



# Comprehensive Annual Financial Report

**Fiscal Year Ended September 30, 2014**

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

**Fiscal Year Ended  
September 30, 2014**



**prepared by the  
Finance and Administrative Services Department**

CITY OF SUNRISE, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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



March 4, 2015

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, 2014. 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, 2014, 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, 2014, 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 26<sup>th</sup> 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, vehicle replacement fund, and information technology and communications 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<sup>st</sup> of each year. The city commission is required to hold public hearings on the proposed budget and to adopt a final budget by September 30<sup>th</sup> of



each year. The appropriated budget is prepared by fund, function (e.g. Public Safety), and department (e.g. Police). The city manager is authorized to transfer appropriations within a department, office or agency; however, any other revisions require approval of the city commission. Additionally, program 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**

The City of 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 the City's economic condition and outlook:

- The City of 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. 2014 marked yet another impressive year for Sunrise in terms of economic development activity. The City continues to be a job growth leader in South Florida, ranking among the top municipalities in job creation and new employment opportunities for our residents. The current national economic recovery is boosting business activity in Sunrise. For example, the City issued over 700 new business licenses and the Community Development Department processed 7,556 building permits, up from 6,373 the year before.

Some of the more notable activities in 2014 include:

- The new American Express office campus is now at the beginning stages of development. The project consists of a new \$160+ million, 400,000 square foot corporate office campus on 41 acres. This facility is projected to create a total of 7,182 new jobs through both direct and indirect impacts. Direct impacts include an initial 3,200 jobs at the AMEX campus with a payroll of \$175 million and total direct output of \$572.1 million annually. Other companies that have expanded or relocated to Sunrise in 2014 include Harris Corp, Synchron, Centene, Healthcare Corporation, Fanatics, Innovated Endoscopy Components, and Sheridan Health Corp. Also in 2014, the new headquarters for the Rick Case Automotive Group moved to Sunrise. The nearly \$20 million headquarters and state-of-the-art Kia dealership will employ 205 employees in Sunrise.
- Contributing to the City's allure in 2014 was the much anticipated commencement of *Metropica*, a billion dollar mixed-use project which received international attention. With its unique one million dollar sales gallery opening late in 2014, the Metropica development officially kicked off the promotion of its first residential tower scheduled to break ground early in 2015. This commercial, office, retail and multi-family project will be responsible for generating over 5,000 jobs and will be a significant economic component of the City.
- The City'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. The culmination of businesses relocating and expanding in Sunrise resulted in the absorption of nearly 150,000 square feet of existing office space in 2014. As a result of all of this office space being filled, the City's office market vacancy rate now sits at a low 10.7%. This low rate will soon help usher in a new round of office development throughout the City, which will result in additional tax revenue for the City.
- 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 2014 with the mall commencing construction on additional retail space, surface parking and plans for two 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.

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 70.

During the past ten years, the City's expenses related to public safety have increased not only in amount, but also as a percentage of total expenses excluding debt service (a ten-year increase of 12.1 percent). Much of the increase reflects a trend that has seen the salaries and benefits of police and firefighters growing at a faster rate than those of other categories of public-sector employees.

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

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

### **Major Initiatives**

The City should see strong and steady growth over the next few years as our corporate park, mall and the arena are unique community assets that continue to draw visitors to Sunrise from both domestic and international markets. These destinations will remain significant contributors to the City's economy. Additionally, there continues to be strong interest from the hotel development community as demand for corporate lodging and tourism in Sunrise has been on the rise. In 2014, the Sawgrass Doubletree posted the highest occupancy rates of any hotel in Broward County. We can expect to see additional hospitality projects and hotel rooms announced in 2015.

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. Multi-family real estate projects in various stages of construction this year are *Portico at Metropica* with 417 luxury units, *Sunrise Village/Nexus* with 501 units and *Sawgrass Village* with 327 units.

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 fourth consecutive year. The festival attracts film enthusiasts, directors, producers, writers and actors to the City. Additionally, Sunrise was one of only a handful of cities from around the world to be selected to host the Red Bull *Wings for Life Relay*. This global race event brought Sunrise invaluable international

press coverage and the City will once again be the center of attention during the race in 2015.

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.

### **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, 2013. 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 and Administrative Services 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,



Wendy Dunbar  
Acting Director of Finance and Administrative Services



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

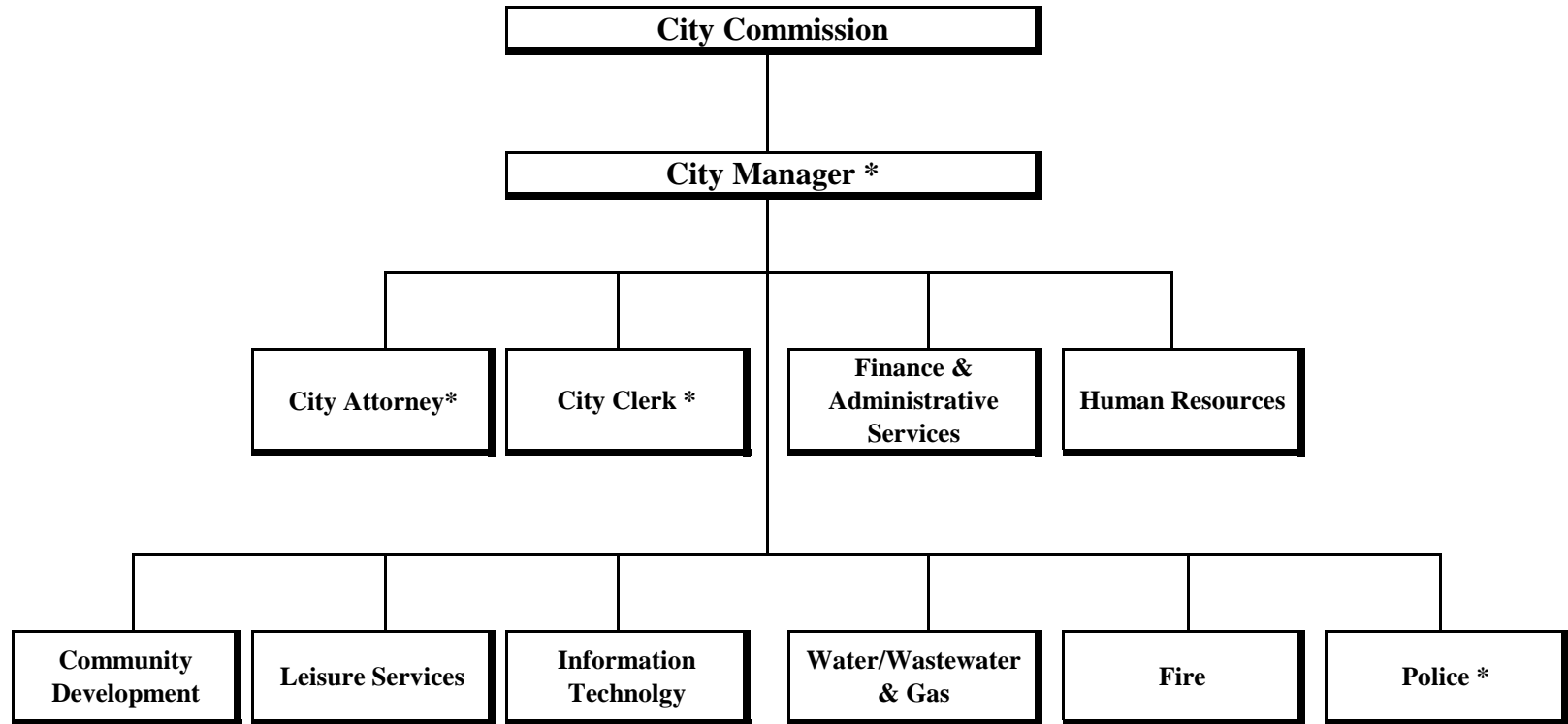
**City of Sunrise  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO

**City of Sunrise  
Departmental Organizational Chart  
Fiscal Year 2013/2014**



\* Charter Officer

**City of Sunrise, Florida  
List of City Officials  
September 30, 2014**

**Elected Officials**

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

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

**Principal Officials**

**Manager  
Attorney  
Clerk  
Acting Director of Finance & Administrative Svcs  
Director of Leisure Services  
Acting Director of Information Technology  
Acting Director of Human Resources  
Director of Community Development  
Director of Utilities  
Fire Chief  
Police Chief**

**Richard Salamon  
Kimberly A. Kisslan  
Felicia Bravo  
Wendy Dunbar  
Beth Zickar  
Laurie Gagner  
Alanna Carinio  
Shannon Ley  
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, 2014, 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.

***Auditors' 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 70%, respectively, of the assets, net position/fund balance and revenues/additions 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 is 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, 2014, 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 1B to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting For pension Plans – An Amendment of GASB Statement No. 25*. 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 and the Schedule of Employer Contributions on pages 81 through 82 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 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 and Other 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* and Other Information, such as the introductory and statistical sections 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.

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 March 4, 2015 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  
March 4, 2015

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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, 2014. Please read it in conjunction with the letter of transmittal which can be found on pages 1-6 of this report and the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

#### **General Fund**

- At the end of the current fiscal year, fund balance for the general fund was \$70,047,663. Of this balance, \$789,630 for inventories, prepaid items and advances was nonspendable; \$9,292,889 was restricted for building department expenditures; \$29,623,636 was committed for revenue stabilization, contingency, economic and job growth, and reforestation replacement; and \$6,896,977 was assigned for subsequent year's expenditures and encumbrances. The balance of \$23,444,531 was unassigned and available for new spending.
- At the end of the fiscal year, the unassigned fund balance was \$23,444,531 or 20.9% of general fund revenues and 22.5% of general fund expenditures.
- General fund revenues and other financing sources increased by \$666,091, an increase of .5% from fiscal year 2013.
- General fund expenditures and other financing uses decreased by \$30,066,714, or 21.6% less than last fiscal year primarily due to the payment of \$35,550,829 in fiscal year 2013 for the defeasance of the Public Facilities Revenue Bonds, Series 1992B.

#### **Governmental Activities**

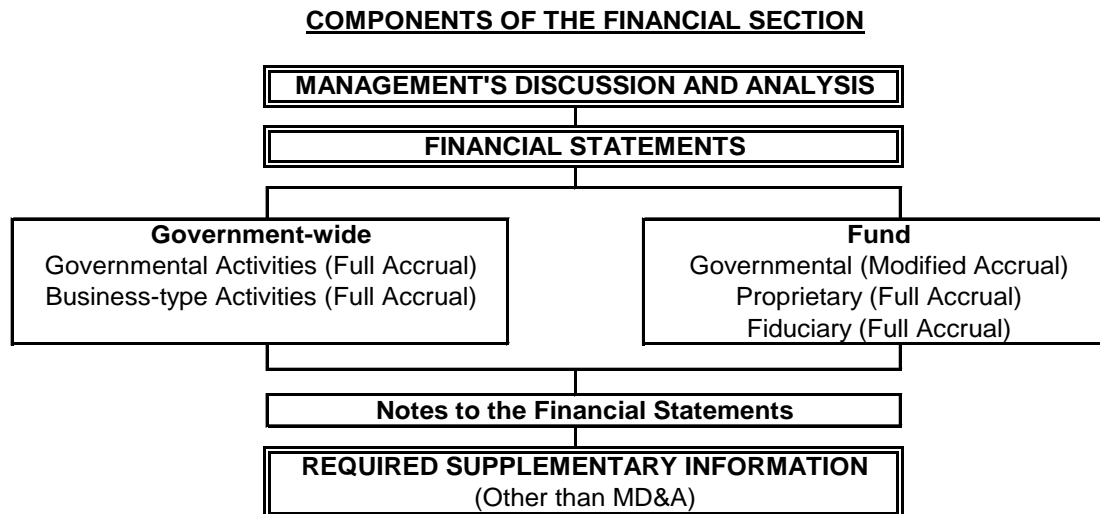
- On a government-wide basis for governmental activities, the City's general revenues of \$64,434,457 were \$1,854,380 less than the \$66,288,837 of expenses net of program revenue.
- As of September 30, 2014, the City's governmental activities reported total ending net position of \$259,339,246. Approximately 34.5% of this total amount, \$89,371,775, 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 \$618,026,280 at September 30, 2014, an increase of 4.8% from September 30, 2013. Of this amount, \$111,332,633 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, transportation 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 2014, the City maintained sixteen 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 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, Vehicle Replacement, and Information Technology and Communications funds are the City’s three 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 for fiscal year 2014:

**Summary of Statement of Net Position**  
As of September 30, 2014 and 2013  
(in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 144,568	\$ 125,805	\$ 253,902	\$ 256,910	\$ 398,470	\$ 382,715
Capital assets	<u>178,494</u>	<u>191,625</u>	<u>360,754</u>	<u>341,780</u>	<u>539,248</u>	<u>533,405</u>
Total assets	<u>323,062</u>	<u>317,430</u>	<u>614,656</u>	<u>598,690</u>	<u>937,718</u>	<u>916,120</u>
Deferred outflows of resources	-	-	1,631	1,714	1,631	1,714
Current and other liabilities	11,093	12,560	26,191	33,704	37,284	46,264
Long-term liabilities	<u>50,741</u>	<u>49,704</u>	<u>231,409</u>	<u>230,353</u>	<u>282,150</u>	<u>280,057</u>
Total liabilities	<u>61,834</u>	<u>62,264</u>	<u>257,600</u>	<u>264,057</u>	<u>319,434</u>	<u>326,321</u>
Deferred inflows of resources	<u>1,889</u>	<u>1,933</u>	-	-	<u>1,889</u>	<u>1,933</u>
Net position:						
Net investment in capital assets	161,496	172,579	194,209	195,615	355,705	368,194
Restricted	8,471	8,570	142,517	59,800	150,988	68,370
Unrestricted	<u>89,372</u>	<u>72,084</u>	<u>21,961</u>	<u>80,932</u>	<u>111,333</u>	<u>153,016</u>
Total net position	<u>\$ 259,339</u>	<u>\$ 253,233</u>	<u>\$ 358,687</u>	<u>\$ 336,347</u>	<u>\$ 618,026</u>	<u>\$ 589,580</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2014, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$618,026 thousand.

The majority of the City's net position (57.6%) 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 (24.4%) 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 (18%) 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 \$28,446 thousand for the current fiscal year. The increase for business-type activities is primarily due to an increase in water/wastewater and stormwater revenues coupled with an overall decrease in transfers to other funds. The increase for governmental activities is due to the defeasance of Public Facilities Revenue Bonds, Series 1992B in fiscal year 2013.

## Statement of Activities

The following table provides a condensed comparative summary of the City's operations for the fiscal years ended September 30, 2014 and 2013:

	<b>Changes in Net Position</b>					
	<b>For the Fiscal Years Ended September 30, 2014 and 2013</b>					
	<b>(in thousands)</b>					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 48,486	\$ 44,889	\$123,171	\$118,861	\$171,657	\$163,750
Operating grants and contributions	9,380	7,811	-	-	9,380	7,811
Capital grants and contributions	2,182	2,179	2,360	1,019	4,542	3,198
General revenues:						
Property taxes	31,708	30,726	-	-	31,708	30,726
Utility service tax	9,047	8,392	-	-	9,047	8,392
Communications services tax	3,017	4,251	-	-	3,017	4,251
Local business tax	2,427	2,352	-	-	2,427	2,352
Franchise fees	9,199	8,790	-	-	9,199	8,790
Grants and contributions not restricted to specific programs	8,078	7,557	-	-	8,078	7,557
Unrestricted investment earnings	181	776	438	846	619	1,622
Miscellaneous	757	2,279	2,843	2,758	3,600	5,037
Gain on sale of capital assets	20	29	-	-	20	29
<b>Total revenues</b>	<u>124,482</u>	<u>120,031</u>	<u>128,812</u>	<u>123,484</u>	<u>253,294</u>	<u>243,515</u>
<b>Expenses</b>						
General government	22,117	21,972	-	-	22,117	21,972
Public safety	75,726	73,438	-	-	75,726	73,438
Economic development	1,451	2,163	-	-	1,451	2,163
Human services	-	6	-	-	-	6
Transportation	11,113	13,416	-	-	11,113	13,416
Culture and recreation	15,070	13,903	-	-	15,070	13,903
Interest on long-term debt	860	2,986	-	-	860	2,986
Water and wastewater	-	-	74,498	76,928	74,498	76,928
Gas	-	-	7,028	6,502	7,028	6,502
Sanitation	-	-	10,072	11,876	10,072	11,876
Recycling	-	-	854	571	854	571
Stormwater	-	-	4,101	2,061	4,101	2,061
Golf Course	-	-	1,958	1,933	1,958	1,933
<b>Total expenses</b>	<u>126,337</u>	<u>127,884</u>	<u>98,511</u>	<u>99,871</u>	<u>224,848</u>	<u>227,755</u>
Increase (decrease) in net position before transfers and special item loss on defeasance of debt	(1,855)	(7,853)	30,301	23,613	28,446	15,760
Transfers	7,961	11,174	(7,961)	(11,174)	-	-
Change in net position	6,106	(3,558)	22,340	12,439	28,446	8,881
Net position – beginning	<u>253,233</u>	<u>256,791</u>	<u>336,347</u>	<u>323,908</u>	<u>589,580</u>	<u>580,699</u>
Net position – ending	<u>\$259,339</u>	<u>\$253,233</u>	<u>\$358,687</u>	<u>\$336,347</u>	<u>\$618,026</u>	<u>\$589,580</u>

## Revenues

For the fiscal year ended September 30, 2014, revenues from governmental activities totaled \$124,482 thousand.

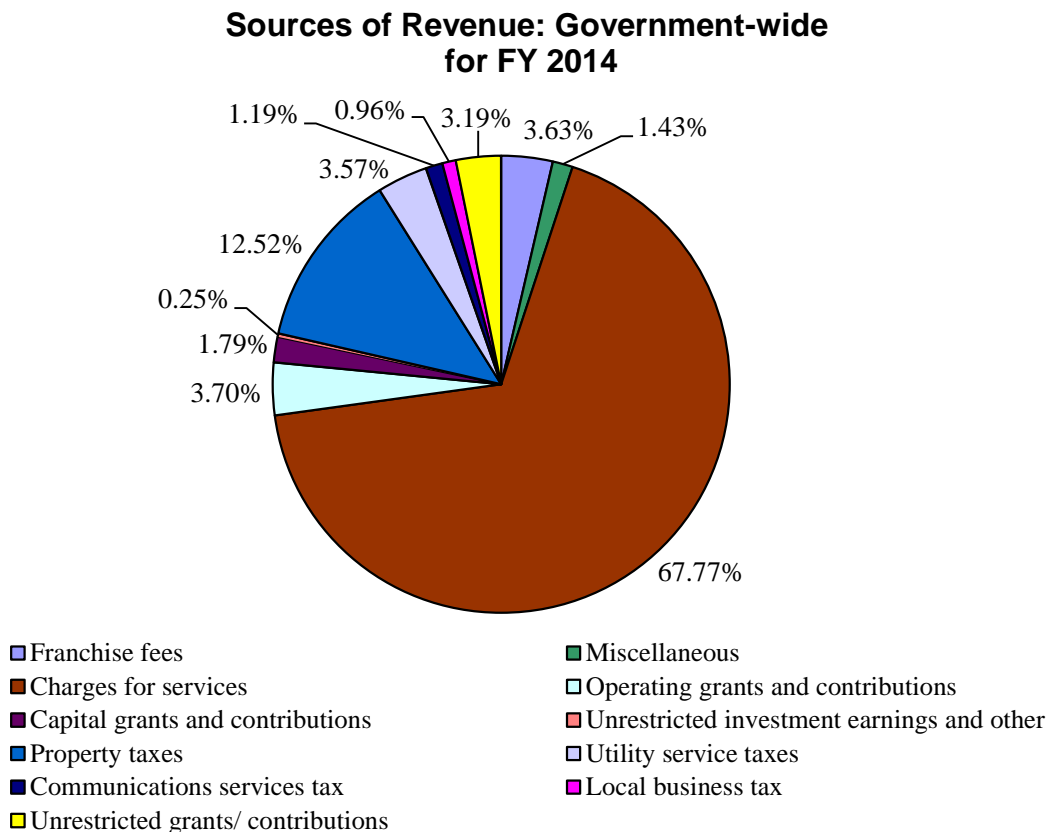
General property taxes were \$31,708 thousand, an increase of \$982 thousand as compared to fiscal year 2013. Assessed property values increased slightly compared to 2013 while the City maintained its previous year's millage rate.

Charges for services increased by \$7,907 thousand mainly due to an increase in building permit fees collected as well as an increase in administrative charges collected. Additionally, water and wastewater revenues increased due to a 5.01% CPI rate adjustment on October 1, 2013, an increase in turn on/turn off fees and the imposition of late payment penalties approved in March 2013. Additionally, stormwater rates were increased effective October 1, 2013.

Operating grants and contributions increased by \$1,569 thousand primarily due to an increase in forfeiture confiscation revenues.

Capital grants and contributions increased by \$1,344 thousand primarily due to an increase in developer contributions.

Unrestricted investment earnings decreased by \$1,003 thousand due to "mark-to-market" accounting, which resulted in unrealized investment losses of \$883 thousand and a decrease in the average interest rate from .3% in fiscal year 2013 to .2% in fiscal year 2014.

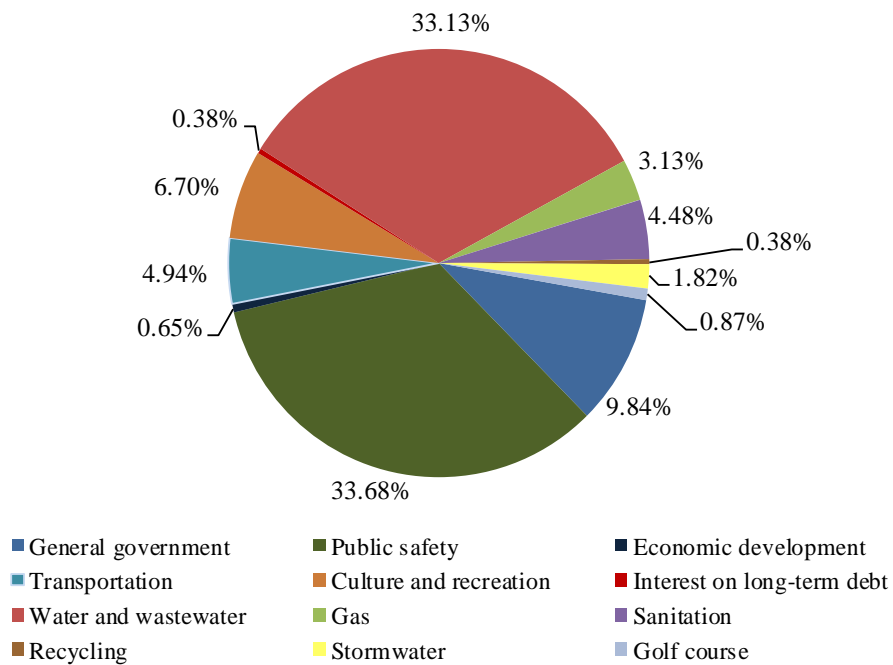


## Expenses

For the fiscal year ended September 30, 2014, expenses for governmental activities totaled \$126,337 thousand, a decrease of \$1,547 thousand, mainly due to decreased expense for long term debt interest.

