total United States Department of Homeland Security				<u>241,031</u>	<u>-</u>
United States Department of Housing and Urban Development					
Direct Programs:					
Community Development Block Grants/Entitlement Grants	No	14.218	B-11-MC-12-0035	530,244	-
Community Development Block Grants/Entitlement Grants	No	14.218	B-12-MC-12-0035	258,635	-
Neighborhood Stabilization Program	No	14.218	B-08-MN-12-0027	491,029	461,747
Neighborhood Stabilization Program	No	14.218	B-11-MN-12-0027	492,759	447,168
				<u>1,772,667</u>	<u>908,915</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	175,733	-
Passed through Broward County - Home Investment Partnerships Program	No	14.239	11-HFCD-052-HOME (2011-2012)	1,987	1,987
				<u>177,720</u>	<u>1,987</u>
Total United States Department of Housing and Urban Development				<u>1,950,387</u>	<u>910,902</u>
United States Department of Justice					
Direct Programs:					
Federal Equitable Sharing	No	16.922		513,868	-
Bulletproof Vest Partnership Program	No	16.607		15,510	-
				<u>529,378</u>	<u>-</u>
Indirect Programs:					
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	Yes	16.804	2009-SB-B9-3324	26,024	-
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	No	16.738	2010-DJ-BX-0414	3,868	-
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	No	16.738	2011-DJ-BX-2512	13,606	-
				<u>43,498</u>	<u>-</u>
Total United States Department of Justice				<u>572,876</u>	<u>-</u>

(Continued)

CITY OF SUNRISE, FLORIDA
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

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	-
Passed through Florida Department of Environmental Protection - Recreational Trails Program	No	20.219	T12021/T1221	<u>5,352</u>	<u>-</u>
Total United States Department of Transportation				<u>5,502</u>	<u>-</u>
United States Department of Treasury					
Direct Program:					
Federal Equitable Sharing	No	21.000		<u>408,096</u>	<u>-</u>
Total United States Department of Treasury				<u>408,096</u>	<u>-</u>
United States Department of Energy					
Direct Program:					
Energy Efficiency and Conservation Block Grant	Yes	81.128	DE-SC0003133	<u>24,368</u>	<u>-</u>
Total United States Department of Energy				<u>24,368</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 3,202,260</u>	<u>\$ 910,902</u>

See notes to schedule.

CITY OF SUNRISE, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2013

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, 2013. 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 position 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, except for the Equitable Sharing programs for Justice and Treasury which follows, *Guide to Equitable Sharing For Foreign Countries and Federal, State, and Local Law Enforcement Agencies*. Pass-through entity identifying numbers are presented where available.

CITY OF SUNRISE, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2013

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Unmodified 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:

Unmodified 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 Homeland Security – Homeland Security Grant Program	97.067
United States Department of Justice - Federal Equitable Sharing Program	16.922
United States Department of Treasury Federal Equitable Sharing Program	21.000

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

\$300,000

Auditee qualified as low-risk auditee?

X Yes ___ No

CITY OF SUNRISE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2013

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
YEAR ENDED SEPTEMBER 30, 2013

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 year ended September 30, 2013, and have issued our report thereon dated February 12, 2014.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General. 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 For Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 12, 2014, 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 financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City 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 noncompliance with 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., 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)6.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)6.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, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.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.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Fort Lauderdale, FL
February 12, 2014