Expenses for the City's business-type activities, which provide water, wastewater and gas, sanitation, recycling and stormwater services and golf course operations, totaled \$98,511 thousand, a decrease of \$1,360 thousand from fiscal year 2013. This decrease is due to a decrease in operational expenses for sanitation and water and wastewater.

### Functional Expenses: Government-wide for FY 2014



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

For the fiscal year ended September 30, 2014, the governmental funds reflect a combined fund balance of \$114,643,043, an increase of \$18,014,529 in comparison with the prior year. Approximately 99.3 percent of this total amount (\$113,798,964) 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 (\$320,175), prepaid items (\$312,124) and inventories (\$211,780). This year's increase in fund balance is due to a number of reasons. The Capital Improvements capital projects fund increased by \$1,367,275 due to a transfer from the General Fund and the Impact Fees special revenue fund for various capital projects. The other governmental funds fund balance increased by \$1,257,097 primarily due to a reduction in expenditures for grant programs as compared to the previous year. The general fund's revenues and other financing sources were \$15,390,157 in excess of its expenditures and other financing uses. Differences between actual revenues and the final budget occurred in various revenue sources: utility service taxes increased \$851 thousand; local business tax revenues increased approximately \$167 thousand; permits and fees increased approximately \$1,494 thousand due to increased development; charges for services increased by \$2,046 thousand primarily due to ambulance service fees and cost recovery charges; judgments, fines, and forfeitures increased \$562 thousand due to higher than anticipated collections related to the red light camera program (\$279 thousand) and traffic court fees (\$257 thousand); miscellaneous revenues increased by approximately \$925 thousand primarily due to the lien amnesty program (\$516 thousand), higher than anticipated code liens inquiry fees (\$223 thousand), and insurance receipts (\$100 thousand). In addition, total expenditures were approximately \$7.9 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.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference between the original budget and the final amended budget amounted to a \$1,693,599 increase in appropriations. Of this increase, \$52,543 was funded through various grants and \$1,641,056 was funded from the general fund unassigned fund balance. Highlights of the supplemental appropriation follow:

- \$475,618 in decreases for general government activities. The decrease was comprised of budget reductions for appropriations to public works and the police department in the amounts of \$14,640 and \$160,129, respectively, as well as an appropriation for a transfer to the Capital Projects fund in the amount of \$460,000. Additionally, there were budgetary increases of \$27,500 for salary and benefits in the City Commission office and \$131,651 for operating supplies in the Planning Division of the Community Development Department.
- \$544,577 in increases allocated to public safety. Included in this amount was a supplemental appropriation of to fund salaries, benefits, and operating supplies in the police department and building division in the amounts of \$239,900 and \$84,134, respectively, \$52,543 for public safety related grants, \$168,000 for vehicles for the building division.
- \$14,640 in increases for public works for contractual grounds maintenance.
- \$1,610,000 in increases for transfers out to Capital Improvements capital projects fund for a land purchase (\$1,150,000) and various capital projects (\$460,000).

**General Fund  
FY 2014  
(in thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues			
Taxes	\$ 45,456	\$ 45,456	\$ 45,249
Permits and fees	7,094	7,094	8,588
Franchise fees	9,082	9,082	9,281
Intergovernmental	9,001	9,053	8,486
Charges for services	19,422	19,422	21,468
Other	<u>17,930</u>	<u>17,930</u>	<u>19,298</u>
Total	<u>107,985</u>	<u>108,037</u>	<u>112,370</u>
Expenditures	<u>111,844</u>	<u>111,927</u>	<u>104,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,859)</u>	<u>(3,890)</u>	<u>8,356</u>
Other financing sources (uses)			
Transfers in	11,547	12,187	12,173
Transfers out	(3,572)	(5,182)	(5,182)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>43</u>
Total	<u>7,975</u>	<u>7,005</u>	<u>7,034</u>
Net change in fund balance	<u>\$ 4,116</u>	<u>\$ 3,115</u>	<u>\$ 15,390</u>

Actual general fund revenues exceeded original budgeted revenues by \$4,385 thousand. This increase is primarily due to receipt of \$1,494 thousand in building permit fees, \$772 thousand for cost recovery charges, \$641 in ambulance service fees, \$851 thousand in utility service taxes, and \$516 thousand for lien amnesty program. The original budget was amended to account for an additional \$52 thousand in additional grant awards. Actual revenue collections exceeded the final budget by \$4,333 thousand. Actual general fund expenditures were less than the original budget by \$7,830 thousand primarily due to less than anticipated expenditures for economic development and the residential, commercial and multi-family incentive programs as well as position vacancies resulting in salary and related payroll cost savings.

## CAPITAL ASSETS

At the end of fiscal year 2014, the City's governmental activities had invested \$178,494,387 in a variety of capital assets and infrastructure, which represents a net decrease of \$13,130,638 from the prior year. The City's investment in capital assets for its business-type activities amounted to \$360,753,641, which represents a net increase of \$18,973,560 from the prior year. The following table reflects the components of capital assets and their changes:

	<b>Government-wide Change in Capital Assets (in thousands)</b>					
	Governmental Activities			Business-type Activities		
	Balance 10/1/13	Net Additions/ Deletions	Balance 9/30/14	Balance 10/1/13	Net Additions/ Deletions	Balance 9/30/14
Non-depreciable assets:						
Land	\$ 16,178	\$ 38	\$ 16,216	\$ 12,147	\$ -	\$ 12,147
Construction in progress	6,229	437	6,666	45,584	14,694	60,278
Other capital assets:						
Intangibles	1,348	441	1,789	1,002	(1)	1,001
Buildings and system Improvements other than buildings	128,328	17	128,345	473,961	19,373	493,334
Machinery and equipment	44,312	44	44,356	11,204	618	11,822
Vehicles	17,169	690	17,859	8,550	(49)	8,501
Infrastructure	19,788	852	20,640	8,147	530	8,677
Accumulated depreciation on other capital assets	331,894	-	331,894	-	-	-
Totals	<u>(373,621)</u>	<u>(15,650)</u>	<u>(389,271)</u>	<u>(218,815)</u>	<u>(16,191)</u>	<u>(235,006)</u>
	<u>\$ 191,625</u>	<u>\$ (13,131)</u>	<u>\$ 178,494</u>	<u>\$ 341,780</u>	<u>\$ 18,974</u>	<u>\$ 360,754</u>

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

- The City made several public safety purchases including three ambulances at a cost of \$854,812, one fire engine for \$848,925, other fire vehicles totaling \$151,172, and police vehicles totaling \$511,864.
- Various projects were completed in the Water/Wastewater Utility System to include Sawgrass Water Treatment Plant improvements, the addition of two Sawgrass Floridan Test Wells, Springtree Utility Complex Security improvements, and the rehab of six lift stations.

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 \$234,188,358. Of this amount, \$216,148,358 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.

## **ECONOMIC FACTORS**

According to the U.S. Department of Labor, Bureau of Labor Statistics, the City's total resident employment as of September 2014 was 50,074 compared to 47,271 as of September 2013. The City's resident unemployment rate decreased from 5.7% in September 2013 to 5% in September 2014. The State of Florida's unemployment rate at September 2014 was 6.1%.

As of September 2014 (the latest data available from the U. S. Census Bureau), the City's median household income was \$44,627, while the State's median household income was \$46,036.

## **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 and Administrative Services 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, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 91,770,288	\$ 15,994,700	\$ 107,764,988
Investments	44,198,050	4,315,436	48,513,486
Receivables, net of allowance for uncollectibles	7,606,287	17,586,870	25,193,157
Internal balances	411,654	(411,654)	-
Inventories	211,780	2,185,606	2,397,386
Prepays	369,775	36,000	405,775
Restricted assets:			
Cash and cash equivalents	-	179,589,435	179,589,435
Investments	-	34,298,866	34,298,866
Interest receivable on investments	-	46,273	46,273
Intergovernmental receivable	-	260,731	260,731
Capital assets not being depreciated:			
Land	16,216,336	12,147,246	28,363,582
Construction in progress	6,665,753	60,277,411	66,943,164
Capital assets (net of accumulated depreciation):			
Intangibles	614,241	62,475	676,716
Buildings and system	92,671,167	276,033,939	368,705,106
Improvements other than buildings	14,734,950	6,883,678	21,618,628
Machinery and equipment	6,459,288	2,546,401	9,005,689
Vehicles	7,022,864	2,802,491	9,825,355
Infrastructure	34,109,788	-	34,109,788
Total assets	<u>323,062,221</u>	<u>614,655,904</u>	<u>937,718,125</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	1,631,417	1,631,417
Total deferred outflows of resources	<u>-</u>	<u>1,631,417</u>	<u>1,631,417</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	3,105,845	6,782,200	9,888,045
Retainage payable	136,710	-	136,710
Intergovernmental payable	145,115	1,615,981	1,761,096
Interest payable	426,166	-	426,166
Accrued liabilities	2,659,642	824,128	3,483,770
Unearned revenue	724,236	592,094	1,316,330
Other liabilities	3,894,829	-	3,894,829
Liabilities payable from restricted assets	-	16,376,655	16,376,655
Non-current liabilities:			
Due within one year	4,649,934	6,163,354	10,813,288
Due in more than one year	46,091,397	225,245,875	271,337,272
Total liabilities	<u>61,833,874</u>	<u>257,600,287</u>	<u>319,434,161</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Business license tax	1,889,101	-	1,889,101
Total deferred inflows of resources	<u>1,889,101</u>	<u>-</u>	<u>1,889,101</u>
<b>NET POSITION</b>			
Net investment in capital assets	161,496,469	194,208,810	355,705,279
Restricted:			
Debt service	5,344,699	-	5,344,699
Renewal and replacement	-	67,134,743	67,134,743
Operations and maintenance	-	8,921,489	8,921,489
System reserve	-	66,461,134	66,461,134
Capital projects	357,609	-	357,609
Transportation	2,385,044	-	2,385,044
Impact fees	383,650	-	383,650
Unrestricted	89,371,775	21,960,858	111,332,633
Total net position	<u>\$ 259,339,246</u>	<u>\$ 358,687,034</u>	<u>\$ 618,026,280</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, 2014

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
<b>Governmental activities:</b>							
General government	\$ 22,117,132	\$ 7,798,806	\$ -	\$ -	\$ (14,318,326)	\$ -	\$ (14,318,326)
Public safety	75,725,531	25,267,766	6,319,711	1,303,888	(42,834,166)	-	(42,834,166)
Physical environment	-	13,853,068	-	-	13,853,068	-	13,853,068
Economic development	1,450,739	-	1,864,838	-	414,099	-	414,099
Transportation	11,112,617	88,959	1,122,005	701,295	(9,200,358)	-	(9,200,358)
Culture and recreation	15,069,953	1,477,256	73,177	176,760	(13,342,760)	-	(13,342,760)
Interest on long-term debt	860,394	-	-	-	(860,394)	-	(860,394)
<b>Total governmental activities</b>	<b>126,336,366</b>	<b>48,485,855</b>	<b>9,379,731</b>	<b>2,181,943</b>	<b>(66,288,837)</b>	<b>-</b>	<b>(66,288,837)</b>
<b>Business-type activities:</b>							
Water and wastewater	74,498,032	97,709,023	-	2,359,667	-	25,570,658	25,570,658
Gas	7,028,195	7,785,045	-	-	-	756,850	756,850
Sanitation	10,072,501	9,202,805	-	-	-	(869,696)	(869,696)
Recycling	853,629	1,109,183	-	-	-	255,554	255,554
Stormwater	4,100,658	6,214,993	-	-	-	2,114,335	2,114,335
Golf course	1,957,715	1,149,913	-	-	-	(807,802)	(807,802)
<b>Total business-type activities</b>	<b>98,510,730</b>	<b>123,170,962</b>	<b>-</b>	<b>2,359,667</b>	<b>-</b>	<b>27,019,899</b>	<b>27,019,899</b>
<b>Total</b>	<b>\$ 224,847,096</b>	<b>\$ 171,656,817</b>	<b>\$ 9,379,731</b>	<b>\$ 4,541,610</b>	<b>(66,288,837)</b>	<b>27,019,899</b>	<b>(39,268,938)</b>
<b>General revenues:</b>							
Property taxes					31,708,055	-	31,708,055
Utility service tax					9,047,000	-	9,047,000
Communications services tax					3,017,207	-	3,017,207
Local business tax					2,426,731	-	2,426,731
Franchise fees based on gross receipts					9,199,078	-	9,199,078
Contributions not restricted to specific programs					8,078,628	-	8,078,628
Unrestricted investment earnings					181,000	438,071	619,071
Miscellaneous					756,909	2,842,841	3,599,750
Gain on sale of capital assets					19,849	-	19,849
Transfers					7,960,905	(7,960,905)	-
<b>Total general revenues and transfers</b>					<b>72,395,362</b>	<b>(4,679,993)</b>	<b>67,715,369</b>
Change in net position					6,106,525	22,339,906	28,446,431
Net position - beginning					253,232,721	336,347,128	589,579,849
Net position - ending					<b>\$ 259,339,246</b>	<b>\$ 358,687,034</b>	<b>\$ 618,026,280</b>

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

CITY OF SUNRISE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Capital Improvements		
<b>ASSETS</b>				
Cash and cash equivalents	\$ 44,671,872	\$ 17,359,686	\$ 20,019,860	\$ 82,051,418
Investments	25,771,779	11,795,073	799,159	38,366,011
Receivables, net of allowance for uncollectibles:				
Interest	52,943	20,261	1,365	74,569
Taxes	696,430	-	-	696,430
Franchise fees	1,136,251	-	-	1,136,251
Accounts receivable	636,250	-	-	636,250
Special assessments	-	-	1,164,663	1,164,663
Other	331,255	-	78,086	409,341
Due from other funds	2,093,085	-	3,317	2,096,402
Interfund	452,255	-	-	452,255
Intergovernmental	2,501,740	164,205	812,761	3,478,706
Prepaid items	312,124	-	1,200	313,324
Inventories	157,331	-	54,449	211,780
Advances to other funds	320,175	-	-	320,175
Total assets	<u>\$ 79,133,490</u>	<u>\$ 29,339,225</u>	<u>\$ 22,934,860</u>	<u>\$ 131,407,575</u>
<b>LIABILITIES</b>				
Accounts payable	1,238,305	608,838	176,730	2,023,873
Accrued liabilities	2,643,248	-	12,255	2,655,503
Retainage payable	-	136,710	-	136,710
Intergovernmental payable	144,244	-	871	145,115
Due to other funds	1,109,744	6,066	143,192	1,259,002
Interfund payable	-	-	350,334	350,334
Matured bonds payable	-	-	1,995,000	1,995,000
Matured interest payable	-	-	426,166	426,166
Unearned revenue	715,308	-	8,928	724,236
Other	1,345,877	-	2,548,952	3,894,829
Advances from other funds	-	-	100,000	100,000
Total liabilities	<u>7,196,726</u>	<u>751,614</u>	<u>5,762,428</u>	<u>13,710,768</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-business license tax	1,889,101	-	-	1,889,101
Unavailable revenue-special assessments	-	-	1,164,663	1,164,663
Total deferred inflows of resources	<u>1,889,101</u>	<u>-</u>	<u>1,164,663</u>	<u>3,053,764</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	157,331	-	54,449	211,780
Prepaid items	312,124	-	-	312,124
Advances	320,175	-	-	320,175
Restricted for:				
Building Department	9,292,889	-	-	9,292,889
Recreation	-	-	17,748	17,748
Public safety	-	-	7,578,142	7,578,142
Fire equipment	-	-	45,625	45,625
Median strips	-	-	237,122	237,122
Housing	-	-	964,225	964,225
Transportation	-	-	2,260,272	2,260,272
Developer Agreements	-	726,667	-	726,667
Committed:				
Revenue stabilization	5,082,744	-	-	5,082,744
Contingency	15,248,233	-	-	15,248,233
Economic & job growth	9,228,102	-	-	9,228,102
Reforestation replacement	64,557	-	-	64,557
Assigned to:				
Subsequent year's expenditures	6,231,090	13,688,372	-	19,919,462
Other purposes	665,887	-	-	665,887
Construction contracts	-	5,032,335	-	5,032,335
Transportation	-	-	70,323	70,323
Water, wastewater & gas utility system capital	-	6,310,000	-	6,310,000
Stormwater capital	-	150,000	-	150,000
Debt service funds	-	-	3,349,699	3,349,699
Capital projects funds	-	2,680,237	1,479,950	4,160,187
Unassigned				
General fund	23,444,531	-	-	23,444,531
Special revenue funds	-	-	(49,786)	(49,786)
Total fund balances	<u>70,047,663</u>	<u>28,587,611</u>	<u>16,007,769</u>	<u>114,643,043</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 79,133,490</u>	<u>\$ 29,339,225</u>	<u>\$ 22,934,860</u>	<u>\$ 131,407,575</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, 2014

<b>Fund balances - total governmental funds</b>	<b>\$</b>	<b>114,643,043</b>
 <b>Amounts reported for governmental activities in the statement of net position are different because:</b>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		173,422,589
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows in the funds.		1,164,663
The internal service funds are used by management to charge the costs of workers' compensation, vehicle replacement, and information technology and communications to individual funds.		
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		14,099,083
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(43,990,132)</u>
 <b>Net position of governmental activities</b>	 <b>\$</b>	 <b><u>259,339,246</u></b>

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

CITY OF SUNRISE, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Capital Improvements		
<b>REVENUES</b>				
Taxes:				
Property	\$ 29,257,526	\$ -	\$ 2,450,529	\$ 31,708,055
Local option fuel	-	-	1,498,020	1,498,020
Insurance premium	1,500,184	-	-	1,500,184
Utility service	9,047,000	-	-	9,047,000
Communications services	3,017,207	-	-	3,017,207
Local business	2,426,731	-	-	2,426,731
Permits and fees	8,587,577	-	-	8,587,577
Franchise fees	9,281,065	-	-	9,281,065
Intergovernmental	8,486,230	927,057	1,936,893	11,350,180
Charges for services	21,468,559	-	99,418	21,567,977
Administrative charges	6,231,856	-	-	6,231,856
Judgments, fines and forfeitures	1,818,128	-	4,301,308	6,119,436
Special assessments	8,479,941	-	270,600	8,750,541
Impact fees	-	-	84,198	84,198
Investment earnings	113,795	28,475	38,240	180,510
Contributions and donations	56,048	226,667	-	282,715
Miscellaneous	2,598,520	927,571	686,658	4,212,749
Total revenues	<u>112,370,367</u>	<u>2,109,770</u>	<u>11,365,864</u>	<u>125,846,001</u>
<b>EXPENDITURES</b>				
Current:				
General government	20,463,001	-	-	20,463,001
Public safety	71,487,774	-	1,719,926	73,207,700
Economic development	-	-	1,450,739	1,450,739
Transportation	708,410	-	1,226,487	1,934,897
Culture and recreation	10,974,675	-	-	10,974,675
Debt service:				
Principal	-	-	1,995,000	1,995,000
Interest	-	-	852,330	852,330
Other	-	-	39,884	39,884
Capital outlay	380,873	2,542,495	1,996,314	4,919,682
Total expenditures	<u>104,014,733</u>	<u>2,542,495</u>	<u>9,280,680</u>	<u>115,837,908</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,355,634</u>	<u>(432,725)</u>	<u>2,085,184</u>	<u>10,008,093</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	12,172,983	1,800,000	-	13,972,983
Transfers out	(5,181,675)	-	(830,403)	(6,012,078)
Sale of capital assets	43,215	-	2,316	45,531
Total other financing sources (uses)	<u>7,034,523</u>	<u>1,800,000</u>	<u>(828,087)</u>	<u>8,006,436</u>
Net change in fund balances	15,390,157	1,367,275	1,257,097	18,014,529
Fund balances - beginning	<u>54,657,506</u>	<u>27,220,336</u>	<u>14,750,672</u>	<u>96,628,514</u>
Fund balances - ending	<u>\$ 70,047,663</u>	<u>\$ 28,587,611</u>	<u>\$ 16,007,769</u>	<u>\$ 114,643,043</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, 2014

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

Net change in fund balances -- total governmental funds	\$ 18,014,529
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.	(13,940,799)
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.	(1,173,551)
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.	1,986,936
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.	(950,221)
Revenues reported in the funds that relate to prior periods are not reported in the statement of activities.	(271,045)
Internal service funds are used by management to charge the costs of workers' compensation, vehicle replacement, and information technology and communications to individual funds. The net revenue of certain activities of the internal service funds are reported with governmental activities.	2,440,676
Change in net position of governmental activities	<u>\$ 6,106,525</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, 2014

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Taxes:</b>				
Property	\$ 29,441,872	\$ 29,441,872	\$ 29,257,526	\$ (184,346)
Insurance premium	1,433,000	1,433,000	1,500,184	67,184
Utility service	8,195,600	8,195,600	9,047,000	851,400
Communications services	4,125,000	4,125,000	3,017,207	(1,107,793)
Local business	2,260,000	2,260,000	2,426,731	166,731
Permits and fees	7,094,000	7,094,000	8,587,577	1,493,577
Franchise fees	9,081,911	9,081,911	9,281,065	199,154
Intergovernmental	9,000,707	9,053,250	8,486,230	(567,020)
Charges for services	19,422,310	19,422,310	21,468,559	2,046,249
Administrative charges	6,231,856	6,231,856	6,231,856	-
Judgments, fines and forfeitures	1,256,350	1,256,350	1,818,128	561,778
Special assessments	8,389,384	8,389,384	8,479,941	90,557
Investment earnings	371,994	371,994	113,795	(258,199)
Contributions and donations	7,500	7,500	56,048	48,548
Miscellaneous	1,673,197	1,673,197	2,598,520	925,323
<b>Total revenues</b>	<b>107,984,681</b>	<b>108,037,224</b>	<b>112,370,367</b>	<b>4,333,143</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General government:</b>				
City Commission	612,113	639,613	627,994	11,619
City Manager	1,020,994	1,020,994	957,904	63,090
City Clerk	451,408	451,408	436,452	14,956
City Attorney	656,078	656,078	639,646	16,432
Finance and Administrative Services	4,717,557	4,717,557	4,276,831	440,726
Human Resources	1,083,799	1,083,799	922,358	161,441
Information Technology	3,274,172	3,274,172	3,025,115	249,057
Planning and Development	2,883,203	3,059,384	2,952,825	106,559
Non-departmental	8,426,058	7,528,215	6,623,876	904,339
<b>Total general government</b>	<b>23,125,382</b>	<b>22,431,220</b>	<b>20,463,001</b>	<b>1,968,219</b>
<b>Public safety:</b>				
Police	41,699,715	41,630,524	38,402,234	3,228,290
Fire	28,789,509	28,823,159	28,506,114	317,045
Building	3,931,917	4,012,851	3,352,472	660,379
Code Enforcement	1,351,155	1,351,155	1,226,954	124,201
<b>Total public safety</b>	<b>75,772,296</b>	<b>75,817,689</b>	<b>71,487,774</b>	<b>4,329,915</b>
<b>Transportation:</b>				
Public Works	896,728	911,368	708,410	202,958
<b>Culture and recreation:</b>				
Leisure Services	11,441,036	11,399,492	10,974,675	424,817

(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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Capital outlay:				
General government:				
Finance and Administrative Services	4,007	4,007	4,007	-
Planning and Development	-	2,515	2,515	-
Non-departmental	69,614	285,643	58,140	227,503
Public safety:				
Police	16,535	84,519	76,413	8,106
Fire	323,600	583,600	5,445	578,155
Building	-	171,200	1,415	169,785
Culture and recreation:				
Leisure Services	194,526	236,070	232,938	3,132
Total capital outlay	<u>608,282</u>	<u>1,367,554</u>	<u>380,873</u>	<u>986,681</u>
Total expenditures	<u>111,843,724</u>	<u>111,927,323</u>	<u>104,014,733</u>	<u>7,912,590</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,859,043)</u>	<u>(3,890,099)</u>	<u>8,355,634</u>	<u>12,245,733</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	11,546,441	12,186,845	12,172,983	(13,862)
Transfers out	(3,571,675)	(5,181,675)	(5,181,675)	-
Sale of capital assets	-	-	43,215	43,215
Total other financing sources (uses)	<u>7,974,766</u>	<u>7,005,170</u>	<u>7,034,523</u>	<u>29,353</u>
Net change in fund balances	4,115,723	3,115,071	15,390,157	12,275,086
Fund balances - beginning	<u>54,657,506</u>	<u>54,657,506</u>	<u>54,657,506</u>	<u>-</u>
Fund balances - ending	<u>\$ 58,773,229</u>	<u>\$ 57,772,577</u>	<u>\$ 70,047,663</u>	<u>\$ 12,275,086</u>

CITY OF SUNRISE, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 7,422,293	\$ 326,179	\$ 8,246,228	\$ 15,994,700	\$ 9,718,870
Investments	67,560	-	4,247,876	4,315,436	5,832,039
Interest receivable	109	589	7,191	7,889	10,077
Accounts receivable, net of allowance for uncollectibles	15,098,417	1,715,621	680,191	17,494,229	-
Assessments receivable, net	23,985	-	-	23,985	-
Other receivables	-	25,414	35,353	60,767	-
Due from other funds	42,368	-	-	42,368	-
Inventories	2,120,062	-	65,544	2,185,606	-
Prepaid items	33,000	-	3,000	36,000	-
<b>Restricted assets:</b>					
Cash and cash equivalents	11,553,894	-	-	11,553,894	-
Intergovernmental receivable	260,731	-	-	260,731	-
<b>Total current assets</b>	<b>36,622,419</b>	<b>2,067,803</b>	<b>13,285,383</b>	<b>51,975,605</b>	<b>15,560,986</b>
<b>Noncurrent assets:</b>					
<b>Restricted assets:</b>					
Cash and cash equivalents	167,713,369	322,172	-	168,035,541	-
Investments	33,891,177	407,689	-	34,298,866	-
Interest receivable on investments	46,273	-	-	46,273	-
<b>Capital assets:</b>					
Land	10,858,101	-	1,289,145	12,147,246	-
Intangibles	998,324	-	2,425	1,000,749	39,940
Buildings and system	492,648,613	-	685,480	493,334,093	-
Improvements other than buildings	8,219,189	-	3,602,951	11,822,140	-
Machinery and equipment	6,320,092	-	2,181,362	8,501,454	189,360
Vehicles	8,105,880	-	570,830	8,676,710	7,000,405
Construction in progress	59,687,292	-	590,119	60,277,411	-
Less accumulated depreciation	(232,230,754)	-	(2,775,408)	(235,006,162)	(2,157,907)
<b>Total capital assets, net of accumulated depreciation</b>	<b>354,606,737</b>	<b>-</b>	<b>6,146,904</b>	<b>360,753,641</b>	<b>5,071,798</b>
<b>Total noncurrent assets</b>	<b>556,257,556</b>	<b>729,861</b>	<b>6,146,904</b>	<b>563,134,321</b>	<b>5,071,798</b>
<b>Total assets</b>	<b>592,879,975</b>	<b>2,797,664</b>	<b>19,432,287</b>	<b>615,109,926</b>	<b>20,632,784</b>

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	1,631,417	-	-	1,631,417	-
Total deferred outflows of resources	1,631,417	-	-	1,631,417	-
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	5,258,400	1,245,899	226,388	6,730,687	3,951
Accrued liabilities	762,044	-	62,084	824,128	4,139
Due to other funds	1,771,912	175,821	61,131	2,008,864	438
Interfund payable	-	-	101,921	101,921	-
Compensated absences	271,937	-	31,417	303,354	1,398
Intergovernmental payable	1,612,731	-	3,250	1,615,981	-
Current liabilities payable from restricted assets:					
Revenue bonds payable	5,860,000	-	-	5,860,000	-
Accrued interest payable	5,693,894	-	-	5,693,894	-
Total current liabilities	21,230,918	1,421,720	486,191	23,138,829	9,926
<b>Noncurrent liabilities:</b>					
Revenue bonds payable (net of unamortized discounts/premiums)	211,757,532	-	-	211,757,532	-
Compensated absences	3,441,800	-	270,800	3,712,600	12,583
Other post employment benefits	4,095,414	-	304,618	4,400,032	-
Retiree subsidy	4,889,969	-	485,742	5,375,711	-
Advances from other funds	-	-	220,175	220,175	-
Claims and judgments	-	-	-	-	4,685,767
Unearned revenue	23,985	36,528	531,581	592,094	-
Noncurrent liabilities payable from restricted assets:					
Retainage payable	1,438,529	-	-	1,438,529	-
Customer deposits payable	8,514,371	729,861	-	9,244,232	-
Total noncurrent liabilities	234,161,600	766,389	1,812,916	236,740,905	4,698,350
Total liabilities	255,392,518	2,188,109	2,299,107	259,879,734	4,708,276
<b>NET POSITION</b>					
Net investment in capital assets	188,061,906	-	6,146,904	194,208,810	5,071,798
Restricted for:					
Renewal and replacement	67,134,743	-	-	67,134,743	-
Operations and maintenance	8,921,489	-	-	8,921,489	-
System reserve	66,461,134	-	-	66,461,134	-
Unrestricted	8,539,602	609,555	10,986,276	20,135,433	10,852,710
Total net position	\$ 339,118,874	\$ 609,555	\$ 17,133,180	356,861,609	\$ 15,924,508
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				1,825,425	
Net position of business-type activities				\$ 358,687,034	

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, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
<b>Operating revenues:</b>					
<b>Charges for sales and services:</b>					
Water sales	\$ 44,645,514	\$ -	\$ -	\$ 44,645,514	\$ -
Wastewater service	48,822,662	-	-	48,822,662	-
Gas sales	7,741,677	-	-	7,741,677	-
Fees	-	9,202,805	8,474,089	17,676,894	-
Service charges	2,443,292	-	-	2,443,292	5,055,298
Guaranteed revenues	456,543	-	-	456,543	-
Administrative charges	748,078	-	-	748,078	-
<b>Total operating revenues</b>	<b>104,857,766</b>	<b>9,202,805</b>	<b>8,474,089</b>	<b>122,534,660</b>	<b>5,055,298</b>
<b>Operating expenses:</b>					
<b>Costs of sales and services:</b>					
Power, water and wastewater purchases	3,719,868	-	161,667	3,881,535	36,925
Natural gas purchases	2,681,049	-	-	2,681,049	-
Chemical purchases	2,424,170	-	118,122	2,542,292	-
Solid waste/sludge removal	1,057,105	9,202,783	-	10,259,888	-
Recycling charges	-	-	760,310	760,310	-
Materials and supplies	802,985	-	127,321	930,306	369,893
Repairs and maintenance	3,265,397	-	32,347	3,297,744	15,963
Salaries, wages and employee benefits	23,804,497	-	2,535,950	26,340,447	147,474
Insurance and other expenses	10,303,924	22,323	2,092,742	12,418,989	436,861
Claims expense	-	-	-	-	773,312
Administrative fees	5,387,269	845,771	746,894	6,979,934	-
Depreciation and amortization	17,820,428	-	352,856	18,173,284	701,514
<b>Total operating expenses</b>	<b>71,266,692</b>	<b>10,070,877</b>	<b>6,928,209</b>	<b>88,265,778</b>	<b>2,481,942</b>
<b>Operating income (loss)</b>	<b>33,591,074</b>	<b>(868,072)</b>	<b>1,545,880</b>	<b>34,268,882</b>	<b>2,573,356</b>

**Business-type Activities - Enterprise Funds**

	<b>Water, Wastewater and Gas Utility System</b>	<b>Sanitation</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Non-operating revenues (expenses):</b>					
Investment earnings	398,258	2,785	37,028	438,071	37,366
Interest expense	(8,938,252)	(1,624)	(21,994)	(8,961,870)	-
Gain (loss) on sale of capital assets	(854,486)	-	812	(853,674)	33,605
Sale of recyclable materials	-	-	174,898	174,898	-
Other	2,362,393	34,618	270,932	2,667,943	3,243
<b>Total non-operating revenues (expenses)</b>	<b>(7,032,087)</b>	<b>35,779</b>	<b>461,676</b>	<b>(6,534,632)</b>	<b>74,214</b>
<b>Income (loss) before contributions and transfers</b>	<b>26,558,987</b>	<b>(832,293)</b>	<b>2,007,556</b>	<b>27,734,250</b>	<b>2,647,570</b>
<b>Capital contributions</b>	<b>2,359,667</b>	<b>-</b>	<b>-</b>	<b>2,359,667</b>	<b>-</b>
Transfers in	-	845,771	725,904	1,571,675	2,000,000
Transfers out	(8,623,684)	-	(908,896)	(9,532,580)	(2,000,000)
<b>Change in net position</b>	<b>20,294,970</b>	<b>13,478</b>	<b>1,824,564</b>	<b>22,133,012</b>	<b>2,647,570</b>
<b>Total net position - beginning</b>	<b>318,823,904</b>	<b>596,077</b>	<b>15,308,616</b>		<b>13,276,938</b>
<b>Total net position - ending</b>	<b>\$ 339,118,874</b>	<b>\$ 609,555</b>	<b>\$ 17,133,180</b>		<b>\$ 15,924,508</b>
<b>Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.</b>				<b>206,894</b>	
<b>Change in net position of business-type activities</b>				<b>\$ 22,339,906</b>	

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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, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water, Wastewater and Gas Utility System	Sanitation	Other Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 107,733,183	\$ 9,410,796	\$ 8,507,530	\$ 125,651,509	\$ 5,055,298
Receipts from interfund services provided	748,078	-	-	748,078	-
Payments to suppliers	(24,251,458)	(9,257,926)	(3,169,900)	(36,679,284)	(1,568,632)
Payments to and for employees	(22,482,369)	-	(2,163,357)	(24,645,726)	(128,916)
Payments for interfund services used	(5,746,380)	(845,771)	(826,813)	(7,418,964)	-
Net cash provided by (used for) operating activities	<u>56,001,054</u>	<u>(692,901)</u>	<u>2,347,460</u>	<u>57,655,613</u>	<u>3,357,750</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances from other funds	-	-	(96,837)	(96,837)	-
Transfer from other funds	-	845,771	725,904	1,571,675	2,000,000
Transfer to other funds	(8,623,684)	-	(908,896)	(9,532,580)	(2,000,000)
Net cash provided by (used for) noncapital financing activities	<u>(8,623,684)</u>	<u>845,771</u>	<u>(279,829)</u>	<u>(8,057,742)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	1,695,110	-	-	1,695,110	-
Acquisition and construction of capital assets	(37,136,658)	-	(388,668)	(37,525,326)	(2,651,622)
Principal paid on capital debt	(5,850,000)	-	-	(5,850,000)	-
Interest paid on capital debt	(9,216,326)	-	(21,994)	(9,238,320)	-
Proceeds from sales of capital assets	12,799	-	2,271	15,070	-
Net cash (used for) capital and related financing activities	<u>(50,495,075)</u>	<u>-</u>	<u>(408,391)</u>	<u>(50,903,466)</u>	<u>(2,651,622)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	70,476,381	1,007,919	6,792,315	78,276,615	9,745,117
Purchase of investments	(30,897,004)	(709,082)	(2,442,524)	(34,048,610)	(2,637,907)
Interest and dividends received	633,561	3,254	59,199	696,014	92,138
Net cash provided by investing activities	<u>40,212,938</u>	<u>302,091</u>	<u>4,408,990</u>	<u>44,924,019</u>	<u>7,199,348</u>
<b>Net increase in cash and cash equivalents</b>	<b>37,095,233</b>	<b>454,961</b>	<b>6,068,230</b>	<b>43,618,424</b>	<b>7,905,476</b>
<b>Cash and cash equivalents, September 30</b> (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>
<b>Cash and cash equivalents, September 30</b> (including \$179,267,263 and \$322,172 for the utility system and sanitation funds, respectively, reported in restricted accounts)	<u>\$ 186,689,556</u>	<u>\$ 648,351</u>	<u>\$ 8,246,228</u>	<u>\$ 195,584,135</u>	<u>\$ 9,718,870</u>

**Business-type Activities - Enterprise Funds**

	<b>Water, Wastewater and Gas Utility System</b>	<b>Sanitation</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>					
Operating income (loss)	\$ 33,591,074	\$ (868,072)	\$ 1,545,880	\$ 34,268,882	\$ 2,573,356
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>					
Miscellaneous operating income from re-evaluation of capital assets	171,893	-	-	171,893	-
Miscellaneous non-operating income from by-products of recycling activities	-	-	174,898	174,898	-
Miscellaneous non-operating income	2,362,393	32,994	270,932	2,666,319	3,243
Depreciation and amortization expense	17,820,428	-	352,856	18,173,284	701,514
(Increase) decrease in accounts receivable	1,515,241	204,362	(120,411)	1,599,192	-
(Increase) in other receivables	-	(23,335)	(11,300)	(34,635)	-
Decrease in due from other funds	19,326	-	-	19,326	-
(Increase) in intergovernmental receivables	(260,253)	-	-	(260,253)	-
Decrease in inventories	183,904	-	7,209	191,113	-
(Increase) in prepaid items	(1,700)	-	-	(1,700)	-
Increase in customer deposits	261,155	11,429	-	272,584	-
Increase (decrease) in accounts payable	(688,614)	(31,808)	96,686	(623,736)	(12,060)
Increase (decrease) in accrued liabilities	(49,709)	-	33,480	(16,229)	4,139
Increase (decrease) in due to other funds	954,824	(24,664)	4,999	935,159	438
(Decrease) in intergovernmental payables	(1,082,410)	-	(148)	(1,082,558)	-
Increase (decrease) in unearned revenue	-	6,193	(264,796)	(258,603)	-
Increase in retainage payable	173,664	-	-	173,664	-
Increase (decrease) in compensated absences payable	(98,934)	-	119,572	20,638	13,981
Increase in other post employment benefits payable	459,818	-	50,389	510,207	-
Increase in retiree subsidy payable	668,954	-	87,214	756,168	-
Increase in claims and judgments	-	-	-	-	73,139
<b>Total adjustments</b>	<b>22,409,980</b>	<b>175,171</b>	<b>801,580</b>	<b>23,386,731</b>	<b>784,394</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 56,001,054</b>	<b>\$ (692,901)</b>	<b>\$ 2,347,460</b>	<b>\$ 57,655,613</b>	<b>\$ 3,357,750</b>
<b>Noncash investing, capital and financing activities:</b>					
Contributions of capital assets	\$ 664,557	\$ -	\$ -	\$ 664,557	\$ -
Capital asset trade-ins	-	-	-	-	-
Net (decrease) in fair value of investments	(130,152)	(529)	(2,717)	(133,398)	(16,249)

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, 2014**

	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 6,259,329
Receivable from sale of securities	979,819
Interest and dividends receivable	485,980
Due from other funds	1,129,534
Other receivables	1,585
Investments, at fair value:	
U.S. government and agency securities	38,850,507
Corporate bonds	12,385,912
Mutual funds	111,702,317
Common stocks	173,807,832
International equity funds	33,708,137
Total investments	370,454,705
Prepaid items	406,668
Total assets	379,717,620
<b>LIABILITIES</b>	
Accounts payable	502,612
Prepaid employer contribution	201,023
Payable for securities purchased	681,911
Total liabilities	1,385,546
<b>NET POSITION</b>	
Held in trust for pension benefits	\$ 378,332,074

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, 2014**

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 22,051,287
Plan members	5,094,856
Other sources	1,500,184
Total contributions	<u>28,646,327</u>
Investment earnings:	
Interest	1,837,970
Dividends	5,005,310
Net increase in fair value of investments	26,502,817
Other	20,091
Total investment earnings	<u>33,366,188</u>
Less investment expense	<u>1,914,125</u>
Net investment earnings	<u>31,452,063</u>
Total additions	<u>60,098,390</u>
<b>DEDUCTIONS</b>	
Benefits	32,036,742
Refunds of contributions	325,690
Administrative expenses	555,183
Total deductions	<u>32,917,615</u>
Change in net position	27,180,775
Net position - beginning	<u>351,151,299</u>
Net position - ending	<u>\$ 378,332,074</u>

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

**CITY OF SUNRISE, FLORIDA  
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SEPTEMBER 30, 2014**

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**CITY OF SUNRISE, FLORIDA**  
**INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS-(Continued)**  
**SEPTEMBER 30, 2014**

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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 and management of the City has operational responsibility for the component unit.

**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 and management of the City has operational responsibility for the component unit.

**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. Management of the City has operational responsibility for the component unit.

**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. Management of the City has operational responsibility for the component unit.

## CITY OF SUNRISE, FLORIDA

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 necessary, the City Commission would establish the ad valorem tax rate for the Metropica Improvement District.

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 March 2012, the GASB issued *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No.62* (Statement No. 66). In June 2012, the GASB issued *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* (Statement No. 67). In April 2013, the GASB issued *Accounting and Financial Reporting for Nonexchange Financial Guarantees* (Statement No. 70). The City has applied the requirements, as applicable, of these Statements effective October 1, 2013.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units.

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

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

## CITY OF SUNRISE, FLORIDA

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The economic resources measurement focus is on the determination of net income and capital maintenance. All fund assets, deferred outflows/inflows of resources, 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.

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:

## CITY OF SUNRISE, FLORIDA

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 three internal service funds for the purpose of workers compensation services, vehicle replacement, and information technology and communications.

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) 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.



## **CITY OF SUNRISE, FLORIDA**

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, and international equity funds.

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

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

The City's pension funds' investment policies are determined by the respective Boards of Trustees. Their portfolios may consist of obligations guaranteed by the U.S. government, time or savings accounts, corporate bonds, common or preferred stocks, international equity funds (up to 25% of portfolios) and mutual funds. Fair values of investments are determined as follows: securities traded on a national securities exchange are valued at the last reported sales price on the

## CITY OF SUNRISE, FLORIDA

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 distributed 100 percent of the original principal balance. Fund B currently maintains an estimated excess reserve of \$41.7 million. The SBA is working with Trustee staff, Legislative staff, and relevant stakeholder groups to achieve the preferred method of allocating the final distribution of Fund B reserves.

### **3. Receivables and payables**

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

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

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

### **4. Inventories and prepaid items**

All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged as an expenditure/expense as the items are consumed. The reported governmental fund type inventories are offset by a fund balance classified as nonspendable that indicates unavailability of spendable resources. Inventories held by the general fund consist of fuel and tires. Inventories included in the special revenue funds consist of irrigation parts and road materials. Inventories included in the enterprise funds consist of chemicals, meters, fuel and parts and supplies. Governmental fund inventories are stated at cost, using the first-in/first-out (FIFO) method. The chemicals and fuel inventories in the enterprise funds are stated at lower of cost or market, using the FIFO method; the meters and parts and supplies inventories are stated at lower of cost or market, using the weighted average method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In addition, the governmental fund financial statements consider prepaid items to be nonspendable fund balance.

### **5. Restricted assets**

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond operations and maintenance" account is used to report resources set aside to pay operating and maintenance expenses. The

## CITY OF SUNRISE, FLORIDA

“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 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.

## **CITY OF SUNRISE, FLORIDA**

### **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 governmental funds report unavailable revenue from two sources: 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.

### **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. Bond issuance costs are expensed as incurred.

### **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 capital assets net of accumulated depreciation plus the capital-related deferred outflows of resources less any capital-related borrowings and deferred inflows of resources. 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.

## **CITY OF SUNRISE, FLORIDA**

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.

### **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, 2014, the City had a deficit fund balance of \$49,786 in the Broward County Disaster Recovery Initiative Grant special revenue fund. This deficit is expected to be eliminated by reimbursement from the granting agency in future years.

# CITY OF SUNRISE, FLORIDA

## II. Reconciliation of Government-wide and Fund Financial Statements

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net 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 \$43,990,132 are as follows:

Bonds payable	\$ 16,045,000
Less: Bond insurance costs	(56,451)
Compensated absences	9,820,172
Other post-employment benefits	11,944,502
Retiree subsidy	<u>6,236,909</u>
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 43,990,132</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 \$(13,940,799) difference are as follows:

Capital outlay	\$ 4,919,682
Depreciation expense	(17,806,692)
Capitalized operating expenditures	36,297
Non-capitalized capital outlay expenditures	<u>(1,090,086)</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>\$ (13,940,799)</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 \$(1,173,551) difference are as follows:

**CITY OF SUNRISE, FLORIDA**

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. \$ (23,366)

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. 39,272

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. 5,000

The statement of activities reports losses arising from the write-off of capital assets. Governmental funds do not report any loss resulting from a capital asset write-off. (1,194,457)

Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position of governmental activities* \$ (1,173,551)

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 \$1,986,936 difference are as follows:

Amortization of bond insurance costs	\$ (8,064)
Bond principal repayments	<u>1,995,000</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><u>\$ 1,986,936</u></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". The details of the \$(950,221) difference are as follows:

Increase in other post employment benefits	\$ (1,197,879)
Increase in retiree subsidy	(588,061)
Decrease in compensated absences	<u>835,719</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><u>\$ (950,221)</u></u>
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Another element of that reconciliation states that “revenues reported in the funds that relate to prior periods are not reported in the statement of activities”. The \$(271,045) represents the Special Recreation District Phase I special assessment.

## **CITY OF SUNRISE, FLORIDA**

### **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 \$83,599 for the general fund, \$875,410 for the special revenue funds, and \$3,387,572 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.

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

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

As of September 30, 2014, the fair value of the City's deposits and investments, exclusive of the Pension trust funds, was \$8,742,825 in U.S. Treasuries, \$49,069,527 in U.S. Government sponsored enterprises; \$25,000,000 in certificates of deposit, \$157,494,906 in the SBA Florida PRIME, \$51,495,839 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 \$69,731 on hand, \$66,740,053 with qualified public depositories and \$11,553,894 with authorized depositories pursuant to fiduciary agreements related to its utility bonds. Total restricted and unrestricted cash and cash equivalents at September 30, 2014 are \$287,354,423. Total investments, including restricted and unrestricted, amount to \$82,812,352.



**CITY OF SUNRISE, FLORIDA**

As of September 30, 2014, 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	\$47,234,438	\$2,214,880	\$22,491,236	\$16,150,870	\$6,377,452

The City's Police Officers' Pension trust fund contained the following investments as of September 30, 2014:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Duration (Years)</u>	<u>Bond Rating</u>
U.S. treasuries	\$ 12,404,592	3.40	AA
U.S. agencies	18,705,200	4.60	AA
Corporate bonds	6,479,459	4.90	A-AAA
Total fair value	<u>\$ 37,589,251</u>		
Portfolio weighted average duration		4.25	

At September 30, 2014, 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	\$ 5,734,888	\$ 736,694	\$ 3,872,738	\$ 215,682	\$ 909,774
U.S. agencies	2,005,828	-	650,211	-	1,355,617
Corporate bonds	5,906,452	-	1,752,802	2,964,908	1,188,742
	<u>\$ 13,647,168</u>	<u>\$ 736,694</u>	<u>\$ 6,275,751</u>	<u>\$ 3,180,590</u>	<u>\$ 3,454,133</u>

*Interest rate risk.* The City, exclusive of the Pension trust funds, manages its exposure to declines in fair value by limiting the weighted average duration of its investment portfolio to less than 18 months. The single U.S. Treasury investment that is in the City's investment portfolio at September 30, 2014 matures in 517 days. The weighted average days to maturity of the SBA Florida PRIME is 39 days. The weighted average maturity for PFM Prime Series is 55 days. The weighted average maturity for Fidelity Institutional Prime Money Market is 45 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 44 days. To limit exposure to interest rate risk, the City and its three Pension Plans: 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. 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, 2014, \$23,865,652 were rated AAA, \$6,733,941 were rated AA, \$6,303,791 were rated A, \$7,718,868 were rated BAA, \$1,306,093 were rated BB and \$1,306,093 were rated B. The credit ratings of investments in the corporate

## CITY OF SUNRISE, FLORIDA

bonds of the Firefighters' Pension Plan at September 30, 2014 were \$336,350 rated AA+, \$425,530 rated AA-, \$914,216 rated A+, \$1,141,738 rated A, \$2,665,410 rated A-, and \$423,209 rated BBB+. U.S. Government guaranteed obligations of \$7,740,715 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, 2014, the City's investment in Federal Farm Credit Bank Funding Corporation (FFCBFC) amounted to \$34,964,700, which represents 9.9% of the total portfolio; and BankUnited amounted to \$20,000,000 of certificates of deposit, which amounted to 5.7% of the total portfolio. The investment policy limits the investment in Florida PRIME fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Florida Statute 163.01(FLSAFE), to no more than 60% of the value of the portfolio. The Florida PRIME fund investment pool's exposure to a single non-governmental issuer is limited to 5% and exposure to any single money market mutual fund will not exceed 10% of the Florida PRIME assets. The General Employees', Police Officers' and Firefighters' Pension Plans' investment policies do not allow for an investment in any one issuer that is five percent or more of the Plans' net assets available for benefits.

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

*Custodial credit risk – investments.* For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. No custodial credit risk exposure exists for the City.

*Foreign currency risk – investments.* For an investment, this is the risk that changes in the exchange rates will adversely affect the fair value of an investment. The investment policy does not permit general obligations issued by a foreign government and is therefore, not exposed to foreign currency risk. The foreign pension investments that are held by the General Employees', Police Officers' and Firefighters' pension funds are not subject to foreign currency risk as they are denominated in U.S. currency.

**CITY OF SUNRISE, FLORIDA**

**B. Receivables**

Receivables at September 30, 2014, are as follows:

	<u>Interest</u>	<u>Taxes/Franchise Fees</u>	<u>Accounts</u>	<u>Special Assessments</u>	<u>Other</u>	<u>Intergov- ernmental</u>	<u>Total Receivables</u>
Governmental activities:							
General	\$ 52,943	\$ 1,832,681	\$ 636,250	\$ -	\$ 331,255	\$ 2,501,740	\$ 5,354,869
Capital Improvements	20,261	-	-	-	-	164,205	184,466
Internal Service	10,077	-	-	-	-	-	10,077
Other governmental	<u>1,365</u>	<u>-</u>	<u>-</u>	<u>1,164,663</u>	<u>78,086</u>	<u>812,761</u>	<u>2,056,875</u>
Total – governmental Activities	<u>\$ 84,646</u>	<u>\$ 1,832,681</u>	<u>\$ 636,250</u>	<u>\$ 1,164,663</u>	<u>\$ 409,341</u>	<u>\$ 3,478,706</u>	<u>\$ 7,606,287</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,118,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,118,06</u>
Business-type activities:							
Water, Wastewater & Gas Utility System							
Unrestricted	\$ 109	\$ -	\$ 15,248,417	\$ 23,985	\$ -	\$ -	\$ 15,272,511
Restricted	46,273	-	-	-	-	260,731	307,004
Sanitation							
Unrestricted	-	-	1,715,621	-	25,414	-	1,741,035
Restricted	589	-	-	-	-	-	589
Other proprietary	<u>7,191</u>	<u>-</u>	<u>680,191</u>	<u>-</u>	<u>35,353</u>	<u>-</u>	<u>722,735</u>
Gross receivables	54,162	-	17,644,229	23,985	60,767	260,731	18,043,874
Less: Uncollectibles	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
	<u>\$ 54,162</u>	<u>\$ -</u>	<u>\$ 17,494,229</u>	<u>\$ 23,985</u>	<u>\$ 60,767</u>	<u>\$ 260,731</u>	<u>\$ 17,893,874</u>

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

Uncollectibles related to water and wastewater sales	\$109,870
Uncollectibles related to gas sales	25,756
Uncollectibles related to recycling services	922
Uncollectibles related to stormwater services	<u>7,465</u>
Total uncollectibles for the current fiscal year	<u>\$144,013</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)	\$1,164,663	\$ -
Prepaid local business license tax (general fund)	1,889,101	-
Prepaid inspection fees (general fund)	-	678,037
Prepaid sidewalk replacement fees (Fuel and Roadway special revenue fund)	-	8,928
Grant proceeds prior to meeting all eligibility requirements (general fund)	<u>-</u>	<u>37,271</u>
Total deferred/unearned revenue for governmental funds	<u>\$3,053,764</u>	<u>\$ 724,236</u>

**CITY OF SUNRISE, FLORIDA**

**C. Capital assets**

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated or amortized:				
Land	\$ 16,178,664	\$ 37,672	\$ -	\$ 16,216,336
Construction in progress	6,228,739	2,237,947	(1,800,933)	6,665,753
Total capital assets, not being depreciated or amortized	<u>22,407,403</u>	<u>2,275,619</u>	<u>(1,800,933)</u>	<u>22,882,089</u>
Capital assets, being depreciated or amortized:				
Intangibles	1,348,620	536,274	(95,469)	1,789,425
Buildings and system	128,328,099	17,373	-	128,345,472
Improvements other than buildings	44,312,079	46,940	(2,650)	44,356,369
Machinery and equipment	17,168,797	1,658,942	(968,914)	17,858,825
Vehicles	19,787,834	2,687,414	(1,835,038)	20,640,210
Infrastructure	331,893,532	-	-	331,893,532
Total capital assets, being depreciated or amortized	<u>542,838,961</u>	<u>4,946,943</u>	<u>(2,902,071)</u>	<u>544,883,833</u>
Less accumulated depreciation/ amortization for:				
Intangibles	(1,087,766)	(181,817)	94,399	(1,175,184)
Buildings and system	(31,855,469)	(3,818,836)	-	(35,674,305)
Improvements other than buildings	(26,551,165)	(3,072,904)	2,650	(29,621,419)
Machinery and equipment	(10,683,789)	(1,662,366)	946,618	(11,399,537)
Vehicles	(14,113,888)	(1,317,801)	1,814,343	(13,617,346)
Infrastructure	(289,329,262)	(8,454,482)	-	(297,783,744)
Total accumulated depreciation/ amortization	<u>(373,621,339)</u>	<u>(18,508,206)</u>	<u>2,858,010</u>	<u>(389,271,535)</u>
Total capital assets, being depreciated or amortized, net	<u>169,217,622</u>	<u>(13,561,263)</u>	<u>(44,061)</u>	<u>155,612,298</u>
Governmental activities capital assets, net	<u>\$191,625,025</u>	<u>\$(11,285,644)</u>	<u>\$ (1,844,994)</u>	<u>\$178,494,387</u>

**CITY OF SUNRISE, FLORIDA**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated or amortized:				
Land	\$ 12,147,246	\$ -	\$ -	\$ 12,147,246
Construction in progress	<u>45,583,742</u>	<u>34,727,729</u>	<u>(20,034,060)</u>	<u>60,277,411</u>
Total capital assets, not being depreciated or amortized	<u>57,730,988</u>	<u>34,727,729</u>	<u>(20,034,060)</u>	<u>72,424,657</u>
Capital assets, being depreciated or amortized:				
Intangibles	1,001,802	2,481	(3,534)	1,000,749
Buildings and system	473,961,165	21,836,537	(2,463,609)	493,334,093
Improvements other than buildings	11,203,917	626,010	(7,787)	11,822,140
Machinery and equipment	8,549,809	192,770	(241,125)	8,501,454
Vehicles	<u>8,146,866</u>	<u>670,281</u>	<u>(140,437)</u>	<u>8,676,710</u>
Total capital assets, being depreciated or amortized	502,863,559	23,328,079	(2,856,492)	523,335,146
Less accumulated depreciation/ amortization for:				
Intangibles	(879,430)	(62,378)	3,534	(938,274)
Buildings and system	(202,649,859)	(16,247,854)	1,597,559	(217,300,154)
Improvements other than buildings	(4,143,046)	(802,734)	7,318	(4,938,462)
Machinery and equipment	(5,685,139)	(502,793)	232,879	(5,955,053)
Vehicles	<u>(5,456,992)</u>	<u>(557,525)</u>	<u>140,298</u>	<u>(5,874,219)</u>
Total accumulated depreciation/ amortization	<u>(218,814,466)</u>	<u>(18,173,284)</u>	<u>1,981,588</u>	<u>(235,006,162)</u>
Total capital assets, being depreciated or amortized, net	<u>284,049,093</u>	<u>5,154,795</u>	<u>(874,904)</u>	<u>288,328,984</u>
Business-type activities capital assets, net	<u>\$ 341,780,081</u>	<u>\$ 39,882,524</u>	<u>\$ (20,908,964)</u>	<u>\$ 360,753,641</u>

At September 30, 2014, amounts included in governmental activities recorded under capital leases include original amounts of \$22,393 of improvements other than buildings, \$597,841 of machinery and equipment and \$542,005 of vehicles; those included in business-type activities include \$30,638 of machinery and equipment and \$178,875 of vehicles.

As of September 30, 2014, the total amount of interest costs incurred related to business-type activities is \$11,263,820, of which \$2,301,950 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	\$ 2,111,098
Public safety	3,640,348
Transportation, including depreciation of general infrastructure assets	8,905,447
Culture and recreation	3,851,313
Total depreciation or amortization expense - governmental activities	<u>\$ 18,508,206</u>
Business-type activities:	
Water, wastewater, and gas	\$ 17,820,428
Recycling	727
Stormwater	236,891
Golf course	115,238
Total depreciation or amortization expense - business-type activities	<u>\$ 18,173,284</u>

**D. Construction commitments**

At September 30, 2014, the City had in process various uncompleted construction projects with remaining balances totaling \$47,127,324. 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, 2014 are as follows:

Major funds:	
General Fund	\$ 665,887
Capital Improvements capital projects fund	<u>5,032,335</u>
Total Encumbrances	<u>\$ 5,698,222</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, \$220,175, as nonspendable fund balance. The current portion of the loan in the amount of \$101,921 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 \$225,332 to the Urban Area Security Initiative grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$49,786 to the Broward County Disaster Recovery Initiative grant special revenue fund as a short-term loan to fund operations.

The general fund advanced \$75,216 to the Community Development Block grant special revenue fund as a short-term loan to fund operations.

**CITY OF SUNRISE, FLORIDA**

The composition of interfund balances as of September 30, 2014, is as follows.

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>	
General fund	\$ 452,255	\$ -	
Non-major governmental funds:			
Special revenue funds:			
Urban Area Security Initiative Grant	-	225,332	
Broward County Disaster Recovery Initiative Grant	-	49,786	
Neighborhood Stabilization Program Grant	-	75,216	
Total non-major governmental funds	-	350,334	
Non-major enterprise fund:			
Stormwater	-	101,921	
Total interfund receivables/payables	<u>\$ 452,255</u>	<u>\$ 452,255</u>	

<u>Fund</u>	<u>Advance from</u>	<u>Advance to</u>	
General fund	\$ 320,175	\$ -	
Non-major governmental fund:			
Special revenue fund: CDBG Grant	-	100,000	
Non-major enterprise fund:			
Stormwater	-	220,175	
Total advances	<u>\$ 320,175</u>	<u>\$ 320,175</u>	

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Purpose</u>
General fund	\$ 2,093,085	\$ 1,109,744	1,2,3,4,5,6
Capital projects fund:			
Capital Improvements	-	6,066	3
Non-major governmental funds:			
Special revenue funds:			
Community Development Block Grant	-	725	3
Fuel and Roadway	-	121	1,3
Police Confiscation	3,304	142,346	1,3
Debt service funds:			
Special Tax District No. 1	13	-	6
Total non-major governmental funds	3,317	143,192	
Enterprise funds:			
Water, Wastewater, and Gas Utility System	42,368	1,771,912	1,2,3
Sanitation	-	175,821	4
Non-major enterprise funds:			
Recycling	-	51,995	1,3
Stormwater	-	9,136	1,3
Total non-major enterprise funds	-	61,131	
Internal service funds:			
Vehicle Replacement	-	438	6
General Employees' Pension	110,864	-	3
Police Officers' Pension	76,091	-	3
Firefighters' Pension	942,579	-	3
Total pension trust funds	1,129,534	-	
Total due to/due from	<u>\$ 3,268,304</u>	<u>\$ 3,268,304</u>	

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

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

**CITY OF SUNRISE, FLORIDA**

Interfund transfers:

	Transfer out:					Total
	General fund	Non-major governmental funds	Water, Waste- water and Gas Utility System enterprise fund	Non-major enterprise funds	Internal service funds	
Transfer in:						
General fund	\$ - a	\$ 640,403 a	\$ 8,623,684 a	\$ 908,896 a	\$ 2,000,000 a	\$ 12,172,983
Capital Improvements						
capital projects fund	1,610,000 b	190,000 b	-	-	-	1,800,000
Non-major governmental funds	-		-		-	-
Sanitation enterprise fund	845,771 c	-	-	-	-	845,771
Non-major enterprise funds	725,904 c	-	-	-	-	725,904
Internal service funds	2,000,000 a	-	-	-	-	2,000,000
Total	\$ 5,181,675	\$ 830,403	\$ 8,623,684	\$ 908,896	\$ 2,000,000	\$ 17,544,658

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
2015	\$ -	\$ -	\$ 5,860,000	\$ 11,126,264
2016	-	-	6,070,000	10,850,439
2017	-	-	4,425,000	10,693,239
2018	-	-	4,550,000	10,511,239
2019	-	-	4,715,000	10,322,639
2020-2024	-	-	49,335,000	45,737,815
2025-2029	-	-	64,140,000	28,809,598
2030-2034	-	-	53,055,000	13,621,911
2035-2036	-	-	24,110,000	725,821
	-	-	216,260,000	142,398,965
Plus/(less):				
Unappreciated accretion	-	-	(111,642)	-
Sub-total	-	-	216,148,358	142,398,965
Bond premium	-	-	1,479,761	-
Bond discount	-	-	(10,587)	-
Total	\$ -	\$ -	\$ 217,617,532	\$ 142,398,965

\*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
2015	\$ 1,995,000	\$ 763,272
2016	2,085,000	668,323
2017	2,170,000	568,073
2018	2,635,000	446,090
2019	2,130,000	344,390
2020-2022	7,025,000	355,930
Total	\$ 18,040,000	\$ 3,146,078

**CITY OF SUNRISE, FLORIDA**

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

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>
<b>Governmental activities</b>				
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
<b>Business-type activities</b>				
Utility revenue bonds:				
Series 1993	Refunding			
Serial bonds		\$ 11,100,000	\$ -	3.25-5.20%
Term bonds		1,855,000	-	5.60%
Capital appreciation bonds		7,194,299	2,543,358	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>\$ 216,148,358</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 Utility System 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, wastewater 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 2017; the Series 1998 bonds are payable through 2029; the Series 1998A bonds are payable through 2016; the Series 2010A bonds are payable through 2021; the Series 2010B bonds are payable through 2036; and the Series 2010C bonds are payable through 2020. Total principal and interest remaining to be paid on the utility bonds is \$358,658,965. Principal and interest paid for the current year and total customer net revenue were \$14,935,839 and \$51,411,502, 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.

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 9/30/14</u>
Governmental activities:			
Public Facilities revenue bonds	1992B	2013	\$ 39,060,000
Business-type activities:			
Utility System revenue bonds	1976B	1983	1,145,000
	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>55,355,000</u>
Total outstanding defeased, refunded debt			<u>\$ 99,945,000</u>

## CITY OF SUNRISE, FLORIDA

### Change in long-term liabilities

Total long-term liability activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 20,215,000	\$ -	\$ (2,175,000)	\$ 18,040,000	\$ 1,995,000
Compensated absences	10,655,891	6,608,222	(7,429,960)	9,834,153	1,015,394
Other post employment benefits	10,746,623	1,712,942	(515,063)	11,944,502	-
Retiree subsidy	5,648,848	1,234,740	(646,679)	6,236,909	-
Claims and judgments	4,612,628	773,312	(700,173)	4,685,767	1,639,540
Governmental activity long-term liabilities	<u>\$ 51,878,990</u>	<u>\$ 10,329,216</u>	<u>\$ (11,466,875)</u>	<u>\$ 50,741,331</u>	<u>\$ 4,649,934</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 221,857,980	\$ 140,378 *	\$ (5,850,000)	\$ 216,148,358	\$ 5,860,000
Less deferred amounts:					
For issuance discounts	(15,880)	5,293	-	(10,587)	-
For issuance premiums	1,855,832	-	(376,071)	1,479,761	-
Total bonds payable	223,697,932	145,671	(6,226,071)	217,617,532	5,860,000
Compensated absences	3,995,316	2,688,033	(2,667,395)	4,015,954	303,354
Other post employment benefits	3,889,825	729,584	(219,377)	4,400,032	-
Retiree subsidy	4,619,543	1,056,056	(299,888)	5,375,711	-
Business-type activity long-term liabilities	<u>\$ 236,202,616</u>	<u>\$ 4,619,344</u>	<u>\$ (9,412,731)</u>	<u>\$ 231,409,229</u>	<u>\$ 6,163,354</u>

\*includes future appreciated principal accretion

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

### I. Property taxes

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuation for the general fund except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad valorem taxes. The operating millage rate levied by the City and budgeted for the 2013-2014 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, 2014 were approximately 98% of the total tax levy, net of discounts allowed.

## CITY OF SUNRISE, FLORIDA

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

The City Commission establishes the tax levy of the City. The adoption of the final millage rate occurred September 23, 2013. 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, 2014 is shown as follows:

Lien date	January 1, 2013
Levy date, tax bills mailed	November 1, 2013
Last date for 4% discount on taxes paid	November 30, 2013
Last date for 3% discount on taxes paid	December 31, 2013
Last date for 2% discount on taxes paid	January 31, 2014
Last date for 1% discount on taxes paid	February 28, 2014
Final due date of payment of taxes	March 31, 2014
Date for auctioning tax certificates on delinquent accounts	On or before June 1, 2014

### **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 \$4,685,767, which is discounted at 4%, is reported in the fund at September 30, 2014 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.

## CITY OF SUNRISE, FLORIDA

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

	Year ended 9/30/13	Year ended 9/30/14
Unpaid claims, beginning of fiscal year	\$ 4,513	\$ 4,613
Incurred claims (and estimate changes)	591	773
Claim payments	<u>(491)</u>	<u>(700)</u>
Unpaid claims, end of fiscal year	<u>\$ 4,613</u>	<u>\$ 4,686</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.

### **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 twenty-six members in the DROP as of September 30, 2014. 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

## CITY OF SUNRISE, FLORIDA

most recent actuarial report for eligible participants who have retired prior to December 13, 2004. Any participant immediately eligible for early or normal retirement benefits or entered the DROP between August 14, 2001 and December 12, 2004 is eligible for a 13<sup>th</sup> check, the amount of which cannot exceed 100% of a participant's monthly retirement benefit. In the event that the cumulative net actuarial gain exceeds the amount distributed by the 13<sup>th</sup> check and the City's required contributions to the Plan, a 14<sup>th</sup> check will be distributed to eligible participants – those eligible for a 13<sup>th</sup> check, except for DROP participants.

City Ordinance 124-X-02-B, approved March 12, 2002, established a retirement incentive program for firefighters. During a “window period” of thirty calendar days, beginning February 27, 2002, eligible firefighters could have made an irrevocable election to participate in this program. The eligible firefighters must have retired and separated from City employment no later than April 15, 2002. Eligible firefighters who elected the program could have also elected to participate in a DROP for up to thirty-six months or, alternatively, elect a BAC-DROP option for up to eighteen months. Beginning four years after retirement or entry into the DROP, a 2% annual increase in retirement benefits is applicable for all members. As of June 10, 2008, eligible firefighters can 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, 2014, thirty-two firefighters were participating in this program.

Effective September 13, 1999, the General Employees' Pension Plan distinguished between general employees, management and senior management. DROP was implemented for management and senior management effective June 12, 2001 and for general employees effective January 1, 2004. Participation in the DROP is limited to a maximum 72 months prior to termination of employment. As of September 30, 2014, there were 86 participants in the DROP. Beginning one year after retirement or entry into the DROP, an annual increase in retirement benefits of 2% for management members and 2.5% for senior management who reach early or normal retirement age and begin receiving benefits after June 12, 2001, is applicable. For eligible general employees, a supplemental pension distribution in the form of an optional 13<sup>th</sup> check, based on the cumulative net actuarial gain is available; effective January 1, 2004, a minimum of one-half of the 13<sup>th</sup> check is guaranteed payable, notwithstanding actuarial gains; effective October 1, 2007, a minimum of 75% of the 13<sup>th</sup> check is guaranteed payable, notwithstanding actuarial gains.

The Governmental Money Purchase Plan and Trust (Purchase Plan) was established for senior managers who are members of the General Employees' Pension Plan. The Purchase Plan was subsequently amended on March 12, 2003 by Ordinance 715-X-03-A, to additionally include all management employees with more than 10 years of City service and city commissioners. The City contributes 3% of earnings each plan year (calendar year) on behalf of each eligible management employee, 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 \$279,541 for the fiscal year ended September 30, 2014 for the sixty-nine 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.



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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 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 272 participants during the fiscal year ended September 30, 2014.

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, 2014.

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

## CITY OF SUNRISE, FLORIDA

Firefighters' Pension Plan	Pension Resource Centers, LLC 4360 Northlake Boulevard Suite 206 Palm Beach Gardens, FL 33410 Attn: Scott Bauer	Telephone No. (561) 624-3277
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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	34.22%	54.46%	45.34%
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	\$ 12,283,189	\$ 9,386,443	\$ 6,976,695
Contributions made:			
City	\$ 9,606,777	\$ 7,472,477	\$ 4,972,033
Plan members	2,676,412	1,293,252	1,125,192
Other	-	620,714 <sup>1</sup>	879,470 <sup>1</sup>

<sup>1</sup>The Police Officers' and Firefighters' Pension Plans are partially funded by contributions from the State of Florida under Chapters 185 and 175, respectively, of the Florida Statutes. This contribution consists of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City. This amount totaled \$1,500,184 for the year ended September 30, 2014: \$879,470 for property insurance contracts for firefighters under Chapter 175 and \$620,714 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.

**CITY OF SUNRISE, FLORIDA**

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, 2012 actuarial valuation for the Firefighters’, General Employees’, and Police Officers’ Pension Plans. Additional information as of the latest actuarial valuation date of October 1, 2013 for the Firefighters’, General Employees’ and Police Officers’ Pension Plans follows.

	<b>General Employees’ Pension Plan</b>	<b>Police Officers’ Pension Plan</b>	<b>Firefighters’ Pension Plan</b>
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	20 years	25 years	25 years
Actuarial assumptions:			
Investment rate of return	7.5%	8.0%	8.0%
Inflation rate	3.0%	3.0%	3.5%
Projected salary increases*	3.5%-6.5%	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, 2014 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, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	24 years
Actuarial assumptions:	
Investment rate of return	4.0%
Inflation rate	3.0%
Projected salary increases	7.0%-7.5%
Asset valuation method	n/a

**CITY OF SUNRISE, FLORIDA**

**Funded status and funding progress:** The funded status of the three defined benefit pension plans as of October 1, 2013 was as follows (dollar amounts in thousands):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
<b>General Employees' Pension Fund</b>						
10/1/13	\$ 136,124	\$ 214,649	\$ 78,525	63.4%	\$ 26,603	295.2%
<b>Police Officers' Pension Fund</b>						
10/1/13	\$ 81,989	\$ 142,425	\$ 60,436	57.6%	\$ 13,293	454.6%
<b>Firefighters' Pension Fund</b>						
10/1/13	\$ 90,378	\$ 145,583	\$ 55,205	62.1%	\$ 10,991	502.3%

The funded status of the retirees' subsidy plan as of October 1, 2013 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>
10/01/13	-	\$ 24,428	\$ 24,428	0.0%	\$ 28,451	85.9%

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	\$ 2,307,910
Interest on net pension obligation	410,736
Adjustment to annual required contribution	<u>(427,850)</u>
Annual pension cost (expense)	2,290,796
Contributions made	<u>(946,567)</u>
Increase in net pension obligation	1,344,229
Net pension obligation – beginning of year	<u>10,268,391</u>
Net pension obligation – ending of year	<u><u>\$11,612,620</u></u>

**CITY OF SUNRISE, FLORIDA**

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

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Annual Required Contribution</u>	<u>Net Pension Obligation</u>
General Employees' Pension Plan:	9/30/2012	\$ 11,071,530	100 %	\$ 8,377,259	\$ 0
	9/30/2013	11,756,060	100	9,183,372	0
	9/30/2014	12,283,189	100	9,606,777	0
Police Officers' Pension Plan:	9/30/2012	\$ 7,811,540	100 %	\$ 6,542,571	\$ 0
	9/30/2013	8,692,290	100	7,431,759	0
	9/30/2014	9,386,443	100	8,093,191	0
Firefighters' Pension Plan:	9/30/2012	\$ 5,683,113	100 %	\$ 4,579,306	\$ 0
	9/30/2013	6,273,979	100	5,064,882	0
	9/30/2014	6,976,695	100	5,851,503	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	9/30/12	\$ 2,505,817	29.8%	\$ 8,523,528
	9/30/13	2,616,497	33.3	10,268,391
	9/30/14	2,290,796	41.3	11,612,620

**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	\$ 2,466,920
Interest on net OPEB obligation	585,458
Adjustment to annual required contribution	<u>(609,852)</u>
Annual OPEB cost (expense)	2,442,526
Contributions made	<u>(734,440)</u>
Increase in net OPEB obligation	1,708,086
Net OPEB obligation – beginning of year	<u>14,636,448</u>
Net OPEB obligation – ending of year	<u>\$16,344,534</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, 2014 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>
09/30/12	\$2,301,450	23.9%	\$12,931,032
09/30/13	2,393,888	28.8	14,636,448
09/30/14	2,442,526	30.1	16,344,534

**CITY OF SUNRISE, FLORIDA**

**Funded status and funding progress:** The funded status of the plan as of October 1, 2013 was as follows:

Actuarial accrued liability (AAL)	\$23,720,412
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	\$23,720,412
Funded ratio	0.00%
Annual covered payroll*	\$53,425,303
Unfunded actuarial accrued liability as a percentage of covered payroll	44.40%

\*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 21% effective January 1, 2014, 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, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent, closed
Remaining amortization period	24 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

**E. Subsequent events**

On November 4, 2014, voters approved the issuance of general obligation bonds in a principal amount not to exceed \$65,000,000 in one or more series. The bonds will be secured by a pledge of the full faith and credit of the City and shall be payable from ad valorem taxes levied on all taxable property within the City. The bond proceeds will be used to finance parks, recreation and leisure projects.

**CITY OF SUNRISE, FLORIDA**

**SCHEDULE OF FUNDING PROGRESS**

(in thousands of dollars)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age*</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
<b>General Employees' Pension Fund</b>						
10/1/11	\$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
10/1/13	136,124	214,649	78,525	63.4	26,603	295.2
<b>Police Officers' Pension Fund</b>						
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
10/1/13	81,989	142,425	60,436	57.6	13,293	454.6
<b>Firefighters' Pension Fund</b>						
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
10/1/13	90,378	145,583	55,205	62.1	10,991	502.3

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
<b>Retirees' Subsidy Plan</b>						
10/1/09	-	\$ 16,253	\$ 16,253	0.0%	\$ 29,136	55.8%
10/1/11	-	20,581	20,581	0.0	32,941	62.5
10/1/13	-	24,428	24,428	0.0	28,451	85.9



**CITY OF SUNRISE, FLORIDA**

**Required Supplementary Information**

**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>
10/1/09	-	\$ 25,051	\$ 25,051	0.0%	\$ 51,716	48.4%
10/1/11	-	19,970	19,970	0.0	57,451	34.8
10/1/13	-	23,720	23,720	0.0	53,425	44.4

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

<u>Fiscal Year Ended</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
09/30/12	\$ 548,946	\$ 2,284,252	24.0%
09/30/13	688,472	2,373,994	29.0
09/30/14	734,440	2,466,920	29.8

# *Nonmajor Governmental Funds*

## *Special Revenue Funds*

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

*Community Development Block Grant Fund*

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

*Impact Fees Fund*

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

*Urban Area Security Initiative Grant Fund*

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

*Broward County Home Consortium Grant Fund*

*Accounts for the receipts and disbursements of the Broward County Home Consortium Grant funds.*

*Broward County Disaster Recovery Initiative Grant Fund*

*Accounts for the receipts and disbursements of the Broward County Disaster Recovery Initiative Grant funds.*

*Neighborhood Stabilization Program Grant Fund*

*Accounts for the receipts and disbursements of the Neighborhood Stabilization Grant funds.*

*Fuel & Roadway Fund*

*Accounts for the government's share of motor fuel tax revenues that are legally restricted to the maintenance of, and improvements to, the streets, roadways, median strips, and street lights within the City.*

*State Housing Initiative Partnership Grant Fund*

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

*Police Confiscation Fund*

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

## ***Debt Service Funds***

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

<b><i>Public Service Tax Fund</i></b>	<b><i>Accumulates public service tax monies for Public Facilities Revenue Bonds, Series 1992A, 1992B and Series 1999. In September 2013, the last component of these bonds, Series 1992B, were defeased.</i></b>
<b><i>Special Recreation District Phase I Fund</i></b>	<b><i>Accumulates special district assessment revenue for Sunrise Lakes Phase I Special Recreation District Public Improvement Bonds, maturing on October 1, 2017.</i></b>
<b><i>Special Recreation District Phase II Fund</i></b>	<b><i>Accumulates special district assessment revenue for Sunrise Lakes Phase II Special Recreation District Public Improvement Bonds, which matured on October 1, 2013.</i></b>
<b><i>Special Tax District No. 1 Fund</i></b>	<b><i>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.</i></b>

## ***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.*

<b><i>Special Tax District No. 1 Fund</i></b>	<b><i>Accounts for the construction of a parking garage and additional public works improvements for Special Tax District No. 1.</i></b>
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CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2014

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,769,058	\$ 5,770,852	\$ 1,479,950	\$ 20,019,860
Investments	799,159	-	-	799,159
Interest receivable	1,365	-	-	1,365
Special assessments receivable	-	1,164,663	-	1,164,663
Other receivables	78,086	-	-	78,086
Due from other funds	3,304	13	-	3,317
Intergovernmental receivable	812,761	-	-	812,761
Prepaid items	1,200	-	-	1,200
Inventories	54,449	-	-	54,449
<b>Total assets</b>	<b>\$ 14,519,382</b>	<b>\$ 6,935,528</b>	<b>\$ 1,479,950</b>	<b>\$ 22,934,860</b>
<b>LIABILITIES</b>				
Accounts payable	176,730	-	-	176,730
Accrued liabilities	12,255	-	-	12,255
Intergovernmental payable	871	-	-	871
Due to other funds	143,192	-	-	143,192
Interfund payable	350,334	-	-	350,334
Matured bonds payable	-	1,995,000	-	1,995,000
Matured interest payable	-	426,166	-	426,166
Unearned revenue	8,928	-	-	8,928
Other	2,548,952	-	-	2,548,952
Advances from other funds	100,000	-	-	100,000
<b>Total liabilities</b>	<b>3,341,262</b>	<b>2,421,166</b>	<b>-</b>	<b>5,762,428</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-special assessments	-	1,164,663	-	1,164,663
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Inventories	54,449	-	-	54,449
<b>Restricted:</b>				
Recreation	17,748	-	-	17,748
Public safety	7,578,142	-	-	7,578,142
Fire equipment	45,625	-	-	45,625
Median strips	237,122	-	-	237,122
Housing	964,225	-	-	964,225
Transportation	2,260,272	-	-	2,260,272
<b>Assigned to:</b>				
Transportation	70,323	-	-	70,323
Debt service	-	3,349,699	-	3,349,699
Capital projects	-	-	1,479,950	1,479,950
Unassigned	(49,786)	-	-	(49,786)
<b>Total fund balances</b>	<b>11,178,120</b>	<b>3,349,699</b>	<b>1,479,950</b>	<b>16,007,769</b>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ 14,519,382</b>	<b>\$ 6,935,528</b>	<b>\$ 1,479,950</b>	<b>\$ 22,934,860</b>

CITY OF SUNRISE, FLORIDA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
<b>Taxes:</b>				
Property	\$ -	\$ 2,450,529	\$ -	\$ 2,450,529
Local option fuel	1,498,020	-	-	1,498,020
Intergovernmental	1,936,893	-	-	1,936,893
Charges for services	99,418	-	-	99,418
Judgments, fines and forfeitures	4,301,308	-	-	4,301,308
Special assessments	-	270,600	-	270,600
Impact fees	84,198	-	-	84,198
Investment earnings	31,801	1,291	5,148	38,240
Miscellaneous	636,658	50,000	-	686,658
<b>Total revenues</b>	<u>8,588,296</u>	<u>2,772,420</u>	<u>5,148</u>	<u>11,365,864</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public safety	1,719,926	-	-	1,719,926
Economic development	1,450,739	-	-	1,450,739
Transportation	1,226,487	-	-	1,226,487
<b>Debt service:</b>				
Principal	-	1,995,000	-	1,995,000
Interest	-	852,330	-	852,330
Other	-	39,884	-	39,884
Capital outlay	1,996,314	-	-	1,996,314
<b>Total expenditures</b>	<u>6,393,466</u>	<u>2,887,214</u>	<u>-</u>	<u>9,280,680</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>2,194,830</u>	<u>(114,794)</u>	<u>5,148</u>	<u>2,085,184</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers out:</b>				
General fund	-	(640,403)	-	(640,403)
<b>Capital projects fund:</b>				
Capital Improvement	(190,000)	-	-	(190,000)
Sale of capital assets	2,316	-	-	2,316
<b>Total other financing sources and (uses)</b>	<u>(187,684)</u>	<u>(640,403)</u>	<u>-</u>	<u>(828,087)</u>
<b>Net change in fund balances</b>	<u>2,007,146</u>	<u>(755,197)</u>	<u>5,148</u>	<u>1,257,097</u>
<b>Fund balances - beginning</b>	<u>9,170,974</u>	<u>4,104,896</u>	<u>1,474,802</u>	<u>14,750,672</u>
<b>Fund balances - ending</b>	<u>\$ 11,178,120</u>	<u>\$ 3,349,699</u>	<u>\$ 1,479,950</u>	<u>\$ 16,007,769</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2014

	Community Development Block Grant	Impact Fees	Urban Area Security Initiative Grant	Broward County Home Consortium Grant	Broward County Disaster Recovery Initiative Grant	Neighborhood Stabilization Program Grant	Fuel and Roadway	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>										
Cash and cash equivalents	\$ 3,107	\$ 228,320	\$ -	\$ 550,072	\$ -	\$ 157,087	\$ 1,568,756	\$ 143,299	\$ 10,118,417	\$ 12,769,058
Investments	-	155,057	-	-	-	-	629,584	14,518	-	799,159
Interest receivable	-	273	-	-	-	-	1,067	25	-	1,365
Other receivables	-	-	-	-	-	-	-	-	78,086	78,086
Due from other funds	-	-	-	-	-	-	-	-	3,304	3,304
Intergovernmental receivable	183,342	-	261,346	-	-	101,017	267,056	-	-	812,761
Prepaid items	-	-	-	-	-	-	-	-	1,200	1,200
Inventories	-	-	-	-	-	-	54,449	-	-	54,449
<b>Total assets</b>	<b>\$ 186,449</b>	<b>\$ 383,650</b>	<b>\$ 261,346</b>	<b>\$ 550,072</b>	<b>\$ -</b>	<b>\$ 258,104</b>	<b>\$ 2,520,912</b>	<b>\$ 157,842</b>	<b>\$ 10,201,007</b>	<b>\$ 14,519,382</b>
<b>LIABILITIES</b>										
Accounts payable	1,259	-	-	-	-	884	125,585	1,172	47,830	176,730
Accrued liabilities	8,115	-	-	-	-	-	1,234	-	2,906	12,255
Intergovernmental payable	871	-	-	-	-	-	-	-	-	871
Due to other funds	725	-	-	-	-	-	121	-	142,346	143,192
Interfund payable	75,216	-	225,332	-	49,786	-	-	-	-	350,334
Unearned revenue	-	-	-	-	-	-	8,928	-	-	8,928
Other	-	-	-	-	-	-	-	-	2,548,952	2,548,952
Advances from other funds	100,000	-	-	-	-	-	-	-	-	100,000
<b>Total liabilities</b>	<b>186,186</b>	<b>-</b>	<b>225,332</b>	<b>-</b>	<b>49,786</b>	<b>884</b>	<b>135,868</b>	<b>1,172</b>	<b>2,742,034</b>	<b>3,341,262</b>
<b>FUND BALANCES</b>										
Nonspendable:										
Inventories	-	-	-	-	-	-	54,449	-	-	54,449
Restricted:										
Recreation	-	17,748	-	-	-	-	-	-	-	17,748
Public safety	-	83,155	36,014	-	-	-	-	-	7,458,973	7,578,142
Fire equipment	-	45,625	-	-	-	-	-	-	-	45,625
Median strips	-	237,122	-	-	-	-	-	-	-	237,122
Housing	263	-	-	550,072	-	257,220	-	156,670	-	964,225
Transportation	-	-	-	-	-	-	2,260,272	-	-	2,260,272
Assigned to:										
Transportation	-	-	-	-	-	-	70,323	-	-	70,323
Unassigned	-	-	-	-	(49,786)	-	-	-	-	(49,786)
<b>Total fund balances</b>	<b>263</b>	<b>383,650</b>	<b>36,014</b>	<b>550,072</b>	<b>(49,786)</b>	<b>257,220</b>	<b>2,385,044</b>	<b>156,670</b>	<b>7,458,973</b>	<b>11,178,120</b>
<b>Total liabilities and fund balances</b>	<b>\$ 186,449</b>	<b>\$ 383,650</b>	<b>\$ 261,346</b>	<b>\$ 550,072</b>	<b>\$ -</b>	<b>\$ 258,104</b>	<b>\$ 2,520,912</b>	<b>\$ 157,842</b>	<b>\$ 10,201,007</b>	<b>\$ 14,519,382</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Community Development Block Grant	Impact Fees	Urban Area Security Initiative Grant	Broward County Home Consortium Grant	Broward County Disaster Recovery Initiative Grant	Neighborhood Stabilization Program	Fuel and Roadway	State Housing Initiatives Partnership Grant	Police Confiscation	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>										
Local option fuel tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,498,020	\$ -	\$ -	\$ 1,498,020
Intergovernmental	376,594	-	472,084	190,716	1,848	767,446	72,087	56,118	-	1,936,893
Charges for services	-	-	-	-	-	-	64,858	-	34,560	99,418
Judgments, fines and forfeitures	-	-	-	-	-	-	-	-	4,301,308	4,301,308
Impact fees	-	84,198	-	-	-	-	-	-	-	84,198
Investment earnings	-	(1,082)	-	-	-	-	4,588	(1,882)	30,177	31,801
Miscellaneous	23,383	-	-	181,652	-	380,296	35,523	10,085	5,719	636,658
<b>Total revenues</b>	<b>399,977</b>	<b>83,116</b>	<b>472,084</b>	<b>372,368</b>	<b>1,848</b>	<b>1,147,742</b>	<b>1,675,076</b>	<b>64,321</b>	<b>4,371,764</b>	<b>8,588,296</b>
<b>EXPENDITURES</b>										
<b>Current:</b>										
Public safety	68,111	-	120,159	-	-	-	-	-	1,531,656	1,719,926
Economic development	289,617	-	-	111,748	-	896,429	-	152,945	-	1,450,739
Transportation	53,307	-	-	-	-	-	1,173,180	-	-	1,226,487
Capital outlay	-	-	315,911	-	-	-	296,461	-	1,383,942	1,996,314
<b>Total expenditures</b>	<b>411,035</b>	<b>-</b>	<b>436,070</b>	<b>111,748</b>	<b>-</b>	<b>896,429</b>	<b>1,469,641</b>	<b>152,945</b>	<b>2,915,598</b>	<b>6,393,466</b>
Excess (deficiency) of revenues over (under) expenditures	(11,058)	83,116	36,014	260,620	1,848	251,313	205,435	(88,624)	1,458,482	2,194,830
<b>OTHER FINANCING SOURCES (USES)</b>										
<b>Transfers out:</b>										
<b>Capital projects fund:</b>										
Capital Improvement	-	(190,000)	-	-	-	-	-	-	-	(190,000)
Sale of capital assets	-	-	-	-	-	-	-	-	2,316	2,316
<b>Total other financing sources and (uses)</b>	<b>-</b>	<b>(190,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,316</b>	<b>(187,684)</b>
<b>Net change in fund balances</b>	<b>(11,058)</b>	<b>(106,884)</b>	<b>36,014</b>	<b>260,620</b>	<b>1,848</b>	<b>251,313</b>	<b>205,435</b>	<b>(88,624)</b>	<b>1,458,482</b>	<b>2,007,146</b>
Fund balances - beginning	11,321	490,534	-	289,452	(51,634)	5,907	2,179,609	245,294	6,000,491	9,170,974
Fund balances - ending	\$ 263	\$ 383,650	\$ 36,014	\$ 550,072	\$ (49,786)	\$ 257,220	\$ 2,385,044	\$ 156,670	\$ 7,458,973	\$ 11,178,120



CITY OF SUNRISE, FLORIDA  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 SEPTEMBER 30, 2014

	Public Service Tax	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 243,199	\$ -	\$ 5,527,653	\$ 5,770,852
Special assessments receivable	-	1,164,663	-	-	1,164,663
Due from other funds	-	-	-	13	13
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 1,407,862</b>	<b>\$ -</b>	<b>\$ 5,527,666</b>	<b>\$ 6,935,528</b>
<b>LIABILITIES</b>					
Matured bonds payable	-	215,000	-	1,780,000	1,995,000
Matured interest payable	-	28,023	-	398,143	426,166
<b>Total liabilities</b>	<b>-</b>	<b>243,023</b>	<b>-</b>	<b>2,178,143</b>	<b>2,421,166</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-special assessments	-	1,164,663	-	-	1,164,663
<b>FUND BALANCES</b>					
<b>Assigned to:</b>					
Debt service	-	176	-	3,349,523	3,349,699
<b>Total fund balances</b>	<b>-</b>	<b>176</b>	<b>-</b>	<b>3,349,523</b>	<b>3,349,699</b>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ -</b>	<b>\$ 1,407,862</b>	<b>\$ -</b>	<b>\$ 5,527,666</b>	<b>\$ 6,935,528</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Public Service Tax	Special Recreation District Phase I	Special Recreation District Phase II	Special Tax District No. 1	Total Nonmajor Debt Service Funds
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 2,450,529	\$ 2,450,529
Special assessments	-	270,600	-	-	270,600
Investment earnings	636	192	-	463	1,291
Miscellaneous	-	-	-	50,000	50,000
<b>Total revenues</b>	<b>636</b>	<b>270,792</b>	<b>-</b>	<b>2,500,992</b>	<b>2,772,420</b>
<b>EXPENDITURES</b>					
Debt service:					
Principal	-	215,000	-	1,780,000	1,995,000
Interest	-	56,045	-	796,285	852,330
Other	2,000	268	51	37,565	39,884
<b>Total expenditures</b>	<b>2,000</b>	<b>271,313</b>	<b>51</b>	<b>2,613,850</b>	<b>2,887,214</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,364)</b>	<b>(521)</b>	<b>(51)</b>	<b>(112,858)</b>	<b>(114,794)</b>
<b>OTHER FINANCING USES</b>					
Transfers out:					
General fund	(638,956)	-	(1,447)	-	(640,403)
<b>Total other financing uses</b>	<b>(638,956)</b>	<b>-</b>	<b>(1,447)</b>	<b>-</b>	<b>(640,403)</b>
<b>Net change in fund balances</b>	<b>(640,320)</b>	<b>(521)</b>	<b>(1,498)</b>	<b>(112,858)</b>	<b>(755,197)</b>
Fund balances - beginning	640,320	697	1,498	3,462,381	4,104,896
Fund balances - ending	\$ -	\$ 176	\$ -	\$ 3,349,523	\$ 3,349,699

**CITY OF SUNRISE, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**SEPTEMBER 30, 2014**

	<u>Special Tax District No. 1 Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	<u>\$ 1,479,950</u>	<u>\$ 1,479,950</u>
<b>LIABILITIES</b>		
Accounts payable	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Assigned to:		
Capital projects	<u>1,479,950</u>	<u>1,479,950</u>
<b>Total liabilities and fund balance</b>	<u><b>\$ 1,479,950</b></u>	<u><b>\$ 1,479,950</b></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, 2014**

	<u>Special Tax District No. 1 Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>REVENUES</b>		
Investment earnings	<u>\$ 5,148</u>	<u>\$ 5,148</u>
Excess of revenues over expenditures	5,148	5,148
Fund balance - beginning	<u>1,474,802</u>	<u>1,474,802</u>
Fund balance - ending	<u><u>\$ 1,479,950</u></u>	<u><u>\$ 1,479,950</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 1,202,730	\$ 376,594	\$ (826,136)
Miscellaneous	-	23,383	23,383
Total revenues	<u>1,202,730</u>	<u>399,977</u>	<u>(802,753)</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	69,562	68,111	1,451
Economic development	1,079,005	289,617	789,388
Transportation	54,163	53,307	856
Total expenditures	<u>1,202,730</u>	<u>411,035</u>	<u>791,695</u>
Excess (deficiency) of revenues over (under) expenditures	-	(11,058)	(11,058)
Fund balances - beginning	<u>11,321</u>	<u>11,321</u>	-
Fund balances - ending	<u>\$ 11,321</u>	<u>\$ 263</u>	<u>\$ (11,058)</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, 2014**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Impact fees	\$ 53,000	\$ 84,198	\$ 31,198
Investment earnings	-	(1,082)	(1,082)
<b>Total revenues</b>	<u>53,000</u>	<u>83,116</u>	<u>30,116</u>
<b>Excess of revenues over expenditures</b>	53,000	83,116	30,116
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(190,000)</u>	<u>(190,000)</u>	-
<b>Net change in fund balances</b>	(137,000)	(106,884)	30,116
Fund balances - beginning	<u>490,534</u>	<u>490,534</u>	-
Fund balances - ending	<u>\$ 353,534</u>	<u>\$ 383,650</u>	<u>\$ 30,116</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 504,234	\$ 472,084	\$ (32,150)
<b>EXPENDITURES</b>			
Current:			
Public safety	157,098	120,159	36,939
Capital outlay	369,842	315,911	53,931
Total expenditures	526,940	436,070	90,870
Excess (deficiency) of revenues over (under) expenditures	(22,706)	36,014	58,720
Fund balances - beginning	-	-	-
Fund balances - ending	\$ (22,706)	\$ 36,014	\$ 58,720

**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, 2014**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 300,000	\$ 190,716	\$ (109,284)
Miscellaneous	290,000	181,652	(108,348)
Total revenues	<u>590,000</u>	<u>372,368</u>	<u>(217,632)</u>
<b>EXPENDITURES</b>			
Current:			
Economic development	<u>879,452</u>	<u>111,748</u>	<u>767,704</u>
Excess (deficiency) of revenues over (under) expenditures	(289,452)	260,620	550,072
Fund balances - beginning	<u>289,452</u>	<u>289,452</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 550,072</u>	<u>\$ 550,072</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, 2014**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 240,992	\$ 1,848	\$ (239,144)
<b>EXPENDITURES</b>			
Current:			
Economic development	240,992	-	240,992
Excess of revenues over expenditures	-	1,848	1,848
Fund balances - beginning	(51,634)	(51,634)	-
Fund balances - ending	\$ (51,634)	\$ (49,786)	\$ 1,848

**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, 2014**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 794,627	\$ 767,446	\$ (27,181)
Miscellaneous	340,000	380,296	40,296
Total revenues	<u>1,134,627</u>	<u>1,147,742</u>	<u>13,115</u>
<b>EXPENDITURES</b>			
Current:			
Economic development	<u>1,134,627</u>	<u>896,429</u>	<u>238,198</u>
Excess of revenues over expenditures	-	251,313	251,313
Fund balances - beginning	<u>5,907</u>	<u>5,907</u>	-
Fund balances - ending	<u>\$ 5,907</u>	<u>\$ 257,220</u>	<u>\$ 251,313</u>

CITY OF SUNRISE, FLORIDA  
 FUEL AND ROADWAY SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Local option fuel tax	\$ 1,420,000	\$ 1,498,020	\$ 78,020
Intergovernmental	70,000	72,087	2,087
Charges for services	-	64,858	64,858
Investment earnings	7,000	4,588	(2,412)
Miscellaneous	40,800	35,523	(5,277)
<b>Total revenues</b>	<b>1,537,800</b>	<b>1,675,076</b>	<b>137,276</b>
<b>EXPENDITURES</b>			
Current:			
Transportation	1,187,704	1,173,180	14,524
Capital outlay	1,187,849	296,461	891,388
<b>Total expenditures</b>	<b>2,375,553</b>	<b>1,469,641</b>	<b>905,912</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(837,753)</b>	<b>205,435</b>	<b>1,043,188</b>
Fund balances - beginning	2,179,609	2,179,609	-
Fund balances - ending	<b>\$ 1,341,856</b>	<b>\$ 2,385,044</b>	<b>\$ 1,043,188</b>

CITY OF SUNRISE, FLORIDA  
STATE HOUSING INITIATIVES PARTNERSHIP GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 120,621	\$ 56,118	\$ (64,503)
Investment earnings	-	(1,882)	(1,882)
Miscellaneous	-	10,085	10,085
Total revenues	<u>120,621</u>	<u>64,321</u>	<u>(56,300)</u>
<b>EXPENDITURES</b>			
Current:			
Economic development	<u>212,832</u>	<u>152,945</u>	<u>59,887</u>
Excess (deficiency) of revenues over (under) expenditures	(92,211)	(88,624)	3,587
Fund balances - beginning	<u>245,294</u>	<u>245,294</u>	-
Fund balances - ending	<u>\$ 153,083</u>	<u>\$ 156,670</u>	<u>\$ 3,587</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Charges for services	\$ -	\$ 34,560	\$ 34,560
Judgments, fines and forfeitures	-	4,301,308	4,301,308
Investment earnings	-	30,177	30,177
Miscellaneous	-	5,719	5,719
Total revenues	<u>-</u>	<u>4,371,764</u>	<u>4,371,764</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	1,985,195	1,531,656	453,539
Capital outlay	1,592,090	1,383,942	208,148
Total expenditures	<u>3,577,285</u>	<u>2,915,598</u>	<u>661,687</u>
Excess (deficiency) of revenues over (under) expenditures	(3,577,285)	1,456,166	5,033,451
Fund balances - beginning	<u>6,000,491</u>	<u>6,000,491</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,423,206</u>	<u>\$ 7,458,973</u>	<u>\$ 5,035,767</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 636	\$ 636
<b>EXPENDITURES</b>			
Debt service:			
Other	6,250	2,000	4,250
Excess (deficiency) of revenues over (under) expenditures	(6,250)	(1,364)	4,886
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(638,956)	(638,956)	-
Net change in fund balances	(645,206)	(640,320)	4,886
Fund balances - beginning	640,320	640,320	-
Fund balances - ending	<u>\$ (4,886)</u>	<u>\$ -</u>	<u>\$ 4,886</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Special assessments	\$ 271,295	\$ 270,600	\$ (695)
Investment earnings	100	192	92
<b>Total revenues</b>	<u>271,395</u>	<u>270,792</u>	<u>(603)</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	215,000	215,000	-
Interest	56,045	56,045	-
Other	350	268	82
<b>Total expenditures</b>	<u>271,395</u>	<u>271,313</u>	<u>82</u>
<b>Excess of revenues over expenditures</b>	-	(521)	(521)
Fund balances - beginning	<u>697</u>	<u>697</u>	-
Fund balances - ending	<u>\$ 697</u>	<u>\$ 176</u>	<u>\$ (521)</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ 15	\$ -	\$ (15)
<b>EXPENDITURES</b>			
Debt service:			
Other	15	51	(36)
Excess (deficiency) of revenues over (under) expenditures	-	(51)	(51)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(1,448)	(1,447)	(1)
Net change in fund balances	(1,448)	(1,498)	(52)
Fund balances - beginning	1,498	1,498	-
Fund balances - ending	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ (51)</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Property taxes	\$ 2,510,885	\$ 2,450,529	\$ (60,356)
Investment earnings	-	463	463
Miscellaneous	-	50,000	50,000
<b>Total revenues</b>	<u>2,510,885</u>	<u>2,500,992</u>	<u>(9,893)</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	1,780,000	1,780,000	-
Interest	796,285	796,285	-
Other	44,600	37,565	7,035
<b>Total expenditures</b>	<u>2,620,885</u>	<u>2,613,850</u>	<u>7,035</u>
Deficiency of revenues under expenditures	(110,000)	(112,858)	(2,858)
Fund balances - beginning	<u>3,462,381</u>	<u>3,462,381</u>	-
Fund balances - ending	<u>\$ 3,352,381</u>	<u>\$ 3,349,523</u>	<u>\$ (2,858)</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, 2014**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 5,148	\$ 5,148
Excess of revenues over expenditures	-	5,148	5,148
Fund balances - beginning	1,474,802	1,474,802	-
Fund balances - ending	<u>\$ 1,474,802</u>	<u>\$ 1,479,950</u>	<u>\$ 5,148</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental	\$ 1,422,057	\$ 927,057	\$ (495,000)
Investment earnings	120,000	28,475	(91,525)
Contributions and donations	105,000	226,667	121,667
Miscellaneous	927,572	927,571	(1)
<b>Total revenues</b>	<u>2,574,629</u>	<u>2,109,770</u>	<u>(464,859)</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>23,012,345</u>	<u>2,542,495</u>	<u>20,469,850</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(20,437,716)</b>	<b>(432,725)</b>	<b>20,004,991</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>1,800,000</u>	<u>1,800,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<b>(18,637,716)</b>	<b>1,367,275</b>	<b>20,004,991</b>
Fund balances - beginning	<u>27,220,336</u>	<u>27,220,336</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 8,582,620</u></u>	<u><u>\$ 28,587,611</u></u>	<u><u>\$ 20,004,991</u></u>

# *Nonmajor Proprietary Funds*

## *Enterprise Funds*

*Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. When debt is backed solely by fees and charges or there is a legal requirement or policy decision to recover costs, an enterprise fund must be used.*

### *Recycling Fund*

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

### *Stormwater Fund*

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

### *Golf Course Fund*

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

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 SEPTEMBER 30, 2014

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 399,827	\$ 7,687,009	\$ 159,392	\$ 8,246,228
Investments	512,234	3,692,900	42,742	4,247,876
Interest receivable	881	6,231	79	7,191
Accounts receivable, net of allowance for uncollectibles	150,926	529,265	-	680,191
Other receivables	35,353	-	-	35,353
Inventories	-	64,333	1,211	65,544
Prepaid items	-	-	3,000	3,000
<b>Total current assets</b>	<b>1,099,221</b>	<b>11,979,738</b>	<b>206,424</b>	<b>13,285,383</b>
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Land	-	65,845	1,223,300	1,289,145
Intangibles	-	2,425	-	2,425
Buildings and system	-	685,480	-	685,480
Improvements other than buildings	-	3,408,851	194,100	3,602,951
Machinery and equipment	4,120	1,421,905	755,337	2,181,362
Vehicles	-	570,830	-	570,830
Construction in progress	-	590,119	-	590,119
Less accumulated depreciation	(2,302)	(2,275,487)	(497,619)	(2,775,408)
<b>Total capital assets, net of accumulated depreciation</b>	<b>1,818</b>	<b>4,469,968</b>	<b>1,675,118</b>	<b>6,146,904</b>
<b>Total assets</b>	<b>1,101,039</b>	<b>16,449,706</b>	<b>1,881,542</b>	<b>19,432,287</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	57,377	131,324	37,687	226,388
Accrued liabilities	-	62,084	-	62,084
Due to other funds	51,995	9,136	-	61,131
Interfund payable	-	101,921	-	101,921
Compensated absences	-	31,417	-	31,417
Intergovernmental payable	-	-	3,250	3,250
<b>Total current liabilities</b>	<b>109,372</b>	<b>335,882</b>	<b>40,937</b>	<b>486,191</b>
<b>Noncurrent liabilities:</b>				
Compensated absences	-	270,800	-	270,800
Other post employment benefits	-	304,618	-	304,618
Retiree subsidy	-	417,748	67,994	485,742
Advances from other funds	-	220,175	-	220,175
Unearned revenue	529,952	-	1,629	531,581
<b>Total noncurrent liabilities</b>	<b>529,952</b>	<b>1,213,341</b>	<b>69,623</b>	<b>1,812,916</b>
<b>Total liabilities</b>	<b>639,324</b>	<b>1,549,223</b>	<b>110,560</b>	<b>2,299,107</b>
<b>NET POSITION</b>				
Net investment in capital assets	1,818	4,469,968	1,675,118	6,146,904
Unrestricted	459,897	10,430,515	95,864	10,986,276
<b>Total net position</b>	<b>\$ 461,715</b>	<b>\$ 14,900,483</b>	<b>\$ 1,770,982</b>	<b>\$ 17,133,180</b>

**CITY OF SUNRISE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Recycling</u>	<u>Stormwater</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Operating revenues:</b>				
<b>Charges for sales and services:</b>				
Fees	\$ 1,109,183	\$ 6,214,993	\$ 1,149,913	\$ 8,474,089
<b>Operating expenses:</b>				
<b>Costs of sales and services:</b>				
Power, water and wastewater purchases	-	53,710	107,957	161,667
Chemical purchases	-	17,980	100,142	118,122
Recycling charges	760,310	-	-	760,310
Materials and supplies	37,500	77,487	12,334	127,321
Repairs and maintenance	-	32,347	-	32,347
Salaries, wages and employee benefits	-	2,510,868	25,082	2,535,950
Insurance and other expenses	922	672,345	1,419,475	2,092,742
Administrative fees	54,170	514,425	178,299	746,894
Depreciation and amortization	727	236,891	115,238	352,856
<b>Total operating expenses</b>	<b>853,629</b>	<b>4,116,053</b>	<b>1,958,527</b>	<b>6,928,209</b>
<b>Operating income (loss)</b>	<b>255,554</b>	<b>2,098,940</b>	<b>(808,614)</b>	<b>1,545,880</b>
<b>Non-operating revenues (expenses):</b>				
Investment earnings	3,897	32,819	312	37,028
Interest expense	-	(21,994)	-	(21,994)
Gain (loss) on sale of capital assets	-	-	812	812
Sale of recyclable materials	174,898	-	-	174,898
Other	264,976	2,046	3,910	270,932
<b>Total non-operating revenues (expenses)</b>	<b>443,771</b>	<b>12,871</b>	<b>5,034</b>	<b>461,676</b>
<b>Income (loss) before transfers</b>	<b>699,325</b>	<b>2,111,811</b>	<b>(803,580)</b>	<b>2,007,556</b>
<b>Transfers in</b>	<b>-</b>	<b>-</b>	<b>725,904</b>	<b>725,904</b>
<b>Transfers out</b>	<b>(908,896)</b>	<b>-</b>	<b>-</b>	<b>(908,896)</b>
<b>Change in net position</b>	<b>(209,571)</b>	<b>2,111,811</b>	<b>(77,676)</b>	<b>1,824,564</b>
<b>Total net position - beginning</b>	<b>671,286</b>	<b>\$ 12,788,672</b>	<b>\$ 1,848,658</b>	<b>15,308,616</b>
<b>Total net position - ending</b>	<b>\$ 461,715</b>	<b>\$ 14,900,483</b>	<b>\$ 1,770,982</b>	<b>\$ 17,133,180</b>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 1,260,116	\$ 6,096,987	\$ 1,150,427	\$ 8,507,530
Payments to suppliers	(793,728)	(714,299)	(1,661,873)	(3,169,900)
Payments to and for employees	-	(2,139,458)	(23,899)	(2,163,357)
Payments for interfund services used	(54,170)	(594,344)	(178,299)	(826,813)
Net cash provided by (used for) operating activities	<u>412,218</u>	<u>2,648,886</u>	<u>(713,644)</u>	<u>2,347,460</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Advances from other funds	-	(96,837)	-	(96,837)
Transfer from other funds	-	-	725,904	725,904
Transfer to other funds	(908,896)	-	-	(908,896)
Net cash provided by (used for) noncapital financing activities	<u>(908,896)</u>	<u>(96,837)</u>	<u>725,904</u>	<u>(279,829)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(388,668)	-	(388,668)
Interest paid on capital debt	-	(21,994)	-	(21,994)
Proceeds from sales of capital assets	-	-	2,271	2,271
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(410,662)</u>	<u>2,271</u>	<u>(408,391)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	837,717	5,893,314	61,284	6,792,315
Purchase of investments	(269,353)	(2,127,269)	(45,902)	(2,442,524)
Interest and dividends received	7,806	49,874	1,519	59,199
Net cash provided by investing activities	<u>576,170</u>	<u>3,815,919</u>	<u>16,901</u>	<u>4,408,990</u>
Net increase in cash and cash equivalents	79,492	5,957,306	31,432	6,068,230
Cash and cash equivalents, October 1	<u>320,335</u>	<u>1,729,703</u>	<u>127,960</u>	<u>2,177,998</u>
Cash and cash equivalents, September 30	<u>\$ 399,827</u>	<u>\$ 7,687,009</u>	<u>\$ 159,392</u>	<u>\$ 8,246,228</u>

	Recycling	Stormwater	Golf Course	Total Nonmajor Enterprise Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 255,554	\$ 2,098,940	\$ (808,614)	\$ 1,545,880
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Miscellaneous non-operating income from by-products of recycling activities	174,898	-	-	174,898
Miscellaneous non-operating income	264,976	2,046	3,910	270,932
Depreciation and amortization expense	727	236,891	115,238	352,856
(Increase) in accounts receivable	(9,869)	(110,542)	-	(120,411)
(Increase) in other receivables	(11,300)	-	-	(11,300)
Decrease in inventories	-	6,889	320	7,209
Increase (decrease) in accounts payable	4,082	118,317	(25,713)	96,686
Increase in accrued liabilities	-	33,480	-	33,480
Increase (decrease) in due to other funds	(1,874)	6,873	-	4,999
(Decrease) in intergovernmental payables	-	-	(148)	(148)
Increase (decrease) in unearned revenue	(264,976)	-	180	(264,796)
Increase in compensated absences payable	-	119,572	-	119,572
Increase in other post employment benefits payable	-	50,389	-	50,389
Increase in retiree subsidy payable	-	86,031	1,183	87,214
Total adjustments	<u>156,664</u>	<u>549,946</u>	<u>94,970</u>	<u>801,580</u>
Net cash provided by (used for) operating activities	<u>\$ 412,218</u>	<u>\$ 2,648,886</u>	<u>\$ (713,644)</u>	<u>\$ 2,347,460</u>
<b>Noncash investing activities:</b>				
Net (decrease) in fair value of investments	\$ (752)	\$ (1,593)	\$ (372)	\$ (2,717)



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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.*

*Information Technology  
& Communications Fund*      *Accounts for funding for computer and/or communications equipment replacement.*

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 SEPTEMBER 30, 2014

	Workers' Compensation	Vehicle Replacement	Information Technology & Communications	Total
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 5,325,338	\$ 2,885,275	\$ 1,508,257	\$ 9,718,870
Investments	3,113,739	2,718,300	-	5,832,039
Interest receivable	5,366	4,711	-	10,077
<b>Total current assets</b>	<b>8,444,443</b>	<b>5,608,286</b>	<b>1,508,257</b>	<b>15,560,986</b>
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Intangibles	-	3,022	36,918	39,940
Machinery and equipment	-	77,182	112,178	189,360
Vehicles	-	7,000,405	-	7,000,405
Less accumulated depreciation	-	(2,142,997)	(14,910)	(2,157,907)
<b>Total capital assets, net of accumulated depreciation</b>	<b>-</b>	<b>4,937,612</b>	<b>134,186</b>	<b>5,071,798</b>
<b>Total assets</b>	<b>8,444,443</b>	<b>10,545,898</b>	<b>1,642,443</b>	<b>20,632,784</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	-	3,951	-	3,951
Accrued liabilities	-	4,139	-	4,139
Due to other funds	-	438	-	438
Compensated absences	-	1,398	-	1,398
<b>Total current liabilities</b>	<b>-</b>	<b>9,926</b>	<b>-</b>	<b>9,926</b>
<b>Noncurrent liabilities:</b>				
Compensated absences	-	12,583	-	12,583
Claims and judgments	4,685,767	-	-	4,685,767
<b>Total noncurrent liabilities</b>	<b>4,685,767</b>	<b>12,583</b>	<b>-</b>	<b>4,698,350</b>
<b>Total liabilities</b>	<b>4,685,767</b>	<b>22,509</b>	<b>-</b>	<b>4,708,276</b>
<b>NET POSITION</b>				
Net investment in capital assets	-	4,937,612	134,186	5,071,798
Unrestricted	3,758,676	5,585,777	1,508,257	10,852,710
<b>Total net position</b>	<b>\$ 3,758,676</b>	<b>\$ 10,523,389</b>	<b>\$ 1,642,443</b>	<b>\$ 15,924,508</b>

**CITY OF SUNRISE, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Workers'</u> <u>Compensation</u>	<u>Vehicle</u> <u>Replacement</u>	<u>Information</u> <u>Technology &amp;</u> <u>Communications</u>	<u>Total</u>
<b>Operating revenues:</b>				
Charges for sales and services:				
Service charges	\$ 2,208,928	\$ 2,846,370	\$ -	\$ 5,055,298
<b>Operating expenses:</b>				
Costs of sales and services:				
Power, water and wastewater purchases	-	36,925	-	36,925
Materials and supplies	-	3,348	366,545	369,893
Repairs and maintenance	-	15,963	-	15,963
Salaries, wages and employee benefits	-	147,474	-	147,474
Insurance and other expenses	402,198	34,663	-	436,861
Claims expense	773,312	-	-	773,312
Depreciation and amortization	-	686,604	14,910	701,514
Total operating expenses	<u>1,175,510</u>	<u>924,977</u>	<u>381,455</u>	<u>2,481,942</u>
Operating income (loss)	<u>1,033,418</u>	<u>1,921,393</u>	<u>(381,455)</u>	<u>2,573,356</u>
<b>Non-operating revenues:</b>				
Investment earnings	20,590	14,677	2,099	37,366
Gain (loss) on sale of capital assets	-	11,806	21,799	33,605
Other	-	3,243	-	3,243
Total non-operating revenues	<u>20,590</u>	<u>29,726</u>	<u>23,898</u>	<u>74,214</u>
Income (loss) before contributions	1,054,008	1,951,119	(357,557)	2,647,570
Transfers in	-	-	2,000,000	2,000,000
Transfers out	-	(2,000,000)	-	(2,000,000)
Change in net position	1,054,008	(48,881)	1,642,443	2,647,570
Total net position - beginning	<u>2,704,668</u>	<u>\$ 10,572,270</u>	<u>\$ -</u>	<u>13,276,938</u>
Total net position - ending	<u>\$ 3,758,676</u>	<u>\$ 10,523,389</u>	<u>\$ 1,642,443</u>	<u>\$ 15,924,508</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Workers' Compensation	Vehicle Replacement	Information Technology & Communications	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 2,208,928	\$ 2,846,370	-	\$ 5,055,298
Payments to suppliers	(1,113,912)	(88,175)	(366,545)	(1,568,632)
Payments to and for employees	-	(128,916)	-	(128,916)
Net cash provided by (used for) operating activities	<u>1,095,016</u>	<u>2,629,279</u>	<u>(366,545)</u>	<u>3,357,750</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer from other funds	-	-	2,000,000	2,000,000
Transfer to other funds	-	(2,000,000)	-	(2,000,000)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(2,000,000)</u>	<u>2,000,000</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(2,524,325)	(127,297)	(2,651,622)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(2,524,325)</u>	<u>(127,297)</u>	<u>(2,651,622)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	5,133,668	4,611,449	-	9,745,117
Purchase of investments	(1,509,347)	(1,128,560)	-	(2,637,907)
Interest and dividends received	48,147	41,892	2,099	92,138
Net cash provided by investing activities	<u>3,672,468</u>	<u>3,524,781</u>	<u>2,099</u>	<u>7,199,348</u>
Net increase (decrease) in cash and cash equivalents	4,767,484	1,629,735	1,508,257	7,905,476
Cash and cash equivalents, October 1	<u>557,854</u>	<u>1,255,540</u>	<u>-</u>	<u>1,813,394</u>
Cash and cash equivalents, September 30	<u>\$ 5,325,338</u>	<u>\$ 2,885,275</u>	<u>\$ 1,508,257</u>	<u>\$ 9,718,870</u>

	<u>Workers'</u> <u>Compensation</u>	<u>Vehicle</u> <u>Replacement</u>	<u>Information</u> <u>Technology &amp;</u> <u>Communications</u>	<u>Total</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 1,033,418	\$ 1,921,393	\$ (381,455)	\$ 2,573,356
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Miscellaneous non-operating income	-	3,243	-	3,243
Depreciation and amortization expense	-	686,604	14,910	701,514
(Decrease) in accounts payable	(11,541)	(519)	-	(12,060)
Increase in accrued liabilities	-	4,139	-	4,139
Increase in due to other funds	-	438	-	438
Increase in compensated absences payable	-	13,981	-	13,981
Increase in claims and judgments	73,139	-	-	73,139
Total adjustments	<u>61,598</u>	<u>707,886</u>	<u>14,910</u>	<u>784,394</u>
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 1,095,016</u>	<u>\$ 2,629,279</u>	<u>\$ (366,545)</u>	<u>\$ 3,357,750</u>
<b>Noncash investing activities:</b>				
Net (decrease) in fair value of investments	\$ (7,271)	\$ (8,978)	\$ -	\$ (16,249)

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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, 2014

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,661,141	\$ 1,626,664	\$ 2,971,524	\$ 6,259,329
Receivable from sale of securities	236,650	399,867	343,302	979,819
Interest and dividends receivable	97,749	294,957	93,274	485,980
Due from other funds	110,864	76,091	942,579	1,129,534
Other receivables	1,181	404	-	1,585
Investments, at fair value:				
U.S. government and agency securities	-	31,109,792	7,740,715	38,850,507
Corporate bonds	-	6,479,459	5,906,453	12,385,912
Mutual funds	64,016,599	-	47,685,718	111,702,317
Common stocks	73,096,594	56,446,580	44,264,658	173,807,832
International equity funds	24,654,264	9,053,873	-	33,708,137
Total investments	<u>161,767,457</u>	<u>103,089,704</u>	<u>105,597,544</u>	<u>370,454,705</u>
Prepaid items	-	406,668	-	406,668
Total assets	<u>163,875,042</u>	<u>105,894,355</u>	<u>109,948,223</u>	<u>379,717,620</u>
<b>LIABILITIES</b>				
Accounts payable	207,861	137,780	156,971	502,612
Prepaid employer contribution	-	93,526	107,497	201,023
Payable for purchase of securities	270,330	99,144	312,437	681,911
Total liabilities	<u>478,191</u>	<u>330,450</u>	<u>576,905</u>	<u>1,385,546</u>
<b>NET POSITION</b>				
Held in trust for pension benefits	<u>\$ 163,396,851</u>	<u>\$ 105,563,905</u>	<u>\$ 109,371,318</u>	<u>\$ 378,332,074</u>

CITY OF SUNRISE, FLORIDA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Employee Retirement Funds			
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Total Pension Trust Funds
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 9,606,777	\$ 7,472,477	\$ 4,972,033	\$ 22,051,287
Plan members	2,676,412	1,293,252	1,125,192	5,094,856
Other sources	-	620,714	879,470	1,500,184
Total contributions	<u>12,283,189</u>	<u>9,386,443</u>	<u>6,976,695</u>	<u>28,646,327</u>
Investment earnings:				
Interest	216	1,508,778	328,976	1,837,970
Dividends	2,742,393	1,445,913	817,004	5,005,310
Net increase in fair value of investments	10,194,703	6,303,229	10,004,885	26,502,817
Other	3,563	8,873	7,655	20,091
Total investment earnings	<u>12,940,875</u>	<u>9,266,793</u>	<u>11,158,520</u>	<u>33,366,188</u>
Less investment expense	834,233	561,146	518,746	1,914,125
Net investment earnings	<u>12,106,642</u>	<u>8,705,647</u>	<u>10,639,774</u>	<u>31,452,063</u>
Total additions	<u>24,389,831</u>	<u>18,092,090</u>	<u>17,616,469</u>	<u>60,098,390</u>
<b>DEDUCTIONS</b>				
Benefits	16,155,069	8,760,460	7,121,213	32,036,742
Refunds of contributions	285,612	40,078	-	325,690
Administrative expenses	172,293	222,848	160,042	555,183
Total deductions	<u>16,612,974</u>	<u>9,023,386</u>	<u>7,281,255</u>	<u>32,917,615</u>
Change in net position	7,776,857	9,068,704	10,335,214	27,180,775
Net position - beginning	<u>155,619,994</u>	<u>\$ 96,495,201</u>	<u>\$ 99,036,104</u>	<u>351,151,299</u>
Net position - ending	<u>\$ 163,396,851</u>	<u>\$ 105,563,905</u>	<u>\$ 109,371,318</u>	<u>\$ 378,332,074</u>

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

## Statistical Section

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

### CONTENTS

	<u>Page</u>
<b>Financial Trends</b>	126
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b>	132
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b>	136
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b>	140
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
<b>Operating Information</b>	142
<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.

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

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ 161,496,469
Restricted	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	8,471,002
Unrestricted	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	89,371,775
<b>Total governmental activities net position</b>	<b>\$ 289,426,210</b>	<b>\$ 302,657,617</b>	<b>\$ 311,070,451</b>	<b>\$ 310,950,587</b>	<b>\$ 297,880,891</b>	<b>\$ 287,965,628</b>	<b>\$ 272,729,455</b>	<b>\$ 256,790,997</b>	<b>\$ 253,232,721</b>	<b>\$ 259,339,246</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 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	\$ 194,208,810
Restricted	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	142,517,366
Unrestricted	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	21,960,858
<b>Total business-type activities net position</b>	<b>\$ 280,636,203</b>	<b>\$ 283,630,924</b>	<b>\$ 284,972,595</b>	<b>\$ 277,024,350</b>	<b>\$ 288,632,051</b>	<b>\$ 291,579,110</b>	<b>\$ 310,831,426</b>	<b>\$ 323,908,298</b>	<b>\$ 336,347,128</b>	<b>\$ 358,687,034</b>
<b>Total:</b>										
Net investment in capital assets (1)	\$ 307,691,521	\$ 300,414,905	\$ 300,333,232	\$ 288,286,780	\$ 288,428,291	\$ 367,888,585	\$ 371,432,273	\$ 354,638,575	\$ 368,194,180	\$ 355,705,279
Restricted	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	150,988,368
Unrestricted	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	111,332,633
<b>Total net position</b>	<b>\$ 570,062,413</b>	<b>\$ 586,288,541</b>	<b>\$ 596,043,046</b>	<b>\$ 587,974,937</b>	<b>\$ 586,512,942</b>	<b>\$ 579,544,738</b>	<b>\$ 583,560,881</b>	<b>\$ 580,699,295</b>	<b>\$ 589,579,849</b>	<b>\$ 618,026,280</b>

(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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>EXPENSES</b>										
<b>Governmental activities:</b>										
General government	\$ 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	\$ 22,117,132
Public safety	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	75,725,531
Physical environment	4,038,713	3,894,066	3,825,714	5,616,096	4,449,634	-	58,450	-	26	-
Economic development	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	1,450,739
Human services	53,309	50,112	5,212	42,441	43,625	30,911	5,709	38,434	5,891	0
Transportation	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	11,112,617
Culture and recreation	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	15,069,953
Interest on long-term debt	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	860,394
<b>Total governmental activities expenses</b>	<b>99,449,461</b>	<b>107,549,597</b>	<b>109,976,826</b>	<b>119,116,182</b>	<b>123,500,917</b>	<b>123,379,856</b>	<b>126,267,706</b>	<b>131,848,280</b>	<b>127,884,289</b>	<b>126,336,366</b>
<b>Business-type activities:</b>										
Water and wastewater	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	74,498,032
Gas	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	7,028,195
Sanitation	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	10,072,501
Recycling	367,695	430,064	519,441	564,707	604,604	559,919	545,524	518,729	571,219	853,629
Stormwater	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	4,100,658
Golf course	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	1,957,715
<b>Total business-type activities expenses</b>	<b>81,497,851</b>	<b>89,305,035</b>	<b>90,825,211</b>	<b>96,114,498</b>	<b>86,209,390</b>	<b>91,710,500</b>	<b>95,727,877</b>	<b>98,668,567</b>	<b>99,870,831</b>	<b>98,510,730</b>
<b>Total expenses</b>	<b>\$ 180,947,312</b>	<b>\$ 196,854,632</b>	<b>\$ 200,802,037</b>	<b>\$ 215,230,680</b>	<b>\$ 209,710,307</b>	<b>\$ 215,090,356</b>	<b>\$ 221,995,583</b>	<b>\$ 230,516,847</b>	<b>\$ 227,755,120</b>	<b>\$ 224,847,096</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 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	\$ 7,798,806
Public safety	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	25,267,766
Physical environment	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	13,853,068
Transportation	22,526	17,456	17,796	18,997	17,025	25,005	56,145	80,922	52,509	88,959
Culture and recreation	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	1,477,256
Operating grants and contributions	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	9,379,731
Capital grants and contributions	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	2,181,943
<b>Total governmental activities program revenues</b>	<b>34,655,527</b>	<b>45,285,808</b>	<b>37,893,134</b>	<b>42,462,023</b>	<b>41,334,894</b>	<b>42,097,787</b>	<b>48,872,288</b>	<b>50,711,651</b>	<b>54,878,251</b>	<b>60,047,529</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water and wastewater	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	97,709,023
Gas	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	7,785,045
Sanitation	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	9,202,805
Recycling	153,154	153,142	161,604	170,265	178,433	175,078	175,689	178,435	1,068,927	1,109,183
Stormwater	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	6,214,993
Golf course	552,802	508,397	595,702	565,554	493,963	36,176	893,641	987,789	1,106,185	1,149,913
Operating grants and contributions	143,486	821,187	240,685	82,488	20,911	-	-	-	-	-
Capital grants and contributions	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	2,359,667
<b>Total business-type activities program revenues</b>	<b>82,335,274</b>	<b>84,828,177</b>	<b>81,837,920</b>	<b>86,189,756</b>	<b>93,701,604</b>	<b>108,702,520</b>	<b>110,772,740</b>	<b>110,709,661</b>	<b>119,880,249</b>	<b>125,530,629</b>
<b>Total program revenues</b>	<b>\$ 116,990,801</b>	<b>\$ 130,113,985</b>	<b>\$ 119,731,054</b>	<b>\$ 128,651,779</b>	<b>\$ 135,036,498</b>	<b>\$ 150,800,307</b>	<b>\$ 159,645,028</b>	<b>\$ 161,421,312</b>	<b>\$ 174,758,500</b>	<b>\$ 185,578,158</b>
<b>NET (EXPENSE)/REVENUE</b>										
Governmental activities	\$ (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)	\$ (66,288,837)
Business-type activities	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	27,019,899
<b>Total (expense)/revenue</b>	<b>\$ (63,956,511)</b>	<b>\$ (66,740,647)</b>	<b>\$ (81,070,983)</b>	<b>\$ (86,578,901)</b>	<b>\$ (74,673,809)</b>	<b>\$ (64,290,049)</b>	<b>\$ (62,350,555)</b>	<b>\$ (69,095,535)</b>	<b>\$ (52,996,620)</b>	<b>\$ (39,268,938)</b>

(continued)

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

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 31,708,055
Insurance premium taxes	1,025,038	1,088,921	1,374,674	1,508,690	1,438,573	1,372,490	1,277,851	-	-	-
Utility service tax	6,543,281	6,616,716	6,588,897	6,764,876	6,956,486	7,688,446	7,656,725	7,928,732	8,392,172	9,047,000
Communications services tax	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	3,017,207
Local business tax	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	2,426,731
Franchise fees	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	9,199,078
Grants and contributions not restricted to specific programs	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	8,078,628
Unrestricted investment earnings	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	181,000
Miscellaneous	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	756,909
Gain on sale of capital assets	-	22,929	69,974	94,230	42,435	30,341	38,873	-	29,373	19,849
Extraordinary loss on defeasance of debt	-	-	-	-	-	-	-	-	(6,879,604)	-
Transfers	813,669	266,366	(1,584,171)	1,664,873	(1,368,079)	(1,668,044)	(312,864)	1,924,193	11,174,321	7,960,905
<b>Total governmental activities</b>	<b>66,873,816</b>	<b>75,495,196</b>	<b>80,496,526</b>	<b>76,534,295</b>	<b>69,096,327</b>	<b>71,366,806</b>	<b>64,947,231</b>	<b>65,283,213</b>	<b>69,447,762</b>	<b>72,395,362</b>
Business-type activities:										
Unrestricted investment earnings	4,163,362	7,322,643	8,165,982	2,920,620	736,911	1,812,363	949,692	1,299,817	846,136	438,071
Miscellaneous	377,244	415,302	578,809	720,750	2,010,497	1,176,194	2,944,897	3,540,344	2,757,597	2,842,841
Extraordinary loss on early extinguishment of debt	-	-	-	-	-	(18,701,562)	-	-	-	-
Transfers	(813,669)	(266,366)	1,584,171	(1,664,873)	1,368,079	1,668,044	312,864	(1,924,193)	(11,174,321)	(7,960,905)
<b>Total business-type activities</b>	<b>3,726,937</b>	<b>7,471,579</b>	<b>10,328,962</b>	<b>1,976,497</b>	<b>4,115,487</b>	<b>(14,044,961)</b>	<b>4,207,453</b>	<b>2,915,968</b>	<b>(7,570,588)</b>	<b>(4,679,993)</b>
<b>Total</b>	<b>\$ 70,600,753</b>	<b>\$ 82,966,775</b>	<b>\$ 90,825,488</b>	<b>\$ 78,510,792</b>	<b>\$ 73,211,814</b>	<b>\$ 57,321,845</b>	<b>\$ 69,154,684</b>	<b>\$ 68,199,181</b>	<b>\$ 61,877,174</b>	<b>\$ 67,715,369</b>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ 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)	\$ 6,106,525
Business-type activities	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	22,339,906
<b>Total</b>	<b>\$ 6,644,242</b>	<b>\$ 16,226,128</b>	<b>\$ 9,754,505</b>	<b>\$ (8,068,109)</b>	<b>\$ (1,461,995)</b>	<b>\$ (6,968,204)</b>	<b>\$ 6,804,129</b>	<b>\$ (896,354)</b>	<b>\$ 8,880,554</b>	<b>\$ 28,446,431</b>



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

		Pre-GASB 54					
		2005	2006	2007	2008	2009	2010
<b>General fund</b>							
Reserved	\$	1,543,783	1,075,367	1,223,176	1,126,038	906,751	781,078
Unreserved	\$	62,965,388	66,826,236	74,017,655	54,581,311	46,969,831	76,930,022
<b>Total general fund</b>	<b>\$</b>	<b>64,509,171</b>	<b>67,901,603</b>	<b>75,240,831</b>	<b>55,707,349</b>	<b>47,876,582</b>	<b>77,711,100</b>
<b>All other governmental funds</b>							
Reserved	\$	6,066,066	6,061,626	6,439,674	691,999	742,431	1,395,685
Unreserved, reported in:							
Special revenue funds		20,762,692	20,880,009	16,213,389	50,690,054	43,728,427	4,569,356
Debt service funds		4,957,563	6,937,339	6,592,050	10,284,203	13,071,464	14,338,516
Capital projects funds		42,174,762	58,018,378	65,347,922	65,003,974	73,916,230	46,907,792
<b>Total all other governmental funds</b>	<b>\$</b>	<b>73,961,083</b>	<b>91,897,352</b>	<b>94,593,035</b>	<b>126,670,230</b>	<b>131,458,552</b>	<b>67,211,349</b>
		Post-GASB 54					
		2011	2012	2013	2014		
<b>General fund</b>							
Nonspendable	\$	15,345,639	631,062	632,503	789,630		
Spendable:							
Restricted		1,199,657	4,408,916	6,766,019	9,292,889		
Committed		28,615,342	28,628,942	29,382,905	29,623,636		
Assigned		10,067,923	4,784,445	813,745	6,896,977		
Unassigned		12,329,568	31,546,789	17,062,334	23,444,531		
<b>Total general fund</b>	<b>\$</b>	<b>67,558,129</b>	<b>70,000,154</b>	<b>54,657,506</b>	<b>70,047,663</b>		
<b>All other governmental funds</b>							
Nonspendable	\$	46,009	53,101	41,563	54,449		
Spendable:							
Restricted		10,938,716	7,980,303	8,976,005	11,829,801		
Assigned		42,790,651	35,506,939	32,993,753	32,760,916		
Unassigned		(251,900)	(203,644)	(40,313)	(49,786)		
<b>Total all other governmental funds</b>	<b>\$</b>	<b>53,523,476</b>	<b>43,336,699</b>	<b>41,971,008</b>	<b>44,595,380</b>		

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

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>										
Taxes	\$ 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	\$ 49,197,197
Permits and fees	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	8,587,577
Franchise fees	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	9,281,065
Intergovernmental	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	11,350,180
Charges for services	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	21,567,977
Administrative charges	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	6,231,856
Judgments, fines and forfeitures	968,624	953,751	927,842	7,592,902	2,999,253	1,341,017	4,420,158	2,977,201	3,737,369	6,119,436
Special assessments	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	8,750,541
Impact fees	204,408	346,571	184,880	138,514	38,128	11,126	134,266	79,550	46,473	84,198
Investment earnings	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	180,510
Contributions and donations	-	-	-	-	84,889	17,822	18,053	8,560	33,368	282,715
Miscellaneous	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	4,212,749
<b>Total revenues</b>	<b>101,537,160</b>	<b>120,906,106</b>	<b>120,204,065</b>	<b>116,509,332</b>	<b>112,623,320</b>	<b>115,826,895</b>	<b>115,003,052</b>	<b>114,449,542</b>	<b>119,161,915</b>	<b>125,846,001</b>
<b>EXPENDITURES</b>										
General government	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	20,463,001
Public safety	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	73,207,700
Physical environment	2,897,245	2,873,367	3,407,318	3,748,891	3,486,746	-	58,450	-	-	-
Economic development	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	1,450,739
Human services	53,309	50,112	5,212	42,441	43,625	30,911	5,709	38,434	5,891	-
Transportation	866,615	834,399	916,432	876,030	958,354	3,673,074	3,763,258	3,784,499	3,763,154	1,934,897
Culture and recreation	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	10,974,675
Debt service:										
Principal	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	1,995,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	39,529,163	-
Interest	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	852,330
Principal repayment due to refunding	-	-	-	-	-	-	8,175,000	-	-	-
Other	78,765	80,756	84,497	88,471	62,057	55,023	51,997	55,375	132,796	39,884
Capital outlay	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	4,919,682
<b>Total expenditures</b>	<b>88,595,542</b>	<b>99,931,298</b>	<b>108,675,699</b>	<b>107,999,424</b>	<b>114,351,420</b>	<b>142,011,004</b>	<b>138,608,409</b>	<b>125,240,608</b>	<b>152,552,599</b>	<b>115,837,908</b>
Excess (deficiency) of revenues over (under) expenditures	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)	10,008,093
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of capital assets	71,142	87,527	90,716	168,932	53,734	53,873	77,377	113,195	34,024	45,531
Transfers in	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	13,972,983
Transfers out	(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)	(6,012,078)
<b>Total other financing sources (uses)</b>	<b>884,811</b>	<b>353,893</b>	<b>(1,493,455)</b>	<b>4,033,805</b>	<b>(1,314,345)</b>	<b>(1,614,171)</b>	<b>(235,487)</b>	<b>3,046,314</b>	<b>16,682,345</b>	<b>8,006,436</b>
<b>Net change in fund balances</b>	<b>\$ 13,826,429</b>	<b>\$ 21,328,701</b>	<b>\$ 10,034,911</b>	<b>\$ 12,543,713</b>	<b>\$ (3,042,445)</b>	<b>\$ (27,798,280)</b>	<b>\$ (23,840,844)</b>	<b>\$ (7,744,752)</b>	<b>\$ (16,708,339)</b>	<b>\$ 18,014,529</b>
Debt service as a percentage of noncapital expenditures	13.0%	11.0%	9.2%	8.8%	8.5%	8.1%	13.9%	6.5%	28.5%	2.6%

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

FISCAL YEAR	PROPERTY TAX <sup>a</sup>	LOCAL BUSINESS TAX	INSURANCE PREMIUM TAX	COMMUNICATIONS SERVICES TAX	LOCAL OPTION FUEL TAX	UTILITY SERVICE TAX	TOTAL
2005	\$ 30,235,087	\$ 1,934,455	\$ 1,025,038	\$ 4,219,407	\$ 1,674,582	\$ 6,543,281	\$ 45,631,850
2006	33,661,644	1,998,601	1,088,921	4,490,037	1,686,497	6,616,716	49,542,416
2007	38,094,551	2,116,164	1,374,674	4,381,503	1,653,308	6,588,897	54,209,097
2008	35,683,030	2,161,515	1,508,690	4,676,356	1,624,496	6,764,876	52,418,963
2009	36,391,545	2,190,433	1,438,573	5,533,736	1,580,403	6,956,486	54,091,176
2010	36,137,516	2,158,770	1,372,490	5,072,917	1,693,200	7,688,446	54,123,339
2011	31,323,739	2,196,298	1,277,851	4,557,410	1,551,129	7,656,725	48,563,152
2012	30,485,081	2,138,637	1,299,161	4,285,645	1,453,852	7,928,732	47,591,108
2013	30,726,477	2,352,391	1,433,000	4,251,293	1,454,297	8,392,172	48,609,630
2014	31,708,055	2,426,731	1,500,184	3,017,207	1,498,020	9,047,000	49,197,197
Change 2005-2014	4.9%	25.4%	46.4%	-28.5%	-10.5%	38.3%	7.8%

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

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

FISCAL YEAR	REAL PROPERTY				LESS EXEMPTIONS:		TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE	ASSESSED VALUE AS A PERCENTAGE OF ESTIMATED ACTUAL VALUE
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	PERSONAL PROPERTY	REAL PROPERTY	PERSONAL PROPERTY				
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%
2014	3,656,176	2,903,640	425,186	436,072	2,306,308	39,188	5,075,578	6.0543	7,421,074	68.39%

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
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
2014	2013	6.0543	4.0801	5.7230	7.4800	0.4882	0.4110	0.0345	1.7554

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	2014			2005		
	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	\$ 331,899,480	1	7.09%	\$ 270,720,810	1	6.29%
Sawgrass Mills Phase III LP	83,457,740	2	1.78%	73,494,130	2	1.71%
Florida Power & Light Co.	56,046,013	3	1.20%	38,595,578	7	0.90%
Fifteen Gap Sawgrass LLC	54,941,070	4	1.17%	-	-	-
MGI Flamingo Palms LTD Partner	44,211,900	5	0.94%	34,929,605	8	0.81%
Duke Realty Limited Partnership	44,012,570	6	0.94%	-	-	-
F6 Sawgrass LLC	42,492,770	7	0.91%	-	-	-
Liberty Property LTD Partnership	36,753,300	8	0.79%	-	-	-
Sawgrass Lakes Center LLC	34,282,950	9	0.73%	-	-	-
Research In Motion	30,926,741	10	0.66%	-	-	-
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%
<b>Totals</b>	<b>\$ 759,024,534</b>		<b>16.21%</b>	<b>\$ 666,803,873</b>		<b>15.51%</b>

Source: Broward County Revenue Collection Division

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

FISCAL YEAR	TAX ROLL YEAR	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
			AMOUNT*	PERCENTAGE OF LEVY		AMOUNT*	PERCENTAGE OF LEVY
2005	2004	\$ 28,601,183	\$ 28,374,625	99.2%	\$ 21,647	\$ 28,396,272	99.3%
2006	2005	32,173,202	31,962,908	99.3%	71,236	32,034,144	99.6%
2007	2006	36,867,170	36,667,960	99.5%	116,740	36,784,700	99.8%
2008	2007	34,357,047	34,021,196	99.0%	134,898	34,156,094	99.4%
2009	2008	34,980,436	34,507,051	98.6%	152,932	34,659,983	99.1%
2010	2009	35,498,126	34,434,744	97.0%	(138,613)	34,296,131	96.6%
2011	2010	30,712,669	30,041,047	97.8%	(214,923)	29,826,124	97.1%
2012	2011	29,421,567	28,908,232	98.3%	(205,308)	28,702,924	97.6%
2013	2012	29,567,455	29,240,476	98.9%	(208,604)	29,031,872	98.2%
2014	2013	30,750,681	30,213,556	98.3%	-	30,213,556	98.3%

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

Source: Broward County Revenue Collection Division

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

FISCAL YEAR	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES		TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF REAL PROPERTY <sup>a</sup>	PER CAPITA <sup>b</sup>
	PUBLIC IMPROVEMENT REVENUE BONDS	PUBLIC FACILITIES REVENUE BONDS	PUBLIC IMPROVEMENT BONDS	AD VALOREM TAX BONDS	CAPITAL LEASES	UTILITY SYSTEM REVENUE BONDS	CAPITAL LEASES			
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
2014	-	-	1,270,000	16,770,000	-	216,148,358	-	234,188,358	3.35%	2,660

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

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

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



**SCHEDULE 11  
CITY OF SUNRISE, FLORIDA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2014**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE*</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
<b>Debt repaid with property taxes</b>			
Broward County School Board	\$ 1,794,131,000	3.57%	\$ 64,050,477
Broward County	279,630,000	3.57%	<u>9,982,791</u>
<b>Subtotal, overlapping debt</b>			<b>74,033,268</b>
<b>City direct debt</b>			<u><b>18,040,000</b></u>
<b>Total direct and overlapping debt</b>			<u><u><b>\$ 92,073,268</b></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  
PLEGGED 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			
2005	\$ 61,512,753	\$ 37,224,030	\$ 24,288,723	\$ 6,350,000	\$ 10,235,038	1.46	\$ 3,019,429	1.24
2006	64,491,864	40,671,062	23,820,802	6,595,000	9,975,723	1.44	3,203,700	1.20
2007	63,629,661	38,947,095	24,682,566	6,850,000	9,777,567	1.48	3,219,289	1.24
2008	66,955,767	42,025,822	24,929,945	7,050,000	9,565,498	1.50	4,869,537	1.16
2009	73,825,926	40,932,145	32,893,781	7,260,000	9,338,173	1.98	3,573,243	1.63
2010	89,140,021	47,213,431	41,926,590	7,490,000	8,719,183	2.59	4,747,986	2.00
2011	89,855,154	48,252,823	41,602,331	7,726,190	11,496,899	2.16	4,808,699	1.73
2012	92,940,085	47,658,170	45,281,915	7,185,000	10,949,689	2.50	4,954,591	1.96
2013	100,240,820	55,338,483	44,902,337	5,850,000	10,256,964	2.79	5,028,457	2.12
2014	104,857,766	53,446,264	51,411,502	5,850,000	9,085,839	3.44	5,320,666	2.54

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

	<u>FRANCHISE FEES</u>			
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	-	-	-	-
2014	-	-	-	-

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

	<u>UTILITY SERVICE TAXES</u>			
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	-	-	-
2014	-	-	-	-

**PUBLIC IMPROVEMENT BONDS**

	<u>SPECIAL ASSESSMENT COLLECTIONS</u>			
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
2014	270,600	215,000	56,045	1.00

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

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

SPECIAL TAX DISTRICT NO. 1  
PROPERTY TAX  
COLLECTIONS

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
2014	2,450,529	1,780,000	796,285	0.95

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

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

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

<sup>b</sup>Public 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.

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

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

<b>YEAR</b>	<b>POPULATION</b>	<b>TOTAL POPULATION INCOME (AMOUNTS IN THOUSANDS)</b>	<b>PER CAPITA INCOME</b>	<b>UNEMPLOYMENT RATE</b>
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	10.2%
2011	84,375	1,994,034	23,633	9.3%
2012	86,154	2,066,834	23,990	7.4%
2013	86,685	2,274,268	26,236	6.0%
2014	88,033	Not available	Not available	5.0%

**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 NINE YEARS AGO

EMPLOYER	2014			2005		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Broward County School Board	1,041	1	2.08%	-	-	-
City of Sunrise	999	2	2.00%	-	-	-
Coventry Healthcare of Florida	900	3	1.80%	-	-	-
United Healthcare	750	4	1.50%	750	2	1.57%
Mednax National Medical Group	600	5	1.20%	500	3	1.05%
Sheridan Health	500	6	1.00%	325	7	0.68%
Centene Healthcare	450	7	0.90%	-	-	-
Team Health	350	8	0.70%	-	-	-
Comcast	350	9	0.70%	-	-	-
Cross Country Services	340	10	0.68%	-	-	-
ABN Amro Financial	-	-	-	824	1	1.73%
Nortel	-	-	-	400	4	0.84%
Foundation Healthcare	-	-	-	400	5	0.84%
BHA Engineering	-	-	-	325	6	0.68%
Precision Response	-	-	-	300	8	0.63%
Metro One Communications	-	-	-	300	9	0.63%
Sunrise Auto Mall	-	-	-	250	10	0.52%
<b>Total</b>	<b>6,280</b>		<b>12.56%</b>	<b>4,374</b>		<b>9.17%</b>

Source: City Economic Development Office and Broward County Schools.

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

FUNCTION	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General government</b>										
Information Technology	15	14	12	16	16	15	14	13	17	13
Finance and Administrative Services	27	26	27	25	22	20	20	20	21	33
Central Services	18	18	17	17	19	22	22	21	21	-
Community Development-Planning	30	29	31	31	31	29	27	31	29	28
Other <sup>a</sup>	39	38	39	38	38	39	40	38	42	27
<b>Public safety</b>										
<b>Police</b>										
Officers	171	170	167	175	175	171	176	177	176	176
Civilians	72	78	79	83	89	86	86	82	82	65
<b>Fire</b>										
Firefighters and officers	137	139	139	146	146	139	145	149	145	149
Civilians	12	14	15	15	6	6	8	8	9	9
Building	26	26	27	31	29	28	26	25	24	29
Code Enforcement	13	16	15	15	15	15	15	15	13	13
<b>Transportation</b>										
Public Works	33	29	32	34	33	34	34	34	29	-
<b>Culture and recreation</b>	104	99	111	112	100	94	94	87	93	100
<b>Water</b>	94	99	99	101	100	102	100	102	102	119
Wastewater	87	91	92	94	93	94	105	107	106	124
Gas	25	23	24	25	22	21	20	19	20	21
Golf Course	17	16	16	15	11	-	-	-	-	-
Recycling	1	1	1	1	-	-	-	-	-	-
Stormwater	7	6	6	7	7	7	6	7	7	20

<sup>a</sup>Other includes City Commission, City Manager, City Clerk, City Attorney, Human Resources, Facility Management

\*Not available

Source: City Finance and Administrative Services Department

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

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FUNCTION	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public safety</b>										
<b>Police</b>										
Physical arrests	2,305	2,269	3,196	3,044	3,066	2,661	2,855	2,115	2,629	1,940
Parking violations	1,039	1,299	1,084	742	558	532	466	367	761	338
Traffic violations	16,636	15,867	11,293	13,490	11,843	10,845	12,874	19,471	12,714	14,153
<b>Fire</b>										
Number of calls answered	12,013	12,274	11,766	11,807	11,776	11,970	11,647	12,015	13,131	14,187
Inspections	7,654	5,916	8,297	9,057	9,613	9,662	10,101	10,578	10,577	10,529
<b>Transportation</b>										
Street resurfacing (miles)	15	13	18	15	6	15	10	12	8	8
Potholes repaired	26	20	51	61	351	398	186	295	317	290
<b>Culture and recreation</b>										
Participants-youth athletic programs	3,500	2,868	2,983	2,846	2,787	2,702	2,923	2,816	2,880	3,169
Theatre performance attendance	7,791	6,202	5,350	5,128	4,182	3,682	3,674	5,287	12,901	10,773
Senior center memberships	1,788	1,574	1,678	1,320	1,385	1,391	1,479	1,676	1,228	1,104
Athletic club memberships	328	321	261	290	220	193	291	296	461	525
<b>Water</b>										
New connections	620	222	189	143	35	142	157	62	149	69
Water main breaks	59	52	66	34	38	56	46	56	67	84
Average daily consumption (thousands of gallons)	24,121	24,527	22,775	21,546	21,469	20,400	20,672	19,746	19,797	19,833
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	22,420	22,011	22,489	24,265	26,062	25,851	21,664	24,445	21,423	20,864
<b>Gas</b>										
Average daily usage (CCF's)	12,456	12,313	12,459	12,499	11,843	12,544	12,180	10,995	10,802	12,413
<b>Golf course</b>										
Memberships	80	154	101	95	55	321	217	192	165	161
Rounds of golf played	29,419	33,349	29,624	17,137	9,602	1,054	36,992	37,399	39,649	38,996
<b>Stormwater</b>										
Commercial equivalent residential units (ERU's)	34,683	34,830	35,206	34,994	37,070	37,070	37,327	37,062	37,231	37,304
Residential equivalent residential units (ERU's)	36,626	36,686	37,113	37,619	37,787	37,900	38,158	38,386	38,695	38,695

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

FUNCTION	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	3	3	3	3	3	3	1	1	1	1
Patrol units	215	215	215	216	226	249	258	252	246	246
Fire stations	5	5	5	5	5	5	5	5	5	5
<b>Transportation</b>										
Streets (miles)	186	186	186	186	186	186	186	186	186	186
Street lights (FPL and City owned)	3,790	3,790	3,792	3,792	3,797	3,797	3,863	3,868	3,917	3,925
<b>Culture and recreation</b>										
Parks	12	13	13	13	13	13	13	13	13	13
Park acreage	169	177	177	177	177	177	177	177	177	181
Swimming pools	5	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	8	8	8	8	9	9	9
<b>Water</b>										
Water mains (miles)	631	636	636	636	636	636	637	637	637	637
Maximum daily capacity (thousands of gallons)	47,500	44,000	44,000	44,000	44,000	44,000	44,000	44,000	50,000	50,000
<b>Wastewater</b>										
Sanitary sewers (miles)	536	536	536	536	536	536	536	536	536	536
Maximum daily treatment capacity (thousands of gallons)	30,990	30,450	30,450	30,450	30,450	30,450	30,450	30,450	30,450	30,450
Gas mains (miles)	175	176	177	178	180	181	181	185	185	185
Golf Course	1	1	1	1	1	1	1	1	1	1
<b>Stormwater</b>										
Pump stations	7	7	7	7	7	7	8	8	8	8
Storm sewers (miles)	390	390	390	390	392	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*  
*Reporting Section*

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 4, 2015. 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  
March 4, 2015

**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, 2014. 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.

***Auditors' 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, 2014.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***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.

*Marcum LLP*

Fort Lauderdale, FL  
March 4, 2015

**CITY OF SUNRISE, FLORIDA**  
Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2014

Federal Agency, Pass-through Entity Federal Program Project	ARRA	CFDA No.	Contract/ Grant No.	Expenditures	Transfers to Subrecipients
<b><u>FEDERAL</u></b>					
United States Department of Homeland Security					
Indirect Programs:					
Passed through City of Miami - Homeland Security Grant Program	No	97.067	12DS-22-11-23-02-236	\$ 210,738	\$ -
Passed through City of Miami - Homeland Security Grant Program	No	97.067	14DS-C5-11-23-02-212	131,073	-
Passed through City of Miami - Homeland Security Grant Program	No	97.067	14DS-L2-11-23-02-413	130,273	-
				<u>472,084</u>	<u>-</u>
Total United States Department of Homeland Security					
United States Department of Housing and Urban Development					
Direct Programs:					
Community Development Block Grants/Entitlement Grants	No	14.218	B-12-MC-12-0035	254,343	-
Community Development Block Grants/Entitlement Grants	No	14.218	B-13-MC-12-0035	122,188	-
Neighborhood Stabilization Program	No	14.218	B-11-MN-12-0027	762,446	685,834
				<u>1,138,977</u>	<u>685,834</u>
Indirect Programs:					
Passed through Broward County - Home Investment Partnerships Program	No	14.239	12-HFCD-105-HOME	108,199	108,199
Passed through Broward County - Home Investment Partnerships Program	No	14.239	FY2013 - FY2014	3,550	3,550
				<u>111,749</u>	<u>111,749</u>
				<u>1,250,726</u>	<u>797,583</u>
Total United States Department of Housing and Urban Development					
United States Department of Justice					
Direct Programs:					
Federal Equitable Sharing	No	16.922		1,214,966	-
Bulletproof Vest Partnership Program	No	16.607		5,330	-
				<u>1,220,296</u>	<u>-</u>
Indirect Programs:					
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	No	16.738	2011-DJ-BX-2512	14,659	-
Passed through Broward Sheriff's Office - Edward Byrne Memorial Justice Assistance Grant	No	16.738	2012-DJ-BX-0035	6,342	-
				<u>21,001</u>	<u>-</u>
				<u>1,241,297</u>	<u>-</u>
Total United States Department of Justice					

(Continued)

**CITY OF SUNRISE, FLORIDA**  
Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2014

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		175	-
Passed through University of South Florida - Pedestrian and Bicycle Safety Enforcement Campaign	No	20.205		13,008	-
Passed through Florida Department of Environmental Protection - Recreational Trails Program	No	20.219	T12021/T1221	174,381	-
Total United States Department of Transportation				<u>187,564</u>	<u>-</u>
United States Department of Treasury					
Direct Program:					
Federal Equitable Sharing	No	21.000		120,172	-
Total United States Department of Treasury				<u>120,172</u>	<u>-</u>
United States Environmental Protection Agency					
Direct Program:					
Southwest Wastewater Treatment Plant Rehabilitation Project	No	66.128	00D17214	332,894	-
Total United States Environmental Protection Agency				<u>332,894</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 3,604,737</u>	<u>\$ 797,583</u>



**CITY OF SUNRISE, FLORIDA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2014**

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**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, 2014. 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, 2014**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

*Unmodified Opinion*

Type of auditors’ 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 auditors’ 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 Housing and Urban Development – CDBG	
Entitlement Grants Program	14.218
Neighborhood Stabilization Program	14.218
United States Department of Justice -	
Federal Equitable Sharing Program	16.922
United States Department of Treasury	
Federal Equitable Sharing Program	21.000
United States Environmental Protection Agency – Southwest Wastewater Treatment Plant Rehabilitation Project	66.128

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, 2014**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

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

***NONCOMPLIANCE***

***2014-001 Federal Equitable Sharing Program – CFDA No. 16.922***

***Questioned Costs \$30,124***

***Criteria***

According to the Asset Forfeiture and Money Laundering Section officials, the use of funds for consulting services is only permissible if the expenditure is unique in nature, indispensable, and for a short duration. Some of the expenditures in question were not considered unique in nature or indispensable because the City's Attorney Office had staff that have the necessary expertise to perform these legal services.

***Condition***

During our audit of the Federal Equitable Sharing Program for the year ended September 30, 2014, we examined a Department of Justice, Office of Inspector General audit report noting \$1,810 as disallowed costs for civil litigation services applicable to the period of October 1, 2013 to March 12, 2014. Additionally the period of March 13, 2014 to September 30, 2014 included amounts for civil litigation amounting to \$28,314. The Police Department paid a total of \$30,124 in equitable sharing funds for civil litigation services.

***Cause***

The Police Department believed the costs for the use of qualified civil forfeiture attorneys was allowable as their services were deemed extremely vital.

***Effect***

The City's interpretation of the allowable cost criteria as it related to the payment of the private law firm's services differed from the intent of the criteria under the program and as such, questioned costs were incurred during the year.

# CITY OF SUNRISE, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2014

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### SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (Continued)

#### *Recommendation*

We recommend that the City contact the agency in order to determine the procedures to remedy the \$30,124 in questioned costs for disallowed payments to a private law firm for forfeiture litigation services and institute new guidelines that comply with the forfeiture program for allowable costs using equitable sharing funds. In addition, the City should contact the Agency prior to incurring costs in order to clarify the compliance requirements of the potential costs if the criteria does not appear clearly defined by the Equitable Sharing Program Guide.

#### *Views of Responsible Officials and Planned Corrective Actions*

From the time of issuance of the Department of Justice audit report in November 2014, the city no longer uses equitable sharing funds to pay for legal consulting services. The Department of Justice has been reimbursed for all equitable sharing funds noted in their audit report. Additionally, the City has reimbursed the equitable sharing funds for legal consulting services paid from March 13, 2014 to September 30, 2014. The Sunrise Police Department has instituted new guidelines for equitable sharing expenditures and will no longer expend these funds on legal fees.

**CITY OF SUNRISE, FLORIDA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED SEPTEMBER 30, 2014**

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**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None.

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

None.

**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**

***Report on the Financial Statements***

We have audited the financial statements of the City of Sunrise, Florida (the City), as of and for the year ended September 30, 2014, and have issued our report thereon dated March 4, 2015.

***Auditors' Responsibility***

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 Auditor General.

***Other Reports and Schedule***

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; Schedule of Findings and Questioned Costs and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 4, 2015, should be considered in conjunction with this management letter.

***Prior Audit Findings***

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. 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)4., 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).

### ***Financial Condition***

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), 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.

### ***Annual Financial Report***

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the year ended September 30, 2014, 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 year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

### ***Other Matters***

Section 10.554(1)(i)2., 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)3., 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.

*Purpose of this Letter*

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  
March 4, 2015



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO  
SECTION 218.415 FLORIDA STATUTES**

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

We have examined the City of Sunrise, Florida (the City) compliance with Section 218.415 Florida Statutes for the year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

*Marcum LLP*

Fort Lauderdale, FL  
March 4, 2015